

KINGS UNIVERSITY COLLEGE

**THE EVALUATION OF REVENUE MOBILIZATION STRATEGIES
OF METROPOLITAN, MUNICIPAL AND DISTRICT ASSEMBLIES
IN GHANA: THE CASE STUDY OF ACCRA
METROPOLITAN ASSEMBLY**

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KINGS UNIVERSITY COLLEGE

**THE EFFECT OF MOBILE MONEY TRANSACTIONS ON RURAL
BANKS: A CASE OF GA RURAL BANK, AMASAMAN
IN THE GA WEST MUNICIPALITY**

BY

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DECLARATION

Candidate's Declaration

I hereby, declare that this dissertation is the result of my own original research and that no part of it has been presented for another degree in this University or elsewhere.

Candidate's Signature:..... Date:.....

Name: Addo Badu Gershon

Supervisor's Declaration

I hereby declare that the preparation and presentation of the dissertation were supervised in accordance with the guidelines on supervision of dissertation laid down by the University of Cape Coast.

Supervisor's Signature:..... Date:.....

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ABSTRACT

The study is on the topic “Evaluation of Revenue mobilization strategies of metropolitan, municipal and district Assemblies in Ghana. The case of Accra Metropolitan Assembly”. The study set out to discover other revenue sources that are not being explored by the Assembly, what strategies are adopted for revenue collection and accounting standards. Finally, the study considered the contribution of internally generated fund. The sample was made up of Core Management staff of the District Planning Committee, Permanent Revenue collectors, Commission collectors, Staff of Urban Town and Area Councils and Assembly members. One Hundred of these consisting of 63 males and 37 females were selected using probability and non-probability sampling techniques. The results indicated that there are other revenue sources that are not being explored by the Assembly. It also revealed that though the IGF of the Assembly is contributing to the development of the Municipality, it is not enough to significantly fund projects. Consequently, Government funding is extremely important. To increase revenue mobilization of the Assembly, the study discovered that there should be continuous education of the taxpaying public, prosecution of defaulters and training for Revenue collectors.

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DEDICATION

I dedicate this research paper solely to
my beloved Mother Mercy Abra Addo.

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CHAPTER ONE

INTRODUCTION

Background of the Study

The Accra Metropolitan Assembly by the legislative instrument of the constitution of Ghana and the Local Government Act, 1993 (Act 465) makes provision for the assembly to be financially sound by mobilizing fund internally through the Internal Generated Fund (IGF) to complement the external grants to undertake development activities in its area of jurisdiction. However, many districts including the Accra Metropolitan Assembly are faced with numerous problems relying on its IGF for development. The purpose of the study is to examine the ways towards effective and adequate mobilization of IGF by the Bolgatanga Municipal Assembly, which is the case for the study. The assembly had difficulty in mobilizing the IGF adequately because of political interference in the assembly's efforts to mobilize revenue. Other factors accounting for the low performance of the IGF of the assembly are low calibers of revenue collectors recruited as most of them could not meet the basic qualification of revenue collectors. Some of the collectors were also dishonest and there was high level of corruption in the revenue collection efforts. In addition, collectors complained of low remuneration, which affects their moral.

The chapter also examines the various forms that decentralization can take, namely, deconcentration, delegation, devolution, partnerships and privatization and concludes with a discussion of the potential benefits of decentralization and the challenge of revenue mobilization. The decentralization process in Ghana was initiated in 1988 when the PNDC law 207 provided the legal and institutional direction to constitute the first District Assembly. The process was boosted when the Local Government Act 1993 and Act 465 were passed. The Local Government Service Act 2004, Act 656 established the Local Government Service as part of the Local Government and administrative reforms through decentralization to secure effective administration and management of Local Government in the country.

The Districts of Ghana are second-level administrative subdivisions of Ghana below the level of regions. The Districts of Ghana were re-organized in 1988/1989 in an attempt to decentralize the government and to combat the rampant corruption amongst officials. The reform of the late 1980s subdivided the regions of Ghana into 110 District. Where local District Assembly should deal with the local administration. By 2006, an additional 28 District were created by splitting some of the original 110, bringing their number up to 138. In February 2008, more Districts were created while some were upgraded to Municipal status bringing the final number to 170 District in Ghana. By 28th June additional 46 District were added bringing the total to 216 District. More importantly, and as far as the goals of the assemblies are concerned, there is the need for funds to be made available for this purpose. But it was realized that the District Assembly Common Fund (DACF) was woefully inadequate for this purpose, and as a result Parliament gave the District Assemblies the

mandate to generate revenue to supplement the DACF to achieve the said objectives of the Districts through Article 245 of the Constitution of the Republic of Ghana.

Statement of the Problem

The spirit of decentralization is that local government should generally be in a better position than the central government to identify local needs, and to deliver public services accordingly. Given this background, the MMDAs are enjoined to identify and raise revenue from local sources in form of rates, tolls, property tax, fees and fines among others to boost their financial base for development of the locality. In addition to the Internally Generated Funds (IGFs), the MMDAs are expected to fashion out projects and programmes that allure to poverty reduction in their local areas.

The MMDAs by the Local Government Act represent executive arm of government at the decentralized level and for that matter they are enjoined to generate, and collect revenue among other things and to make expenditures in accordance with the Laws and Acts of Ghana. This implies that development projects in the District should be routed through the District Assembly. As such MMDAs should be able to generate enough revenue to sustain their own projects.

However, the system of revenue generation, collection and its management within most MMDAs is seemed to be hampered by the unidentified constraints within the setup, specific to each of the MMDAs. Also, over the years, though effort has been made to specifically, examine the impact of revenues collected on development of the local Assemblies in the

light of the Ghana Poverty Reduction Strategy policy at the grass root level by the MMDAs, much seem not to have been done. Further, examining the profile of some MMDAs, the literature indicates that there are a lot of untapped revenue sources that the Assemblies can take advantage of to boost their revenue base.

Objective of the Study

- To identify various sources of revenue within the metropolis.
- To establish whether enough revenue is being mobilized locally.
- To identify strategies that can help AMA to generate enough funds to meet its development needs.

Significance of the Study

The significance of a study outlines the possible applications of research findings to society as well as its possible contribution to the theoretical area of study given this study; the outcome would have theoretical, economic and social relevance. Theoretically, it would add to existing literature in revenue mobilization and development of assemblies. In addition, it will make recommendations that would facilitate revenue collection in within the Accra metropolitan Assembly, identify the weaknesses with the present system and fashion out strategies to deal with them.

This study would also provide a scientific basis to assess the development at the Metropolitan Assembly level. Furthermore, the study would provide a more effective way of evaluating the management of revenue collected in the Metropolitan. It is also expected that the study would unveil

inherent challenges revenue collectors face in the collection and management of revenue in the Accra Metropolitan Assembly. Finally, the study would serve as an evaluative measure of the use of the Municipality's finances over the years.

Limitations of the Study

The researcher was constrained by time factor considering the period for the writing and submission of the dissertation

Because the researcher is a worker before embarking on the academic work, his necessary busy schedules could not allow him to review the literature optimally as desired by him.

The researcher was also faced with limited access to literature information on the study area due to unavailability of well resourced facilities.

Finally, the inability on the part of the researcher to conduct comparative studies of revenue impact on developments among the other districts in the Greater Accra Region.

Organization of Chapters

The research paper is organized into five main chapters. Chapter one contains the background of the study, the statement and identification of the problem, the significance of the study, objectives of the study, limitations of the study and definition of terms.

This chapter explains the concepts of revenue mobilization decentralization and participation and their relationship to project planning and implementation. A review of relevant literature on decentralization and

participation and revenue mobilization. Chapter three discusses the research methodology and defines what the activity of research is, how to proceed, how to measure progress, and what constitutes success. As well as the techniques for data collection processing and analysis. Chapter four talks about data analysis and Chapter five deals with the summary, conclusion and recommendations made by the researcher and finally gives room for further study and research on the topic.

Definitions of Terms

- **Decentralization:** It refers to the situation where decision making authority is transferred to lower levels of the organization. **(Source: Essentials of Management by T.N. Chhambra page 12:11)**
- **District Assembly Common Fund (DACF):** It is an amount of money allocated by the Central Government to Metropolitan, Municipal, District and Agencies to operate with. **(Source: Local Government Service Bulletin Vol.2 Issue January – June 2014)**
- **Internal Generated Fund:** It is an amount of money acquired by the assemblies from other sources, other than the District Assembly Common Fund. **(Source: Local Government Service Bulletin Vol.2 Issue 1 January – June 2014)**
- **Centralization:** it refers to a situation in which the top management of an organization retains most of the decision making authority e.g. the Central Government of Ghana previously retains most of the decision making powers. **(Source: Essentials of Management by T.N. Chhambra page 12:12)**

- **I.G.F:** Refers to Internal Generated Fund.
- **DACF:** Refers to District Assembly Common Fund
- **District Assemblies:** The District Assembly is second-level administrative subdivisions of Ghana below the level of region.
- **MMDAS:** - Refers to Metropolitan, Municipal and District Assemblies
- **Municipal bonds:** it is a long term security issued by Local Government to raise revenue. Or it is a debt security issued by a state, municipal or country to finance its capital expenditure. They are normally used to raise money for capital investment in local projects such as schools, streets, highways, bridges, hospitals public holding and utilities.

CHAPTER TWO

LITERATURE REVIEW

Introduction

The Metropolitan, Municipal and District Assemblies were established under the Local Government Act section 10 (3) of Act 462 (1993). Metropolitan, Municipal, District Assemblies are the main focus of central governments. Political, social and economic activities at the district level. Metropolitan municipal, District Assembly have legislative judicial and executive authority at the local level.

Section 10(3) of Act 462, Local Government Act, 1993 defines the functions of Metropolitan/Municipal/District Assembly as having responsibility of

- For the overall development of the District and shall ensure the preparation and submission through the regional co-coordinating council for approval of the development plan to the National Development Planning Committee (NDPC) and budget to the Minister of Finance for the district
- To formulate and execute plan, programmes, and strategies for the effective mobilization of the resources necessary for the overall development of the district.

- To promote and support productive Activity and social development in the district and remove any obstacles to initiate any development.
- To initiate programmes for the development of basic infrastructure and provide municipal works and services in the district.
- For the development, improvement and management of human settlements and the environment in the district.
- In co-operation with appropriate national and local security agencies are responsible for the maintenance of security and public safety in the district.
- To ensure ready access to the courts and public tribunals in the district. For the promotion of justice.
- To initiate, sponsor or carry out such studies as may be necessary for the discharge of the functions conferred by the Act or any other enhancement
- To perform such other functions as may be provided under any other enactment.

It is understood that the political authority of a country's central government extends over the entire territory of the country. The central government can impose taxes on all residents, institutional units and on non-residents units engaged in economic Activities within the country. The central government is responsible for national defense, and in relation with other countries. Provides public order and safety and efficient provision of social and economic amenities of the country. Central Government in providing social amenities thus incurs expenses on the provision of services, such as education or health, primarily for the benefit of individual citizens.

