ASSESSING THE PROCESSES, STRATEGIES AND CHALLENGES FOR EFFECTIVE REVENUE MOBILIZATION AT LA DADE-KOTOPON MUNICIPAL ASSEMBLY

BY

MAXWELL TETTEH SILVEIRA

(10599157)

THIS LONG ESSAY SUBMITTED TO THE UNIVERSITY OF GHANA IN PARTIAL FULFILLMENT OF THE REQUIREMENT FOR THE AWARD OF MASTERS DEGREE IN PUBLIC ADMINISTRATION

JUNE, 2018
DECLARATION

I do hereby declare that this thesis is the result of my own research undertaken under supervision and has not been presented by anyone for any academic award in this or any other University. All references used in this work have been fully acknowledged. I bear sole responsibility for any shortcomings.

MAXWELL TETTEH SILVEIRA
(10599157)
CERTIFICATION

I hereby certify that this thesis was supervised in accordance with procedures laid down by the University.

............................................................ ............................................................
(DR. EMMANUEL Y.M SEIDU) DATE
(SUPERVISOR)
DEDICATION

This research work is dedicated first and foremost to the ALMIGHTY GOD for His mercies and loving-kindness, and to Mrs. Laryea.
ACKNOWLEDGEMENT

I sincerely thank the Almighty God for giving me the strength and wisdom to undertake this study. I also acknowledge the several writers whose work I referenced from, and the support of all those who contributed to the success of this study.

A heartfelt appreciation to Dr. Emmanuel Y.M Seidu, as my guide and supervisor from the Department of Public Administration and Health Services Management; UGBS. I must mention that without him this work could not have been completed.

Special gratitude goes to my family, who supported me both financially and spiritually till the completion of the research.

I finally acknowledge the efforts of the management and staff of La Dade-Kotopon Municipal Assembly, especially the Human Resource Manager; Mrs Bernice Quaye and the entire team of LaDMA for making the collection of data a success.
# TABLE OF CONTENTS

DECLARATION ............................................................................................................................. i  
CERTIFICATION .......................................................................................................................... ii  
DEDICATION ............................................................................................................................... iii  
ACKNOWLEDGEMENT ............................................................................................................. iv  
LIST OF FIGURES ..................................................................................................................... viii  
LIST OF TABLES ......................................................................................................................... ix  
LIST OF ABBREVIATIONS ......................................................................................................... x  
ABSTRACT ................................................................................................................................... xi  
CHAPTER ONE ............................................................................................................................. 1  
INTRODUCTION .......................................................................................................................... 1  
1.1 Background of the study ...................................................................................................... 1  
1.2 Statement of the Problem ..................................................................................................... 4  
1.3 Research Objectives ............................................................................................................. 7  
1.4 Research Questions .............................................................................................................. 7  
1.5 Significance of the study ...................................................................................................... 8  
1.6 Theoretical Framework ........................................................................................................ 8  
1.7 Limitations of the study ...................................................................................................... 12  
1.8 Organization of the study ................................................................................................... 13  
LITERATURE REVIEW ............................................................................................................. 14  
2.0 Introduction ........................................................................................................................ 14  
2.1 Definitions of Concepts ..................................................................................................... 14  
2.1.1 Decentralization ............................................................................................................. 14  
2.1.2 Economic growth and decentralization in Europe ......................................................... 16  
2.1.3 Decentralization in Ghana ............................................................................................. 18  
2.1.4 Constitutional mandate of decentralization in Ghana ................................................... 18  
2.2 Local Government Revenue Mobilization ........................................................................ 20  
2.2.1 Local Government Revenue Mobilization in Africa ...................................................... 21  
2.2.2 The Malawian Revenue Mobilization Experience ......................................................... 24  
2.2.3 The Revenue Mobilization experience of Kenya (taxation) .......................................... 26  
2.2.4 Revenue Mobilization in Ghana ..................................................................................... 28  
2.3 Sources of revenue to MMDAs in Ghana ........................................................................... 29  
2.3.1 Internally Generated Funds for MMDAs ................................................................. 30  
2.3.2 External Sources of Revenues for MMDAs .............................................................. 32
2.4 Procedures and Strategies for Revenue Mobilization ........................................................ 33
2.4.1 Revenue Mobilization Challenges ................................................................................. 33
2.5 Chapter Summary .............................................................................................................. 35
CHAPTER THREE ...................................................................................................................... 36
RESEARCH METHODOLOGY .................................................................................................. 36
3.0 Introduction ........................................................................................................................ 36
3.1 Study Design ...................................................................................................................... 36
3.2 Context of the Study .......................................................................................................... 37
3.3 Research Approach ............................................................................................................ 37
3.4 Research Population .......................................................................................................... 38
3.5 Sample and Sampling Techniques ..................................................................................... 38
3.6 Sources of Data for the Study ............................................................................................ 39
3.7 Data Collection .................................................................................................................. 40
3.8 Data Handling and Analysis .............................................................................................. 41
3.9 Ethical Considerations ....................................................................................................... 41
CHAPTER FOUR ......................................................................................................................... 43
DATA ANALYSIS AND INTERPRETATION .......................................................................... 43
4.0 Introduction ........................................................................................................................ 43
4.1 The Processes used by the Assembly in Mobilizing Revenue .......................................... 43
4.1.1 The Revenue Mobilization Process and Stakeholder Inclusion .................................... 44
4.1.2 Revenue Sources Identification and Setting Revenue Targets ....................................... 48
4.1.3 Training of Revenue Collectors .......................................................................................... 52
4.1.4 Revenue Collection and Adequacy of Revenue Sources for Mobilization ................ 53
4.1.5 Monitoring and Evaluation of Revenue Collectors by Management ............................ 56
4.2 The Mobilization Strategies ............................................................................................... 57
4.3 Challenges Confronting Revenue Collectors in Revenue Mobilization ....................... 60
4.3.1 Inadequate Sensitization of Rate and Tax Payers .......................................................... 61
4.3.2 Difficulties in Identifying Revenue Sources .................................................................. 62
4.3.3 Poor Monitoring and Evaluation of Collectors .............................................................. 62
4.3.4 Inadequate Logistics for the Collection of Revenue ...................................................... 63
4.3.5 Limited Reliable Revenue Collection Data .................................................................... 63
4.4 Critical Success Factors of the Assembly .......................................................................... 64
4.4.1 Introduction of Revenue Improvement Action Plan (RIAP) ......................................... 64
4.4.2 Training and Evaluation of Revenue Collectors ............................................................ 65
4.4.3 Provision of Logistics..................................................................................................... 65
4.4.4 Valuation of Properties................................................................................................... 65
4.5 Chapter Summary .............................................................................................................. 66
SUMMARY, RECOMMENDATIONS AND CONCLUSION ................................................... 67
5.0 Introduction........................................................................................................................ 67
5.1 Summary of Key Findings ................................................................................................. 67
5.1.1 The Revenue mobilization Process and Stakeholder inclusion..................................... 67
5.2 Recommendations.............................................................................................................. 70
5.3 Conclusion ......................................................................................................................... 71
REFERENCES: ............................................................................................................................ 73
APPENDICES .............................................................................................................................. 82
LIST OF FIGURES

Figure 1: Revenue trends from tax in SSA from 1980-2005: (Simple Averages) ………………23

Figure 2: Revenue Trends from Tax in SSA from 1980-2005: (Weighted Averages) …………24
LIST OF TABLES

Table 1: Summary of Revenue for the year ending December 2014 and 2015…………50

Table 2: Summary of Expenditure for the year ending December 2014 and 2015………51
LIST OF ABBREVIATIONS

MMDAs - Metropolitan, Municipal and District Assemblies

LaDMA - La Dade-Kotopon Municipal Assembly

MCD - Municipal Chief Director

IGFs - Internally Generated Funds

DACF - District Assemblies Common Fund

RIAP - Revenue Improvement Action Plan

HRO - Human Resource Officer

CRD - Chief Revenue Director

NGO - Non Governmental Organization

AO - Account Officer

BO - Budget Officer

FO - Finance Officer

RC - Revenue Collector
ABSTRACT

Mobilization of revenue by local governments for developmental projects in their various jurisdictions has over the years been considered as a major challenge. In view of this, the study therefore aims at exploring and assessing the process and strategies adopted by the MMDAs in raising internal revenue, and a recommendation of measures to enhance the revenue system. The study was focused on La Dade-Kotopon Municipal Assembly (LaDMA), using a qualitative research approach for investigating the problem. Since the research is a field study, it adopted the descriptive case study design. It also adopted a purposive sampling technique to select a total sample size of twenty (20) respondents and participants. The study found that, there was poor stakeholder inclusion in designing the revenue mobilization process, as well as identifying sources of revenue, unreliable database of properties and businesses within the municipality, lack of logistics to ensure larger population coverage, inadequate sensitization of citizens, and a poor training modules of revenue collectors in addition to poor monitoring and evaluation of those revenue collectors. The research then concluded that, revenue generation can still be improved significantly when the Assembly often sensitizes the rate and taxpayers on how their revenues are used, and how much is being collected from them, involvement of stakeholders in the design of the revenue mobilization processes and the identification of revenue sources, provision of logistics such as vehicles, and an intensive training of revenue collectors.
CHAPTER ONE
INTRODUCTION

1.1 Background of the study

Over the years Ghana and some parts of the world have embraced decentralization as a tool for accelerating developments. Powers were then transferred to local governments to employ strategies to mobilize their own revenues to match up with their expenses for development.

The phenomenon has been adopted by many countries across the globe as a strategy that will help meet the needs of their people on time. Brosio (2000) believes that the proponents of the countries that establish decentralization assign higher and ambitious goals to them and thereby establishing policies to meet such prioritized goals. All this is to ensure development is spread across all regions, with the aim of promoting equity.

Decentralization in Africa has faced so many challenges, where in Ghana the local government authorities have constantly been faced with the problems of raising enough revenue to be able to provide infrastructure and other pressing services within their jurisdiction, due to a lack in quality fiscal institutions to correlate with social spending (Gupta et al., 2008). For a country to be considered as developed, it needs huge funds to invest into its infrastructural policy and be able to provide some key forms of basic services to the people, as well as ensuring mechanisms are put in place that will ensure citizens are able to meet their daily basic needs, taking sustainability into consideration.

Sen (1979) defined development as “a process of expanding the real freedoms that people enjoy”. The growth of GNP of a nation or of individual incomes are very important as means of expanding the freedoms enjoyed by the members of the society. Freedoms depend on
determinants such as social and economic arrangements, for example, facilities for education, health care, political, civil rights, liberty to participate in public discussions and scrutiny.

Development can however not occur on its own, but rather needs the efforts of an educated populace, physical and financial resources. It also needs people who are committed to achieving the goals of the policies implemented, by understanding how the citizens feel when the taxes they pay do not reflect the rate of their developments. As assessed by Brosio (2000), it is very easy for the rich or affluent in society to establish a policy that would aim at targeting the poor in countries like Ghana where state institutions are weak, democratic institutions being fragile, and resources being scarce. Such people benefit from those policies at the expense of the poor in the country. Therefore, the Ghanaian government in the quest to achieve the needed development, implemented policies that aims at promoting and improving the living conditions of the people.

Among the policies, one major developmental policy which the government saw as a step closer to the targeted goals of development was decentralization, which focuses all developmental authority in the hands of MMDAs (Korkor, 2003).

Brosio (2000) argues that the structure of African governance is being transformed by decentralization. He further stated that, most African countries in the middle of the 1980s realized the need to transfer power, resource and responsibilities in the form of decentralization to their local governments. “Decentralization is any act in which central government formally cedes powers to actors and institutions at lower levels in a political-administrative and territorial hierarchy” (Mawhood 1983; Smith 1985, cited in Ribot, 2001 p. 5). According to Brosio (2000), this is a way central governments use to minimize some burdens on national politicians.
Decentralization in Ghana as stressed by Badu (2007) has for about 20 years now gone under several reforms with the view of ensuring governance and development reaches the door-step of the locals. It is also a way of curbing corruption which has deeply eaten into the moral fibres of leaders across the world, particularly nations like Ghana where the institutions that are supposed to control them are non-functional. It therefore needs to be immediately addressed if the purpose for decentralization is to be realized.

Before the Local Government Reforms in 1988, District Assemblies in Ghana were given the mandate to generate their own revenue to fund for their developmental projects. As it is believed they know the kind of projects they want to execute, and the amount needed for them, they can employ relevant strategies to help them mobilize enough revenue to fund for the projects. And because the District Assemblies have the closest form of governance to the locals, they tend to know where and how they can get the people to make such commitments towards the goals of the Assembly.

Even though the MMDAs are strongly backed by the Local Governance Act, 2016 (Act 936), and the Fiscal Decentralization reform of 1994, there has always been a short-fall in the revenue mobilization of the District Assemblies, thereby not being able to support their expenditure. Most of these short-falls in revenue are as a result of inadequate collections due to lack of expertise or staff, and mismanagement of the ones received. Beall (2000) puts this down to the fact that most of the urban Assemblies were instituted a long time ago and has since not been restructured, thereby lacking the strength to cope with the pace of the growing population.

Due to the inability of the Assemblies to raise adequate revenue, most of the District Assemblies only depend on the District Assemblies Common Fund (DACF) for their basic services and infrastructural developments despite the many avenues available to them to generate the needed
revenue. Aryee (2003) further argued that, because Assemblies are responsible for their people within their districts, it is necessary to investigate the needs of those people and design a strategy so that those needs could be realized.

