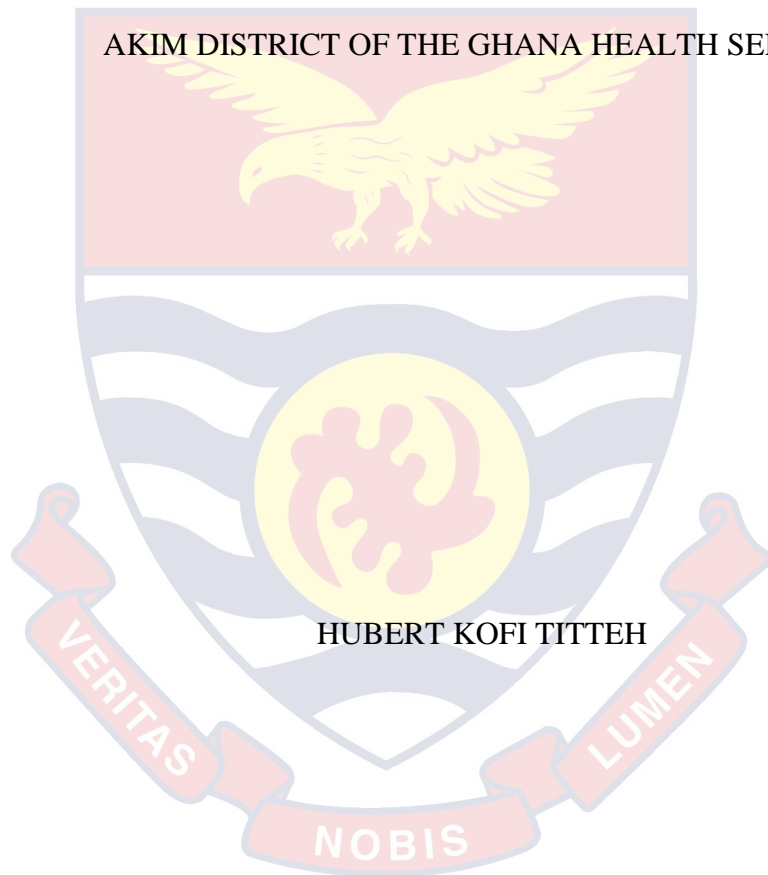


UNIVERSITY OF CAPE COAST

CHALLENGES OF REVENUE ALLOCATION IN THE UPPER WEST

AKIM DISTRICT OF THE GHANA HEALTH SERVICE



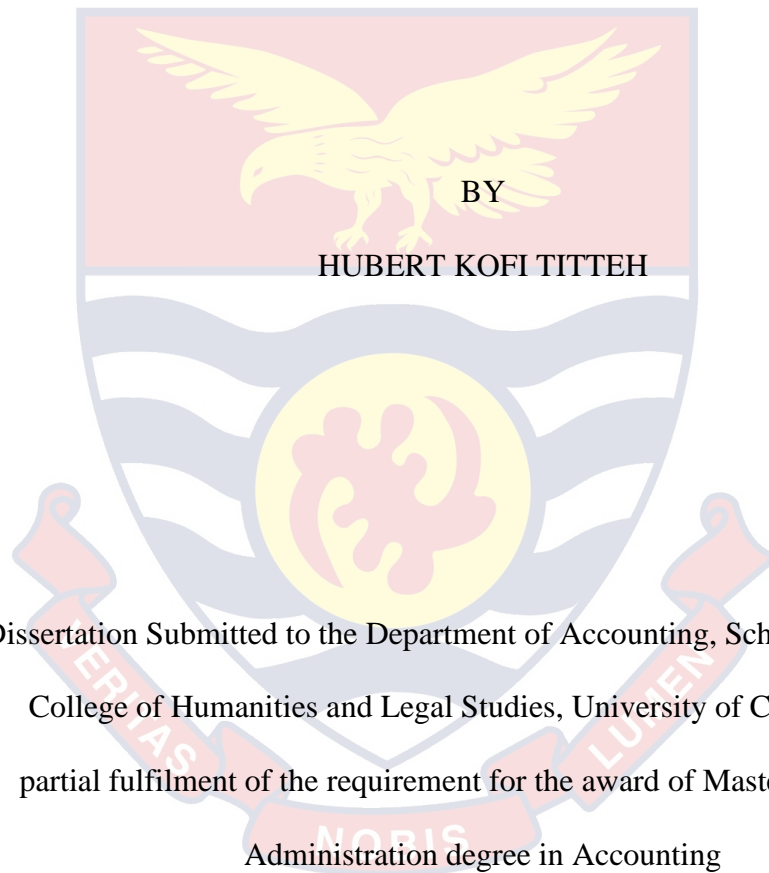
HUBERT KOFI TITTEH

2021

UNIVERSITY OF CAPE COAST

CHALLENGES OF REVENUE ALLOCATION IN THE UPPER WEST

AKIM DISTRICT OF THE GHANA HEALTH SERVICE



Dissertation Submitted to the Department of Accounting, School of Business,
College of Humanities and Legal Studies, University of Cape Coast, in
partial fulfilment of the requirement for the award of Master of Business
Administration degree in Accounting

OCTOBER 2021

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

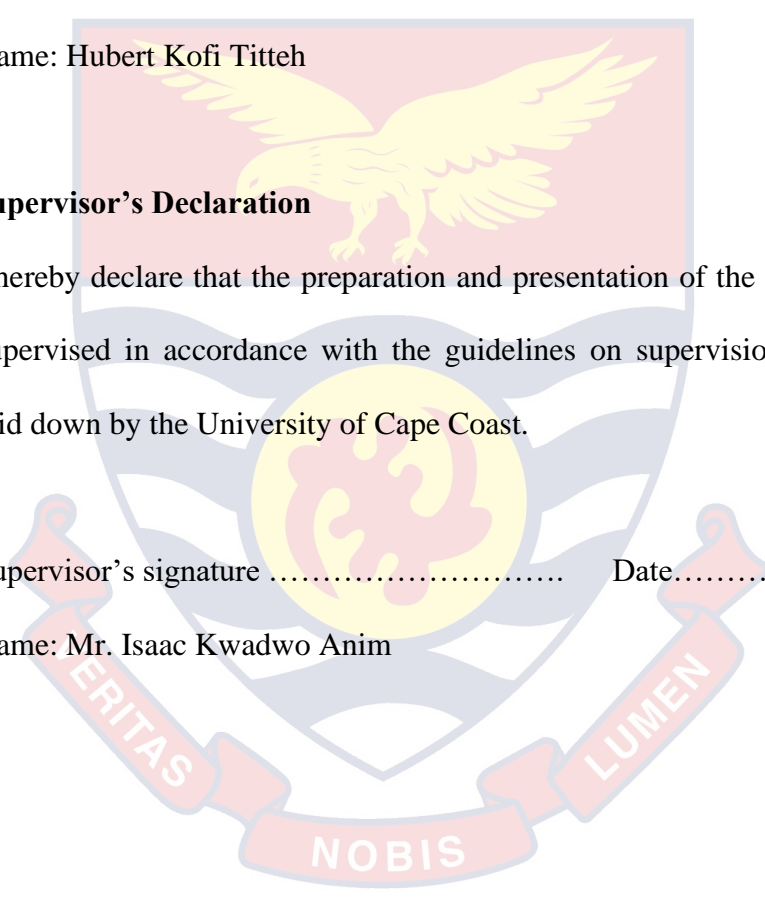
Name: Hubert Kofi Titteh

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.....

Name: Mr. Isaac Kwadwo Anim



ABSTRACT

Upper West Akim in Ghana's Eastern Region is home to the Ghana Health Service (GHS), and this study seeks to examine income distribution issues for the service. Examine the challenges faced by officials in the Upper West Akim GHS in allocating revenue effectively for health services, investigate the reasons for poor revenue allocation to local government departments (GHS), and evaluate GHS development funds both internally as well as externally. These are the specific goals of the project. The descriptive research design was used, and a quantitative approach was used. High levels of corruption and the usage of state joint local government accounts were found to be issues with income distribution to the Ghana Health Service in Upper West Akim, according to the research. It was also discovered that the difficulties encountered by the authorities included poor financial management, an insufficient auditing system, and the display of incorrect and inadequate accounting data. Furthermore, general tax income, private health insurance, and employee-financed plans were also sources of funding. In order to prevent money from leaking, it is suggested that the financial management of public administration be reformed. Monthly audits of accounting records are also required to guarantee high-quality accounting and auditing processes. After everything was said and done, it was suggested that future research focus on audit quality in connection to revenue distribution to healthcare facilities.

ACKNOWLEDGEMENTS

I particularly appreciate the marvellous guidance and support given to me by my supervisor, Mr. Kwadwo Anim at the Department of Accounting, School of Business of the University of Cape Coast, for his time and support in coming out with this dissertation successfully. Also, to my friend Asare who supported in many ways for the success of this dissertation.