The scope of a Local Government's authority is generally much less than that of the central government and the government may not be entitled to levy taxes on institutional units or economic Activities taking place in the areas. They are often heavily dependents on grants from the central government, and they may also Act as agents of the central government to some extent. They are entitled to own assets, raise funds and incur liabilities by borrowing on their own account. They must also have some discretion over how such funds are spent, and they should be able to appoint their own officers independently of external administrative control.

Some of the most typical functions of Local Governments include financing educational establishments in which a user's fees are small relation to the main cost borne by the Local Government's dressing stations and social welfare establishments, such as Kinder Gartens, nurseries, public sanitation and related entities such as water purification system and plants, refuse collection and disposal agencies, cemeteries and culture, leisure and sports facilities such as music halls, libraries, parks and open spaces

Overview of Financial Relations between Central and Local Government

There are a number of legal rules and regulations which govern the financial relations of central government with local authorities. One set of rules involve financial management is for raising funds. They include:

- Tapping of own revenue (Act 245 and 252 of 1992) constitution and section 34, part vii, viii, ix and x of Act 462
- Institution of ceded revenue sixth schedule of Act 462.
- Establishment of District Assembly Common Fund (Act 455)

- Other specialized funding arrangements including stool lands, royalties, timber regulative Minerals Developments Funding, Revenue from Lotto operations and special payments by agencies and companies operating in the areas of jurisdiction-District Assemblies
- Recurrent expenditure transfers. A set of rules are meant to ensure transparency, accountability and efficiency, in the management of finances of local authorities
- Meager of central and Local Government treasuries at the district level into one district finance office.
- Decentralization of the award and payments from contracts up to limits set by the Ministry of Finance.
- Establishment of District Tender Board LI 1606 (1995)
- Act 462 sections 91 of power of the Minister for Local Government to give financial instructions to District Assembly.
- Section 93 (1) power of the Minister of Local Government to authorize the inspection of books, accounts and records of District Assembly.

Allocations of Funds

In accordance with section 8 of the District Assembly (DACF) Act 1993, Act 455, the following guidelines for utilization of the DACF by Assemblies are used. This is in collaboration with the Ministry of Finance and accordance with the decision of cabinet.

- Reserve fund
- Human Capacity Building 1%
- National Youth Employment programmed 35%
- District Response Initiative 0.5%
- Malaria Prevention 0.5%
- People with Disabilities 2%
- Other Projects 61%

Financial Accounting and Budgetary Control

Each Assembly shall each prepare a Development Budget covering the DACF. This is because allocations of the DACF are not made before the commencement of the District Assembly's financial year of January to December. The Development Budget covering the District Assembly Common Fund shall be approved by a Resolution of the Assembly in accordance with section 112 of the Local Government Act, 462 and transmitted along with a copy of the resolution to the Regional co-ordinating council. The Development Budget shall be presented in the approved form. Regional co-ordinating council will collate and harmonize Development Budgets by Assemblies into a Regional District Assembly Common Fund Budget.

Issues to be Researched

The issues to be researched on include the following;

- Effectiveness of revenue mobilization strategies of Metropolitan / Municipal and District Assembly MMDASS in Ghana (AMA) as a case study.
- Revenue leakages involving AMA revenue collectors
- The delay in the disbursement of the DACF fund on time.
- Corruption in the award of contracts in the Assembly
- Outdated Data Base

Effectiveness of Revenue Mobilization Strategy of Metropolitan / Municipal and District Assembly (MMDA's) In Ghana (AMA) as a Case Study

The traditional source of income for the MMDA'S include court fines, property rate, basic rate, issue of licenses, market and lorry park tolls, Grants to mention just few. It is the responsibility of the assembly to collect this revenue to support local development. They rather gave out this crucial job to their favorites who introduce machines to collect on commission basis at the close of the day 50-60 % of the revenue collected goes to the contractor as commission. Sometimes these commission agents run away with the revenue collected. The Assembly in conjunction with police has to call for their arrest. The receipt books which the government uses scarce resources to print are left at the store of Controller and Accountant Generals Department. The receipt books are the effective means of collecting revenue for the MMDAS. The receipt books have counter foil receipts for accountability purposes. A revenue

collector can be easily checked when he/she comes to render an account. The counter foil receipts serve as a check and balances on the collector. The amount charged as a market and lorry park toll is normally printed on both the receipt and the counter foil, so the number of receipts issued could be cross checked with the counter foil to prevent leakage. The revenue supervisors should go to the field to monitor the revenue collectors. A survey conducted on revenue collectors at the field revealed that, they print their own receipts; on market days they try as much as they could to issue their illegal receipts before attending to the assemblies tickets. This practice deny the assembly a huge sum of money; again the revenue collections sell both the ticket and counterfoil receipts. The counterfoil receipt sold goes to their pocket, while they do not account for. The revenue supervisors should ensure that they put a stop to it, to enable them account for the tickets sold. The supervisors should not condone and connive with collectors in any form to deny the assembly the needed revenue for development. Again, the supervisor should make it a point that all the revenue collectors, account for their daily collections. These monies should be handed over to the accountant for lodgment.

Revenue Leakages Involving AMA Revenue Collectors

Most of the revenue collected is not accounted for. There is always over invoicing and under invoicing. The revenue collectors collaborate with payers, make under payment to the assembly. Either they are tipped or they are made to pay less the official rate and the difference goes to their pocket. Supposing Mr. A will be asked to pay GH 100.00 as property rate, Mr. A will be asked to pay GH 70.00 and they are tipped for say GH 15.00. Sometimes

too, they are tipped to come in a month or two to collect the amount due. With such a practices going on, how can the assembly get money to provide essential services to the residents of Accra metropolis? Sometimes, too revenue collectors issue receipts with different figures. The figure appearing on the original is different from the one appearing on the duplicate and the triplicate. Supposing the customer is issued with general counterfoil receipt of GH 200.00 on the original, the duplicate will read GH 100.00. The GH 100 has gone down the drain. Revenue supervisors must make sure that all general counterfoil receipts are carbonized to avoid leakage.

The Delay in the Disbursement of the DACF Fund on Time

A Central Governments Transfers to the MMDA'S appear to be the main source of funding for development projects prominent among such transfers are the District Assembly Common Fund DACF/District Development Facility DDF and Urban Development Grants DDG. However, the sustainability of both DDF and UDG lies on the scale of uncertainty as the two are donor driven and therefore have gestational periods, which may not be extended.

Additionally, the DACF has its own local challenges as it depends on the entire government revenue including taxes within the fiscal year of which 7.5% is given to the Common Fund Administration for disbursement to the MMDAS. However, it appears there is a steady decline in the revenue mobilization derives of the government with special reference to taxation. The above is further compounded by the over bloated wage bills of public workers which conservatively accounts for over 70% of the entire public, revenue. A

scenario, which has a telling effect on the governments propensity to make such transfer to the MMDAS, notwithstanding her deep resolve not to shirk such a vital responsibility

Corruption in the Award of Contracts in the Assembly

Most of the contracts are awarded to their relatives who do shoddy work or just to give them the opportunity to get their “kickbacks” It is interesting to note that, Revenue Collecting Agents do not put in much effort to collect substantial amount for the assembly because they know very well that, at the end of the day their commission is assured. When the assembly realised that their revenue is declining they terminated the appointment of the Commission Agents. It is imperative for the staff, Management, Assemblymen and Assembly women to be transparent in all their activities to enable the assembly to become financially sound.

Outmoded Database

Many of the MMDA’S are still using the 1997 base line data for their annual valuations which by all standards has become outmoded and as a result, it diminishes the MMDA’s ability to maximize revenue mobilization, especially through Ghana property tax which is considered to be one of the best revenue sources, that has the potential of shoring up their financial standing.

Even though, the Local Government Act 1993 (462) gives a lot of powers to the Assemblies to legally generate internal revenue to support local development the absence of credible local data base has worked against their

propensity to raise any meaningful revenue as previously mentioned. For this reason, Ghana Internally Generated Funds; Technical support (GIFTS) project has once again come to ameliorate the situation and put the MMDAS on the path of weaning themselves from government's transfers to a position of financial self-supporting. Such a position would naturally hasten local development/service delivery which would in turn give practical expression to the decentralization process.

Theme Trimetric Theory the Evaluation of Revenue Mobilization Strategies of Metropolitan, Municipal, District Assembly Metropolis AMA

Undoubtedly, 27 years of experimenting decentralized system of government has brought decision making to the doorsteps of the citizenry leading to massive Infrastructural development in terms of access to health, education, portable drinking water, sanitation facilities, lorry parks markets, Bus stops dotted all over the places, and many other facilities found , in many communities across the country.

The new paradigm now is how best to translate this development into job creation for the unemployed and to alleviate poverty by improving the incomes of the people. Consequently, the Ministry of Local Government and Rural Development is pursuing policies on the establishment of small and medium scale enterprises (SMEs) to serve as, catalyst for the transformation of the Metropolitan, Municipal and District Assembly as economic hubs for accelerated economic development to alleviate poverty and improve livelihoods and the wellbeing of the rural people. With a regard to the strong

foundation and financial support for the MMDA'S, what do we see; they fail miserably in mobilizing funds and rather depend on the DACFS for development. Most of the Assembly Women and Men do not understand the Decentralization concept. Instead of working for public good they rather work for personal interest. With reference to the Ghanaian Times publication of Thursday October 8, 2015, "There was near pandemonium during the inauguration of the Shai Osudoku District Assembly at Dodowa". This followed a stalemate when the assembly could not elect a presiding member, after two rounds of voting. The district coordinating Director had no option than to adjourn proceedings to a later date in accordance with the Local Government Act, since none of the contestants could attain two thirds majority. The postponement infuriated some assembly members who supported one of the contestants. Assembly women and men are to support the Assembly in her effort to mobilize funds and cooperate with the assembly in all her daily activities towards developmental programmes. Therefore they should be sensitized before any programme is initiated, since some of them are ignorant of the assembly's bye laws. Again, they should be advised that accepting the privilege and responsibility to serve the assembly required dedication, commitment and hard work to enable the assembly succeed. They should be charged to work towards generating enough revenue in order to stop the over reliance on the District Assembly Common Fund and other central government releases.

The MMDAS for that matter AMA have been authorized by law to seek other specialized funding arrangements, from Stool Land Royalties, Timber Royalties, Minerals Development funding, Revenue from lotto

operations and special payments by agencies and companies operating in the jurisdiction of AMA. The question asked is has the AMA revenue administrations really have realistic programme towards the collection of revenue? The answer is No if AMA is actually efficient in the mobilization of revenue, I do not think AMA will depend only on the DACF for development. The AMA task force does not speak the truth; they are so corrupt to the extent that, they rather collaborate with Makola women to deny the Assembly the needed revenue.