1.2 Statement of the Problem

Fiscal decentralization programmes over the years have had the root of their successes from a very good or sound revenue systems (Bird, 2010; Martinez-Vazques and Smoke; Olowu and Wunsch, 2003). The functions of local governments have also been increased from time to time, with key among those functions is to mobilize revenue locally to foster administrative and political accountability through community empowerments (Shah, 1998; Oates, 1998). These revenues enables the Assemblies to provide the basic needs of the communities which ranges from portable water, schools, markets, roads amongst others, and without those revenue streams, the Assemblies would not be able to live their relevance.

Revenue mobilization, has also seen Metropolitan, Municipal and District Assemblies increase in responsibilities that ranges from provisions of fiscal policies, administrative, social services and amenities to the locals.

Gupta (2007) believes that, countries like Ghana and other developing ones can be able to meet their developmental programmes when they strengthen their internal revenue mobilization structures which normally depend on taxation. Although the Assemblies receive some revenue from parliament through the District Assemblies Common Fund (DACF), Gberegbe (2007) suggests that, the Assemblies can generate more through widening of the tax base so it can capture everyone in the district. The tax reforms of Ghana as revenue mobilization tools have been key to accelerating growth and reduction in poverty within the assemblies (Osei, 2006).
Revenue mobilization through other internal generation means also improves the overall fiscal health of the assemblies which enables them improve upon the delivery of essential basic needs.

Revenue mobilization is as important for the survival of such organizations as MMDAs. This then brings to light how critical fiscal decentralization is to the MMDAs in Ghana. As affirmed by Smoke (2001), he believes three reasons contribute to the relevance of fiscal decentralization in a developing country like Ghana;

- the inability of central governments to plan economically to promote adequate development at the local level.
- the frequent changes in international economic and structural adjustment programmes to improve the performances of public sector institutions
- to develop financial autonomy in countries in the developing phase such as Ghana. This therefore means, fiscal decentralization is relevant for an effective macroeconomic growth and stability, hence the transfer of power to MMDAs to adopt their own effective revenue collection strategies.

Despite the critical role of revenue mobilization in the survival of MMDAs, most of the MMDAs have not taken it seriously upon themselves to put in place the right structures and systems to ensure they are able to generate and mobilize sufficient revenue to enhance the growth and development of the MMDAs. Most of them have tended to rely on the District Assemblies Common Fund to finance their activities and programmes. This source of funding has been dwindling over the years, thus, jeopardizing the survival and viability of the District Assemblies. According to Aryee (1996), it is troubling when the Assemblies are still not able to generate enough of the revenues needed for the developmental programmes, and yet depends solely on the District Assemblies Common Fund, which in many cases could not even cater for half of the
projects designed for the year. This has hampered the smooth growth and development of the Assemblies and the decentralized system.

La-Dadekotopon is one of the Assemblies which has borne the brunt of this problem of lack of revenue to undertake developmental programmes. Although this Assembly has brighter prospects of been one of the Assemblies likely to generate and mobilize enough revenue for development activities for the community, this has not been the case because of a number of challenges facing the Assembly. These includes;

i. lack of adequate logistics and field staff to connect with urban dwellers living in slums, lacking proper housing facilities, clean water, access to electricity, transport, and a very good road network (Devas, 2003).

ii. lack of improved strategies to meet the growing population that has outpaced the local authority capacity for service delivery (McCluskey et al 2003).

iii. the inefficiency of revenue administrators and the improper handling of a large amount of the revenue received.

These issues have affected the revenue mobilization sources and thus having a serious strain on the Assembly. Managers in the Assembly are therefore frustrated by the lack of revenue to be able to undertake activities in the municipality.

It is in this context that Municipal Authorities and members of the community alike are calling for more research to assess the processes, strategies and challenges in the effective revenue mobilization in the Municipality in order to inform and guide how the revenue mobilization sources in the Assembly could be revamped to bring more life to the Assembly and the community at large. The community believes that, mobilizing revenue locally can help foster

Furthermore, conducting research in this area will help identify the real issues confronting the Assembly and seek to make appropriate recommendations for effective revenue mobilization in the area.

1.3 Research Objectives

To examine the effectiveness of the processes and strategies used by LaDMA in mobilizing revenue.

Specific objectives:

1. To examine the processes for effective Revenue Mobilization at La Dade-Kotopon Municipal Assembly.

2. Assess the strategies for effective revenue mobilization at LaDMA.

3. To examine the challenges affecting the effective revenue mobilization at LaDMA.

4. To identify the critical success factors for effective revenue mobilization at LaDMA.

1.4 Research Questions

1. What are the processes for effective revenue mobilization at LaDMA?

2. What are the strategies for effective revenue mobilization at LaDMA?

3. What are the challenges affecting the effective revenue mobilization at LaDMA?

4. What are the critical success factors for effective revenue mobilization at LaDMA?
1.5 **Significance of the study**

The study is significant due to the important roles MMDAs play in meeting the developmental needs of society, of which its findings will inform the central government and policy makers of the specific challenges faced by the MMDAs in mobilizing revenue, so they can formulate and implement strict policies that will compel staffs of MMDAs to meet a particular revenue mobilization target.

Fiscal Decentralization as was introduced in Ghana over a decade ago, needs to put measures in place to check the performance of the MMDAs in mobilizing revenue. Therefore an independent study of LaDMA will help assess the existing IGF strategies used, so that an efficient and effective system can be designed to help manage and generate adequate revenue for developments.

Findings from the study will bring to light the cause for the poor revenue mobilization, and its recommendations would also help to improve the system for revenue generation. This will then enable the management of LaDMA to effectively manage the performance of their field staffs.

Furthermore, a study on the processes, strategies and challenges of LaDMA’s revenue mobilization would help strengthen this critical area of research which can later be applied to the other MMDA’s in Ghana.

1.6 **Theoretical Framework**

The study is guided by the Fiscal Federalism theory, which has its foundation laid by Kenneth Arrow, Richard Musgrave and Paul Samuelson’s two important papers (1954, 1955) on the theory of public goods. Fiscal federalism is regarded as a byproduct of federalism, where the power to govern a country is shared among national, states, and various local governments which
therefore forms a federation (Arowolo, 201; Akindele and Olaopa, 2002 as cited in Ewetan, 2012).

Fiscal federalism according to Ewetan (2012) is about allocating government resources and expenditure to the various levels of governments in a country. The decision to allocate such powers and authorities to various tiers of governments stems from the hunger of people to get more involved with governmental affairs, and the failure of central government to provide the desired quality services (Aigbokhan, 1999; Oates, 1972; Tanzi, 1995; Chete, 1998, as cited in Ewetan, 2012). It therefore seeks for a grassroot participation of governments to the down trodden citizens. Oates, (1999) asserts that, fiscal federalism focuses on “understanding which functions and instruments are best centralized and which are best placed in the sphere of decentralized levels of governments”.

The theory advocates that each levels of government needs to be independent and autonomous to generate adequate resources so they can perform their expected functions without soliciting for financial support from the other levels of government. (Wheare, 1963). It can be said that, fiscal federalism is a guiding framework that helps to design financial relations between governments at the national and sub-national levels. This guiding framework according Sharma (2005) has a correlation with fiscal decentralization of which it can be applied to different countries that seeks to attain fiscal decentralization.

Decentralization in recent times, has focused more on fiscal federalism or fiscal decentralization. Ozo-Eson (2005) believes this has been due to the central government’s increase challenges to deliver what it stands for as opposed by the lack of ability to meet all the needs of the different constituencies, and therefore sort to delegate power and responsibilities to regional governments. Fiscal autonomy in many decentralized systems have also been recognized as a positive
approach to delivering the mandate of central governments. Gramlich (1984) believes the theory of fiscal federalism supports greater fiscal autonomy due to the fact that it puts greater responsibilities on local governments and reduce the over reliance on grants which induces some amount of pressure on local administrators and politicians to efficiently manage the spendings of local governments.

In the era where public goods exists, it is very important to see the existence of a multi-layered tiers of governments, since each tier in their jurisdictions will seek to maximize the social welfare of their constituents. Local outputs in such instances aim at targeting the local demands of the various local jurisdictions to increase social welfare as compared to central provisions. Oates’ (1972) “decentralization theorem” formalizes these principles which constitute the primary foundations known as the first generation theory of fiscal decentralization (Oates, 2005; Bird, 2009). The concentration of the theory is on how various tiers of governments are able to provide efficient levels of output of public goods “for those goods whose special patterns of benefits were encompassed by the geographical scope of their jurisdictions” (Oates, 2005). The central government under the basics of fiscal federalism is to ensure an equitable distribution of income, stabilize the macro economy, and efficiently allocate public goods that are national in nature, whereas the decentralized governmental tiers are expected to provide local public goods to their citizenry, and in cases of jurisdictional spill-overs that are associated with local public goods, can resort to grants from the central government.

This theory according to Ewetan (2012) promotes fiscal equalization in the form of lump sum transfers from central governments to local governments. The fiscal equalization often occurs in two folds;
I. Efficiency level; equalization is regarded as a way of correcting distorted migration pattern.

II. Provision of assistance to poorer jurisdictions.

However, the next step in this theory was to decide on the appropriate taxing policies or framework to use by local governments to enable them raise adequate revenue to assist them in maximizing welfare after the assignments of roles had been carried out.

Fiscal federation has however, come with its own shares of criticisms. According to Arowolo (2011: p.9), the theory “is characterized by constant struggle, clamour for change, and very recently, violence in the form of agitation for resource control in Niger-Delta”. These forms of agitations for more decentralized fiscal arrangements by the lower levels of governments have often been seen in countries and regions where fiscal decentralization exists. Derby et al (2002) also believes that a complete fiscal autonomy will distort the distribution of resources which will affect the issues of equity since some jurisdictions with different income levels at their disposal, than others. The only way to still maintain equity regarding public services is through redistribution between sub –central governments affecting the bases or incentives of real fiscal autonomy.

Fiscal autonomy affects local taxation, since one has to avoid tax externalities, to achieve economic efficiency. McLure (1967) terms this as “Tax Exportation” and considers as one of such problems. It therefore encourages “dumping” since more items will then be provided than necessary.

Furthermore, it is argued that fiscal federalism can generate “administrative” complexity. It is believed by Derby et al (2002) that managing a national tax system comes at a lower cost
compared to the assignment of tax activities between various jurisdictions that comes at higher administrative costs. Despite all the issues that comes with the theory of fiscal federalism, it still provides the basic principles to allocate functions to the various levels of governments in any decentralized system. The main interest of this theory pertaining to the research work however, is how fiscal federalism is seen in the financial aspect of devolvement of authority from the central to regional and local levels.

Fiscal federalism covers the divisions of competence in public expenditure decision makings, and public revenue between different governmental levels. According to Kesner-Skreb (2009), it also focuses on the freedom regional and local authorities enjoy in making decisions concerning the assessment of local taxes and strategies or systems used in collecting them and how expenses are made.

The use of a framework in research according to Ostrom (2011) helps the researcher to identify the most important elements needed for prescriptive and analytical purposes. Therefore, the above elements in this research were considered as main foundations or prerequisites for generating funds internally by regional and local levels of governments.

1.7 Limitations of the study

The study was associated with several limitations which made it more challenging. These limitations are:

- The difficulty in obtaining data from the assembly, since some of the staff were unwilling to share ‘confidential’ information.
- Inadequate funds to undertake the study due to high cost of transportation to the assembly, library, printing among others.
• It was very difficult merging class exercises with the research work.

1.8 Organization of the study

The presentation of the study is organized into five (5) chapters. The first presents the general introduction in which the concept of revenue mobilization is put into perspective. Background, problem statement, objectives, research question, and also the significance of the study were also presented.

Chapter two discusses the literature reviews for the study. This is in the area of decentralization and local government revenue mobilization.

Chapter three concentrates on profile of La Dade-Kotopon Municipal Assembly and the methodology adopted for the study. This comprises of the research strategy, sources and methods of data collection, sources of data (primary and secondary) as well as description of the mode of analysis.

Chapter four discusses the findings of the research which resulted from analysis of data collected. This was done through presentation of the output of data analysis. The presentations are in form of tables and statements.

Chapter Five provides a summary of the research and presents major conclusions emanating from the study as well as recommendations made. The summary of the findings were also presented per the study objectives.
CHAPTER TWO
LITERATURE REVIEW

2.0 Introduction

The chapter under discussion entails the literature review. The literature review explains what other researchers have written on the particular topic under study. Literature review shares with the reader the results of other studies that are closely related to the one being undertaken (Cooper, 1993; Marshall and Rossman, 2006). It relates a study to the larger on-going dialogue in the literature, filling in gaps and extending prior studies. The concept of decentralization is put in the first part of this chapter with concentration on the fiscal aspect of decentralization in developing countries.

The second part provides a general synopsis of decentralization in Ghana with attention on revenue mobilization by local governments.

2.1 Definitions of Concepts

2.1.1 Decentralization

The past decades have seen many governments especially those in transition advocate for decentralization as a means of improving the quality of public services delivery and the role of the citizenry is development processes. A general concept of decentralization is about “reversing the concentration of administration at a single centre and conferring powers on local government” (Smith 1985, cited in Agyeman, 2010). Conyers (1990) believes decentralization is the ability to delegate authority from a higher authority to a local level authority.