DEDICATION

To my Wife, Mrs. Magaret Paulphina Mensah



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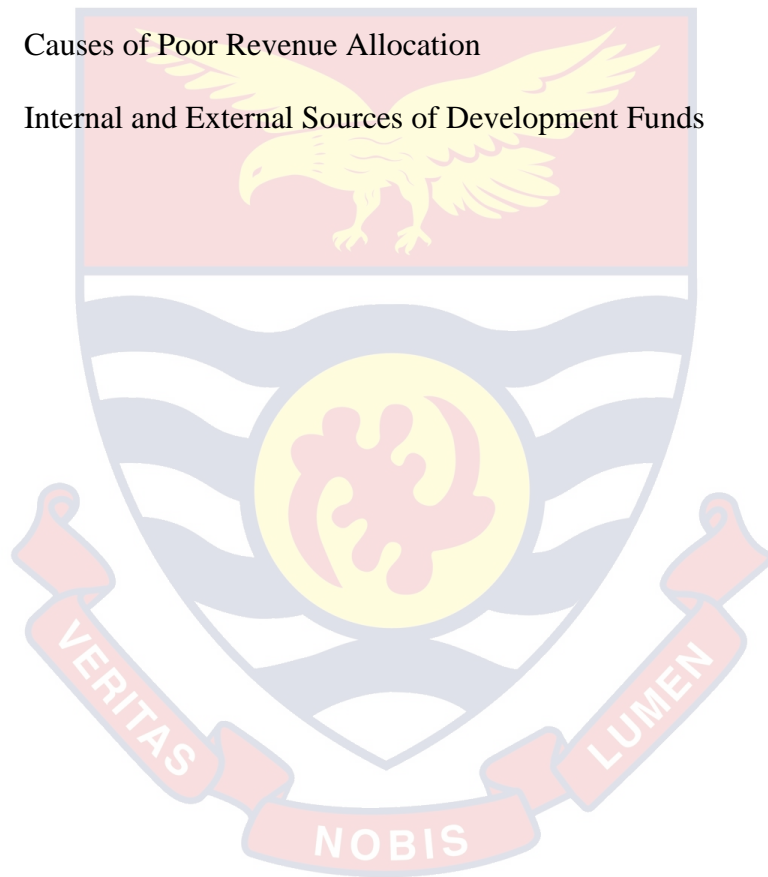
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CHAPTER ONE

INTRODUCTION

Background of the Study

A definition of local government may be defined as governance at the neighbourhood level conducted via delegate boards established by law to exercise explicit powers within specifically designated territorial jurisdictions (Philip & Olalekan, 2016). It is the third level of regulatory architecture created to decentralize administration and bring administration closer to people at the grassroots level. It is also designed to make social administrations important in inducing public turnout at events.

In recent years, income collection and allocation have received a great deal of attention, and it is now a major concern for modern local governments when it comes to creating programs that help alleviate poverty and, as a consequence, improve living standards for people. According to Venter and Van der Waldt, there are three levels of government: the national level, the province level (metropolitan level), and the municipal level (2007). While each of these sectors of government is unique, linked, and interdependent, the public sector is the most prominent and well-developed of them all. According to the Constitution, local government is responsible for distributing essential products and services to members of the general public in order for the other two domains of government to function properly (Pieters, 2015).

Given the fact that no open body can offer products and businesses to regions unless it has sufficient cash on hand to pay their own expenses, a robust revenue structure for local governments is critical to delivering compelling assistance delivery results (Pieters, 2015). In reality, this means

that local governments will either have to rely on national government financing or generate their own funds in order to finance development projects. According to Young, Chou, Alexander, Lee, and Raver, revenue is the gross inflow of monetary advantages that cause an increase in imbalance rather than building the entity with commitments from value members.

Additionally, when money comes in during the time frame of the operational exercises of a substance, revenue is the gross inflow of monetary advantages that cause an increase in imbalance rather than building the entity with commitments from value members (2013). In this sense, the cash that the local government gets as a result of its operations may be referred to as revenue. According to the findings of the Auditor General, the total amount of government debt increased by 11 percent between 2003/04 and 2004/2005. (Auditor General's Office, 2005.) From 2003 to 2005, the average collection period decreased by more than half compared to the previous year (from 322 to 136 days). In Ghana, concerns have been raised about a potential building mismatch between income and expenditures of local government departments as a result of difficulties with revenue distribution to local governments. As a matter of course, local government agencies such as the Ghana Health Service would in all cases be under the impression that they are not receiving enough funding from the public budget or that they are being granted more assets. It was decided that government authorities should give attention to the money that had been collected and allocated since they were currently unable to carry out their responsibilities in a financially viable manner due to a lack of revenue.

Statement of the Problem

Local government agency in Upper West Akim, the Ghana Health Service, provides high quality health services for communities. It's impossible to accomplish without the money provided by the federal government. GHS in Upper West Akim is having difficulties allocating money for health initiatives and activities that would benefit the community and raise living standards. Numerous local governments in Ghana, such as the Ghana Health Service in Upper West Akim, are dealing with a governance crisis and inadequate service delivery capacity due to inefficient tax administration and a lack of readiness to record revenues as anticipated (Graphic Online, 2014). In many communities, particularly in rural areas, access to basic administrations such as potable water, well-being, power, and sterilisation is severely limited, and local governments' ability to raise funds is severely constrained because of the severe poverty and non-installment lifestyle prevalent there. As a result, government healthcare services are rendered inefficient due to a lack of available financial resources. As a result of financial constraints, communities are forced to wait longer for economic growth to take place, which increases the poverty rate by putting them at greater risk of high living costs. When it comes to regional income creation and implementation, there is a strong correlation with basic issues about realignment, adjustment, and personal responsibility. It has long been a source of concern for strategists attempting to settle metropolitan accounts because most regions lack the ability to disperse a significant portion of anticipated revenues (Pieters, 2015). This problem has been linked to a number of fundamental problems, such as bad financial planning, weak financial management, and ugly accounting treatment of client

account holders, all of which have magnified revenue problems (Pieters, 2015). Few research have been conducted to try to find a solution to this issue. A number of studies have been carried out, including Salami (2011); Hopkins (2007); Ocheni, Atakpa and

Nwanko (2012); Nieswand and Seifert; and Nieswand; and Musa and Ajibade (2016); Tomori (2009); and Alao, Osakede and Owolabi (2015); as well as Lamidi, Kazeem, and Oluyemi (2014). A study performed in different districts found that income allocation problems were caused by a lack of funds, but the findings could not explain why this was the case. Due to the limits in describing or discovering the challenges encountered in funding distribution to district health services, these studies focused mostly on the metropolitan and municipal levels, and it follows that more study is needed in this area.

Besides that, the techniques employed could not effectively address the issue of budget allocation problems at the district level since recommendations and proposals based on the research methods could not be extended to local health care departments. Furthermore, the majority of research focuses on allocating funding to municipalities that embark on large-scale projects like road building, which require enormous amounts of money. Meanwhile, the provision of health care services might have been taken into account. The present research aims to offer a remedy by focusing on income distribution challenges encountered by Ghana Health Service officials in Upper West Akim in light of these realizations.

Purpose of the Study

The purpose of this study is to investigate challenges of revenue allocation in the upper west Akim district of the Ghana health service.

Objectives of the Study

The main objective of the study is to examine the problems of revenue allocation to local government departments especially Ghana Health Service (GHS). The specific objectives are to:

1. Examine the challenges faced by officials at the Upper West Akim District of the GHS in ensuring effective revenue allocation for healthcare delivery.
2. Examine the causes of poor revenue allocation to the local government department (GHS).
3. Assess the internal and external sources of development funds for Ghana Health Service in the Upper West Akim District of the Ghana Health Services.

Research Questions

In line with the research objectives, the following questions were posed:

1. What are the challenges faced by officials at the Upper West Akim Districts of the GHS in ensuring effective revenue allocation and healthcare delivery?
2. What are the causes of poor revenue allocation to the local government department (GHS)?

3. What are the internal and external sources of development funds of the GHS in the Upper West Akim District?

Significance of the Study

Local governments have a high degree of autonomy, which allows them to act as the only distributors of government money for the local government department, which includes the Ghana Health Service. As a consequence, the local government's spending on enhancing the quality of healthcare service has increased significantly. If funds are properly distributed, this research will offer information and insight to the government, allowing them to better understand the function of the departments.

Aside from that, the state's anecdotal reports have consistently said that the majority of public institutions have been engaged in theft of money and accounting frauds. The inefficient use of government funds by the departments is the underlying cause of the malpractices, according to the investigation. The efficient allocation of money enables the efficacy of departments and, as a result, the increase in their performance. So the research contributes to the understanding of the necessity to establish coordination in the distribution of money to assist the Ghana Health Service. Furthermore, the study offers a framework for future research in this area of literature.