Act 462 sections 91 of the power of the Minister for Local Government to give financial instructions to District assemblies. Since the inceptions of MMDAS how many times do we hear a Minister of Local Government instruct an assembly on her finances. A Chief Executive can award a contract without, the knowledge of the assembly and presiding members. A daily graphic of Monday, May 3rd2014 the District Executive of Ho Municipal Assembly awards a contract of the renovation of her office without the knowledge of the presiding members of the assembly. This is the responsibility of Local Government to step in to put things in order. In fact I cannot tell how the matter was resolved.

Finally, the Local Government Act 462 section 93 power of the Minister of Local Government to authorize the inspection of books, accounts, and records of District Assembly. There are financial malpractices going on, for the Local Government Minister could Act on this, I think all the leakages will brought to an end. Owing to over dependence on the DACF the Minister of Financial and Economic Planning has announced in the budget statement that from this year 2016 all MMDAS will issue Local Government Bonds.

That, means they will issue these bonds to raise funds from the general public for development. The Central Government has borrowed large sums of money, allocated to the MMDA'S for development. Due to this they do not make much effort to mobilize fund. If they are granted the power to issue bonds to finance their capital expenditure. It will save the central government from borrowing huge sums of money for their capital investment. The money raised will be used for capital investment for local projects such as construction of schools, streets, highways bridges clinics, hospitals public holding and providing other utilities. If the assembles could embarked on this opportunity and work hard sufficient funds could be raised for their capital expenditure, rather than depending on the DACFs which is not forthcoming. The central government has borrowed large sum of money for the Assemblies' capital expenditure but found their way into the drain.

The Definition and Concept of Public Revenue

The oxford advanced learners dictionary defines public revenue as the money that a government receives from taxes and other sources. In simple terms, revenue is income that a company receives from its normal business activities usually from the sale of goods and services to customers. In many countries, such as the United Kingdom, revenue is referred to as turnover. Some companies (Carcello, 2008). Revenue may refer to business income in general or it may refer to the amount, in a monetary unit, received during a period of time. Profits or net income generally imply total revenue minus total expenses in a given period. In accounting, revenue is often referred to as the "top line" due to its position on the income statement at the very top

Revenue-Non Profit Organization

The USA department of the treasury (2006) states that for non-profit organizations, annual revenue may be referred to as gross receipts. This revenue includes donations from individuals and corporations, support from government agencies, income from activities related to the organizations mission and income from fund raising activities, membership dues and financial investments such as stock, shares in companies.

Government Revenue

The Australian government central government revenue includes gross proceeds from taxes levied on companies and individuals, exercise duties, customs duties, other taxes, sales of goods and services, dividends and interest received. In general usage, revenue is income received by an organization in the form of cash or cash equivalents sales revenue is income received from selling goods or services over a period of time. Tax revenue is income that a government receives from tax payers. In more formal usage revenue is a calculation or estimation of periodic income based on a particular standard accounting practice or the rules established by a government or government agency corporations that offer shares from sale to the public are usually required by law to report revenue based on generally accepted accounting principles or international financial reporting standards. Source (<http://www.budget.gov.au/dated> 16th April 2001). Local government revenue on the other hand is mainly user fees and charges, property tax, revenue from specific trade etc. accruing at the local level. Revenue mobilization is the act

of marshaling assembling, and organizing financial contributions from all incomes, accruing from identifiable sources in an economic setting.

Importance of Local Revenue to Local Governments

Ziria (2008) outlines the importance of local revenue to local governments as follows

- Financing administration costs (e.g. in Uganda councilors emoluments and employee cast)
- Financing maintenance costs and this promoting ownership of projects;
- Permits collection of localized and low yielding revenues
- Guarantees sustainability of service delivery and autonomy of local governments
- Regulates businesses and provides important infrastructure and services such as markets and public **conveniencies** at a charge.
- Reduces pressure on central governments and reliance on donors.

Revenue Instruments for Local Governments

Olowu and Wunsch (2003) state that sound revenue system for local governments is an essential pre-condition for the success of fiscal decentralization. Shahs (1998) as well as Oates (1998) add that local revenue mobilization has the potential to foster political and administrative accountability by the empowering communities.

However, prescriptions deriving from the theory and form good international practice impose huge constrains on the choice of revenue

instruments for local governments. Bahl et al (2003) classify local government revenue into the main categories for local authorities in Africa. These are internally generated funds, which includes taxes, user fees, and various licenses and transfers from the central on regional levels, usually in the form of grants and revenue sharing. In some countries, municipalities, districts and other local authorities are allowed to borrow money for capital investments in infrastructure. In Ghana the laws make purchase of equity shares by local government authorities illegal

Revenue Source Available to Local Governments

According to Lutaga (2009) using the Ugandan experience states that there are various types of levies under four major sources as shown below:

- User fees and charges
 - Hotel tax
 - Trading licenses
 - Parking fees (cars, taxis, buses, motor cycles etc)
 - Market dues
 - Fish monger permits
 - Tender application fees
 - Tourist licenses fees
 - Registration fees for certificates of birth, marriage, death and political party registration
- Property revenue
 - Rent on commercial buildings and land
 - Ground rent

- Building plan approval and inspection fees
- Sale of boarded assets
- Land search and registration fees
- Revenue from specific trades
 - Slaughter fees
 - Traditional healers practice fees
 - Brewing and sale of alcohol
 - Transportation of charcoal and wood
 - Lumbering
 - Permits for stage plays and public entertainments
- Revenue from persons in gainful employments
 - Locals' service tax is applicable to artisans, business persons and commercial farmers.

Reasons for Low Revenue Mobilization the Malawian Experience

Schroeder et al (1998) reveal the following as reasons responsible for poor revenue mobilization in the Malawian local authorities.

- **Weak Administration**

In general, the revenue base information is incomplete, collections are low, and enforcement is virtually non-existent. Although policy can be fine tune, the primary obstacle to successful local revenue mobilization is weak administration. Weak administration, combined with a lack of political will for enforcement, generates a low level of local revenue mobilization performance. There is general agreement that the local assemblies have substantial potential

for enhancing local revenues, especially from business licenses and property rates (Schroeder, et al 1998).

- **Collection and enforcement**

Local revenue collection rates in Malawi are low estimated to range between 20-50 percent. This is only an estimate since statistics on actual collection rates are difficult to identify since information on actual revenue collections is difficult to assemble and is usually compared based on tax collection targets not on billed liabilities or potential revenues. To date, local assemblies rely mostly on individual persuasion to mobilize revenue, rather than utilizing the various enforcement mechanisms available through the local government act according to Kelly et al (200) lack of collective ability and enforcement can be attributed to several factors such as:

- **Lack of apparent political will**

Mobilizing political will requires education and incentives to those involved in the revenue mobilization effort.

- **Poor local facilities**

The taxpayer must be convinced to pay the tax through receiving improved local services and perceiving that the taxes and fees are being administered fairly. The first priority must therefore be to improve service delivery, since people are always more willing to pay taxes and fees, if in return they receive some tangible benefits or services.

- **Lack of education on tax responsibility**

As with all taxes, attention should also be given to educate the taxpayer on the national, procedures, obligations and responsibilities related to the business and property tax. Having the ability to link revenue collections to

improved service delivery and a better educated tax payer population will enhanced participatory budgeting and civic participation will engage the citizens and also facilitate enhanced revenue collection.

- **Tax base coverage**

Kelly et al (ibid) conclude that the coverage ratio of the local government revenue registration seem to be quite low resulting from non-existent incomplete and or outdated information on the table objects, properties and businesses. Local business license registers contain only information on those few smaller business being licenses issued by assemblies. Information on any larger businesses is contained in the businesses register at the ministry of industry and commerce (Malawi). The property tax registers and also in various levels of completeness. Within the district assemblies property tax registers do not exist and must be created for the first time. In the previously rate-able areas, the property tax registers may be incomplete and out of date.

- **Property valuation and classification**

Using the information from the resisters, Kelly et al say that the tax administration must classify the tax object correctly for unit tax assessment such as a license fee system or it should be valued correctly for an ad valorem tax assessment such as a typical property tax system. To them accurate business classification for tax assessment depends on

- ✓ Having sufficient and unambiguous information on the business characteristics needed by the staff to correctly classify the business.
- ✓ Trained staff who can classify correctly and consistently.
- ✓ Proper supervision and oversight for quality control.

- ✓ An appeal process to deal with cases of misclassification
- ✓ Accurate property valuations similarly depend on:
 - Having good descriptive physical property information which can be linked to market data on indicative valuation measures to ascertain the relative property value.
 - Trained and knowledgeable staff who can use this information to determine the relative valuation of property.
 - Proper supervision and oversight for quality control and on appeals process to deal with cases of mistake in valuation. Kelly et al argue that both the classification and valuation accuracies affect the revenue potential, equity, efficiency administrative feasibility and political acceptability. Generally speaking business classification is quite straight forward. It is based on objective descriptive information such as type of business and its size.

Reforming – Cal Government Internal Generated Funds (IGFS)

Fjeldstad et al (2000) posit that a widely found characteristic of local authority IGF systems in Africa is the huge number of revenue instruments used for revenue mobilization. In many countries, local governments seem to raise whatever taxes fees and charges they are capable of raising, economic distortions and distribution effects that these instruments may create.

Bardhan and Mukherjee, (202) argue that a complicated and non-transparent local government revenue system is costly to administer and it facilitates corruption and mismanagement.

Moreover, many local taxes have a distorting effect on resource allocation decisions, and thus an inhibiting effect on the start-up of new enterprises and the achievement of economic growth.

Sander (2003) says these effects occur when effectiveness vary greatly between different goods that are traded, and when licenses fees are set too high for start-up small-scale enterprises to survive. Fjeldstad and Semjojour (ibid) observe that the levels and types of local revenue instruments by themselves can result in the tax burden falling more on the poor than the rich. This is mainly due to the basic design of the local system and the way revenues are collected.

Despite the many comprehensive central government tax reforms during the last decade, local government revenue systems in sub-Saharan African have remained largely unchanged until recently. Generally, a fundamental requirement when redesigning local revenue systems is greater emphasis on the cost effectiveness of revenue collection taking into account not only the direct costs of revenue administration, but also the overall, costs to the economy, including the compliance costs to the taxpayers. In addition, losses through corruption and evasion need to be reduced. Clearly improved revenue administration cannot compensate for bad revenue design.

Thus, reforming the revenue structure should precede the reform of revenue administration since there is not much merit in making a bad revenue system work somewhat better. Fjeldstad (2001) recently, Tanzania conducted a comprehensive reform of its local government revenue system. The main elements of this reform were abolition of unsatisfactory local revenue instruments, which were costly to collect from administrative and political

perspectives and improvements to remaining revenue bases by simplifying rate structures and collection procedures.

The Tanzania reform demonstrates that radical changes of the local government revenue system are possible, although it is too early to assess the longer term impacts of this reform on local government revenues.