According to Rondinelli and Nellis (1986), decentralization transfers planning, management, resource mobilization and allocation responsibilities from central government and its agencies to
inferior level of governments. In the view of Manor and Ribot (as cited in Inanga and Osei-Wusu, 2004), decentralization is the formal transfer of power by central government to either actors or institutions at the local levels of “political-administrative hierarchy”. It can be deduced from the definitions that the concept of decentralization tends to emphasize grassroots mobilization and citizen participation in the decision making for development. It is aimed at the promotion of the collective efforts of citizens to better their communities.

Decentralization as observed has three major forms; deconcentration, delegation, and devolution according to Bergh (2004). Deconcentration refers to the process by which the central government shifts responsibilities for certain services to its regional branch offices without involving any transfer of authority to lower levels of government (Litvacket al.1998 4, cited in Bergh, 2004). This is affirmed by Adjei-Bamfo et al (2018) who believes deconcentration is the process whereby decision making and financial management responsibilities are shared within the various levels of the central governments. It is considered as the weakest form of decentralization (Rondinelli 1999:3; Bergh, 2004). Delegation on the other hand refers to a situation in which the central government transfers responsibility for decision making and administration of public functions to local governments or to semi-autonomous organisations that are not wholly controlled by the central governments but are ultimately accountable to it (Bergh 2004). Aryee (2000) further asserted that some important services and functions are transferred to some specialized organizations or institutions with autonomous power. Devolution occurs when the central government styles authority for decision making, financial allocations and management to quasi-autonomous units of local government. Nsakoh (1964) further explained that central governments under devolution transfer responsibilities of services to local
or municipal assemblies who elect their own officials and mobilize their own revenues, making investment decisions with independent authority.

For the purpose of this research, devolution will be the form of decentralization that will most commonly be referred to since it underscores Ghana’s decentralization, as a means of bringing the government closer to the people thereby ensuring that decisions are based on the needs and interests of citizens.

2.1.2 Economic growth and decentralization in Europe

The World Bank has always supported the idea of local governments been mandated to mobilize revenue for their developmental projects as it views it as a major governance reform on its agenda (World Bank, 2000; Burki, Perry, and Dillinger, as cited in Rodríguez-Pose & Krøijer 2009). Its relevance has also been backed by governments, economists, development agencies among others who also believe fiscal decentralization is a strong tool for economic growth. Many countries then adopted it as strategy to meet the needs of the people. According to Dillinger (1994), of about seventy-five developing countries, across the world, with a population over five million, sixty three of them have claim they have transferred power to their local governments.

Tiebout (1956) and Klugman (1994) asserts that, fiscal decentralization is mostly preferred because of two key assumptions, improve upon economic efficiency due to how close the local assemblies are to the people as well as the information they have about them, local governments are able to match the preferences of the local communities due to population mobility and competition among local governments for the provision of public services. With this assertion, it is believed that it is economically wise to decentralize power to the MMDAs. It is however argued that decentralization may not necessarily have any positive relationship with economic
growth. This is affirmed by Rodden (2002) who claims empirical evidence on fiscal decentralization in developing and developed countries have different effects. According to Davodi and Zou (1998), fiscal decentralization in developed countries do not have any significance, as has negatively been assumed by developing countries that closely associates it to economic growth.

Decentralization in developed countries such as those Europe and some parts of the Central America are regarded to be having positive correlation with economic growth, and therefore to some degree can be considered to be successful. These are successes according to Dabla-norris (2006) largely dwells on the characteristics of the country as well as the availability of strong institutions. Therefore, it argues that most of the positives of decentralization and economic growth written by various theorists usually relates to the developed countries with already established foundations that can support smooth decentralization process.

Arguments have often been made that, fiscal decentralization is only attractive in countries where per capita income is high and taxpayers can fully benefit without experiencing problems, Prud’homme (1995) emphasis that, fiscal decentralization is basically suitable for countries already developed.

In 1989, Rodrigues-pose and Kroijer (2009) believes that countries in central and eastern Europe went through a phase of transition from a very high degree of a centralized structured economics to a market dominated decentralized systems. They further asserted that, those countries in the early stages if the 1990s initiated comprehensive reforms of inter-governmental fiscal systems.
2.1.3 Decentralization in Ghana

Decentralization in Ghana has come over a long way since the colonial era. It began in 1878 when the British introduced an indirect rule which was aimed at legally empowering local chiefs to perform local government functions (Aryee, 2000). This period saw the chiefs acting as ambassadors to the colonial masters, where they could also pass by-laws and raise their own funds.

Aryee further asserted that, a new form of decentralization emerged in 1952 based on the recommendations of Watson commission (1948) and the Coussey committee (1949). This form of decentralization saw jurisdiction re-demarcated on the basis of size in population and viability unlike the previous one which was based on chiefdoms.

The model of decentralization continued to the period of the PNDC’s rule (1981-92) where it was considered to be historical (Assibey-Mensah, 2000). He also stated that, after the local government law (PNDC law 2007) was passed, 110 new district councils with their respective District Assemblies were created to improve upon the local participation in decision making process.

2.1.4 Constitutional mandate of decentralization in Ghana

The 1992 constitution provides a platform for a subservient setup of local government systems in Ghana. This idea according to Antwi-Boasiako (2010) is to enhance citizens and grassroots participation as well as the ownership of government machineries for development through devolution of power and means at the district level. The concept of decentralization was specified in the 1992 constitution of Ghana, under Decentralization and local government, Article 240 (1), which states that “Ghana shall have a system of local government and administration which shall as far a practicable, be decentralized”, The article 240(29) of the said
constitution also emphasized that, “Parliament shall enact appropriate laws to ensure that functions, powers, responsibilities and resources are at all times transferred from the central government to local government units in a coordinated manner. This therefore gives local governments the authority to run their own affairs within the remits of the constitution.

The constitution that authorized the 1988 LGL reforms as asserted by Antwi-Boasiako (2010) emanated after a long term of military dictatorship between 1981 and 1991 to provide a smooth transition from the military rule to a national level multiparty democracy.

District assemblies in Ghana have been divided into three main forms, metropolitan, municipal and district assemblies based on their size or functions. Metropolitan assemblies are considered to be the biggest among them which is made up of the big towns and cities, and currently have only 6 of them; forty (40) municipal assemblies, and 124 district assemblies made up of seventy percent (70%) elected officials and thirty percent (30%) appointed by the president of Ghana in consultation with traditional heads and other interest groups within the districts (Article 243 (d)).

The decentralization and local government system in Ghana has a four-tier Metropolitan Assemblies which separates itself from the three-tier Municipal or District Assemblies. The forms of Assemblies are distinguished from each other based on their population sizes and settlement characteristics of their areas: A metropolitan usually has a minimum population of 250,000 people, with a municipal having a minimum population of 95,000 people, and a district making up of a minimum of 75,000 people.

Antwi-Boasiako (2010) claimed that, before a District chief Executive appointed by the president can be retained, they need about sixty six percent (66%) of the head of the local executives who together with a district coordinating director form a central part to decision
making. Owusu-Ansah (1989) affirms that, the assemblies after the elections becomes the highest political administration in the districts.

In as much as MMDA’s have the power to operate on their own indigenes can demand for accountability from members and employees of the Assembly. A member of the assembly can also make a formal complaint against another member or employee through the appropriate grievance channels which would be formally investigated by an authorized body, and the appropriate sanction according to the law being meted out to such individual if found guilty.

Article 240 (2) of the constitution asserts that, the DA’s are to have adequate and reliable sources of funds, hence the need for a district Assemblies common fund (DACF) to make the MMDa’s remain active and effective [Article 252 (2)]

2.2 Local Government Revenue Mobilization

In the developing countries such as Ghana, most expenditures and revenues of governments usually controlled by central government leaving the local governments with a limited amount of discretionary power. The central government’s actions for the control of expenditures and revenue mobilization is justified with the concept of achieving macroeconomic stability, allocation bad distribution where the local governments are institutionally and financially constrained, and above all under staffed.

Many countries over the world in the quest to improve upon the effectiveness of their governments employ the strategy of devolution of revenue and expenditure, so accountability and economic efficiency will be enhanced. Kelly (2014) believes government’s involvement in public finance can achieve the macroeconomic stability and allocation functions when they
rationalize the revenue allocation and expenditure responsibilities, together with the establishment of an intergovernmental transfer program.

According to the Webster’s ninth new collegiate dictionary revenue can be defined as “the gross income returned by an investment or the yield of sources of income (as taxes) that a political unit (as a nation or state) collects and receives into the treasury for public use. This therefore means that governments at every level are mandated by various constitutions and Acts to collect revenue for the developments of their nation’s revenue through different forms of activities like taxes, dividends royalties’ interest among others.

In general, revenue can be referred to as a business income, or an amount received over a specific time period.

2.2.1 Local Government Revenue Mobilization in Africa

Statistics shows a rapid increase in the movement of people to the urban centers in Africa which would create an urban slum where about 50 percent of Africa’s poor would be living by 2025 (Tostensen et al, 2001). McCluskly et al (2003), asserted that the growth of cities and towns in Africa has outpaced the strength of local authorities in delivering vital services when it comes to management, financing and infrastructure. This assertion is affirmed by Beall (2000), many of the municipalities lack financial power, and therefore rely solely on central governments increasing rate in informal settlements by urban dwellers which are characterized by lack in better basic services such as housing electricity, clean water, sanitation, and roads among others.

Many countries in sub-Saharan Africa due to globalization have seen an increase in international movement of goods and services which has generated a substantial amount of foreign incomes to those countries. Keen and Mansour (2009) believes that the amount of goods traded between
1980 and 2002 and 2003-2005 improved regional GDP from 49 percent to 62 percent. Whereas revenue from foreign direct investments also increased from 1 percent to 3.3 percent of GDP.

The various MMDA’s in Africa have had many opportunities where they could tap their revenues from different revenue streams without fully relying on government supports, but have still not been able to run at a full capacity to mobilize, adequate revenue for developmental activities. According to Olowu and Wunsch (2003), a very good system for mobilizing revenue for MMDAs is a basic requirement for effective fiscal decentralization.

Some of the countries in the African region have “pulled” their revenues from various forms of taxes and tariffs, as well as natural resources. As Keen and Mansour (2009) noticed from a study they conducted with a sample size of 40 countries, it was observed from a data-set that between 1980 to 2005 revenues relating to tax has increased the average or simple tax ratio since the latter stages of the 1990s. They however believe the increase is as a result of revenue increase in natural resources. Therefore, countries with resources tend to gain much revenue on the back of their related natural resources than from activities which are not resource related.

**Figure 1: Revenue trends from tax in SSA from 1980-2005: All SSA countries (%)**

And **Resource countries only (%) (Simple Averages)**
This is further proven by Keen and Mansour (2009) that, even in countries that have resources, their revenues from non-resource related activities remained stagnant for a very long time to a point where it declined from 14.7 percent of GDP in 1990 to 12.8 percent in 2005.

On the basis of weighted average Keen and Mansour believes that there has been an immense contribution of resource revenue to the various budgets of the SSA countries with resources, where it increased GDP from 11.7 percent in 1980 to 24 percent as at countries such as Botswana (2.5%-16.5), Republic of Congo (8-32.4%), Gabon (11%-20%), Equatorial Guinea (0-36.6%) and Nigeria (16.8-36.8) have had the highest increase over those years.

Some Key factors are considered for moving from simple average to weighted averages when; smaller countries have larger governments as observed by Rodrik (1988, cited by Keen and Mansour; 2009) and some other scholars, some larger resource countries also have larger governments that puts so much pressure on the performance of revenues from resources.
It is further stressed that, most revenue collectors are often inefficient and are not able to execute their duties to satisfaction. This has now deepened the crisis of governance in Africa where common basic services cannot be provided.

MMDA’s on the continent can generate enough revenue using the system of own revenue, made up of user fees, taxes and different kinds of licenses, as well as grants and share of revenues from central or regional government transfers (Bahl et al, 2003).

2.2.2 The Malawian Revenue Mobilization Experience

The Malawi Local Govern Act of 1998 mandates local Assemblies to raise their own funds to cater for their basic developmental needs. This Act provides the Assemblies with greater financial and administrative powers so they can effectively execute their duties in accordance to the desires of their citizens.
Although the Assemblies have been given sufficient power in Malawi to generate their own revenue, their mobilization has generally been low. This inefficiency according to Schroeder et al (1998) is as a result of the following:

- **Poor Collection and Enforcement**

  According to Kelly et al (2001), most of the assemblies instead of using the enforcement mechanisms to mobilize their revenue rather rely on persuading the individuals to pay what is actually supposed to be their obligations. They further asserted that it is as a result of lack of political will which requires providing incentives and educating the taxpayers and the revenue collectors. Taxpayers must be convinced on why they should pay tax by providing and improving basic services, since people like to pay their taxes when they feel they benefit positively in return from what they pay.

  Many people in Malawi are ill informed on why property tax and business licenses are paid, because they are not educated on them and are not also involved in participatory budgeting and civic activities.

  The compliance of tax in Malawi currently is highly dependent on the efforts and steps of the individual collectors who will ensure that individuals and businesses pay the required amount they are supposed to pay, since they only method used at the moment is through the monitoring of tax receipts and business stamps that needs excessive resources to check individual compliance on a case-by-case bases.