Delimitation

The study covers one of the local government departments thus, Ghana Health Service. Staff and stakeholders of the department were included in the study. The study also included all issues of revenue allocation at the department (GHS). The views on the topics were taken from the respondents that have direct interest in the Ghana Health Service. Thus, results of the study

are not far from objects. The results of the research are limited to Upper West Akim and generalizations cover the department in this district and not all districts in Ghana.

Limitations

Results can be affected by wrong inputs of participants answering the questionnaire and the choice of sampling technique may have its limitation and not be able to give a representative of the population and this could affect the results. Further, the cost involved in carrying out the study is expected to be high in terms of transportation to the GHS premises and printing of data collection instruments. The questionnaire design may be bias due to errors but this is overcome by pilot testing.

Definition of Terms

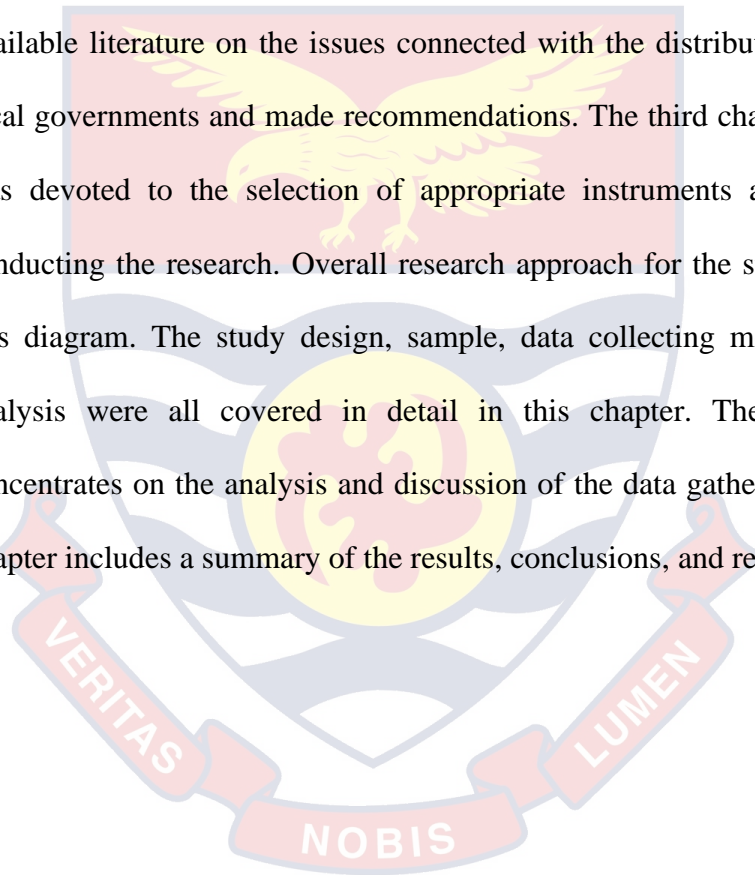
Local Government: the body of government that is authorized to receive funds and distribute them to the various divisions of government departments in the local and rural areas.

Local Government Department: the unit of government that ensures that the needs of the people in communities and localities are met. **Revenues:** tax revenues and grants from the government and other stakeholders to the local governments in the districts to be given to the government departments in all the localities in order to provide for the basic needs of the localities.

Ghana Health Service (GHS): the department of government in Upper West Akim that ensures that there is quality healthcare delivery to the people in the locality.

Organisation of the Study

The investigation was divided into five chapters. The first chapter was devoted to providing an overview of the subject and the purpose for the research. It included information on the study's background, issue statement, study goals, and study research questions, among other things. The second chapter of the research showed how the idea of the study has been explored in the literature. It was a fascinating chapter to read. The chapter examined the available literature on the issues connected with the distribution of money to local governments and made recommendations. The third chapter of the study was devoted to the selection of appropriate instruments and methods for conducting the research. Overall research approach for the study is shown in this diagram. The study design, sample, data collecting methods, and data analysis were all covered in detail in this chapter. The fourth chapter concentrates on the analysis and discussion of the data gathered, and the fifth chapter includes a summary of the results, conclusions, and recommendations.



CHAPTER TWO

LITERATURE REVIEW

Introduction

This chapter provides the theoretical framework and relevant literature related to the study. In this chapter the theories discussed include agency theory, efficiency theory, and democratic participatory theory. The overview of local government finance and literature on the various objectives are reviewed in this chapter too. Conceptual framework is finally developed from the literature reviewed.

Theoretical Review

A lot of theories have been developed to explain revenue allocation of government to its departments. The theoretical framework sets the defining space that explains how the problems are associated with revenue allocation by local government and the overall behavior of employees towards the improper allocation of funds for effective productivity. The theoretical framework is very relevant to the study because it determines the direction of the work as well as prescribes the appropriate research methodology (Mackey & Lim, 2010).

Agency theory

The agency theory as propounded by Adams (1994) is part of the positivist group of theories which derives from the financial economics literature. It postulates that the firm consists of a nexus of contracts between the proprietors of monetary assets (the directors and chiefs) and the specialists who are accused of utilising and controlling those assets. Moreover, agency theory depends on the reason that specialists have more data than directors and

that this information lopsidedness unfavorably influences the principals' capacity to screen viably whether their inclinations are in effect appropriately served by specialists (Badara & Saidin, 2014). Revenue allocation unit in an organization serves as agent to their principals (local government) and their operations adversely affect the activities of an entity (Ghana Health Service) (Thompson, 2013).

The theory additionally accepts that principals and agents act sanely and that they will utilise the contracting interaction to expand their abundance. This implies that since specialists make them look for thought processes, they are probably going to accept the open door to act against the interests of the proprietors of the firm which renders them less effective and eventually affect the performance of the firm. This predicament is alluded to as the ethical risk. Another kind of office issue which emerges is the unfriendly choice. This happens when the chief doesn't approach all accessible data at the time a choice is made by a manager's and hence incapable to decide if supervisors' activities are to the greatest advantage of the firm (Kamu & Planlama, 2014).

In this study, the agent is the local government that ensures the allocation of funds to the government entities which are the Ghana Health Service centers in every locality of Ghana. It is averred that moral hazards and adverse selection of agency may create the disparity or difficulty in revenue allocation to the GHS at the local level. Notwithstanding, agency theory is engaged to test empirically whether disparities in funds allocation reflect the different contracting relationships emanating from differences in institutional form (Odar, Kavčič & Jerman, 2015).

Efficiency theory

The efficiency theory utilised with regards to this exploration is the one instituted by Kaldor – Hicks and is a development on Pareto efficiency theory. Pareto efficiency is the economic situation where the condition of one individual cannot be improved without exacerbating things for another person. This happens when resources are ideally utilised. Thus, for resources to be ideally appropriated, one gathering must be worse off to fulfill others. This create a problem especially in the health service departments of government. To address this, efficiency theory by Kaldor-Hicks states that an outcome is efficient if a Pareto optimal outcome can be reached by orchestrating adequate compensation from the individuals who are better off to the individuals who are worse off so that all would wind up no more awful off than previously. This creates equilibrium in the distribution of financial resources without problems or challenges occurring. In other words, what this theory (efficiency theory) tries to say is that, in order to allocate resources optimally without any part of society or government organisations being worse off, the outcome of the resource allocation should reach Pareto optimal without anyone being worse off.

The purpose of this theory in the study is to explain why there might be discrepancies in allocation of resources and such problem is tackled. This theory addresses the problem of efficiency in allocation of revenue to Ghana Health Service. Moreover, this theory was used to give an insight into how the problem of revenue allocation can be improved. This helps analyzing the research data to come up with results that will guide in coming out with recommendations that benefit Upper West Akim Ghana Health Service. The

theory provides a premise that, the local government exists as a proficient agent of government for offering types of assistance that are nearby in character. This theory was propounded by Mackenzie (1954) and notes that one of the notable proponents of the existence of local government is that local government exists to offer types of assistance and it should be decided by its achievement in offering types of assistance up to a standard estimated by public inspectorate. In a similar line of thought was a comparative work by Sharpe (1970) that, given that there is no nearby government, a practically comparable body should be in presence to offer types of assistance that are neighborhood in nature. Maybe, this clarifies why Eboh and Diejomoah (2010) adds that nearby governments overall are considered as essential establishments for the arrangement, among others, fundamental financial requirements.