Strengths and Weakness of Major Local Government IGF Instruments

As noted above, the local “own revenue” systems across African are often characterized by a huge number of revenue instruments. However, the main species of “own revenues” in urban councils usually property rates, business licenses, and various user charges, often in the form of user charges for services provided by or on behalf of the municipality. Nevertheless, experiences from a number of African countries shows that these revenue instruments have serious short falls. For instance property taxes can be very costly to administer (Brosio 2000, p 20) and the enforcement of user charges has resulted in widespread resistance to pay forms the poor segments of the urban population in some countries (Fjeldstad, 2004, Fjeldstad et al 2005). Moreover, complex business licensing systems have proved to be major impediments for the startup and expansion of especially micro and small enterprises (de Vas and Kelly, 2001, Sander 2003) can provide substantial and reliable revenues for urban municipalities.

Property tax

Property tax is a major source of revenue in several urban councils (Mikesell, 2002) in the 1990s, property taxes accounted for 40 percent of all sub-national taxes in developing countries (ibid & Slack, 2012, p.6) but less in

many African countries, for instance 10-30 percent in urban councils in Tanzania (Fjeldstad et al 2004) and around 20 percent in south Africa (Bahl & Smoke, 2003). It also has the potential to become an important revenue source in textbooks on revenue assignments between various levels of government argue that few fiscally significant taxes are more appropriate to local administration than property tax. This is due to the fact that real property is visible, immobile and a clear indicator of one form of wealth. Hence in principle, property tax is difficult to avoid and if well administered it can represent a nondistortional and highly efficient fiscal tool. Property tax can be administered by both-local and central governments. When local government administer the tax, they are responsible for maintain property and ownership records determine taxable property values, calculating and disturbing property tax bills managing receipt payment, and applying tax enforcement against non payers (Mikesell, 2002, p.22). In other cases, local governments, have a say in the choice of tax rate, while all parts of the administration of the tax are performed by the internal revenue authority. In some counties including Malawi, property valuation is done by the central government. While local authorities set rates and handle collection (Mikesell, 2002.p.28).

According to Brosio (2000) West African French speaking countries in general rely on the traditional French model, in which the property tax is administered and collected by the central government. Whereas east and southern African countries rely on local administration. This is usually recommended in the literature that stresses that taxes should be administered by the government that is entitled to their revenue. However, mixed results prevail in the both cases in Africa.

Expert opinion diverges on how to improve property taxation in developing countries. Some experts blame the excessive centralization of property tax policy, which bars setting higher tax rates. Others blame what they consider the almost total anarchy deriving from local government freedom in this field. There is also dispute over tax administration. Certainly, property taxes have many attractions as local bases, but they also have some obvious weaknesses that need to be taken into consideration before heavy reliance is placed on them often capability and capacity of the municipality are inadequate to administrate the property tax at a low cost (McCluskey et al 2003). These administrative weaknesses are manifested in problems of valuation and are strainers in tax assessment and enforcement. In theory, assessments of property value and revenue collection are straight forward. Conduct a cadastral survey that assesses the market or site value of each plot of land or property, and send a tax bill to each owner. In practice, however, cadastral surveys are expensive and time-consuming (Bahl et al 2003, p. 79). The task is often beyond the financial and technical capability of many local governments. Tax offices in many sub-Saharan African countries are short on assessors if they have any at all. (Farvacque-Viticovir and Godin, 1998). In Uganda, for instance there are eleven certified land and property valuations responsible for valuing free millions parcels (McCluskey et al 2003). The corresponding figures for Tanzania are approximately 100 certified valuations and five million parcels. Thus, it is difficult to conduct and maintain assessments which are also often eroded by inflation. Particularly when property prices are changing rapidly, it is difficult to administer. Accordingly, the property tax base is inelastic, despite growth in the physical size or value

of property, because old valuations are not updated and new properties are not identified. In most cases, the system has been inherited from the colonial era and is poorly suited to present conditions.

Business licenses

Local businesses taxes are generally levied in one of two ways (Devas and Kelly, 2001 p.384) either as a fixed amount, which usually varies by type, size or location of the business or as a percentage of turnover or profits. Assessing turnover or profitability, however is difficult but in relation to small business, which often do not maintain proper records, and to the large businesses with multiple premises across various jurisdiction. Thus, local business taxers often use proxies for turnover or profitability, such as the size of the premises, type of business, number of employees installed electricity power etc.

According to Devas and Kelly (ibid) in francophone Africa, local governments Kenya tax called the "Patente", was originally based on the French tax professionnelle. In Cote d'Ivoire, the patented was the largest single local revenue source in the 1990s, financing about 17 percent of the local government budget and more in the capital Abidjan. The calculation of this tax, however is quite complex, involving the value of the premises, number of employees, energy capacity and other size proxies. Moreover, within this formula, real value of premises is by far the largest factor, so that the tax statist to resemble a property tax.

As pointed out by Devas and Kelly, in Anglophone African, the standard mechanisms for mobilizing revenues from businesses have been through licensing. Although the original intent was regulating, local business

licensing has increasingly become simply a revenue sources in most places. Typically, business licenses generate between 5 percent and 30 percent of local government own revenues in urban councils.

In any Anglo phone countries, however, the system has been quite unsatisfactory, often quite inequitable. It has imposed huge casts on businesses, while generating relatively little money. A common complaint from small and medium-sized enterprises in most African countries has been that they do not know what to pay, where and to whom. The regulatory aspects of the license system have been largely abandoned. In addition, poor policy design and weak administration ;mean that licenses coverage, assessment, collection and enforcement rates are low, leading to poor revenue generation obtaining a license typical involves multiple visits to various offices, sometimes over several days, with associated travel costs. Failure to provide the correct license receipts may result in closure of the premises. Consequently, the system is often riddled with rent seeking and corruptions. Aranjou-bonjean and Chambas, 2003) state that poor administration often means that many businesses are not included in the license system due to lack of proper business registers. Furthermore, weak financial management will often imply that collecting and enforcement provisions are rarely enforced. This is the tax base and introduces in qualities into the system. Thus, many existing business license systems across Africa contain serious defects.

According to Devas and Kelly,(2001), these include high compliance casts to businesses due include high compliance casts to businesses due to multiple licensing and complex procedure tariff structures that are complicated and do not reflect ability to pay.

A process loaded with in effective regulating requirements which provide opportunities for rent seeking.

Poor administration and evasion, which reduce the tax base and generate inequities. A revenue sources that generate inequities. A revenue sources that generates relatively little income for local governments.

User fees-linking payment and service delivery

Bahl et al (2003) argue that taxes are not the best mechanism for matching demand and supply of public services. Better links can be achieved through cost-recovery charging systems, which tie the amount paid by directly to the amount consumed. Moreover many African countries have a long tradition of providing basic public serviced through self-help activities and religions and other locally based organizations, as well as through institutionalized long term relationships between state agencies and organized groups of citizens as co-production. By providing a more direct link between citizens' contributions and service delivery, such mechanisms may become effective means to cover the costs of service provision and to promote efficiency in the consumption of the services. Most observers like Bahl et al (ibid/ argue that user fees should play a prominent role in local government finance.

Fjeldstad et al (2005) say that the main economic rationale for user changes is not to produce revenue, but to encourage the efficient use of resources within the public sector. In the view of these authorities when properly designed, user charges provide information to public sector, suppliers on how much clients are willing to pay for particular services and by ensuring

that what the public sector are valued by citizens. Free or subsidized services may result in over consumption of such services.

Moreover, it may prove difficult to target the beneficiaries of the services. McDonald and Pape, (2002) present experiences from several countries, including Namibia and south Africa to show that user charges can impose a heavy burden on lower-income service user and exclude the power segments of the urban population for the services. Adjustments according to Rondinelli et al (1989) can, however to made to offset such effects. For instance, user changes can also reflect difference in ability to pay by incorporating sliding scales for the type of user or the amount of usage, although this will require adequate administrative capacity Bahl and Smoke, (2003) make the case that user charges for trading services, including water, electricity sewage and solid waste removal are major sources of revenue in urban municipalities in south Africa, especially in Namibia and South Africa. In particular services charges on water and electricity supply are important. This revenue is generated by a charge added to the cost of the utilities that the local authorities typically buy form the utility companies, or if the authority itself produces the utility added to the cost of producing it. According to Bahl et al (ibid) around a quarter of the electricity distributing, authorities in South Africa raise substantial revenues from the surpluses earned from their sales. A large share of these revenues is used to cover the cost of providing the service. However, in some municipalities a substantial surplus is left for general local government purpose. Hence, the tax component of the user is hiding from rate payers. The true level of local government taxation therefore is not transparent for citizens. The accountability of the local revenue system is therefore

undermined. Moreover, since the consumer price for example electricity is over stated by the amount of the explicit tax, this may have negative impact on economic efficiency. Fjeldstad et al (ibid) mention that in Namibia the majority of town councils are not determine their tariffs in accordance with an approved tariff policy to cost recovery. Hence, several trading services including, water distribution are operated with significant losses in a number of local authorities.

Bahl and Smoke (ibid) confirm this by saying that occurs on municipalities in South Africa. The situation is worsened by an increasing number of outstanding debtors in many local authorities that is, consumers who do not pay for basic services due to various reasons including affordability. Bahl and Smoke (ibid) bring experience from South Africa and Namibia to show that obviously there are a number of constraints on user charges and other means of cost recovery. These arise from equality considerations, that is ability to pay, collections and billing methods the quality of the services provided and persistent to pay. These lessons point to the fact that dealing with the policy problem of revenue enhancement in local authorities requires some understanding of the factors underlying the individuals decisions whether to pay or evade paying service charges and taxes.

Slemrod, (2003) highlights an increasing amount of evidence that suggests that the rate of contribution to payment of rates, taxes etc. for public good is affected by factors such as citizens trust in others and the trustworthiness of the local government to deliver quality and timely services without trust there is little basis for social co-operation and voluntary compliance with laws and regulations regarding the payment of rates, taxes etc. in particular, three

dimensions of trust seem to affect citizens compliance with payment regulations and bye-laws:

- Trust in the local government to use revenues to provide expected services
- Trust in local governments to establish fair procedures for revenue collection.
- Trust in other citizens to pay their taxes.

The longer the fraction of the local population that is observed not paying the right taxes, the lower the perceived risk of being prosecuted is. These impacts on the individual rate payer's perception of the credibility and trustworthiness of the revenue administration. Moreover, the attitude of local political leaders with respect to collection of revenue seems to be important. For example, they have to legitimize non-payment through their own behavior. The problems of non-payment should therefore be attached on several fronts, including service delivery better administration and payment schemes and community involvement.

Implications for policy

Bahl and Smoke (ibid) state that one major administrative problem today for several urban councils in Africa is their inability to collect fully the revenue due to them. In many municipalities, there are huge gaps between actual and projected revenues.

This is due to:

- Poor administrative capacity to assess the revenue base
- Poor administrative capacity enforce the payment of taxes
- Explicit and international tax evasion and resistance from tax payers.