  The Assemblies in Malawi to a large extent have failed to prosecute or take “hard” actions against defaulters. Kelly et al affirmed that the Malawi business license law
(Art.36) stipulates that in the course of non-compliance, a person could be fined and imprisoned for up to one year, and the business license revoked. They further asserted that, the Local Government Act (1998) also provides that late payments could attract a penalty. However, the beauty of these laws have not been effectively put to test.

- **Weak Administration**

  The revenue administration lacks complete and accurate information on the people and entities who are obliged to honor their tax obligations. This problem coupled with lack of political will to enforce strict measures for collection drastically affects the amount of revenue generated.

- **Tax Coverage**

  According to Kelly et al, Items or objects to be taxed are not fully covered due to incomplete or non-existing information, hence a low revenue mobilization. The business license registers of the local assemblies only contain information on small business, whereas license information of larger businesses’ can only be found at the central government level, and therefore makes it very difficult for the local assemblies to know the actual tax the larger businesses are supposed to pay.

2.2.3 **The Revenue Mobilization experience of Kenya (taxation)**

Kenya as compared to some low-income sub-saharan countries has a higher tax ratio, and an imbalance between revenue and expenditure of government which has often resulted in large fiscal deficits (Murithi and Moyi 2003).

Due to the idea that Kenya could raise adequate revenue from tax, they embarked on a tax reform in 1986. The reforms came at the back of an unstable macroeconomic period, which made it difficult to notice the effects of such reforms to have any important or identifiable effects of
revenue hence a very big change in macroeconomic policies. According to Devas & Kelly (2001), the local business license of Kenya has been separated from regulatory requirements, because the system has been ineffective with people manipulating the system for their own gains.

Developing countries, especially those with resources gaps, have to find a way of generating internal resources to aid in their bid for economic development. Taxation according to Prest (1985) has the ability to raise the incremental savings ratio as a determinant for growth. With an effective tax system and coverage many African countries like Kenya could achieve the needed economic boost. The World Bank (1990) asserts that, expenditure must “match” the growth in tax revenue so that macroeconomic stability can be achieved. The tax modernization programme of 1987 was then meant to enlarge the revenue base of government and to regulate the expenditure of government by using strict fiscal controls.

Kenya’s tax reform as stressed by the World Bank (1990), is to impose a small amount of tax with a wider coverage so as to capture as many people as possible. Thirsk (1991) also asserts that, the reform was to replace commodity taxes with VAT so that investors will not feel discouraged with the system. The reform was aimed at reducing the tax burden of the poor by levying and taxing some luxurious goods, exempting foodstuffs. IT also targeted the minimization of tax evasion at the corporate level.

Kenya’s economy has dwell so much on taxation, which has now become a burden to both individuals’ and businesses. As argued by Murith and Moyi (2003) that, the tax burden in Kenya by international standard averages about 26.6% and is too high hence would be logically prudent to lower that excessive tax burden.
2.2.4 Revenue Mobilization in Ghana

In the developing countries, most local governments have little control over government revenue and expenditure with the majority of such decisions been made by the central governments. However, some countries such as Ghana have shifted to decentralization which offers more power and authority to local governments to mobilize their own revenue to improve upon the delivery of basic government services and enhance economic control.

Kelly (2014) argues that, in order to achieve efficiency in economic and social activities, different revenue instruments must be allocated to the various levels of governments so that they can be able to generate adequate revenues,

- For the central government to be able to manage macroeconomic stability, functions.
- For the central government to be able to perform redistribution functions
- For both the central and local governments to efficiently allocate and provide important goods and services to citizens.

The local governments reform of 1988 mandates the MMDAs in Ghana to generate their own sufficient revenue for their developmental projects. The Local Government Act 2016, Act 936, stressed that, MMDAs can mobilize their revenue from a combination of local taxes, fees and charges, shared taxes as well as central government transfers.

According to the Ministry of Finance (2015) such development has inspired most local governments to fall on grants from central governments for their sanitation issues, when they can instead generate such internal revenues from property tax, and fees among other sources.
As a strategy to mobilize adequate revenue, Kelly et al (2001) proposed administrative framework to be used at the local level to provide a better oversight to the collection procedures, and to ensure that it covers all the potential avenues.

In the 2015 government budget statement, the government also established some important measures to help strengthen the local revenue generation systems as a component of fiscal decentralization, to ensure MMDAs control a substantial amount of the revenue they generate to help meet their developmental needs and perform the legal functions they have been assigned to.

Revenue collection in Ghana has however not been encouraging due to various reasons. Tahiru et al (2014) affirmed that, local authorities and revenue services are not living up to expectations due to the lack of proper ICT systems that can help identify properties and their owners, keep detailed tax records and confirm payments and claims made by owners of properties across Ghana. According to Send Ghana, most citizens do not honour their tax obligations due to low level of transparency and accountability, and citizen participation in the management of their Internal Generated Funds (IGF). Therefore, the government in its bid to promote and advance the reforms of fiscal decentralization has plan to undertake Public Financial Management across the various districts to ensure greater citizen participation in financial management of the MMDAs in Ghana (Ministry of Finance, 2014 and 2015).

2.3 Sources of revenue to MMDAs in Ghana

The 2011 Accounting Manual of MMDAs recognizes revenue as the monies received by the assemblies at the end of the year. Local Government revenue refers to the funds generated or raised by the assemblies.
The District Assemblies due to decentralization wields the power to perform certain functions in accordance to Act 2008; formulate and implement plans that can help raise adequate revenue to develop the districts; levy and collect taxes, fees, rates among others. The constitution further empowers the district assemblies to be more resource efficient by establishing a District Assemblies Common Fund (DACF) so that they could have enough funds to develop their jurisdictions. Revenues from central government are divided among the assemblies using a revenue sharing formula that has been approved by legislature. According to Article 252(2) of the 1992 constitution, the assemblies shall receive an annual appropriations of "not less than 5 percent of the total revenues of Ghana". The disbursement of the funds is further enshrined in Act 455 of 1993 District Assemblies Common fund.

The activities that are been executed by the MMDAs are funded from two major categories;

- Internally Generated Funds (IGFs)
- Central Government Transfer.

Fiscal decentralization according to Ankamah (2012) is a major consideration factor in the decentralization process which involves both internal and external sources of revenue.

The Local Government Act 2016 (Act 936), also identifies some sources where revenue can be generated by the assemblies: casino revenue, entertainment duty, betting tax, gambling tax, rates and levies, fees among others.

### 2.3.1 Internally Generated Funds for MMDAs

The decentralized system gave the local authorities the needed power and authority to mobilize their own revenue and make their developmental expenses.
"Ghana's decentralization process provides a framework for a system of locally-controlled
development and planning. By this process, district assemblies were established and charged as
the local planning authorities with responsibility for overall development and governance of their
district of jurisdiction" (Dick-Sagoe, 2012). Article 245(b) of the 1992 constitution and the Local
Government Act, 462, sections 34, 50, 60, 74, 76, 85, 86, 94, 95 and 99 gives the assemblies the
legal backings and authority to generate their revenues from their districts, to finance their
projects. Although fiscal decentralization includes the transfer of funds from the central to the
local governments, it goes beyond that to encourage and advocate for more power and authority
to decide on the use and management of revenue for those local governments (UNDP; 2005).
This then empowers them to generate their own funds to meet their developmental needs.

Internally Generated Funds of the MMDAs are therefore the revenues mobilized by the
assemblies within their jurisdictions. Tahiru et al (2014) asserted that, the assemblies can
internally generate their revenues from:

- Property rates; levied on fixed assets annually.
  
- Licenses; charges on "economic activities" performed within the assembly.

- Fees, charges on lorry parks, tolls among others.

Ankamah (2012) also asserted that, the IGFs of the assemblies normally includes rates, fees,
lands, fines, rent, license, and investment income.

Inanga & Osei-Wusu (2004) categorized internal revenue into tax and non-tax revenue:

- Tax revenues; compulsory payments imposed on the incomes of people who are self-
  employed, business and properties.
• Non-taxable revenues; voluntary payments made by some specific beneficiaries within the assembly. It includes licenses, fees or charges, permits and royalties among others.

2.3.2 External Sources of Revenues for MMDAs

Studies have gathered that, the assemblies over the years have been relying on transfers from central government to balance or reduce their fiscal deficits. This is also due to the inability of own-sourced local revenues to cover all the expenditures of the local governments. Bahl et al (2003) considers external revenues to be either central or regional level transfers to local governments in the form of grants and other revenue sharings.

Ghana has three main forms of intergovernmental fiscal transfers, made up of Recurrent Expenditure Transfers, Districts Assemblies Common Fund, and Ceded Revenues (Inanga and Osei-Wusu, 2004)

• Recurrent Expenditure Transfers; monies paid as salaries and pensions of staff of assemblies, as well as other administrative and operational expenses of the various assemblies by the central government. Such responsibilities have been born by government since 1995.

Grants from Non-Governmental Organizations (NGOs), Donor funds, and District Development Funds are also major transfers for local governments in Ghana (Ghana Strategy Support Programme, GSSP/ISSER, 2007).

• District Assemblies Common Fund (DACF); the 1992 constitution of Ghana, Article 252 provides the basis for the establishment of a District Assemblies Common Fund (DACF) as established by an act of parliament, Act 455 proposed for revenues of not less than 5 percent of annual national revenue to be allocated to the assemblies. The fund is
disbursed into the accounts of the MMDAs in quarterly instalments, using a formular approved by parliament.

- **Ceded Revenue;** monies collected by Ghana Revenue Authority (GRA) from certain accrued tax sources, and disbursed to the local assemblies by central government. It includes casino revenues, entertainment duties, businesses, income tax on the registration of trade, rates and levies on crops among others.

2.4 Procedures and Strategies for Revenue Mobilization

MMDAs have often been called upon to adopt efficient revenue mobilization policies and strategies that can ensure constant and foreseeable sources of income to finance their developmental agenda in a quality and accountable manner. They are therefore compelled to adopt some key processes such as revenue budgeting approval, execution and revenue performance.

2.4.1 Revenue Mobilization Challenges

DAs in Ghana over the years have faced series of challenges in their quest to generate adequate revenues for their districts. These instances in many cases have slowed down the intended developments by the assembly. Inanga and Osei-Wusu (2004) puts these challenges to:

- **Reliability in Central Government Transfers.** Most often, the transfers of the revenues that are meant for the assemblies under Act 455 of the 1993 District Assemblies Common Fund Act are delayed and in most cases falls far below what they are to receive as their share. Research shows that only 50 percent of such funds were paid to the MMDAs in 2000. These are monies that are meant to encourage some level of expenditure on some
specific essential local services, such as water supply, education, sanitation among others. Essential projects have often come to a halt due to such situations.

- **Lack of Accountability And Proper Monitoring And Control.** At the end of every financial year, all MMDAs are required under section 90 of Act 462 to submit their financial statements to the Auditor General, for the purpose of accountability. A review of the Report of the Auditor General however shows;

  i. Unclear understanding of the financial laws by Assemblies.

  ii. Staff loans are paid from DACF.

  iii. Lack of proper records by revenue collectors

  iv. Misapplication and misappropriation of the DACF.

- **Poor Relationship Management.** Some instances have brought to light the poor relationships that exist between many Members of Parliament (MPs) and DCEs in their districts. Most MPs who have strain relationship with their DCEs do not seem to get the full amount they need, to provide the desired services in the districts. These monies are expended in the communities on the instructions of the MPs, but the political tensions that normally rises between both sets often affects the disbursements of such funds.

Assemblies have also faced challenges on the level of valuating and revaluating properties to ascertain the right rate to be paid, due to inadequate resources on the part of land valuation board.

Questions have also been asked about the adequacy of DAs data base, and how well they are maintained. It therefore makes it very difficult and almost impossible to know "who pays what."
Furthermore, the issues of street and house numbering across the country has been a major setback to the assemblies.

The assemblies have not been given any benchmark to determine the amount of money they should collect to be considered as appropriate or adequate. Most members and staff of DAs do not appreciate the need and importance of IGF mobilization, and the relationship that exist between rates and taxes paid and the services rendered to society.

### 2.5 Chapter Summary

In summary, the chapter provided the framework on which the study was established and how it enabled the assessment of revenue mobilization. The chapter discussed the general concept of decentralization, targeting the fiscal aspect of decentralization.
CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter emphasizes on the methods used in obtaining the required information for the purpose of the study. It outlines the study design, population and sample size, sources of data and the instruments used, management of data as well as ethical considerations of the study.

3.1 Study Design

Cresswell (2009) defined research design as "plans and procedures for research that spans the decisions from broad assumptions to detailed methods of data collection and analysis". It specifies the planned methods and procedures the researcher intends to use to gather the needed information to structure and solve the research problem. A good research design should ensure the information gathered is relevant to the problem to be solved, and must be collected through objective and economical procedures (Smith and Gerald, 2010). Therefore, this study adopted the descriptive design, since it is a field study rather than a laboratory one, and was justified as suitable for this study due to the researcher’s intent in examining in details why and how LaDMA adopted their current processes and strategies for their revenue generation. This descriptive approach with the use of observation method also assisted the researcher in knowing more about how revenues are collected, rates and fees fixing, financial reporting and revenue data analysis. The approach also requires the researcher to directly contact selected respondents to collect relevant data for the study. It further assisted the researcher in identifying the existing correlations between the responses received.
3.2 Context of the Study

The area considered for the study was the La Dade-Kotopon Municipal assembly (LaDMA), with its headquarters at Labadi was formerly the La Sub Metro, and part of Accra Metropolitan Assembly (AMA). It was established in 2012 and now stands on its own.