The theory can be understood that, local governments must be effective in allocating funds to the entities of government in the localities. To this impact, neighborhood government may viably and effectively react to nearby need. This theory thus suggests that; local government may not legitimise its reality in the event that it neglects to offer required assistance inside its extent of ability viably. In this study, the problem or difficulty of revenue allocation to the Upper West Akim Ghana Health Service may be due to inefficiency of the local government at this particular local. However, Sharpe (1970) argues that, the value of local government as a safeguard of liberty has been recognised, its role as agency for providing services has evoked no comparable enthusiasm. If then, causes of poor revenue allocation can be acclimatised to ineffectiveness of local government allocating funds. This

creates challenges for the allocation of funds to the government entities such as the Upper West Akim GHS. This theory therefore helps the researcher to answer the research questions in terms of identifying areas where local government is inefficient that may result in difficulties of funds allocation.

Conceptual Review

Overview of local government finance

The finance department of the local government manages and allocates the funds given by the ruling government. Metropolitan local government finance incorporates practically all possible regions like revenue, expenditure, planning and monetary control. Inside the formal legislative setting, neighborhood government gets by prudence of the constitution and other lawful instruments, assets for specific purposes known as move. The Ghana Health service can then benefit from the internally generated funds through the taxes and user fees received by the local government. These wellsprings of financing have various ramifications on the economy of nearby government. The capacity to produce inside income suggests independent financial measures and is demonstrative of the capacity of the neighborhood government to run its own firms (Seifert & Nieswand, 2014).

Furthermore, Local governments are by and large doled out consumption obligations regarding a wide scope of administrations, including streets and travel, water and sewerage administrations, police and fire security in some created nations, strong waste assortment and removal, diversion and culture, land-use-arranging, social administrations, general wellbeing and social lodging. In numerous nations, the laws on local governments don't recognise huge metropolitan regions medium size urban communities, and

towns and towns. Internally Generate Revenue (IGR), aside from being essential for monetary approach, likewise empower the local government Authority to form financial arrangement, to the degree that the incomes can be utilised for monetary purposes and the local government authority can stand firm in such manner. A broad range of administrations is handled by local governments, including streets and transportation administrations, water and sewage administrations, police and security in urban rural zones, land-use planning, and general well-being and social housing. Many countries' rules on local governments do not recognize large metropolitan areas of towns and cities, which are recognized by other countries' laws. This explains the subsidizing disputes that exist between Ghana's province and metropolitan municipal governments, respectively (Seifert & Nieswand, 2014).

Issues associated with local government administration

Running local government administration in a locality has been one of the most important issues of many past governments because they have much influence on the citizens through local government. As noted by David, Bloom and Hillman (2007), the most important issue of local government was found to be budgeting. Without an adequate financial plan, it is impossible for any authority or government department to achieve financial stability. In the course of discussion with the local government, two constraints were identified (David et al., 2007). The first constraint was that, the local government service commission ignored the need to match the skills required for a particular post with skills possessed by potential appointees. The second factor was that the effectiveness of revenue collection was the need to update the effective byelaws.

In account to the above, David et al. (2007) argued the organization of the finance function in the local governments visited showed striking similarities.

There were minor variations between them both in structure numbers but there was sufficient common ground for departmental structure to be representative of each. Thus, internally generated funds by local government are hampered by departmental structures of the government. According to Ogbuokiri (2012), the problems of internal revenue generation of local government system are also compounded by the fact that the state government has acquired the more lucrative resources, leaving local government with taxation in low ceilings. This gives grounds to argue that, the administration of local government budget is hampered by the government of state. Furthermore, this gives reason for poor internal revenue generation in most local governments in Africa.

The issue of inner revenue generation of local governments is summed up by Onyishi, Eme and Emeh (2012) to incorporate, helpless income appraisal and techniques for assortment, lack of actually prepared and anticipated income assessors and authorities, sheer extortion uncooperative practices with respect to expense and taxes payers. The issue of poor inner income age is likewise compounded by the sociopolitical climate of the neighborhood government framework specifically which is predicted on prebendalism.

Ghana health service spending efficiency

According to Seifert and Nieswand (2014), spending efficiency of government entity is perceived as the worldwide measure of the local's

entity's ability to give and deal with the errands they are doled out, as for various information sources set available to them in terms of finance. Ghana Health Service efficiency is thus, the ability to exploit resources available to it in an efficient and effective way. Gimenez, Thieme, Prior and Tortosa-Ausina (2006) argue that government entities of more crowded service zones could possibly misuse economies of scale and apply administrative devices more like secretly managed firms and can profit by bigger pool of talented workers. Nonetheless, it is noted by Loikkanen and Susiluoto (2006) and Geys, Heinemann and Kalb (2010) that, population density is related to efficiency and represent provincial and metropolitan territories, while clarifying heterogeneity in property costs, which can be reflected in the expense circumstance of the GHS.

According to certain research, such as Afonso and Fernandes (2008), upper-income families may seek more productive, and therefore less costly, public assistance arrangements. However, because of the greater opportunity cost, big-time high-income families may seek higher-quality public administrations and spend less work monitoring their local health care (Seifert and Nieswand, 2014). Furthermore, money sent from the federal government to GHS departments through the local government may be inefficient. Furthermore, Balguer-Coll et al. (2007) show a negative relationship between focused government rewards and efficiency when it comes to reliance on central government transfers. This explains why funding for the Ghana Health Service may be insufficient. This demonstrates that although grants stimulate local government and GHS expenditure, they also have a negative influence on efficacy (De Borger, Kerstens & Costa, 2005).

Revenue allocation

Akindele and Olaopa (2002) thought that, one of the essential highlights of government is the task of capacities between the different parts (local departments) of government. This likewise shapes the reason for the assurance of revenue allocation to the various entities of government at the local level including Upper West GHS also, the delimitation of tax raising forces, which establish the beginning of Intergovernmental Fiscal Monetary Relations (IGFR). Most constitutional arrangements classify the powers and responsibilities into inclusive, simultaneous and residual administrative records. Akujuru (2015) expressed that, revenue allocation in the arrangement of government includes two fundamental plans. The first suggests the vertical dividing among the bureaucratic or comprehensive government and different levels of government.

The subject of this sharing plan is the public authority generated revenue, like royalties, export duties, import duties, mining rates and so on. The second rule of revenue sharing is the level revenue sharing which emerges out of varieties from the revenue generation capacity of segment units of government. The rationality is that, in measurements where the revenue capacity is high, an overall higher expense is forced to guarantee solidness of funds allocation and this is called the equalisation transfer. The implication of equalisation transfer is that high tax collection in generally low revenue-generated territories will drive away business speculations and furthermore bring on additional downturn of the economy in such zones accordingly restricting the finance distribution by government. To prevent this, the

government needs to infuse more funds to such zones (Philip & Olalekan, 2016).

Responsibilities of Local Government in Financial Management

When it comes to providing financial resources to government departments and agencies for development initiatives, financial management is critical. The financial management system of an organization involves the organizing, regulating, and allocating of monetary assets of the organization, as well as accounting, payroll analysis, and costing monetary reporting, among other things (Tomori, 2009). Planning, accounting, and inspection are just a few of the tasks involved in financial resource management. The ramifications of this include that no CEO of an association may be released from his or her financial obligations to the organization. The duty for the administration of an organization's financial resources begins with the preparation of a local budget. Slack (2007) notes that, local budgeting is the planning, adopting, executing, monitoring and auditing the fiscal programs for the government for a year or more. The neighbourhood planning frameworks are proposed to serve a few significant functions. These functions incorporate setting of spending needs predictable with any command of the government, planning of expenditures to seek after a drawn-out vision for advancement, exercise of monetary power over contributions to guarantee financial order, and the executives of activities to guarantee productivity of government activity. Another capacity is to improve responsibility of government execution to residents. The financial plan ought to be thorough, incorporating all offices related with the public authority and there are no extra budgetary assets to meddle with monetary control and responsibility (Govinda, 2007).

Baw and Bandyopadhyay (2010) contend that in the local government councils, hierarchical hardware of planning and monetary administration is refreshed in the Department of Finance and Supply which deciphers the call circular from the Ministry of Local Government and Chieftaincy matters. The management team includes all Heads of Divisions to consider local government spending plans yet practically speaking, it is not so (Paul, 2007). In any case, there is a Local Government Treasury Board to inspect the budget which is set up before the supervising ministry headed by the minister for local government. From that point, the financial plan is passed to the Local Government Legislature Council Board (LGLC) to at long last affirm the spending plan.

Government responds to Local Government Developmental Challenges

The local government in Ghana has a colonial root as each separate department that makes up the local government had one of a kind yet viable framework. Kyenge (2013) and Denga (2003) make reference to a decentralised regulatory framework in social orders where there was absence of centralised head but generally dependent on compound, town and clan administrative framework. English guideline came with Lugard introducing backhanded principal framework with the blend of North and Southern protectorate. The framework rotated around perceiving the significance of local cooperation as a base for grass root popular government since Europe was simply arising out of the second world war, the expense of organisation would be a lot for the home economy, the absence of adequate labor and the achievement of backhanded principle in India and somewhere else. In this

plan, there was unbalanced sharing of force between the customary rulers and the English overseer.