- Corruption, including embezzlement of revenues by revenue collections.
- External pressure on the local finance department to provide optimistic projections in their budgets.
- Political pressure on the local tax administration to relax on revenue collection especially during election periods.

According to Bahl and Smoke (ibid) fundamental issues to be addressed in the context of local government fiscal reforms are to redesign the current revenue structure and to strengthen financial management. Moreover, measures are required to enhance tax payers compliance with bye laws and to improve the accountability of revenue collectors and elected councilors. This however cannot be achieved without substantial and consistent political support from the central government. Bahl and Smoke (ibid) suggest that intensified public education and improved information supplied to the public on budgets, revenue mobilization and accounts may improve the opportunities for citizens to exercise their voice and demand accountability from local authorities.

Problems of local governments tax mobilization in Nigeria

Adedokun (2007) has identified the following problems that inhibited local government tax mobilization Nigeria.

- Shortage of trained personnel

Shortage of well trained and qualified personnel which are supposed to serve as tool for collection of taxes and rates at the local level, even the few available are not properly trained in efficient budgetary and

financial management systems. Also most of the local governments are short staffed to carry out their duties.

- Lack of capacity to attract and retain personnel.

Local governments lack the capacity to attract and retain the right caliber of staff to articulate plans and execute programs and projects in order to transform the lives of the grassroots people

- The dependence syndrome.

Despite the fact that there are constitutional provisions for statutory allocations and internally generated revenues, local governments are tightly controlled and subordinate by the state governors through sundry mechanisms, including manipulations of the disbursement of financial transfers to them. Local governments in Nigeria mobilize their funds solely from external sources. The external sources include federal and state governments financial transfers like grants, statutory allocations, share of value added tax (VAT), receipts and loans. These external sources introduce dependency syndrome in local government revenue mobilization effort. Any setbacks from the external sources have adverse effect on the administrative machinery and execution of some local government viable projects. This also has weakened their internal revenue mobilization capacity.

- State control over local government budget government revenue mobilization capacity is state control over local government revenue mobilization capacity as state control over local government budget which is made to pass through many levels of approval in the hands of the state or central government. Even after approval, post-budget

controls still impose further restrictions on what local governments can do. The delay in the passage of annual budget for local governments poses a great problem in the sense that budget sometime take 3 months before approval. Invariably this will cause delay in execution of local government functions including payment of the staff salaries and hinder infrastructural facilities to be put in place. In 1996, some newly elected chairman of local, governments in Nigeria condemned in it's entirely the horizontal sharing. Formula of the local governments' allocation from the federation account which was equality (40 percent) population (30 percent) land mass/ terrain (10 percent) social development factor (10 percent) and internally generated revenue (10 percent). This formula will continue to yield less revenue for many local governments especially when more local governments are created.

- **Corruption**

In addition, insincerity of council's staff of filed assignment poses greater problem because most of them usually divert collected council fund for their personal usage thereby denying the council of the needed funds for its operations.

- Some local governments' chairmen deposited local governments' subventions into savings and loans companies in which the local governments had no accounts. Some local governments see this as an avenue to divert council's funds for personal use.

Factors that affect low revenue

According to Aryee (2003) factors that account for low revenue mobilization in account for low revenue mobilization in MMDAs include the following:

- Poor administrative capacity to access the revenue base enforce the payment of taxes.
- Explicit and intentional tax evasion and resistance from taxpayers.
- Corruption, including embezzlement of revenues by revenue collectors.
- External pressure on the local finance department to provide optimistic projections in their budgets
- Political pressure on the local tax administration to relax on revenue collection especially during election periods.
- Poor budget formulation and implementation.

Strategies for effective IGFs

To generate enough IGFs Korkor (2003) suggests the following strategies to MMDAS

- Public education payment of rates, fees licenses etc. by corporate bodies, traders, property owners.
- Revaluation of immovable properties to reflect the true ears values of such properties.
- Introduction of new business operating permits
- Engagement of private revenue collections
- Use of task force and the police to enforce payment of fees and licenses

Institutional composition of the Accra Metropolitan Assembly

The Metropolis is divided into ten (10) Sub Metropolitan District councils. These are Ablekuma Central, Ablekuma North, Ablekuma South, Ashiedu Keteke, Ayawaso Central, Ayawaso East, Ayawaso West, Okaikoi North, Okaikoi South and Osu Klotey Metropolitan District Councils.

Source: Ghana Statistical Services/AMA

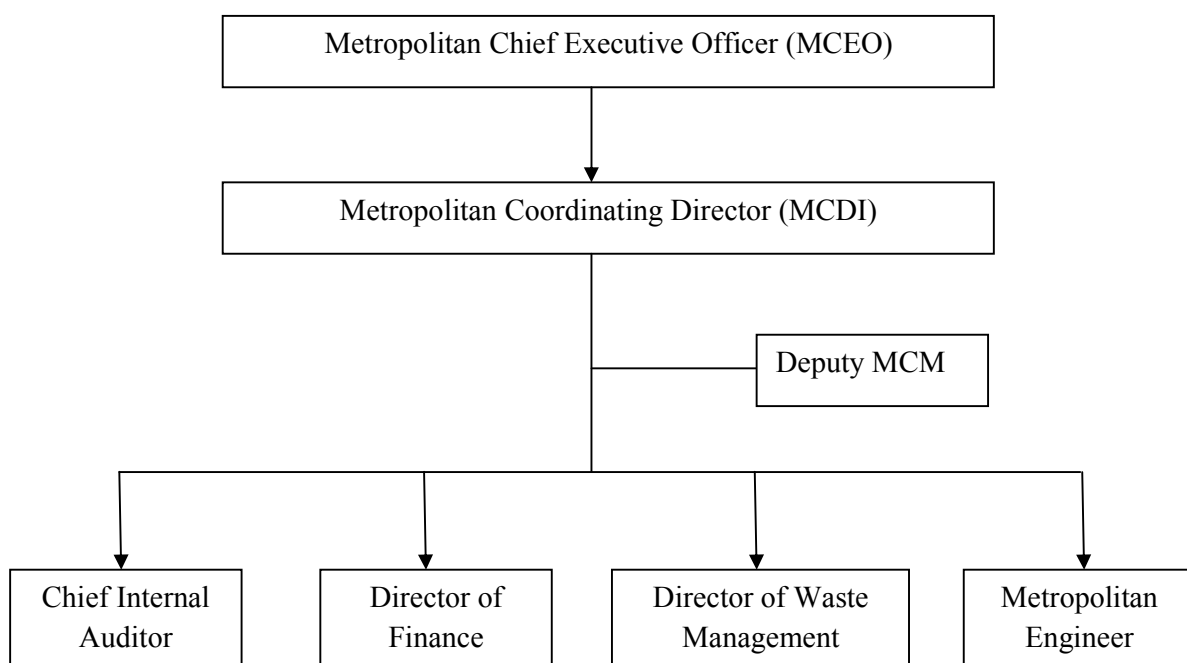


Figure 1: Administrative structure of AMA

CHAPTER THREE

METHODOLOGY

Introduction

This chapter presents the methodology which details the target population, sample size and sampling techniques, design, instruments, data collection procedure and proposed analysis of data.

The methodology section is an important component of the research that essentially maps out the methods used during the research work. On the basis of research problem and objectives, this study used the descriptive method of data analysis. Both quantitative and qualitative data were gathered and analysed to resolve the research questions. Quantitative data of the Municipal Assembly including financial data of revenue and expenditure were collected to analyse the efficiency in revenue collection and expenditure on projects. In addition qualitative data were collected from the respondents using structured interview and questionnaire to get more insight to the research questions.

The data for this study were collected from both primary and secondary sources.

Primary data were collected directly from the respondents through a questionnaire and structured interviews with key officials from the

Municipality while secondary data were collected from published and unpublished materials; predominantly from Municipal Assembly's financial statements, reports, minutes and documents

Basic Concept

Research methods may be understood as all those methods or techniques that are used for conducting a research. In other words, all those methods which are used by the researcher during the course of studying the research problem are termed as research methods. Research methods can be categorized into the following three groups: those methods concerned with the collection of data, those statistical techniques used for establishing relationships between variables and those methods which are used to evaluate the accuracy of the results. On the other hand, research methodology is a way to systematically solve the research problem. It may be understood as a science of studying how research is done scientifically. It has many dimensions and research methods do constitute a part of the research methodology.

When we talk of research methodology we are not only talking of the research methods but also consider the logic behind the methods we use in the context of our research study and explain why we are using a particular method or technique and why we are not using others so that research results are capable of being evaluated either by the researcher himself or by other scholars. Why a research study has been undertaken, how the research problem has been defined, in what way and why the research questions have been formulated, what data has been collected and what particular method has

been adopted, why particular technique of analyzing data has been used and a host of similar other questions are usually answered when we talk of research methodology. It is on this conceptual frame work that this paper is prepared.

Research Design

The proposed study adopted the case study design to obtain the necessary and required information and or data. The case study design was chosen due to its ability to provide in depth insight of the unit to be studied and the research question starts with “how” type of phrase. It is widely accepted that “why” and “how” questions can best be answered by the use of case study methods, as this method allows careful and complete observation of the social unit (Korthary,1990). Again, this research sought to carry out intensive analysis of the district situation regarding its Funding capabilities in project planning and implementation.

Sampling and Sample Size Determination

Within this context a sample survey had been carried out to back the secondary sources of data. Based on the fact that, participation in project planning and implementation has to involve community members, assembly members and DPCU members. These three groups were studied using different and interrelated sampling procedures. Since possible population differs on the levels of their involvement, in projects planning and implementation, stratified random sampling was used to categorize the members of the population into mutually exclusive and collectively exhaustive

groups. There were three (3) strata; Community Members, Assembly members and DPCU members.

Sample of community

Sample of community members is intended to find the views, expectations and recommendations of the different community members on participation on various development programs in their locality.

The following mathematical formula is used to determine the sample size of the community members: $n=N1+N\alpha$

Where, n = sample size; N = Sample frame; α = Alpha = Level of significance that provides best outcome when the value of ranges between 0.04 and 0.08 was used to determine the sample size. In order to have good representation of community members in the catchment area of the Accra Metropolitan Assembly., the study focused on six (6) area councils out of nine (9) area councils which were randomly selected. Using the above formula and the projected population of 2010 for the six selected area councils as N at 0.08 level of significance (at 92% confidence interval) the sample size n is found to be 156. However, considering the available time and other resources, the researcher decided to conduct the survey on only 50% of what the formula has shown. As a result, 100 community members from the Council area were interviewed. These individual sample units were selected from the area council randomly.

Research population

The researcher used Accra Metropolis as a case study with a population of 2.5 million (National Census).

Sample and Sampling Techniques

For the researcher to achieve a good balance, and to meet the research objectives, a sample was used. Considering the nature of the topic under study, the researcher made use of workers and traders within the metropolis. The sample size comprised a third of the total population of the metropolis. For the purpose of this research, 100 respondents were used to be the sample size.