During the establishment of AMA in the 1990s, LaDMA was part of Kpeshie which happened to be one of six Sub Metros of AMA. The Kpeshie in 2003 was divided into three by a Legitimate Instrument: La, Teshie, and Nungua Sub Metros. However the Kpeshie and Nungua Sub Metros were joined together to form theLedzokuku Krowor Municipal Assembly in 2007, leaving La to still remain as a Sub Metro under the AMA, until 2012.

LaDMA shares boundaries with Ayawaso-East and Ayawaso West Sub Metros to the North; Ledzokuku-Krowor Municipal Assembly (LEKMA) to the East; The Atlantic Ocean to the South, and Osu-Klottey Sub Metro to the West.

The area has a growing population of 183,528 (2010 PHC), with an age distribution of 0-14 years, 54,142; 15-64 years, 122,295; and 65 and above, 7,091.

3.3 Research Approach

Qualitative research approach was employed by the researcher to purposefully select the individual respondents and examine key documents and other visual materials to help the researcher understand the research problem. It is believed that, the qualitative research approach enables the researcher to give clear observations on the data obtained through an interview guide (Babie & Mourton, 2006). The study also adopted the qualitative approach to enable the researcher to closely examine into details the reasons for LaDMA’s selection of the various processes and strategies it uses in its revenue collection. This was further used by the researcher
in exploring the various challenges faced by the revenue collectors in executing their duties to the assembly, and to determine the appropriate ways to tackle such challenges.

Interview guides were structured by the researcher to collect data from respondents who for some reasons felt more conversant in granting interviews.

Observation method under this approach was useful to the researcher in knowing more about revenue collection, financial reporting and analysis of revenue data, fees fixing among others.

The use of face-to-face discussion was also necessary with accountants, directors, revenue collectors among others.

3.4 Research Population

Population can be said to be the total number of individuals or group with common characteristics that is of interest to the researcher. The population however consist of all staff members of La Dade-Kotopon Municipal Assembly (LaDMA); Municipal Coordinating Director (MCD), Municipal Budget Officer (MBO), Accounts Officer (AO), Finance Officer (FO), Internal Auditor (IA), employees and Revenue collectors (RC), were considered by the researcher to be vital to the research population.

3.5 Sample and Sampling Techniques

The purposive sampling technique was adopted by the researcher in selecting the respondents for the study due to the in-depth knowledge possessed by such respondents in the area of study. Purposive sampling according to Neuman and Robson-Power (2007) is useful when the researcher aims to identify some particular cases for deeper investigations to gain an in-depth understanding of that phenomenon than generalizing such phenomenon.
Purposive sampling was also used because the study was targeted at the custodians of the revenue mobilization systems and processes who were already known and could easily be identified.

Twenty (20) participants were sampled to respond to the questions, with one (1) of them being the Municipal Coordinating Director, two (2) Human Resource Officers, two (2) Account Officers, one (1) Budget Officer, one (2) Finance Officers, two (2) Internal Auditors, and ten (10) Revenue Unit Staff. These respondents were selected on the basis of their knowledge on the subject matter, with more emphasis on the members of Finance and other departments that are Finance related.

The Officers of the District Administration were selected on the bases of their direct involvement in setting the revenue mobilization processes and strategies, as well as the management of generated revenues.

The Revenue Unit Staff on the other hand were chosen to know their roles in the revenue mobilization processes, since they are directly involved in revenue collection, and encounter different forms of challenges associated with their tasks.

3.6 **Sources of Data for the Study**

Primary data was obtained from selected departments of La Dade-Kotopon Municipal Assembly through the use of an in-depth interview guide and an observation method, which enabled the researcher to scrutinize and examine the issues with greater care. Saunders et al (2009) believes the use of primary data is necessary because they are much reliable and comes from the original or main sources, gathered only for the purpose of the research.
Secondary data source on the other hand was obtained from articles, journals, books, internet, annual reports pertinent to case study. The use of secondary data from the various sources was to provide more insight to the study from the perspective of known scholars.

3.7 Data Collection

An in-depth interview guide and direct observations were the main instruments used by the researcher in collecting the data. This guide covered the broad thematic areas of the study objectives.

The use of an in-depth interview guide was to enable the researcher ask follow-up questions on the views and experiences of the respondents concerning the research being undertaken. This interview was conducted in the related offices of the Assembly at the respondents given time. Also, the use of the guide helped the researcher to cross examine the received responses to ensure accuracy in data and to avoid biases.

The interview guide was also used for the Revenue Unit Staff (Revenue Collectors) to know their involvement in the revenue mobilization processes when it comes to setting revenue targets, identification of various revenue sources, collection and challenges pertaining to the tasks. Since they were busy on the field, an hour was granted for such interviews to take place.

The researcher further used direct observation method to monitor the works and documents of these revenue collectors and managements to achieve the desired results. Documents were scrutinized in the related offices by the researcher, whereas the works of field staff was monitored on the field in the cause of revenue collectors executing their tasks.

An arrangement was made for a meeting with the Municipal Coordinating Director of LaDMA to seek approval for the interview. It was then explained to participants that the interview was only for academic purpose, hence their responses and identity would be treated with the highest
confidentiality. They were further informed that, any of them could discontinue with the interview at any stage of the process should they wish to.

3.8 Data Handling and Analysis

The concentration of the study was to analyze all responses from the targeted population, made up of Directors, Departmental Heads, Accounts Staff, Budget Office Staff, Internal Audit Staff and Revenue Unit Staff.

The researcher used digital audio recorder to gather the data during the interviews. The audio data from the field was then transcribed and grouped under various themes to help in the analysis and interpretations. This audio data from the interviews was stored on an external hard driver for easy access and long term security.

Content analysis was used by the researcher to deduce meanings from the data gathered from the field. According to Patton (2002) content analysis focuses on interpreting the amount of data collected by identifying the key thematic areas and patterns using constant comparison and careful examinations. The approach was adopted because of its ability to interpret data and make very good inferences as an analytical tool.

Findings from the analysis were presented in the form of narratives, and in some cases a direct quotation.

3.9 Ethical Considerations

Ethical principles were considered as important tools for conducting the study, having the interest of the respondents in mind. An introductory letter from University of Ghana was sent to the Assembly, with relevant copies to respondents so they can seek for permission in taking part of the research.
In using the interview guide, the researcher explained the purpose of the study to the respondents, of which an option of leaving at any point in the interview was also provided. Respondents were also given the opportunity to ask questions regarding the study area. Furthermore, participants were assured of confidentiality of their responses so they can provide vital information needed for the study without the fear of being exposed.
CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION

4.0 Introduction

The chapter under review contains analysis of field data collected with discussions on the various findings. It begins with the description of data collected from the field and the categorization of information gathered from the conducted interviews. It is further accompanied by an in-depth discussion of the findings, using a few illustrations by other researchers.

The first part of the study focused on examining revenue mobilization processes adopted by the La Dade-Kotopon Municipal Assembly, followed by strategies employed in generating the required revenue.

The third part of the study discusses the various challenges faced by the Assembly when collecting revenue, using the available processes and strategies. The final part further discusses the means through which the revenue generating processes and strategies can be managed and enhanced for infrastructural development. The data obtained from the field was then compared with relevant information that was discussed in the literature. The data was also gathered with a focus on the study objectives which serves as a guide for the information analyzed for the chapter.

4.1 The Processes used by the Assembly in Mobilizing Revenue.

The Local Government Act (ACT 936, 2016) asserts that, decentralized administrations are mandated by law to strategize and generate adequate resources in order to be able to execute their own plans, and to improve upon the developmental needs of their citizens. These plans for development over the years have been carried out annually through an annual development
budget, which shows the most pressing projects that needs to be done, and how revenue can be raised to carry out the projects. The La Dade-Kotopon Municipal Assembly in the quest to increase the amount of revenue generated internally by the Assembly, introduced a revenue mobilization process known as the Revenue Improvement Action Plan (RIAP). This process involves the engagement of stakeholders in revenue mobilization planning processes at the local level, identification of the various revenue sources and setting of targets, training of revenue collectors, revenue collection process, and putting control measures in place to check and track the mobilization and usage of these resources.

4.1.1 The Revenue Mobilization Process and Stakeholder Inclusion.

In the quest to implement effective programmes to generate adequate revenue for the Assembly, various stakeholders were often called upon to collaborate with the Assembly in drawing up the entire revenue mobilization processes and strategies. These stakeholders are divided into, internal and external stakeholders.

The internal stakeholders are typically involved from the planning stage to the evaluation stage, due to the vital ideas they bring on board. It was established from the study that, the Finance Departments, Revenue section of Accounts Department and the Budget Department are usually responsible for outlining the revenue mobilization processes and strategies, with close involvement of stakeholders such as Development Panning sub-committee, Planning Coordinating Unit, and other relevant sub-committees (Budget Committee, Town and Area Councils, as well as rate collectors who are not directly involved) to assist in determining the amount of fund available to spend, the sources of revenue and the establishment of priorities.

The management of LaDMA also solicits the views of Assembly members when it comes to revenue items such as business operating permits. They do this by notifying the Assembly of
new springing businesses in their areas, in order for collectors to later enquire about their business operating permits, and be captured if they are not yet in the database of the Assembly. These Assembly members also look out for new buildings, sending information across to the Assembly, so they could come and inspect to know if the building has a genuine permit. They also play a role in locating telecom marks and inform the Assembly, so they could verify whether the people followed the right procedures, with the appropriate fees paid. It was therefore realized from the study that, the Assembly relies a lot on the stakeholders and Assembly members to mobilize the amount of revenue they receive annually. This was affirmed by a respondent who stated that:

“The Assembly members under our jurisdictions have really helped us in getting some businesses we did not know existed, into our database” (MCD, 2018).

The Revenue Improvement Action Plan (RIAP), which tells how the Assembly can be able to mobilize revenue over time by engaging various stakeholders, has been used by LaDMA over the past years as means for generating the needed revenue. A respondent asserts that:

“It is the RIAP that enables the Assembly in mobilizing the revenue, because everything that pertains to the generation of revenue is found in it”. (CRD, 2018)

Another respondent also claimed that:

“If the targeted revenue of the year falls short or reduces significantly, then there is a question to the relevance of the Revenue Improvement Action Plan, to know if the plan was weak or badly implemented”. (MCD, 2018)

This Revenue Implementation Action Plan is often updated to capture new businesses and improve upon the database of the municipality, as well as training of revenue collectors in order to make them more professional in executing their duties. A respondent asserted that:
“RIAP has been there for years, and has been subjected to many adjustments over the period of its inception, guiding the revenue collectors on their job and the Assembly as a whole”. (FO, 2018)

The study however gathered from the responses given by revenue collectors that, most of the stakeholders and Assembly members do not fully understand these processes stipulated by the RIAP in generating adequate revenue, with most of them not reporting as often as they should. This they believe comes down to the fact that most of them do not understand the technicalities associated with the RIAP processes, hence affecting how much revenue is generated over the year. It was established that whiles some of them claimed they were always involved in the designing and adjustments of the processes; others also stated that they only see them when it is finally presented to the general assembly for approval, without playing any role in the actual designing stage. A response from a revenue collector stated that:

“Our departmental head is the one who takes part in any revenue generation process here at LaDMA, and we only take directives from them as to how to do our job”. (RC, 2018)

It was also realized that, all the Unit Committee members do not play any role in this process, because they were often not called by their Assembly members or any official to express their view on the matter. According to the Chief Revenue Director:

“No, we usually don’t engage them directly when it comes to revenue processes. The Assembly often calls on the Assembly members who usually represent their Unit Committee members when it comes to designing a process for some revenue items”. (CRD, 2018)

The implications associated with this phenomenon which has been contrary to various literatures reviewed for this study has a damning effect on the adequacy of the revenue collected. The
effects of the absence of some key stakeholder participation cannot be taken lightly when it comes to issues of revenue generation process formulation and implementations. Stakeholders who are directly involved in collecting revenues, and yet not involved in the processes in generating those revenues, views them as impositions from top hierarchy rather than being part of the entire processes, which demotivates them in achieving the objectives of the Assembly. This internal form of stakeholder participation is very important in identifying different relevant sources of revenue and can therefore not be taken for granted.

The external form of stakeholder participation has to do with the involvement and sensitization of rate payers or citizens in fixing of rates. There have often been calls on citizen tax sensitization systems to enable them understand the need of paying taxes as an important condition for the development of their areas and the services they receive.

The research work further wanted to know how citizens are convinced to pay taxes due the Assembly. It was observed from the various responses that, the citizens are often informed on tax reviews; decrease or increase of taxes, new tax reforms, and ceded revenues among others, during a stakeholder meeting with them. This means the people are pre-informed on what to expect during a stakeholder meeting. The study however, noticed a problem with this area, since most of the citizens who pay the taxes believe the tax they pay do not match the kind of development they expect. This assertion therefore contradicts a response from a senior staff of the Assembly who claimed:

“The Assembly goes round to sensitize them on the need to pay their taxes and what their taxes are used for. An instance is the Assembly drawing their attention to a new market being built by the Assembly; making them know their taxes fund for part of the project, with the other part being funded by the government of Ghana”. (BO, 2018)
Another respondent also stressed that;

“The Assembly holds a town hall meetings where community heads, clan houses and business operators are invited, and are therefore briefed on what was collected the previous years and what it was used for”. (HR, 2018)

The heads then reports back to the people, feeding them with the necessary information.