In terms of operation, primary education and primary health infrastructure functions were transferred to local government, and legislative allocations to local government were increased from the ruling government's account payable directly to local government. In addition, this helps to understand why local government are in such a vulnerable situation when limited resources is misappropriated by council officials as Aluko illustrated (2006). The Lagos State local government fund was unconstitutionally seized by Obasanjo's regime for more than three years before Yar Adua took over in 2007 on account of such authoritarian actions against local government.

Revenue collection and allocation challenges

The challenges of revenue collection and allocation has been integral part of local government since the onset of independence. As supposed to be done, local government exists to create infrastructure to localities and ensure that, there is equal flow of funds to the local government departments in order to provide healthcare delivery among others. According to Kumar (2013), nonpayment by customers due to unemployment, poverty, a worsening economic environment, and increasing energy prices, a low or no growth rate in tax or base rates, and the absence of strict credit management policies are some of the problems affecting municipalities' ability to increase revenues. The factors outlined by Kumar (2013) are followed by an excessive amount of bad debts, resulting in a municipality's revenue collection being inadequate.

According to Dirie (2005), local government in less developed countries such as South Africa has a harder time raising revenue because

municipal revenue bases are often small, particularly when compared to national revenue bases.

According to Slack (2009), the challenge for local governments is to keep residents economically viable by providing high-quality services while holding taxes low enough to avoid discouraging individuals and businesses from locating in their jurisdiction. Municipalities have low revenue because they are unable to raise rates without the permission of a higher authority, and they receive very little revenue from the services they offer to residents. The ability of municipal governments to raise revenue through taxation is severely restricted, according to Mosha (2010), since central governments insist on enforcing taxes and setting tax rates. While taxes are the most significant source of revenue available to local governments, there is a potential for revenue growth. As a result, the revenue-raising capacity for rural communities is lower than for urban populations, since the former receive less services. The fact that revenue is linked to the actual provision of services exacerbates this flaw.

Municipalities have few own-source revenues, lack incentives to produce their own revenues, and do not use the current revenue capacity from these sources, according to Bird and Slack (2007). Slack (2009) states that municipalities have little to no power over the tax rates they can levy, and that municipalities and the central government lack confidence. Furthermore, in many developing countries, including South Africa, local government's ability to exercise fiscal authority is severely restricted. The incorporation of formerly deprived groups into municipal borders, a history of non-payment, and

inadequate administrative processes all exacerbate the problem in South Africa.

Sources of Local Government Finance

According to Ayee (2006), decentralization's 'lifeblood' is finance. However, decentralization has remained a major issue in Ghana. Prud'homme (2012) claims that subnational governments raise approximately 20% of total government revenues while spending approximately 30%. The ten percent difference is made up of transfers from the federal government. Thus, revenues to local governments consist of internally-generated Revenues and transfers from the federal government as previously stated, the 1992 Constitution mandates that 7.5 percent of Ghana's gross revenue be distributed to local governments based on an annual formula decided upon by the legislature. The Internally Generated Funds (IGFs) regard rates and fees, leases, fines and permits, savings, and profits from business operations are all examples of sources of revenue (Table 1). Local governments in Ghana, on the other hand, continue to depend heavily on transfers from the central government, owing to capacity constraints in internal revenue mobilization, mismanagement, and corruption.

Table 1: Composition of MMDAs' Funding Sources

Source	Percentage
Internally generated funds	18
Rates	4
Lands example royalties	2
Fees and fines	6
Licenses	3
Rent	1
Investment income	1
Miscellaneous	1
Total grants given by the central government	82
Other transfers	45
DACF	37
Total revenues	100

Source: Decentralisation Secretariat, MoLG, rural development and environment (2006)

Empirical Review

The challenges of the local government in funds allocation are institutional and attitudinal in nature (Alao, Osakede & Owolabi, 2015). This could be addressed given that there is the political 'will' by the ruling government to decentralize the local government. Amarasekera (2012) observed that decentralization amounts to the transfer of power from the central government to a local authority, whether that authority is a city, a province, or a district. This assertion can also lead to creation of joint local

government account from which allocation can be made. However, Musa and Ajibade (2016) argue that, since it gives the state government complete power over local government, the joint local government account should be abolished. If these issues are to be addressed, the local government should be self-governing. The problem is exacerbated by the government's constitutional right to hold elections for local government. The majority of ruling governments have taken advantage of this provision to turn local government into a mere extension of their political and administrative domains. (Musa & Ajibade, 2016).

Abe and Omotosho, (2014) adds that, since the governor and other top party leaders “put them in office,” the governor believes that local government council chairmen owe them a responsibility to ‘deliver’ whatever their monthly subvention is to them so that they can participate in how it is appropriated.

Furthermore, Musa & Ajibade, (2016) highlights that another significant problem that the local government faces is the occurrence of corruption and misappropriation of funds, which has become widespread and prevalent at the local level. Employees of the local government are accused of abusing any opportunity to embezzle government funds while performing official duties (Abe & Omotosho, 2014). According to Ocheni, Atakpa and Nwanko, (2012), with the introduction of statutory revenue allocations to the government departments through local government, most of the local governments abandoned the hitherto viable internal revenue sources in preference to the revenue from statutory allocation.

Ghana's Health Financing Strategy (2015) notes that the country's health financing strategy would resolve many major issues. Ghana's current

public revenue situation is a product of the country's low fiscal ability combined with a slightly higher than average health prioritization, reflecting the government's dedication to health. The current situation supports the general conclusion that there will not be much space for significant rises in total government expenditure in the near future, despite the prospect of modest increases in GOG revenues. The task is deciding how to best raise health revenue by sustaining and steadily rising GOG revenue for the Ministry of Health, including general revenue health budget and NHI levies; and better NHIS premiums. Specification and exemption targeting in the Ghana Health Financing Strategy; creative resource mobilization; strengthening partnerships between public and private financing; and minimizing the impact of declining donor funding.

Adeleke and Oshota (2016) has explored revenue through taxation, allocation and issues of government revenue allocation in Nigeria. The researcher emphasises that, taxation is the most important and easy sources of revenue to any government. The main purpose of the study was to study Taxation and fiscal federalism in Nigeria: core problems, trends, and challenges. The study examined Nigeria's twin issues of taxes and fiscal federalism during the pre and post independent period. The study used qualitative approach to analyse research objectives. The researcher found out that, the new allocation formula gives the federal government more money at the expense of states and local governments. This impedes the flow of revenue allocation the local government department especially the healthcare services.

Another study by Pieters (2015) evaluates the case of Ndlambe Local Municipality, tax collection and distribution problems faced by South African

municipalities. Using content analysis, the study found out that the most contributor of government income is grant income. The researcher argues that, this source of income is not enough to generate income for the local government to allocate to all government departments including the health service. This supports the work by Bird (2001) that increased citizen engagement, combined with insufficient resources at the local level, has put more pressure on local governments to improve municipal financial management. According to Dirie (2005), local governments in less developed countries, such as South Africa, face greater challenges when it comes to raising revenue because municipal revenue bases are often small, especially as compared to the local government's revenue base, in the form of property taxes.

Anderson (2013) argues that the allocation The formula has been unchanged since 1981, with the exception of a 13 percent increase in the derivation theory for mineral income to Nigeria's nine oil-producing firms in 1999. This has been the recurring theme for the last eight years. However, over time, the funds given to oil firms' healthcare regions have not been sufficient to compensate for the negative externalities of oil production, let alone provide them with equitable development prospects in comparison to other Nigerian states (Vincent, Takala & Flaatten, 2012). Furthermore, Adeleke and Oshota (2016) claimed that the fiscal system gives sub-national governments little fiscal autonomy in terms of revenue distribution since key taxes including company tax, VAT, customs, and excise charges are paid to the federal government. Salman and Iqbal (2011) backed with this claim, claiming that the fiscal structure was governed by the country's constitution.

As a consequence, all money in the Federation Account must be disbursed to the federal, state, and municipal governments in accordance with the National Assembly's conditions and procedures. In a strong government model, the governing government retains the lion's share of taxes while the local government keeps a lesser part of the consolidated budget, posing a difficulty in allocating money to healthcare. The study by Pieters (2015) still posits that Owing to a lack of revenue sources, the local government is now grant-dependent, and the municipality lacks its own financial funds to fund capital projects, putting everyday operations, such as paying off creditors, in jeopardy. According to Public Services Utilities International (2008), the degree Because local governments rely on grants, they are more vulnerable to funding reductions and termination by the federal government; as a result, the municipality suffers from inadequate revenue collection, which has a negative impact on service delivery. This may be due to a complicated local government administration or a constitution that sets out the responsibilities of the local government.