Type of Data

The type of data employed by the researcher is quantitative and qualitative data. Quantitative data is that can be counted or expressed numerically and can be measured. This type of data is often collected in experiments, manipulated and statistically analyzed. It can also be represented visually in graphs and charts. For the purpose of this research, qualitative data was used because the researchers interest was to the evaluate revenue mobilization strategies of metropolitan and municipal and District Assembly in Ghana.

Source of Data

Primary data was collected by the researcher. For the primary data questionnaire was administered to both workers and traders within the metropolis. The researcher used primary data because it helped to know what was actually happening on the ground and also helped to come out with findings and recommendations.

Instrument for Data Collection

The key instrument used for data collection for the research was questionnaire which includes twenty (20) closed ended questions in all. Questionnaires were the main data collection used in this study.

Data Collection Methods

The researcher sought the consent of participant's before giving questionnaires to them for completion. This was done to ensure Ethical acceptability of the research findings.

Participants were assured of confidentiality of information that they provided, and that they would not be exposed to any form of discomfort or risk by participating in the study.

Finally, the respondents were informed that, participation in the study was voluntary

Primary Data

Directly data observed or collected from first-hand experience were collected, organized and analyzed to get the interpretation of it. Both qualitative and quantitative data were obtained using various data collection techniques as explained below:

Interviews

Structured questionnaires were used to get information and ideas from respondents. Interviewees were gathered together at one point in a particular area council. The researcher posed questions to respondents and filled in questionnaires for them. The researcher also asked open ended questions in

order to get more information and the feelings of respondents towards participation. These were mainly qualitative, which the structured questionnaire was not able to involve. These methods were used to get responses from Community members and assembly members.

Questionnaires

Questionnaires were used to collect information from the selected members of the Assembly. The questionnaires were administered to them and respondents provided answers without the assistance of the interviewer. Respondents were given 3 days to complete the questionnaires after which they were returned

Secondary Information

Documents were used to collect secondary data. The reviewed documents were District medium term plans and implementation reports and official files. The study also gathered information from the sampled departments through office notice boards such as departmental organisation structure.

Data Analysis

Data collected were analysed using the Statistical Package for Social Sciences version

Descriptive statistics such as frequencies and percentages were computed to answer the research questions

CHAPTER FOUR

FINDINGS AND DISCUSSION

Introduction

The focus of this chapter is on the analysis of the data collected from the field of study according to the responses given by the respondents. In all, 100 questionnaires were administered. Among which all 100 were received from the respondents selected at random. To do this, the responses were grouped into discrete variables like age, sex, location, type of business activity among others. The data were analyzed using statistical tools like charts, graphs, percentages, among others with the Microsoft office, Microsoft Excel and Statistical Package for Social Sciences (SPSS) version 22.0 software.

Socio Demographic Characteristics

The socio demographic characteristics encompass the sex, age, educational background, length of service with the organisation and the level of organizational hierarchy of various respondents.

Gender of Respondents

Variables of male and female were used to obtain responses on gender of respondents.

With respect to the gender of the respondents 65 males out of the 100 respondents constituting 65% responded to the questionnaire in this research and the female counterparts constitute 35%.

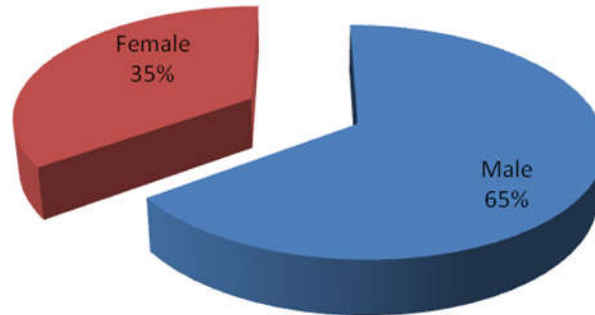


Figure 2: Gender of respondents

Age of respondent

From the analysis, it is revealed that the highest business acumen groups 42% of the respondents fall between the age group of 30-39 years while 28% fall between ages of 40-49% years. 20% of the respondents were between the age's group of 20-29 years and the lowest being 10% of the respondents were between the ages of 50 and above years.

According to this research, majority of the modal class of ages of the respondents is between 30-39 years. Most of the businesses or companies suffer management problems when their true owners pass away or when those who form a part of management go on retirement. In Ghana, taking the survival age to be 60 years, it means that the true owners of these businesses will be no more in the next 30 years to come. This means there is a high survival rate for them to grow their business or to serve much longer before thinking of going on pension.

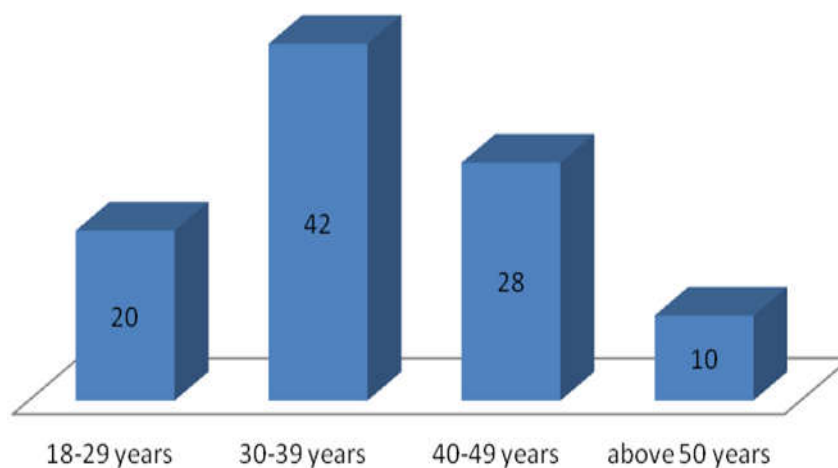


Figure 3: Age of respondent

Level of education

The incidence of revenue mobilization is impacted by the level of information available to both the collector and the payer. Again education influences ones understanding of the role of revenues mobilized by the Municipal and District Assemblies to the economic development of any country. To this end, the study sought information on the level of education of respondents. The results are presented in the Table below:

Table 1: Level of educational

Level of Education	Frequency	Percentage (%)
JHS	8	8
SHS	23	23
HND	27	27
Bachelors Degree	27	27
Masters Degree	15	15
Total	100	100

Source: Field Research Data, 2016

With the level of education of the respondents, Higher National Diploma (HND) and Bachelors Degree certificate holders recorded the highest responses with 27% each of the total populace, 23% of the respondent were Senior High School (SHS) certificate holders, Masters Degree certificate holders were 15% of the total respondents, and 8% of the respondents been the lowest were Junior High School certificate holders.

Duration of Business

From the data analysis it was revealed that 41% of the respondents been the highest has been working with their organisation for about 2-5 years, it was also revealed that 37% of the respondents had worked with their organisation for a period of 5 years and above, and 22% of the remaining respondents had worked with their organisation for just less than one year.

Table 2: Duration of business

Duration	Frequency	Percentage (%)
Less than a year	22	22
2 - 5 years	41	41
Above 5 years	37	37
Total	100	100

Source: Field Research Data, 2016

Level of organisational hierarchy

The study discovered that from the various responses gathered, 48% of the respondents belong to the lower level of the organisational hierarchy of their organisation, for the middle level of the organizational hierarchy it was

occupied by 35% of the respondents, and only 17% of the total respondents been the lowest occupied the top level of the organisational hierarchy.

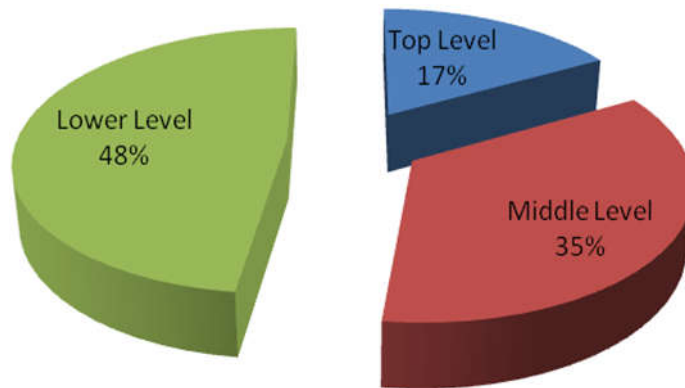


Figure 4: Level of organisational hierarchy

This brings into mind their level of affluence in society. The age, qualification and work experience of the participants in the study acted as a good base for getting authentic and reliable information about the study area.

Main source of funding for development project

It was realised that a large majority of the respondents been 86% cited that they strongly agree the main source of funding for the development projects of their district is the common fund, 11% of the respondents cited that they disagree that the district assembly common fund is the main source of funding for their developmental projects, and the least been represented by 3% of the total number cited that they were undecided as to whether if the district assembly common fund is the main source of funding for development or not.

Table 3: Main source of funding for development project

Variables	Frequency	Percentage (%)
Strongly agree	86	86
Disagree	11	11
Undecided	3	3
Total	100	100

Source: Field Research Data, 2016

Dependence on common fund for operations

From the data analysis it was found out that a majority of the respondents representing 58% cited that they strongly agree that the metropolitan, municipal and district assembly depend mainly on the common fund for their operations, this is followed by 31% of the respondents citing that they agree the metropolitan, municipal and district assembly depend on their common fund for their operations, and the least been 11% cited that they disagree that the metropolitan, municipal and district assemble depend mainly on common fund for their operations.

Table 4: Dependence on common fun for operations

Variables	Frequency	Percentage (%)
Agree	31	31
Disagree	11	11
Strongly Agree	58	58
Total	100	100

Source: Field Research Data, 2016

Delay in Transfer of District Assembly Common Fund

It was revealed from the study that out of the total sample size, 96% of the respondents stated that its true the central government normally delay in the transfer of the district assembly common fund, 3% of the respondents stated that they not very sure if the delay in the transfer of district assembly common fund was from the central government or not, but the lowest number been 1% of the respondents stated that it was untrue that the central government normally delay in the transfer of the district assembly common fund.

Table 5: Delay in transfer of District Assembly Common Fund

Variables	Frequency	Percentage (%)
TRUE	96	96
Not Very Sure	3	3
Untrue	1	1
Total	100	100

Source: Field Research Data, 2016

Effect on operations of the MMDAs

The research showed that 93% of the total population stated that the delay in the transfer of the common fund has a negative effect on the operations of the metropolitan, municipal and district assembly's, 5% of the population stated that there is no effect on the operation of the MMDAs by the delay by central government to transfer the common fund to the MMDAs, but 2% of the remaining number think it has a positive effect on the operation of

the MMDAs by the delay in the transfer of common fund by the central government.