4.1.2 Revenue Sources Identification and Setting Revenue Targets

Revenue sources and target identifications under this process requires some systematic processes, which entails the establishment of an achievable baseline parameters on existing and potential taxpayers, subscribers, and beneficiaries of the services of local governments. It therefore constitutes one of the major requirements for effective revenue mobilization.

With regards to data gathered from LaDMA, it was established that, the Assembly generates revenue from rates; property rates, Business Operating Rates such as real estates, mechanics, artisans, private professionals (lawyers, doctor, engineers), building permits, telecom mark fees, burial fees, market fees, fines and penalties. The Assembly further raises revenues through licenses, investments and rents.

The La Dade-Kotopon Municipal Assembly further uses a database that was emulated from AMA. It was observed from the responses that they are in the process of using a system that helps in evaluating the value of properties in the municipality, so that appropriate amount of rate or tax will be paid on them.

The process is carefully planned by the Finance, Planning and Budget Units of the Assembly. The study further wanted to know how revenue collectors are involved in this process since they are often on the field and close to the taxpayers. It was however observed that, although the
revenue collectors are the first point of contact to the rate payers, as well as a link between the Assembly and the citizens, they are directly not involved in identifying revenue sources and setting revenue targets. A respondent from revenue collection unit echoed that:

“With the exception of the Chief Revenue Director who partakes in the identification of the various sources of revenue as well as fixing of rates for the available sources, none of the revenue collectors play any direct role in identifying the different sources of revenue for the Assembly”. (RC, 2018)

This statement was further affirmed by the other revenue collectors, who believe they are not treated fairly on that. A revenue collector stated that:

“Are we only supposed to go onto the field to collect monies for the Assembly without them thinking we also have to be involved in some decisions of the Assembly to facilitate our work? We are the ones who face them and know everything concerning this job”. (RC, 2018)

Although these groups of employees are not included in making the revenue decisions, the study realized the Assembly still collaborates with Assembly members and some other stakeholders such as the Town and Area councils to locate potential revenue sources.

On the issue of the key factors considered by the Assembly before setting the revenue targets, the study observed from the various responses that, when setting the revenue targets, the officials responsible for fixing rates work in collaboration with rate payers and inform them on the adjustments to be made. A response from management claimed they often inform the citizens that:

“This year we want to increase rates from this end to this end, this amount to this amount and asked on whether they agree or have problems with the new directive”. (BO, 2018)
The rate payers on the other hand are given the opportunity to express their views on the matter. Another respondent from revenue department stressed that:

“The people could also express that, with property rates, the Assembly wants them to pay this amount and maybe they cannot pay”. (CRD, 2018)

The budgets department therefore uses a formula to calculate their new rates and agree on the rates with the people before it is uploaded unto the system. It is prudent to engage rate payers in fixing of rates, since it will prevent or reduce agitations from those citizens.

However, data gathered revealed that the Ministry of Local Government has introduced a guideline to ensure uniformity in the system. A response from the finance department quoted the directive that:

“all municipality should charge so and so amount for let’s say a business operating item like mechanic, they should all pay this, if you fall under municipality status in order for the system to be standardized so that people can pay the same rate anywhere outside their municipality”. (FO, 2018)

It was noticed that, in spite of these directives, the Assemblies still prepare their own guidelines on the rates to be paid to the people. This they believe is because the size of the various municipalities in Ghana could be different among the regions. For instance, a business under LADMA in Accra could not be compared to a business of similar nature in a remote area. Also, if the Assembly has a justifiable reason in charging an amount, they can write to the Ministry of local government for approval.

The Assembly’s 2014 and 2015 projected revenues and expenditure can be found below.
Table 1: Summary of Revenue for the year ending December 2014 and 2015

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Rates</td>
<td>546,000.00</td>
<td>532,368.32</td>
<td>1,100,000.00</td>
<td>972,945.03</td>
</tr>
<tr>
<td>Land &amp; Concession</td>
<td>1,265,000.00</td>
<td>1,215,534.32</td>
<td>1,069,000.00</td>
<td>1,177,898.16</td>
</tr>
<tr>
<td>Fees &amp; Fines</td>
<td>1,386,500.00</td>
<td>1,477,553.56</td>
<td>1,828,000.00</td>
<td>2,001,699.71</td>
</tr>
<tr>
<td>Licenses</td>
<td>809,040.00</td>
<td>757,803.90</td>
<td>1,272,900.00</td>
<td>1,244,662.35</td>
</tr>
<tr>
<td>Rent</td>
<td></td>
<td>3,000.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants</td>
<td>4,467,705.00</td>
<td>2,597,529.62</td>
<td>5,710,721.00</td>
<td>5,742,795.15</td>
</tr>
<tr>
<td>Investment Income</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>40,000.00</td>
<td>62,936.77</td>
<td>461,600.00</td>
<td>487,960.98</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>8,514,245.00</strong></td>
<td><strong>6,603,728.49</strong></td>
<td><strong>11,445,221.00</strong></td>
<td><strong>11,627,961.38</strong></td>
</tr>
</tbody>
</table>

Source: Composite Budget, LADMA 2015

Table 2: Summary of Expenditure for the year ending December 2014 and 2015

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Compensation of Employees</td>
<td>2,449,400.00</td>
<td>927,427.42</td>
<td>1,274,500.00</td>
<td>1,245,899.82</td>
</tr>
<tr>
<td>Goods and Services</td>
<td>3,007,045.00</td>
<td>1,802,605.93</td>
<td>2,100,000.00</td>
<td>2,432,376.78</td>
</tr>
<tr>
<td>Assets</td>
<td>839,800.00</td>
<td>880,239.91</td>
<td>1,500,000.00</td>
<td>1,202,618.27</td>
</tr>
<tr>
<td>Interest</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants</td>
<td>1,481,000.00</td>
<td>2,256,260.72</td>
<td>5,710,721.00</td>
<td>4,557,411.03</td>
</tr>
<tr>
<td>Social Benefits</td>
<td>62,000.00</td>
<td>48,721.30</td>
<td>90,000.00</td>
<td>74,127.96</td>
</tr>
<tr>
<td>Other Expenses</td>
<td>675,000.00</td>
<td>560,112.44</td>
<td>770,000.00</td>
<td>816,256.27</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>8,514,245.00</strong></td>
<td><strong>6,475,367.72</strong></td>
<td><strong>11,445,221.00</strong></td>
<td><strong>10,328,690.13</strong></td>
</tr>
</tbody>
</table>

Source: Composite Budget, LADMA 2015

Data gathered revealed that the Assembly generates most of its internal revenues from Lands and Royalties during the 2014 and 2015 period. It was observed that LADMA earns more in building plans or permits than any other projects under their jurisdictions. This observation was further affirmed by a respondent, who stated that:
“Over the past five years there have been huge buildings in the name of residence and multinational companies than schools, private hospitals among others who pay a huge amount of money to the Assembly for permits of different classes, because they fall under their jurisdiction.” (CRD, 2018)

4.1.3 Training of Revenue Collectors

Many scholars have often stressed on the importance of training and staff development on employees performance. Mathis and Jackson (2006) stressed on the need of organizations in consistent training and developing of their employees in order to adjust to the changing nature of the organizations environment. LaDMA therefore considers this as an important process for effective revenue generation.

The study then wanted to know the kind of training to these collectors and how often they are trained, so they could be well informed on new ways and technologies that can facilitate the execution of their duties. The research data gathered showed that, when revenue collectors are recruited, they are taken through the financial regulations surrounding their jobs and office. This involves the Auditors, Budgets, and Finance departments, who train them on laws governing revenue collection; how revenue collectors are supposed to behave and comport themselves, and bond signed before receipts and cashbooks are released to them.

The research also found that, the Assembly often calls on an NGO from Germany, which comes to train the collectors and the Assembly as a whole on new ways and technologies in generating revenue. It was realized from the data collected that, revenue collectors are trained periodically depending on training needs assessment from their departments, as and when it calls for a refresher course into their duties.

They are therefore trained before tools and materials are given to them to work as new recruits. Sometimes when new staffs are recruited, they together with the existing ones are again trained
together. Revenue Collectors are often sensitized on new tax laws. A participant of the study stated that:

“Revenue collectors are often updated whenever there is a review of tax laws, or when some taxes are waived off, or new ones introduced”. (HRO, 2018)

Responses from revenue collectors also confirm the assertion of management that they were given various forms of training before moving to the field. A collector stated that:

“I have received different types of training from the Assembly over the last two years, and I have even joined a training session from some people from Germany, led by a woman”. (RC, 2018)

The study further realized that, in as much as this people were often trained, the training has not been adequate enough. It was concluded that most of the trainings were often repetitions of what they already knew with no substantial training upgrades. This was affirmed by a revenue collector who remarked that:

“Most of the trainings we receive are things we already know, so not everyone goes for training meetings, because they believe they can assume what was going to be done”. (RC, 2018)

Therefore, the absence of the effects of quality training on revenue collectors and their performance cannot be overemphasized. It is however important for La Dade-Kotopon Municipal Assembly to inculcated revenue training into the overall strategy of the Assembly.

4.1.4 Revenue Collection and Adequacy of Revenue Sources for Miobilization

The fourth step of the processes has to do with how revenue is collected by the Assembly, and how sufficient those sources are, for revenue collectors to mobilize the required revenue expected by the Assembly. The research established that, the trained revenue collectors are
deployed to the various revenue sources that have already been identified by the Assembly.

These revenue collectors collect the revenues in the form of rates, fees and taxes, through the issuance of tickets and payment receipts. A management respondent stated that:

“We deploy our collectors to areas we have already worked on, so they only go there and issue the receipts to the people who are due to pay, and after collecting the monies issue them a receipt which shows they have paid” (CRD, 2018)

Another response from a revenue collector stressed that:

“I first of all issue tickets to the people who sell at the market and take my money from them, after which i report back to the Assembly after the Day’s work” (RC, 2018)

In regards to the adequacy of resources at the disposal of the La Dade-Kotopon Municipal Assembly, it was found from the data that, the adequacy of the financial sources according to a respondent can be broken into two parts:

i. “Not a matter of it being adequate, since the Assembly can have a lot of revenue items, but as to whether those items can generate enough revenue is another thing:

ii. Getting new areas or new ways of generating revenue, because some revenue items such as building permits, although can generate a lot of revenue over the years, can still reduce in value when the land or building depreciates. These means are not sustainable, hence finding new ways of generating revenue to back up the existing ones, and how you are able to collect them, because people are not so much sensitized on why they have to pay the rates or tax”. (AC, 2018)

This therefore means that collecting adequate or budgeted revenue goes beyond just identifying different and many sources of revenue, but to ensure necessary mechanism and steps capable of collecting those revenues are put in place.
A management response to how often revenue targets are met shows that, the Assembly has been able to achieve its target over the last five years, with the exception of last year, which they were even close in achieving that. A response from a senior staff reads:

“We met ninety-four percent (94%) of the target, as a result of the fact that, ten percent (10%) more has to be generated on the previous year’s target using the same indicators”. (BO, 2018)

There was however a contradictory response from a junior staff and the revenue collectors, that people do not pay the rates and tax expected of them, with people also hiding to sell, or run anytime they are hinted on the coming of the collectors. This they believe affects the amount of revenue they are to collect for the period. The data above or revenue and expenditure projections and the actuals for the period under review also confirmed what was said by those revenue collectors.

The activities of the Metropolitan, Municipal and District Assemblies (MMDAs) are enshrined and governed by the Local Government Law, which authorizes them to generate revenue from local sources to fund for their basic needs and developmental projects. These MMDAs have however failed woefully in collecting the budgeted revenues. This implies that, the Assembly is not doing enough to capture those that are not yet in their database, and also not employing strict measures in dealing with the defaulters.

The study in examining the adequacy of the revenue sources, realize that the Assembly clearly overlooked certain revenue items which could be potential sources for generating the funds needed to survive. The participants when asked of their own opinion about how the Assembly could explore to improve upon what is always earned as revenue, made mention of establishing public bath and water closet toilets in the markets and public places, as well as hiring of
construction equipment’s owned by the Assembly. It was noticed that the community lacks a lot of these basic facilities, and has therefore turned into an avenue for individuals with limited resources to “cash” on such opportunities. However, the Assembly with its huge resource base is failing to explore such lucrative opportunities.

Despite the difficulties attached to potential revenue identification and revenue targets setting, there is however the need to serve a clear strategy to help collect revenues that have been identified by the Assembly.

4.1.5 Monitoring and Evaluation of Revenue Collectors by Management.

The study established from the data gathered that, the final process of the revenue mobilization process is about how the Assembly monitors and tracks the activities of revenue collectors and the revenue mobilized.