Lamidi and Fagbohun (2013) conducted a study on local government as a catalyst for national healthcare service development. The main purpose of the study was to examined the Nigeria's allocation system; local government's functional and structural importance in national growth. Using descriptive research design and a quantitative approach, the study revealed that, grassroots' development is a forerunner for national development and local transformation and development. It was concluded in the study that, direct allocation of funds on local government will facilitate promotion of economic development, agricultural growth and development, rural health service

transformation and overall national development. This suggests that, fairly distribution of local government funds to the government departments in the country is key to the health service sector of the economy. The concept of health service there are several meanings for growth, and its scale is multi-dimensional. Olajide (2014) shows that growth is multi-faceted and entails fundamental shifts in institutional, political, social, economic, and administrative systems, as well as common attitudes, customs, and beliefs, in a study of the works of eminent scholars in the field of development.

Despite the constitutional support for the local government, some departments of the local government are still limited to resources needed to function effectively (Musa & Ajibade, 2016). Investigating into the challenges of local government administration, Alao, Osakede and Owolabi, (2015) used descriptive study to reveal that the difficulties impeding efficient service delivery range from excessive state government interference, the political structure, corruption, over politicization of administration, and staffing, all of which were not found in other systems of government. These challenges have been the major impediment to local government function and health service in Africa. This explains why Adamalekun (2005) sees decentralisation in Mali, Uganda, Tanzania, and Ethiopia as a method for dealing with social demands that, while problematic, is aimed at modernizing traditional local institutions without losing their very foundation.

Apart from taxes, health care in Ghana is funded by health insurance contributions, which include premiums from the informal sector (via District Health Insurance Schemes-DHIS) and payroll deductions to the National Health Insurance Scheme (via Social Security and National Insurance Trust-

SSNIT), as well as out-of-pocket (OOP) payments. Prior to allocating the abovementioned health-care payments to earnings, it is critical to state the incidence assumption as to who shares the responsibility of each of the health-care payments in groups by quintiles of households (Odeyemi & Nixon, 2011).

Conceptual Framework

Following the literature reviewed above, it can be deduced that there is a cause that account for poor revenue allocation which was silence in literature and will later be revealed by the study. Local government is the agent of the ruling government and are expected to be efficient in allocation of revenues to the government department of which Upper West GHS is a part of. The institutional and attitudinal challenges faced the local government in revenue allocation to the government departments may cause poor revenue allocation that creates the challenges to officials at the Ghana Health Service. These challenges may affect the source of revenue generated by the local government. The causes and the challenges however, creates the difficulty of revenue allocation of funds to the local government department (GHS). Figure 1, gives a picture of the concepts outlined in literature.

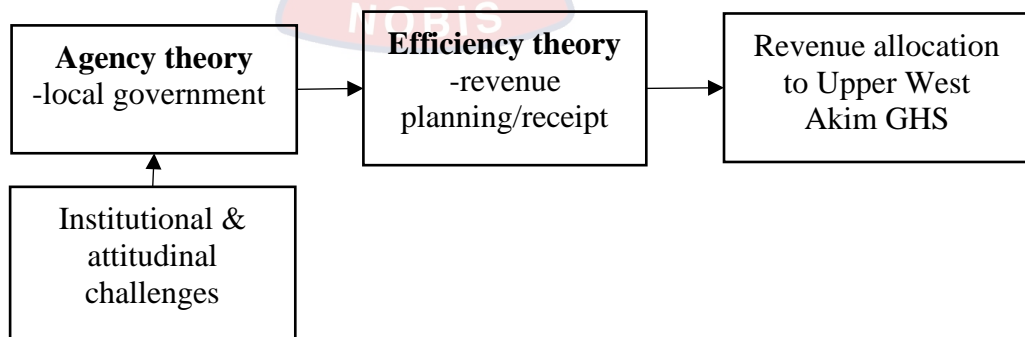


Figure 1: Conceptual Framework

Source: Prud'homme (2012) and Mosha (2010)

Figure 1 shows the local government as the administrative agency. The Ghana Health Services distributes government funds to local agencies like the Upper West Akim GHS. According to the ideas studied so far, the local government must be effective in managing finances whether it gets money from the state or produces revenue internally or outside. Because money will always be accessible following good revenue planning and administration, income distribution issues to Upper West Akim GHS may be reduced or restricted. Inefficiencies in revenue planning by the local government may result in a decrease in income allocation to the Upper West Akim General Hospital.

Chapter Summary

It is the purpose of this chapter to look back and evaluate past research in the area from a critical perspective. A theoretical basis was established, which was followed by an investigation of conceptual problems, which was followed by an assessment of empirical data, and ultimately the development of a conceptual framework.

CHAPTER THREE

RESEARCH METHODS

Introduction

This chapter is concerned with the research technique that was utilized in the analysis of the data. It discusses the research approach, design, population and sampling technique. It also presents data collecting instrument and procedure to data analysis and more which are in line with the research objectives.

Research Approach

Creswell (2014) defines research approach as "research plans and procedures that span the steps from broad assumptions to detailed methods of data collection, analysis, and interpretation". Research can take one of three approaches: quantitative, qualitative, or a combination of both (Creswell, 2014). The research employed a quantitative research strategy that included a descriptive research design. Authors such as Maxwell, (2012) influenced the researcher's decision to conduct quantitative research (Rahman, 2020). Quantitative research, according to Rahman and Maxwell, has a flexible structure that allows for a thorough and appropriate analysis of a problem or issue.

In accordance with Queiro, Faria, and Almeida (2017), the quantitative approach is concerned with numerical representatives and gaining an understanding of the problem; as a result, through questionnaires, this approach will provide a better platform for research to inspect the views, attitudes, and understanding of those involved in activities of local government departments.

By giving comprehensive and demonstrative information, a quantitative method is suitable since it allows the researcher to grasp and acquire a more in-depth knowledge of the issue under consideration. It is most often used on quantitative data that statistical techniques are used to analyze the goals. Certain requirements must be met, including the collection of quantitative data or the conversion of answers into numerical information. The technique is thus suitable for further investigation. The study population is also homogenous, which makes it feasible to calculate the mean, standard deviations, and numerical percentages to define and answer the goals or questions of the investigation. The researcher was therefore aided in producing quantifiable findings that could be analysed more easily using statistical tools as a consequence of this method.

Research Design

Research design refers to the methods and processes that are adopted in collecting and analysing data (Shaw, 2010). The study adopted the descriptive research design. Since descriptive research seek to discover "what is," empirical and survey methods are widely used to gather descriptive data. A survey is a brief interview or conversation with a person about a particular subject, whereas a descriptive design is an in-depth analysis of an individual or group of individuals. The descriptive research design allows for much flexibility and allows the researcher to examine the boundaries within which the phenomenon occurs (Nueman & Kreuger, 2003). The descriptive design helps to reveal the problem of revenue allocation to the local government department.

The data collection from the sample in the field is required in order to achieve the study goals. There have been recent studies linked to the study for which secondary data is accessible and may be utilized, despite the fact that no primary data has been collected. This study, on the other hand, has distinct goals that need the execution of a survey within the area of study in order to analyze the objectives of the study. In selecting this research design, the goal is to collect information from the study's population that will be useful in addressing the research questions. Furthermore, the study's goals need the collection of original data by the researcher. As a result, questionnaires were created in order to collect primary data for further investigation.

Study Area

It is a recently created district in Ghana's Eastern Region, and it is known as the Upper West Akim. The population of Ghana's Eastern Region was predicted to be 2,194,508 persons in 2004, representing a growth rate of 3.1 percent over the previous year. Adeiso serves as the district's administrative center. The Ghana Health Service is one of the local government departments that operate in the area. A self-governing Executive Agency, the Ghana Health

Service is responsible for executing national policies and reporting to the Minister of Health via its governing council. The Ghana Health Service is a public-private partnership that was established in 1992. It delivers its services via regional offices in each of Ghana's districts. Local government offices in the district provide money to such departments on behalf of the local government office. Because of the abundance of moist forest in the area, it is an excellent location for cocoa cultivation. This generates revenue for the

central government from initiatives that are financed by local government departments. The GHS in Upper West Akim is the sole local agency in charge of enforcing health-care regulations in the area. As a result of this role, the government must guarantee that sufficient money is available for health-related initiatives.

Population

According to Babie and Nelson (2010) population is the set of elements or people. It is the full set of cases about a group (Saunders, Lewis, & Thornhill, 2009). Zikmund and Ripka (2012) defines population as consisting a whole group that shares a common characteristic. Based on this, it is believed that all individuals or objects within a certain geographical area usually have a common characteristics or trait for which the descriptions of its members are the same.

The population of the study consists of all staff of Ghana Health Service in Upper West Akim. The GHS at Upper West Akim has 130 active staff that are currently employed under the Labour Act (Ministry of Health Database, 2015). The study therefore focuses on the population size and draw the required sample from it.