Table 6: Effect on Operations of the MMDAS

Variables	Frequency	Percentage (%)
Positive Effect	2	2
No Effect	5	5
Negative Effect	93	93
Total	100	100

Source: Field Research Data, 2016

Insufficient Internally Generated Fund by MMDAs

It is necessary that institutions or organisations should raise their own internally generated funds to help them pre-finance certain activities before the actual funds are released to them. It is in this regard that respondents were asked if they think the MMDAs have sufficient funds to supplement the district assembly common fund. It was revealed from the study that 90% of the respondents cited that the MMDAs has insufficient internally generated fund to supplement the district assemble common fund. 8% of the respondents cited that the MMDAs may or may not have sufficient internally generated funds to supplement the district assembly common fund, and 2% of the respondents cited that the MMDAs has sufficient internally generated fund to supplement the district assembly common fund.

Table 7: Insufficient internal generated fund by MMDAs

Variables	Frequency	Percentage (%)
No	2	2
Yes	90	90
May Be	8	8
Total	100	100

Source: Field Research Data, 2016

MMDAs Empowered to generate revenue

When asked if the MMDAs are empowered to generate revenue for their operations, it was realised from the data analysis that 72% of the total sample size cited that the MMDAs are well empowered to generate revenue for their own operations, but 26% of this sample size were undecided if the MMDAs are empowered to generate revenue for their operations or not, and the remaining 2% of the sample size cited that the MMDAs are not empowered well enough to generate revenue for their operations at all.

Table 8: MMDAs empowered to generate revenue

Variables	Frequency	Percentage (%)
TRUE	72	72
Untrue	2	2
Undecided	26	26
Total	100	100

Source: Field Research Data, 2016

MMDAs corrupt in the award of contracts

From the survey, it came to light that 44% of the respondents stated that they agree that the MMDAs are corrupt in the award of contracts, and 25% of the respondents also stated that they strongly agree with the MMDAs been corrupt with the award of their contracts. 16% of the respondents stated that they were not sure if the MMDAs are corrupt in the award of their contracts or not, but 15% of the remaining respondents stated that they disagree with the MMDAs been corrupt in the award of their contracts.

From the analysis it has come to light that a majority of the population believe that the MMDAs are not plain when it comes to the award their contracts but are corrupt in the awards of them.

Table 9: MMDAs corrupt in the award of contracts

Variables	Frequency	Percent (%)
Strongly Agree	25	25
Agree	44	44
Disagree	15	15
Not Sure	16	16
Total	100	100

Source: Field Research Data, 2016

Failure of revenue collectors to account for sales

People have the perception that revenue collectors often fail to account for their daily sales. The study conducted revealed that 50% of the total respondents cited that they believe it's true revenue collectors fail to account to the MMDAs their daily sales, and 46% of the respondents were not really sure

if revenue collectors fail to account for their daily sales or not. But 4% of the respondents cited that they don't think it's true that most revenue collectors fail to account for their daily sales to the MMDAs.

If this allegation is true, then it may account to one of the reasons why the MMDAs are unable to generate enough revenues to supplement their operations.

Table 10: Failure of revenue collectors to account for sales

Variables	Frequency	Percentage (%)
TRUE	50	50
Not True	4	4
Undecided	46	46
Total	100	100

Source: Field Research Data, 2016

Revenue collectors print their own tickets

The study also seeks to find out if the allegation that most revenue collectors print out their own receipts, which they issue alongside that of the MMDAs. It was revealed that 35% of the respondents stated that they strongly agree that revenue collectors print their own tickets, 34% of the respondents stated that they agree revenue collectors print their own tickets. 26% of the respondents stated they disagree with the perception that most of the revenue collectors print their own tickets and issue them alongside that of the MMDAs, and only 5% of the respondents stated that they were unsure if they revenue collectors print their own tickets or not.

From the survey, it is clear that a majority of the respondents agree that the most of the revenue collector print their own tickets and issue alongside

those of the MMDAs, this confirm the earlier allegation of their failure to account for their daily sales and also inability of the MMDAs to generate enough revenue for their operations.

Table 11: Revenue collectors print their own tickets

Variables	Frequency	Percentage (%)
Agree	34	34
Strongly Agree	35	35
Strongly Disagree	26	26
Undecided	5	5
Total	100	100

Source: Field Research Data, 2016

Revenue awarded in commission basis

The study was also to determine if the MMDAs award the collection of revenue to agents on commission basis. The study revealed that 64% of the respondents cited that they agree to the MMDAs awarding the collectors of revenue agents on commission, another 26% of the respondents stated that the strongly agree to the awards of agents of revenue collectors on commission basis. While 9% of the total respondents cited that the also strongly disagree to the claim that MMDAs award agent on commission basis collect revenue, and only 1% of the respondents cited that the undecided if agents are awarded to collect revenue on commission basis or not.

Table 12: Revenue awarded in commission basis

Variables	Frequency	Percentage (%)
Strongly Agree	26	26
Agree	64	64
Strongly Disagree	9	9
Undecided	1	1
Total	100	100

Source: Field Research Data, 2016

MMDAs still using 1997 baseline

It's interesting to note that when there modern methods of valuation of data government institutions are still stuck to outdated information was has been gather so many years ago as a standard baseline for their analysis. From the survey it was revealed that 42% of the respondents indicated that they could not affirm if the MMDAs are still using the 1997 baseline for their annual valuation or not, but 38% of the respondents indicated that they strongly agree the MMDAs are still using the 1997 baseline data for their annual valuations, and the remaining 20% of the respondents indicated that they also agree to the MMDAs using the 1997 baseline data for their annual valuation.

Table 13: MMDAs still using 1997 baseline data

Variables	Frequency	Percentage (%)
Strongly Agree	38	38
Agree	20	20
Undecided	42	42
Total	100	100

Source: Field Research Data, 2016

Lack of ability to maximize revenue mobilization

It was again realised from the survey that 70% of the respondents representing the majority of the population cited that they think it's true the MMDAs lack the ability to maximize revenue mobilization especially property tax considered to be one of the best revenue source, 28% of the respondents also cited that they could not really ascertain if it is true or not the MMDAs lack the ability to maximize revenue mobilization especially property tax considered to be one of the best revenue source, and the remaining respondents been only 2% of the total number cited that it's not true MMDAs lack the ability to maximize revenue mobilization especially property tax considered to be one of the best revenue source.

Table 14: Lack ability to maximize revenue mobilization

Variables	Frequency	Percent (%)
TRUE	70	70
Untrue	2	2
Undecided	28	28
Total	100	100

Source: Field Research Data, 2016

MMDAs IGF for Administrative Expenses

The analysis also revealed that majority of the respondent strongly agree that a greater part of the MMDAs internally generated funds goes into the their administrative expenses this is cited by 60% of the responses, 32% of the respondents also agree to the assertion that that a greater part of the MMDAs internally generated funds goes into the their administrative expenses, and only 8% of the respondents cited they disagree with the assertion that that a greater part of the MMDAs internally generated funds goes into the their administrative expenses.

Table 15: Greater part of MMDAs IGF goes into administrative expenses

Variables	Frequency	Percentage (%)
Strongly Agree	60	60
Disagree	8	8
Agree	32	32
Total	100	100

Source: Field Research Data, 2016

Revenue leakages

From the chart below it reveals that 62% of the respondents strongly agree the claim that there are so many revenue leakages involving MMDAs revenue collectors, senior officials, assembly men and women, 36% of the respondents cited that they could not affirm the claim that there are so many revenue leakage, and the least responses been 2% cited that they disagree that there are so many revenue leakages involving MMDAs revenue collectors, senior officials, assembly men and women.

Table 16: Revenue leakages

Variables	Frequency	Percentage (%)
Strongly Agree	62	62
Undecided	36	36
Disagree	2	2
Total	100	100

Source: Field Research Data, 2016

Reliable Data Base on Traders

A study was conducted to also find out if the MMDAs have a reliable data base on traders or not and it was revealed that 64% of the total sample size representing the majority number stated that its true the MMDAs does not have reliable data base on traders, while 34% of the total sample size cited they could to affirm of the MMDAs has a reliable data base on traders or not. And only 2%of the sample size stated that the claim was untrue because they think the MMDAs have a reliable data base on all traders.

Table 17: Reliable data base on Traders

Variables	Frequency	Percentage (%)
TRUE	64	64
Untrue	2	2
Undecided	34	34
Total	100	100

Source: Field Research Data, 2016

Education of Consumer of public goods and services

Public education to consumers of goods and services is paramount, to enable them honour their tax obligation for the MMDAs to mobilize sufficient revenue for development. From the analysis it was realized that 42% of the responses gathered cited they strongly agree the MMDAs has failed to educate the consumers of public goods and services to honour their tax obligation for the mobilization of revenue for development, 41% of the responses also gathered reveal the agree the MMDAs has failed to educate the consumers of public goods and services to honour their tax obligation for the mobilization of revenue for development. And 17% of the responses indicated that they disagree that the MMDAs has failed to educate the consumers of public goods and services to honour their tax obligation for the mobilization of revenue for development.

Table 18: Educate the consumer of public goods and services

Variables	Frequency	Percentage (%)
Agree	41	41
Disagree	17	17
Strongly Agree	42	42
Total	100	100

Source: Field Research Data, 2016

Effect of MMDAs inability to generate enough IGF

The study also tried finding out what the effect of the MMDAs inability to generate enough internally generated fund will bring. It came to light from the table below that 60% of the respondents said they strongly agree that the inability of the MMDAs to generate enough internally generated fund will bring about less development to their locality, 31% again said they agree the inability of the MMDAs to generate enough internally generated fund will bring about less development to their locality. 4% of the respondent said they could not ascertain if the inability of the MMDAs to generate enough IGF will bring less development or not, the same number been 4% also said they disagree that the MMDAs inability to generate enough IGF will bring about less development. And only 1% of the respondents cited that they strongly disagree to the assertion that the inability of the MMDAs to generate enough IGF will bring less development to them.

Table 19: Effect of MMDAs inability to generate enough IGF

Variables	Frequency	Percentage (%)
Strongly Agree	60	60
Agree	31	31
Disagree	4	4
Undecided	4	4
Strongly Disagree	1	1
Total	100	100

Source: Field Research Data, 2016

Non elimination of corruption will decrease MMDAs revenue

The study also sought to find out if corruption is eliminated within the MMDAs will decrease their revenue base for development. And it was realized that, 50% of the respondents cited that they strongly agree the non-elimination of corruption within the MMDAs will decrease their revenue base for development, 38% of the respondents again cited that they agree then non-elimination of corruption within the MMDAs will decrease their revenue base for development, but 7% of the respondents cited that they were indecisive of this claim. But 3% of the respondents cited that they disagree the non-elimination of corruption within the MMDAs will decrease their revenue base for development, and the remaining 2% also cited they strongly disagree the non-elimination of corruption within the MMDAs will decrease their revenue base for development.