It was realized that the Assembly tracks the revenue mobilized from the receipts issued by the field staff. A respondent on the subject replied that:

“The duplicates of the tickets issued are presented to our supervisor, who then sits with us to calculate and verify the Authenticity of our report”. (RC, 2018)

The study also revealed that, the audit department also goes out to inspect, by finding out from clients whether they have been issued with receipts from the monies paid, after which these auditors take those receipts to check whether it is genuine. It is believed by an auditor who claimed:

“revenue collectors in many cases forged documents, by understating the amount collected on the receipts, but overstating the amount on the carbon of the client, but with the audit department thoroughly scrutinizing the receipt, such criminal activities have been reduced.”(IA, 2018)
Another auditor responded that:

“The collector can take GHC 2000 and write GHC 500 on the receipt, but on the carbon they written GHC 2000”. (IA, 2018)

This inspection according to the auditors, the Assembly undertakes often to control revenue leakages from the perspective of revenue collectors. The study however realized the strategy was not enough to control such magnitude of revenue leakages, since some collectors always find new ways of understating their revenues generated.

Further responses from the Human Resource Departments proved that, the department reviews the performances of revenue collectors on the basis of their punctuality, which is very important to the Assembly in ensuring that most revenue areas are covered for the day. The Human Resource Department also assess these collectors on the kind of complaints received from their immediate supervisors or from the revenue departments; whether there is forgery of receipts or monies taken from clients as payments but do not present them to the Assembly, or monies taken in the form of bribes from clients to evade taxes, fees, rates among others.

4.2. The Mobilization Strategies

As stated above, MMDAs under which LADMA falls are mandated by the 1992 constitution of Ghana and other legislative instruments to develop their own strategies and initiatives necessary for generating the needed revenue for their developmental agenda. Therefore, for LADMA to ensure consistency in the flow of revenue, they are required to employ effective and efficient strategies to identify and collect the revenues due the Assembly.

In the course of the study, it was noticed from the responses that revenue process and strategies were inseparable systems. This was echoed by a senior staff respondent who stated that:
“The process and strategies for mobilizing revenue has always been used hand-in-hand, and by doing one, leads to the results of the other”. (CRD, 2018)

His views were shared by two other respondents who asserted that, they have often used them interchangeably. However, upon a careful scrutiny of the data gathered, the study was able to deduce what seems to be a strategy in collecting revenue from both existing and unknown traditional sources.

The study recovered from the data that, most of the people who are to pay their taxes and rates, operates and sells only in the night, which makes it very difficult for the collectors to monitor their activities and tax them accordingly; some of them who also operates during the day also sell from their “room stores”, hence making it hard to even notice they engage in any business activity. In order to track and “ticket” this group of people, the La Dade-Kotopon Municipal Assembly also adopted a strategy of dividing the revenue collectors into two groups:

The first group who are revenue collectors, and paid monthly from the Internally Generated Funds of the Assembly according to a senior staff starts work very early in the morning so they can be able to capture a lot of the rate payers. As stated by a revenue collector:

“my group leaves very early in the morning before 6:00am, so we can be able to get those who trade early and leaves early to wherever they want to go”. (RC, 2018)

These collectors go about their mandated duties, issuing tickets at various revenue sections such as lorry stations, markets, stores among others, till the latter part of the day when the second group takes over the day’s activities. A respondent laid emphasis on leaving home very early to be able to reach some tax and rate payers, by asserting that:
“I leave home by five o’clock in the morning so I can get the “first scale” drivers who load very early, because they sometimes leave and you don’t get to see them for days, even weeks depending on how far their journeys are, or how slow they get passengers back when they get to their destinations” (RC, 2018)

The second group on the other hand, by the data gathered revealed that, these groups of collectors are commissioned revenue collectors, who are paid on percentage of what they collect from the people. This people normally work late into the night, to be able to capture those people who only have their business activities in the night, by working outside official working hours.

The method or strategy according to a senior revenue staff has been effective over the period of its introduction. The response was that:

“The commissioned collectors sometimes move with some assembly members within the areas dedicated to them and hinted on the places where business activities have been going on during the night, as well as houses and rooms that have been converted to shops and stores. This strategy to some extent has helped to raise some revenues which could not have been received by the Assembly”. (CRD, 2018)

The data gathered further showed that, the rates and fees received by the collectors are handed over to the Chief Revenue Director who collates the various amounts received from both sects and then pay into the accounts of the Assembly.

La Dade-kotopon Municipal Assembly, by the data collected also used a “hardcore” strategy to raise their revenue. A response from a senior revenue staff stated that:

“We inform people ahead of time on when they will be making payments, after which defaulters are issued with a warning letter; those who fail to comply are then issued with what we call Obituary; it is a notice we post on a shop early in
the morning and latter move into lock shops with our own padlocks. When it gets
to this stage, those affected are made to pay much more than they were to pay”.
(MCD 2018)

By so doing, the Assembly gets to generate more than they are supposed to receive on that aspect.

The study wanted to further know the cost in maintaining an effective or ineffective process and strategy, and why the Assembly would spend a lot on an ineffective plan. It was observed that, the Assembly has a guideline which stipulates how much internally generated revenue should be used in revenue generation, which should not exceed ten percent of what would be generated. A respondent said that, it is calculated by adding all the salaries of revenue collectors, and commissions of outsourced revenue collectors, as well as a value book (receipts they give out when they collect the money) divided by total revenue, and if it is more than ten percent, then it is not worth pursuing. It sometimes becomes more costly when revenue task forces are included in operations to lock-up shops or take-up other challenging roles.

The phenomenon implies that, the Assembly may not meet their targets because they do not strictly follow their own established processes and strategies, because the moment the cost of the strategy exceeds what has been budgeted, and then the process is abandoned, without taking cognisance of the sizes of the areas under their jurisdiction and the amount of resources needed.

4.3 Challenges Confronting Revenue Collectors in Revenue Mobilization

Among the various objections of the research was an importance aspect in identifying some of the challenges that confronts revenue collectors in the course of their duties and the La Dade-Kotopon Municipal Assembly as a whole. It was revealed from the study that, both the revenue collectors and the revenue generation system of the Assembly are confronted by many
challenges. Some of the challenges are, inadequate sensitization of tax payers, difficulties in identifying revenue sources, poor monitoring and evaluation of revenue collectors, Inadequate logistics, limited reliable revenue collection date among others.

4.3.1 Inadequate Sensitization of Rate and Tax Payers

Citizen sensitization towards the payment of tax, and the general contributions that were required of them was a major challenge for the generation of revenue.

It was revealed from the data gathered that most of the people did not see the essence of paying taxes, since they believe what they pay do not correspond with the needs of the community. They also assume the timing in revenue collection was not right and do not ‘favour’ them; a response from a revenue collector stated that:

“Bian33 nor ni mba, jen ts3re ko(Just came; it is too early)” (RC, 2018); was a popular slogan for the people, making it very difficult to take monies from them. It also came to light that, some people evade paying taxes by setting up their wares in the evening when they believe no Assembly member is on duty, whiles others also sell in their households with their structures concealing the items they sell. Another respondent asserted that:

“Some people go to the extent of pouring water on us, whiles others also rain insults on as”. (RC, 2018)

Also another revenue collector quoted some of the people by stating:

“You come for our monies and yet we don’t know what you do with them”. (RC, 2018)
This indicates a “big” communication gap between the Assembly and the people they take revenues from regarding accountability and what those monies were used for.

4.3.2 Difficulties in Identifying Revenue Sources

Identification of alternative revenue sources was another major setback from the Assembly. After exhausting all the existing revenue sources of LaDMA, it was observed from the research that, the Assembly does not often test new sources or ventures to generate extra revenue. The response of a participant in regards to this issue stressed that:

“Although the Assembly has established modern strategies to enable collectors generate the needed revenue, the results have still not been the best”. (FO, 2018)

Another response from another participant also stated that:

“Anytime we go out and return with information concerning new revenue sources, and what individuals have established for the Assembly to copy, they only tell us we will take it into consideration, and that ends it”. (RC, 2018)

This implies that, anytime the Assembly is not able to collect revenue from all its target citizens, there is always a development gap, since planned projects would have to be stalled, due to lack of funds.

4.3.3 Poor Monitoring and Evaluation of Collectors

A perception was formed at the manner in which some revenue collectors of the Assembly perform their duties. It was observed from the findings that, most of the revenue collectors perform very poorly, due to regularly vacating their post for personal duties, hence not being able to account for the revenue expected. A management participant’s response to this challenge was that:
“We have had instances where we had to do immediate follow-ups to see if the collectors are at post, and you sometimes get there and there will be no collector at post”. (IA, 2018)

Although management is aware of this setback, the problem has still persisted till now, with management appearing to be unconcerned.

4.3.4 Inadequate Logistics for the Collection of Revenue

Most of the problems of the La Dade-Kotopon Municipal Assembly rest on lack of logistics for effective revenue mobilization.

The Assembly in response to this assertion affirmed that, they have been “hard-pressed” in terms of logistics such as vehicles, to enable them go round their jurisdiction to collect and identify alternative revenue sources as well as monitor other concerns of revenue mobilization. The Chief Revenue Director in response to how resourced the Assembly is to mobilize the projected revenue stated that:

“Honestly, most of the challenges we face regarding the inadequacy of revenue, is mainly because we lack some basic logistics and vehicles to support us in locating potential revenue sources. This we have put down in writing to the higher hierarchy”. (CRD, 2018)

4.3.5 Limited Reliable Revenue Collection Data

Adequate or substantial revenue collection largely depends on the existence of a reliable data. The database involves the number of valuable properties as well as the number of businesses within the Assembly. It was observed from the research data collected that, a database which was supposed to be considered as reliable; capturing constant revenue projections, charging and collection of revenue, was not readily available. It was realized that in spite of the Assembly’s
efforts in data gathering for fee fixing and revenue projections, it has not been adequate. A response to this problem asserted that:

“Although the RIAP has helped in identifying some sources of revenue, due to the lack of logistics and non-commitments of revenue collectors, it has really being difficult getting data on all those business and individuals under the jurisdictions of the Assembly”. (FO, 2018)

4.4 Critical Success Factors of the Assembly

The research work assessed some measures used by the Assembly to deal with the challenges identified in the revenue mobilization system. The Assembly in response to this stressed that some of the measures have been implemented, whiles some are in the “Pipeline”.

4.4.1 Introduction of Revenue Improvement Action Plan (RIAP)

As already indicated from above, the research identified that, the RIAP to some extent has helped to improve upon the revenues collected since its inception as a process of the Assembly. It should however consider getting a good database of all properties and businesses within the Assembly’s jurisdiction. A response to how the RIAP can be improved to serve its purpose stated that:

“The Assembly can seriously improve upon the amount of revenue it currently receives if it is able to acquire the said logistics, to identify and capture the businesses which are not on our database, and a strict evaluation of the work of revenue collectors. (FO, 2018)

It is therefore believed that, by strictly following this plan, the Assembly would be able to generate the targeted revenue.
4.4.2 Training and Evaluation of Revenue Collectors

A strategy the Assembly has considered using in controlling the situations of training repetition is the introduction of new courses and technologies to facilitate the works of these collectors. LaDMA intends to give them tablets and books, and also train them on ways to deal with furious clients, through customer service training and other forms of generic trainings, since they are the ones that comes into contact with these clients. A participant from Human Resource stated that:

“The Assembly has designed a new form of training for the revenue collectors which is yet to be introduced to them. Currently we are also planning on collaborating with some private institutions to coach them on what is expected of them during revenue mobilization”. (HRO, 2018)

After they are being trained, the Assembly according to the data received plans in evaluating their works on quota and target bases.

4.4.3 Provision of Logistics

Officials of the Assembly are planning on adding vehicles to their number of logistics, in order to enable revenue collectors get access to other areas under their jurisdictions which is currently inaccessible. A budget officer of the Assembly stated that:

“We have received a request from revenue department on acquiring some vehicles to facilitate their work, so we are therefore waiting for the approval of top management”. (BO, 2018)

4.4.4 Valuation of Properties

One other strategy the Assembly considers as a factor for success is the valuation of properties for determining the right property rates which is currently not being collected by LaDMA. The Assembly believes that, once the property valuation process is completed, the Assembly would be able to charge the necessary rates due them. A budget officer made known to the researcher that:
“We are currently valuing the properties around to get the actual value, so they could be taxed accordingly. So we believe it would increase development for our citizens”. (BO, 2018)

4.5 Chapter Summary

In summary the chapter discussed the main findings on the revenue generation processes, strategies and the challenges the La Dade-kotopon-Municipal Assembly encounter in mobilizing revenue.

The findings from the research analyzed four main themes the processes involved in revenue collection, strategies employed in mobilizing the revenue, the challenges relating to raising the revenue, and the critical factors that will ensure success in the Assembly.

La Dade-Kotopon Municipal Assembly has mainly focused on the issuance of tickets to mobilize revenue for the Assembly, after careful stakeholder consultations to identify the sources of revenue that can be tapped by the Assembly.

It was however revealed that the stakeholder consultations in helping to raise revenue has not been adequate enough to cater for all the developmental projects of the Assembly, in addition to citizens not having adequate education on their civic responsibilities towards the Assembly.

The study further realized that, before the Assembly can eliminate or reduce the challenges faced during revenue collection, there is the need for a thorough training and evaluation of revenue collectors, involvement of the various stakeholders in strategy formulations, and the provision of vehicles to facilitate the collection and identifications of resources. This was done in relation to the objectives.
CHAPTER FIVE

SUMMARY, RECOMMENDATIONS AND CONCLUSION

5.0 Introduction

The chapter under review presents the findings of the study in accordance to the research objectives, conclusions are further based on the findings, whereas the recommendations also considered the findings of the research and other relevant literature recognized to be necessary in developing the study.