Sampling Procedures

As described by Kraska and Neuman (2011), sampling is the process of choosing a subset of a specified population from which to conduct research. According to Lenth and Hjsgaard (2011), sampling is defined as the act or method of choosing an acceptable sample that will serve as representative part of the study population in order to determine parameters or characteristics of the whole population. According to Lenth and Hjsgaard (2011), the size of the

sample has an impact on the results of the study. [page needed] Because of the nature of the research and the need for sufficient data, the simple random sampling approach is the most suitable method for selecting samples from the population. When the population is homogenous, the basic random method is used. Specifically, the population in this research comprises of all members of the Ghana Health Service's administrative staff, and a list of these individuals may be compiled from which random numbers can be created for the purpose of selection. The sampling method that has been developed may protect against the use of an unrepresentative sample and can guarantee that there are enough sample points to enable a separate analysis of each subgroup of participants. Each item or responder in the sample has an equal chance of being chosen when using the simple random sampling method, which prevents bias from arising in the results of the study. The sample size is calculated using the Yamane sample size determination formula, which is shown below, based on the population size provided above;

$$S = 1 + \frac{N^2 e^2}{1 + Ne^2} = 1 + \frac{130^2 (0.05)^2}{1 + 130(0.05)^2} = 1.325 = 98.113 = 98$$

where e denotes the margin of error (0.05), N is the population size, and S denotes the sample size. According to the calculation, a minimum sample size of 98 employees was needed for the research. As a result, this is the minimum sample size that the research could not reach. This sample size was subjected to the administration of questionnaires. It has been determined that a sample size of 98 people represents a proportion of more than 50% of the population. According to Wong, Wiley, Johnson, O'Brien, and Haussler (2012) (2012), a

sample size of more than 50% yields results that can be trusted because they represent a significant proportion of the population.

Data Collection Instruments

One of the most crucial aspects of any research is determining the data requirements and collection methods. This is dependent on the research question(s) and the study's focus. Primary data, according to Hague, Kung, and Suter (2006), are raw data that researchers collect from specific respondents or participants for the purpose of the study. For this reason, questionnaires were designed and developed to collect data from the field (Upper West Akim Ghana Health Service). Amedahe (2002) defines a questionnaire as "a list of questions relating to the study's objectives, hypotheses, and research questions to be verified and answered," which respondents are required to respond to by writing, ticking, marking, or circling the response.

Questionnaires are made up of a list of questions about the study's goals, hypotheses, and research questions that need to be verified and answered, which respondents must answer by ticking the appropriate response (Amedahe, 2002). The instrument was chosen for data collection because it is economical (less costly) and capture a wide range of questions that can answer the research objectives and questions. The data collection instrument also supports both the research design and approach. Rowe, Santos, Behar and Coffin (2016) maintained that a well-constructed questionnaire is effective gathering information about the specific components of the information needs such as conditions and opinions of the subjects.

A researcher uses questionnaires and a technique of verifying the detail on the important aspects of the research procedures based on the following assertions. Respondents are provided detailed instructions on how to complete and return the surveys in this respect. Furthermore, in order to avoid bias in the data gathered, the respondents are given a clear instruction for maintaining data confidentiality. Pilot testing was used to ensure that the questions were reliable and that the scale was internally consistent. Pilot testing, according to Bird and Dominey-Howes (2008), is a useful technique for ensuring that researchers have collected the required information among a smaller sample of intended respondents. Following that, the questionnaire was given in its entirety, beginning with pilot testing.

Data Collection Procedures

The most important aspect of research methodology is the procedure. We cannot come to any conclusions without a procedure. With this the researcher then selected and finalised the tools personally and submitted a letter seeking prior permission from the management of the Ghana Health Service at Upper West Akim. Following that, the researcher discussed his investigation in detail with the GHS management and requested their permission to collect the necessary data. To conduct the investigation carefully, a good rapport with the staff of the concerned Ghana Health Service was established. The instructions for each test used in the study were made clear before the questionnaire was assigned.

In order for the respondents to respond freely and fairly to the questions, they were informed that there are no right or wrong answers to these questions, that their professional careers would not be jeopardised, and

that their responses would be kept strictly confidential. They were given sufficient time between tests to keep them from becoming bored. As a result, the questionnaires were given out under controlled conditions. Each testing session ended with a vote of thanks from the participants. The collected data was scored in the following manner: challenges faced by officials at Upper West Akim GHS in ensuring effective revenue allocation for healthcare delivery and causes of poor revenue allocation to Upper West Akim GHS were scored on a Likert scale. Each statement measuring the variables has five choices numbered 1 to 5, with 1 strongly disagreeing and 5 strongly agreeing. From there, the data was analysed.

Data Management

Analyses of the data were carried out in order to determine the internal reliability of the instrument and to perform validity study of the instrument. The reliability and validity of a quantitative research are dependent on the design of the instrument. Therefore, after performing a pilot test to check validity, the researchers utilized another technique to assess dependability after conducting a second test to confirm validity. The study's success is dependent on the quality of the instruments' manufacture. As a result, after conducting a pilot test to verify validity, the researchers used another method to determine dependability.

According to Mitropoulou, Harvey, Zegarelli, New, Silverman, and Siever, (2005), the degree to which the results of a research study are independent of incidental conditions is referred to as dependability in research. Salkind and Rainwater, (2006) argue that, it is believed that the results of behavioral research studies are influenced by measurement errors. For that

reason, the researcher can cancel out, on the average, over repeated measurements on a single person. Although it is rare to have perfect reliability, and some researchers have suggested some procedures that help researcher to increase the reliability of measures (Rosnow & Rosenthal, 2011). One tool to test reliability generally is the use of Cronbach alpha coefficient which is also used in this study. The Cronbach alpha coefficient is a commonly used method for determining how well various items are positively correlated with one another (Sekaran & Bougie, 2016). When the alpha of the scale for measuring a variable is 0.7 and above, then it is more reliable, however, a lesser alpha below 0.7 has reliability in doubt (Santana, Mengod, & Artigas, 2009).

Data Processing and Analysis

Data analysis is a process that demands drawing conclusions and elucidating the findings in words about a study (Creswell, 2014). Data analysis is used to summarize information so that it can be easily understood and to answer research questions. The approach and method used can therefore have influence on the results and for this reason, careful and necessary application of the appropriate data analysis techniques can have a significant impact on the research's outcome. In this regard, the appropriate statistical method and tool used should be suitable to achieve the study objectives. The quantitative nature of the study makes it possible to use percentages and frequencies, and graphs to present data.

To determine the issue of income distribution to the Upper West Akim Ghana Health Service, data was examined utilizing quantitative research tools. The findings of the study goals were represented and evaluated using

statistical tables. Frequency tables were used to evaluate the primary goal. The first goal necessitates those authorities at the Upper West Akim GHS confront difficulties in guaranteeing efficient revenue allocation for healthcare services. The most urgent problems had to be determined, and the challenge with the highest mean was chosen as the starting point. This is why the numerical numbers for analysis must be acquired from the Likert scale. The second objective looks at the reasons behind poor revenue allocation to GHS. The goal of this goal is to figure out what the main reasons are that lead to inadequate revenue allocation to GHS. Because the goal is not a cause-and-effect connection, the mean serves as a measure of central location and helps in identifying the main reasons that cause inadequate revenue allocation to GHS. The third goal, on the other hand, necessitates that the research evaluates both internal and foreign sources of GHS development funding. As shown by the answers, this necessitates accounting for the majority of often occurring sources. The most often occurring source(s) of development money were counted using frequency and percentages. To assist in the study, the Statistical Package for Social Sciences Software (version 6) was utilized.

Reliability and validity test

It was done using the Cronbach's alpha and correlations of each variable to test the reliability and validity of the items measuring challenges and causes of poor revenue allocation on the Likert scale, which were used to determine the internal consistency of the items measuring challenges and causes of poor revenue allocation. In this case, Cronbach's alpha of 0.7 or above indicates adequate reliability, and validity has been confirmed via the comparison of the correlation coefficients with the Spearman's rank validity

value (which is the table value of 0.312). A valid measure is indicated by a value higher than 0.312 in this case.

Table 2: Reliability Test Results

Challenges		Causes of poor revenue allocation	
Cronbach's alpha	N of items	Cronbach's alpha	N of items
0.820	8	0.760	10

Source: Field Survey (2020)

From Table 2, it can be seen that the Cronbach's alphas are within acceptable limits. This demonstrates that the internal consistency of the scale is sufficiently trustworthy to allow it to be used for measuring the variables.