Table 20: Non elimination of corruption will decrease MMDAs revenue

Variables	Frequency	Percent (%)
Strongly Agree	50	50
Agree	38	38
Disagree	3	3
Undecided	7	7
Strongly Disagree	2	2
Total	100	100

Source: Field Research Data, 2016

Continuous delay in the transfer of Common Fund

From the survey, it was revealed that 44% of the respondents cited they strongly agree the continuous delay in the transfer of the District Assembly Common Fund (DACF) will have negative effect on their activities, 42% of the populace also cited that they agree the continuous delay in the transfer of the District Assembly Common Fund (DACF) will have negative effect on their activities. 7% of the respondents were indecisive to the assertion, while 4% of the respondents cited they disagree the continuous delay in the transfer of the District Assembly Common Fund (DACF) will have negative effect on their activities, and only 3% cited they also strongly disagree with the assertion.

Table 21: Continuous delay in the transfer of common fund

Variables	Frequency	Percentage (%)
Strongly Agree	44	44
Agree	42	42
Disagree	4	4
Undecided	7	7
Strongly Disagree	3	3
Total	100	100

Source: Field Research Data, 2016

Increases in Administrative Expenditure

From the survey, it was revealed that 49% of the respondents cited they agree the increase in administrative expenditure will bring about poverty in the communities, 40% of the populace also cited that they strongly agree the increase in administrative expenditure will bring about poverty in the communities. 7% of the respondents were indecisive to the assertion, while 3% of the respondents cited they disagree the increase in administrative expenditure will bring about poverty in the communities, and only 1% cited they also strongly disagree with the assertion.

Table 22: Increase in administrative expenditure

Variables	Frequency	Percentage (%)
Strongly Agree	40	40
Agree	49	49
Disagree	3	3

(Table 22 continued)

Variables	Frequency	Percentage (%)
Undecided	7	7
Strongly Disagree	1	1
Total	100	100

Source: Field Research Data, 2016

Inability of MMDAs to issue municipal bonds on operation

From the data analysis, it was revealed that 87% of the respondents been represents the larger population stated they will term the effect of the MMDAs inability to issue municipal bonds on their operation as a disadvantage, and the remaining 13% of the respondents cited that they will term the effect of the MMDAs inability to issue municipal bonds on their operation as benefit.

Table 23: Inability of MMDAs to issue municipal bonds on operations

Variables	Frequency	Percentage (%)
Benefit	13	13
Disadvantage	87	87
Total	100	100

Source: Field Research Data, 2016

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Introduction

In this chapter, the researcher discussed the key issues that emerged in the course of the analysis and their implications. It also highlights on the various recommendations of the study, aimed at addressing the problems identified and thus enhances the effort of the MMDAS.

Summary of the main findings of the study

Revenue mobilization strategies of MMDAS are very important issue that needs to be dealt or looked at critically in this country. It is both parties that is the central government and the MMDA's that will work and share ideas together as one to help in the achievement of the goals and objectives of the district assembly concept. From the data findings it is realized that majority of the respondents representing 58% cited that they strongly agree that the metropolitan, municipal and district assembly depend mainly on the common fund for their operations. The chapter ends with some recommendation to the management of AMA and other stakeholders.

Findings

The study arrived at some findings; AMA lacks the capacity to meet consumer demands for public goods like toilet, bathrooms, market, school, roads, clinics and health centers, streetlights, parks and gardens, entertainment and community centers.

AMA does not provide adequate public services like cleaning streets, desilting of gutters, waste management, transport security, funerals, recreation, and tourism are not adequately offered to the people. In short AMA cannot satisfy consumer needs for public goods and service in the metropolis because it lacks the needed investment capital due to the fact that its revenue performance is poor. Projects investment capital is a problem to AMA due to inadequate strategies for revenue base of the assembly.

AMA has not experienced any strategy changes in revenue mobilization since the last 20 years. The use of police and task force to extract revenue is outmoded. It diminishes the principle that the payment of taxes, rate, etc. should be voluntary and not out of fear. The use of police and task forces as a strategy for revenue mobilization made AMA and the central government unpopular which will also make sitting government lose elections. The use of tax education and capacity building ginger tax and rate payers as well as revenue collectors to live up to their civic responsibilities. The introductions of bonuses and commissions to revenue collectors have made positive impacts in meeting revenue targets of the assembly.

The policy of involving major stakeholders in fixing of rates, taxes, licenses and fines has been seen as a useful strategy that has improve revenue performance of the assembly since the last five years. The assembly does not

consider investment as an important strategy for mobilizing additional revenue.

Conclusion and Recommendations

Based upon the findings of the study some conclusions are drawn and for which recommendations are also made to the management of AMA.

AMA is not sufficiently using fiscal decentralization to empower itself under Local Government Act, Act 462 (1993) for that matter it has not developed new and sustainable strategies to improve its performance in revenue mobilization. The assembly like many local authorities in Ghana had tendered to over-rely on the District Assembly Common Fund to meet its capital expenditure. Another fact is that greater part of AMA IGFs goes into administration expenditure. AMA definitely is unable to meet its socio-economic and political obligations to consumers of public goods and services in the metropolis. It will continue to fail to satisfy its consumers so as it does not develop new strategies and policies to improve its revenue mobilization.

AMA is gradually becoming unpopular and its image is fast dwindling due to its policy of decongestion at a time when it is unable to provide goods and services to satisfy consumers in the metropolis. AMA does not have reliable database which give details about total traders, artisans, property owners, corporate bodies doing business in the metropolis. The lack of reliable data base is one of the factors for poor budget formulation and implementation in AMA.

It is therefore recommended that the management of AMA, that a reliable, data base on properties, business, civil society organization, should be

developed to help the assembly in budget formulation and implementation. AMA should also use relationship marketing to reach out to stakeholders through meetings, conferences, forums, tax education and sensitization to know the problems of payment of taxes, rates, fines and the challenges in revenue collections. This will minimize insults, brutalities and psychological tortures suffered by revenue collectors. It will also avoid tax avoidance; tax connived and tax evasion which drastically reduce AMA's IGFs

AMA should devise new strategies of revenue mobilization. The new strategies include investing in shuttle, transport services, mortuary services, funeral services and other profitable joint ventures.

AMA should improve review the collection of property rate and business operating permit fees to reposition the assembly as catalyst for accelerated development.

AMA should review the collection of property rate. Rather the assembly should strictly enforce the by-law on property rate, since there is penalty in case of default in payment. This obviously can enhance the revenue base of the assembly.

Individuals within the metropolis especially property owners, to cultivate the habit of voluntarily paying property rate as their civic duty to help sustain the revenue generation for the assembly towards improved service delivery.

The assembly staff should be abreast of the instrument of establishment of the Local Government Service, LGS Act 656, of 2003 and the commencement instrument, 2009, LI 1961, since both instruments made the LGS a district service which extends to Local Government or MMDA s

and Regional Coordinating Council (RCC) workers. The assembly is the highest decision-making body to champion the welfare of the individuals within the metropolis, so they desist from all forms of malpractices and focus on their responsibilities.

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APPENDIX

KINGS UNIVERSITY COLLEGE

MASTERS IN BUSINESS ADMINISTRATION

Dear Respondent,

This questionnaire is issued to gather relevant data to aid Gershon Badu Addo to make analyses on the topic ‘The evaluation of revenue mobilization strategies of Metropolitan, Municipal and District Assembly in Ghana’. Please provide objective information on the series of questions asked below. All information you provide will be treated confidential and only for academic purposes. Thank you.

SECTION A: GENERAL INFORMATION

Instruction: please tick [] and write where appropriately.

Gender

[] Male [] Female

Which age group do you belong to?

[] 18-29 years [] 30-39 years [] 40-50 years [] 50 years and above

What is your highest level of education?

[] JHS [] SHS [] HND [] Bachelor Degree

[] Masters Degree [] PHD

How long have you been working in the organization?

less than a year 2-5 years 5 years and above

Which level of organizational hierarchy do you belong to?

Top Level Middle level Lower level

**SECTION B: THIS SECTION IS TO AID THE RESEARCHER TO
IDENTIFY THE EVALUATION OF REVENUE MOBILIZATION
STRATEGIES OF METROPOLITAN AND MUNICIPAL AND
DISTRICT ASSEMBLY IN GHANA**

- a. District Assembly Common Fund is the main source of funding for development projects
 strongly agree disagree undecided
- b. Metropolitan municipal and District Assembly depend mainly on the common fund for their operations
 agree disagree strongly agree
- c. The central government normally delayed in the transfer of the District Assembly Common Fund.
 True Not very sure untrue
- d. What effect does it have on the operations of the MMDAS?
 Positive effect no effect negative effect
- e. The MMDA'S has insufficient internal generated fund to supplement the District Assembly Common Fund.
 No Yes May be
- f. Are the MMDAS empowered to generate revenue for their operations?
 True Untrue undecided

**SECTION C: THIS SECTION WOULD LET RESEARCHER TO
IDENTIFY THE PROBLEMS OF REVENUE MOBILIZATION OF
METROPOLITAN, MUNICIPAL AND DISTRICT
ASSEMBLY IN GHANA**

- g. The MMDA'S are corrupt in the award of contracts
 strongly agree agree disagree
- h. The revenue collectors fail to account for the daily sales
 True Not true undecided
- i. The revenue collectors print their own tickets, which they issue alongside
that of the MMDA'S
 Agree Strongly agree strongly disagree
- j. MMDA'S award collection of revenue to agents on commission basis.
 strongly agree Agree Disagree
- k. MMDAS are still using 1997 baseline data for their annual valuations,
which by all standards outdated
 strongly agree Agree undecided
- j. MMDAS lack the ability to maximize revenue mobilization especially
through property tax, which is considered to be one of the best revenue
sources.
 True Untrue undecided

k. Greater part of MMDA'S IGFs goes into administrative expenses.

strongly agree disagree agree

l. There are so many leakages involving MMDAS revenue collector, senior officials, Assembly men and women.

strongly agree undecided disagree

m. MMDAS does not have reliable data base on Traders.

true untrue undecided

n. MMDAS fail to educate the consumer of public goods and services to honour their tax obligations for mobilization of sufficient revenue for development.

Agree disagree strongly agree

**SECTION D: THIS SECTION WOULD AID THE RESEARCHER TO
DETERMINE THE EFFECTS OF REVENUE MOBILIZATION
STRATEGIES OF METROPOLITAN MUNICIPAL AND
DISTRICT ASSEMBLY IN GHANA**

Instructions: please use the scale to rank your view on the issues below where applicable.

5 = Strongly agree

4 = Agree

3 = Disagree

2 = Undecided

1 = Strongly disagree

- o. Inability of the MMDA'S to generate enough internal generated funds (IFG) will bring about les development.

5	4	3	2	1
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- p. Non elimination of corruption within the MMDA'S will decrease their revenue base for development

5	4	3	2	1
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- q. Continuous delay in the transfer of the District Assembly Common Funds (DACF) will have negative effect on their Activities

5	4	3	2	1
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- r. Increase in administrative expenditure will bring about poverty in the communities.

5	4	3	2	1
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- s. How will you term the effect of MMDAS inability to issue municipal bonds on their operations

A. benefit B. disadvantage