5.1 Summary of Key Findings

The findings of the research in relations to the study objectives includes, revenue mobilization process and stakeholder inclusion, revenue sources and identification of targets, training of revenue collectors, revenue collection, and monitoring and evaluation of revenue collectors at the La Dade-Kotopon Municipal Assembly. A detailed discussion of the summary is as follows:

5.1.1 The Revenue mobilization Process and Stakeholder inclusion

Stakeholders in the study referred to people who were directly and indirectly involved in making revenue decisions for the Assembly, as well as those who were directly affected by those decisions (citizens). The aim of stakeholder inclusion was to enable Local Governments to actively engage their citizens and businesses in taking joint responsibilities in the development of their communities.

The study realized that there were two forms of stakeholders within the Assembly; internal and external stakeholders. The internal stakeholders were made up of people who were directly involved in designing the processes of the Assembly such as Assembly members, Development Planning sub-committee, Planning Coordinating Unit and Budget committees. The external
stakeholders on the other hand were those citizens who were directly affected by the decisions made by the Assembly. Evidence from the data gathered proved that, citizens were not actively involved in revenue discussions by the Municipal Assembly. The citizens were also not properly educated on how the rate and taxes they pay were used. The study therefore realizes a huge gap between what LadMA does and expectations of their citizens. This has brought about a strong resistance in paying of rates and taxes by those citizens, making it very difficult for revenue collectors in performing their duties. The Assembly is currently planning on involving a larger group of stakeholders to help in the revenue mobilization process.

5.1.2 Revenue Sources Identification and Setting of Targets

It is important that, before the Assembly can be able to improve upon its revenue to achieve the kind of development needed by its populace, there is the need for the Assembly to properly identify consistent sources of revenue. The findings indicated that, the Assembly is struggling to keep a very good database to capture all businesses and individuals within their districts. This implies that the database of the Assembly cannot be relied on. The problem has been largely due to lack of logistics and non-commitment of revenue collectors. Although the Assembly generates revenue from fees, rates and licenses, it was observed from the study that the Assembly could further increase what they currently receive by frequently upgrading their RIAP system.

5.1.3 Adequate Training of Revenue Collectors

The importance of training on the performance of employees which directly affects an organization has been stressed enough in different literatures. The study realized that, revenue collectors were not up to the task of revenue collection, since most of them were not adequately trained before been deployed to their various posts. The content of the training involved proper
bookkeeping and how to deal with their clients on the field. The lack of adequate training has then affected the quantum of revenue they receive, hence the stall in development of the community. This has further prompted the revenue officials of LaDMA to propose and adopt a new and an intensive form of training, as well as the engagement of private organizations to train revenue collectors of the Assembly.

5.1.4 Revenue Collection and Adequacy of Revenue Sources for Mobilization.

Resources such as adequate field staff and vehicles are important for the collection of revenue for the Assembly. The research realized that the Assembly lacks a lot of these resources needed for the revenue mobilization. It was also realized that there could be a lot of revenue sources, but yet would not yield any high returns. The Assembly therefore intends to acquire some logistics to facilitate revenue coverage and collection, as well as a very deep property valuation to know the actual rates businesses are to pay.

5.1.5 Monitoring and Evaluation of Revenue collectors by Management.

The study indicated that, the Assembly has a mechanism for monitoring the works of the revenue collectors and the resources they generate. However, the study found out that those mechanisms are not strong enough to prevent revenue leakages, since most revenue collectors always find a way around those mechanisms. The Assembly is therefore planning on strengthening their monitoring system.

During the data collection, it was realized that the officials of the Assembly do not differentiate between the processes and the strategies used by the Assembly. However, further follow up questions enabled the researcher to deduce a strategy the Assembly uses in mobilizing the revenue.
5.2 Recommendations

Findings from the study indicated that, the processes and strategies for revenue mobilization at the La-Dade-Kotopon Municipal Assembly were affected by several challenges as indicated above. The research therefore seeks to make recommendations based on the findings of the study to enhance the collection of revenue within the Assembly. These recommendations as believed by the researcher, will help mitigate those setbacks affecting the revenue generating mechanisms, and further improve developments in the municipality.

The current situation where citizens are only given a rate and a timeframe to pay, has not helped the Assembly over the years. Citizens must be considered as part of the Assembly, hence the right to access any information concerning how their revenues are used and the indicators used in determining what they pay. When the citizens are sensitized enough, demonstrating high level of accountability, they will see no need in ending their taxes, since they know it still comes back to them.

Adequacy of resources cannot be overemphasized in effective revenue mobilization. The inadequacy of resources was of a major concern that affected the Assembly’s ability to accurately identify and project revenues. The researcher therefore believes, an increase in the budget of LaDMA would enable them to recruit more field stuff to be able to cover and identify other potential revenue sources. This budget increase could also cater for vehicles and other modern equipment that can facilitate the collection of revenue.

Stakeholder inclusion as stressed above is a critical method in revenue generation. It will give the revenue collectors and unit committee members among other groups the opportunity to express their views or make relevant contributions on relevant issues, especially those that concern
revenue collection, since they are closer to the citizens than any other group, or management of the Assembly. As stated in the earlier findings most of these stakeholders do not even understand the process and strategies imposed on them by the Assembly, thereby affecting the manner in which their duties are performed. Involving these people in strategies of the Assembly will enable them to believe they own the strategies and would therefore do anything to see it succeed.

Staff training in every organization is key to its development. It is therefore important for LaDMA to create or establish a training module which will aim at not only just repetitions of what staff already know, but an upgrade of both what they know, and those that they don’t know. A conscious effort and resources must be spent on training these collectors so they can effectively do their work as required by the Assembly.

In addition, the Assembly should be able to form an uncompromising taskforce in consultations with the various stakeholders. These taskforce should be provided with the necessary logistics and powers to execute their duties.

Furthermore, a very good database can also help the Assembly to outsource revenue collection to private institutions. The database would prevent revenue leakages from the private institution and enhance revenue collection.

5.3 Conclusion

The research work sought to assess the mobilization of revenue by MMDAs for their development infrastructure. It is specifically focused on the processes and strategies used by the Assemblies in generating revenues, the challenges that confront the assemblies when collecting the revenue, and some critical conditions put in place to help mitigate the challenges. The study found out that the system the Assembly uses in collecting revenue and the involvement of
stakeholders, as well as the identification of potential revenue sources and a reliable revenue database was seriously fraught with challenges. The revenue performance of the Assembly could be poorly rated due to a lack in intensive training of revenue collectors, inadequate logistics and field staff to cover a larger population, as well as a lack of proper internal monitoring and control among others.

These challenges according to the data gathered could be mitigated by actively involving stakeholders in town hall meetings, a conscious and intensive training of revenue staff, as well as citizen sensitization among others. The Assembly can further set a strong taskforce, giving them the necessary powers and authority to operate.
REFERENCES:


District Assemblies Common Fund Act, Act 455 (1993)


Kelly, R. (2014) Intergovernmental Revenue Allocation Theory and Practice: An Application to Nepal


Local Government Act, 1993 Act 462 (Ghana Publishing Corporation, Assembly Press, Accra)


Watson, A. C. (1948). Report of the Commission of enquiry into disturbances in the gold cost,

Webster’s ninth new collegiate dictionary


www.Sendwestafrica.com
APPENDIX A: INTERVIEW GUIDE FOR REVENUE COLLECTORS

Dear Respondent,

I would like to request your participation in this study, the objective of which is to examine ‘the processes, strategies, implementation challenges and the critical success factors for effective revenue mobilization’ in this assembly.

Please read each question carefully and answer it according to how you personally feel about it. There are no RIGHT or WRONG answers. For this study to be meaningful, it is important that you complete all the questions.

In accordance with the ethics of behavioral science research, individual responses will be completely CONFIDENTIAL. Responses will be considered collectively to determine the processes, strategies, implementation challenges and the critical success factors for effective revenue mobilization.

Your participation is VITAL.

Thank you for your cooperation

Yours Sincerely

........................................
Maxwell Tetteh Silveira
A. PROCESSES FOR EFFECTIVE REVENUE MOBILIZATION

1. What processes have been put in place by the Assembly for revenue mobilization?

2. What policies have the Assembly put in place to help mobilize revenue?

3. How does management collaborate with the Assembly members in designing revenue mobilization policies/processes?

4. What steps do you follow in designing the processes for revenue mobilization?

5. What procedures have the Assembly put in place to enhance revenue mobilization?
B. STRATEGIES FOR EFFECTIVE REVENUE MOBILIZATION.

1. What strategies does the Assembly use to mobilize revenue?
   ……………………………………………………………………………………………
   ……………………………………………………………………………………………
   ……………………………………………………………………………………………
   ……………………………………………………………………………………………

2. What strategies has the assembly put in place to enhance revenue mobilization?
   ……………………………………………………………………………………………
   ……………………………………………………………………………………………
   ……………………………………………………………………………………………
   ……………………………………………………………………………………………

3. What policies are been considered to improve revenue mobilization at the Assembly?
   ……………………………………………………………………………………………
   ……………………………………………………………………………………………
   ……………………………………………………………………………………………
   ……………………………………………………………………………………………

4. To what extent will these policies help in mobilizing the desired revenue?
   ……………………………………………………………………………………………
   ……………………………………………………………………………………………
   ……………………………………………………………………………………………
   ……………………………………………………………………………………………

C. IMPLEMENTATION CHALLENGES FOR REVENUE MOBILIZATION.

1. What are some of the problems the Assembly is facing in revenue mobilization?
   ……………………………………………………………………………………………
   ……………………………………………………………………………………………
   ……………………………………………………………………………………………
2. What are some of the issues confronting the Assembly in revenue mobilization?

3. Can you state four (4) or five (5) ways by which these problems can be resolved?

4. What steps can the Assembly take to resolve some of these challenges with regards to revenue mobilization?

5. What are some of the difficulties management faces in designing the processes and strategies concerning revenue mobilization?

6. What solutions/ remedies would you recommend towards resolving these challenges?
D. CRITICAL SUCCESS FACTORS FOR MOBILIZING REVENUE

1. What are some of the successes experienced with the processes and strategies used for the revenue mobilization?

2. What conditions must be present to enhance revenue mobilization in the Assembly?

3. What necessary steps should be put in place to improve revenue mobilization?

4. In your opinion, what are some of the factors that can lead to the success of revenue mobilization in the Assembly?
APPENDIX B: INTERVIEW GUIDE FOR MANAGEMENT

Dear Respondent,

I would like to request your participation in this study, the objective of which is to examine ‘the processes, strategies, implementation challenges and the critical success factors for effective revenue mobilization’ in this assembly.

Please read each question carefully and answer it according to how you personally feel about it. There are no RIGHT or WRONG answers. For this study to be meaningful, it is important that you complete all the questions.

In accordance with the ethics of behavioral science research, individual responses will be completely CONFIDENTIAL. Responses will be considered collectively to determine the processes, strategies, implementation challenges and the critical success factors for effective revenue mobilization.

Your participation is VITAL.

Thank you for your cooperation.

Yours Sincerely

Maxwell Tetteh Silveira
A: PROCESSES FOR EFFECTIVE REVENUE MOBILIZATION

1. What processes have been put in place by the Assembly for revenue mobilization?
   ........................................................................................................................................
   ........................................................................................................................................
   ........................................................................................................................................
   ........................................................................................................................................

2. What policies have the Assembly put in place to help mobilize revenue?
   ........................................................................................................................................
   ........................................................................................................................................
   ........................................................................................................................................
   ........................................................................................................................................

3. How does management collaborate with the Assembly members in designing revenue mobilization policies/processes?
   ........................................................................................................................................
   ........................................................................................................................................
   ........................................................................................................................................
   ........................................................................................................................................

4. What steps do you follow in designing the processes for revenue mobilization?
   ........................................................................................................................................
   ........................................................................................................................................
   ........................................................................................................................................
   ........................................................................................................................................

5. What procedures have the Assembly put in place to enhance revenue mobilization?
   ........................................................................................................................................
   ........................................................................................................................................
   ........................................................................................................................................
   ........................................................................................................................................
B: STRATEGIES FOR EFFECTIVE REVENUE MOBILIZATION

1. What strategies does the Assembly use to mobilize revenue?

2. What strategies has the assembly put in place to enhance revenue mobilization?

3. What policies are been considered to improve revenue mobilization at the Assembly?

4. To what extent will these policies help in mobilizing the desired revenue?

C: IMPLEMENTATION CHALLENGES FOR REVENUE MOBILIZATION.

1. What are some of the problems the Assembly is facing in revenue mobilization?
2. What are some of the issues confronting the Assembly in revenue mobilization?

3. Can you state four (4) or five (5) ways by which these problems can be resolved?

4. What steps can the Assembly take to resolve some of these challenges with regards to revenue mobilization?

5. What are some of the difficulties management faces in designing the processes and strategies concerning revenue mobilization?

6. What solutions/ remedies would you recommend towards resolving these challenges?

D: CRITICAL SUCCESS FACTORS FOR MOBILIZING REVENUE

1. What are some of the successes experienced with the processes and strategies used for the revenue mobilization?
2. What conditions must be present to enhance revenue mobilization in the Assembly?

3. What necessary steps should be put in place to improve revenue mobilization?

4. In your opinion, what are some of the factors that can lead to the success of revenue mobilization in the Assembly?