Table 3: Validity Test Result

Variables	Challenges			Causes of poor revenue allocation		
	r_{xy}	r_{table}	Results	r_{xy}	r_{table}	Results
1	0.882	0.312	Valid	0.459	0.312	Valid
2	0.408	0.312	Valid	0.471	0.312	Valid
3	0.809	0.312	Valid	0.474	0.312	Valid
4	0.390	0.312	Valid	0.730	0.312	Valid
5	0.474	0.312	Valid	0.562	0.312	Valid
6	0.630	0.312	Valid	0.492	0.312	Valid
7	0.736	0.312	Valid	0.853	0.312	Valid
8	0.459	0.312	Valid	0.882	0.312	Valid
9	-	-	-	0.385	0.312	Valid
10	-	-	-	0.512	0.312	Valid

Source: Field Survey (2020)

From Table 3, the items were compared with the table value (0.312). It was realised that all the constructs are measuring challenges faced by officials and causes of poor revenue allocation are greater than 0.312. Thus, the items and the scale are valid in measuring their respective variables. Based on this, the questionnaires were distributed finally for data collection.

Ethical Considerations

According to Partington, (2014) an ethic is a philosophical term derived from the Greek word ethos, which means "character" or "custom," and refers to a social code that communicates moral integrity and consistent values. As a result, when conducting a survey, the two most important ethical considerations are confidentiality and informed consent. Thus, the respondent's right to confidentiality, as well as any legal data requirements, should always be respected. The study explains to respondents the nature of study and stated that participation is voluntary. All participants are assured of their privacy and how confidential the data are kept. Except for the researcher's supervisor to ensure confidentiality, the data collected was not shared with anyone else. The research does not impede in the administration of the questionnaires so that respondents answer the questionnaires in the most reasonable time. The study also regards on the ethical issues in reporting. Under no situation does the researcher formulate data to support conclusion made.

Chapter Summary

The study used primary data for its analysis. A self-administered questionnaire was used as the instrument for the collection of primary data for the study. The data was analyzed using the statistical software, SPSS and

Microsoft Excel for simplification of results. The research strategy used by the researcher in conducting the study was highlighted in this chapter. The rationale for the researcher's choice of research instruments was also explained. The population under study, as well as the sampling technique and its justification, were also discussed. The methods for gathering data were described and justified. The analysis of data will be the subject of the next chapter both the presentation and the interpretation.



CHAPTER FOUR

RESULTS AND DISCUSSION

Introduction

This chapter presents findings from the data collected from the field and analysed for the research objectives. A total of 106 questionnaires were distributed and upon editing, some responses that were inadequate were taken out. This continued till the required sample size was gotten. Therefore, the analysis was based on 98 respondents whose responses were correctly done. Findings are presented below.

Background Information of Respondents

The background of the respondents was analysed to know the level of the respondents in answering the research questions through the questionnaires. With this their demographic, level of education, length of service and job status were tested on the questionnaires. Table 4 presents the results.

Table 4: Background Information of Respondents

Response	Frequency	Percent
Gender		
Male	38	38.8
Female	60	61.2
Level of education Basic	2	2.0
Secondary	19	19.4
Tertiary	73	74.5
Employment status		
Senior staff	36	36.7
Junior staff	60	61.2
Others	2	2.0
Length of service Below		
5 years	56	57.1
6-10 years	31	31.6
Above 10 years	11	11.2
Total	98	100

Source: Field Survey (2020)

From Table 4, it was realised that majority of the respondents were females (61.2%) and the minority were males (38.8%). This indicates that the respondents of the research are female centered. This may imply that more females are employed at the Upper West Akim Ghana Health Service. This indicates that the kind of job at the Ghana Health Service center may involve healthcare services and a lot of secretariat services that involves a lot of females.

It also depicts the distribution of Ghana's population that there are more females than males in Ghana (Ghana Statistical Service, 2019). Again, the results from

Table 4 show that majority (74.5%) of the respondents have tertiary education. This implies that the responses are from an intellectual background and information may be relied upon for further analysis to answer the research questions. Moreover, majority (61.2%) of the respondents were junior staffs and have employed for not more than 5 years. The next majority (36.7%) of the respondents are senior staffs and have been employed between 6 to 10 years.

Overall, the respondents have been employed from below 5 years up to 10 years. This shows that the respondents are more experienced and have some level of knowledge to share concerning revenue allocation to Upper West Akim GHS.

Challenges Faced in During Revenue Allocation for Healthcare Delivery

The first goal was to look into the difficulties that officials at the Upper West Akim Ghana Health Service have in allocating revenue effectively for healthcare delivery. To identify these issues, the researcher used descriptive

analysis. Each construct's mean and standard deviation were calculated, and the construct with the highest mean had the most influence on the variable "challenges" as measured on a Likert scale of 1 to 4. In the appendix, you can see the construct. The results, however, are shown in Table 5 below. The statements or constructs were agreed upon when the means were close to 3 and 4.

Table 5: Challenges Faced in Revenue Allocation for Healthcare Delivery

Description	N	Mean	Std. Deviation
Use of state joint local government account	98	2.53	0.910
High level of corruption	98	3.60	0.858
Undue interference from either state or government and perception of political interference	98	2.65	1.113
Poor budgeting and accounting system	98	2.46	0.932
Over dependence on government and external funding as a result of revenue allocation to Ghana Health Service	98	2.28	0.883
Low effectiveness of revenue allocation by the local government authority	98	2.47	0.976
Poor communication and data exchange among the existing revenue departments	98	2.51	1.028
Desire to crate "islands of excellent" within the public sector	98	2.52	0.966
Impediments caused by poor civil service human resources policies	98	2.90	1.030

Source: Field Survey (2020)

It can be observed from Table 5 that the 'high level of corruption' had the highest mean of 3.6 and lowest standard deviation of 0.858. Thus, high level of corruption was identified to be a main challenge of ensuring effective revenue allocation that officials at the Upper West Akim Ghana Health Service face. The next challenge identified was 'impediments caused by poor civil service human resource policies' with a mean of 2.90 and standard deviation of 1.030. This implies that poor civil service human resource

policies are a challenge in ensuring effective allocation of revenue to Upper West Akim Ghana Health Service. Moreover, undue interference from state either or government and perception of political interference was also identified as a challenge since it has mean of 2.65 and standard deviation of 1.113. Furthermore, these challenges were identified according their means and standard deviations: use of state joint local government account, poor communication and data exchange among the existing revenue departments and desire to crate 'islands of excellence' within the public sector. Use of state joint account was also a challenge of revenue allocation to Upper West Akim with a mean of 2.53 and a standard deviation of 0.910. The desire to crate 'islands of excellent' within the public sector was a challenge that faced the Upper West Akim Ghana Health Service. This had a corresponding mean of 2.52 and a standard deviation of 0.966.

These findings are in line with Kimathi (2017), that the net of these challenges is the stagnation of healthcare and even a reversal of some gains according to health indicators. These challenges identified above may pose fear among the general health service workers at Upper West Akim. Consistence of corruption as a challenge to revenue allocation to the health service decreases the inflow of funds that makes it difficult for the health service to develop and provide quality health care. This is supported by Kimathi (2017) that challenges in resources distribution have been witnessed whereby the allocation of funds to government departments like health service sector is inconsistent thereby furthering inefficiencies among health service workers. For example, drugs are a critical component of hospitals, and they must flow smoothly in order for them to function properly. The health service

responsible for ensuring that this need is met plays an important role in the hospital's operation. This example is thoughtful because according to Teye, Arhin and Anamzoya (2015) delays in reimbursement of health service providers' corruption in the health service sector affect the affect the performance of National Health Insurance Scheme.

Challenge such as high level of corruption and poor communication of data exchange among the existing revenue department cause the hospitals to suffer and render them inefficient. This goes a long way to affect the labour market and industries. Kariuki (2014) adds that delay in funds allocation is experienced at the local government level where allocations from the national Ministry of Finance are often delayed leading to delays downstream with such results as the challenges mentioned above. An explosion of these challenges is when health workers cannot bear it anymore and embark on strike actions over lack of facilities, drugs and other basic necessities.

Moreover, Mutai (2015) posits that one the cause of high level of corruption as a challenge faced by the health service organisation is the fragmentation of procurement that increases cost. These challenges relate mainly relate to increase utilisation of health services as a result of the introduction of health insurance scheme, failure of providers to comply with local government financial management structures and generally weak claims management unit in the provider facilities (Fred, 2018). Among the challenges identified, Musa and Ajibade (2016) recommended that state joint account should be abolished as it gives government absolute control over health institutions in a state.

Causes of Poor Revenue Allocation in Local Government Department

Objective two sought to examine the causes of poor revenue allocation to the Ghana Health Service (Upper West Akim). Data collected was analysed using the mean and standard deviation. Thus, the mean of each construct on the scale measuring the causes are compared to examine the constructs that actually underline the causes of poor revenue allocation to the Upper West Akim Ghana Health Service. A measurement from 3 to 5 indicates an agreement to the statements (constructs) measuring causes of poor revenue allocation to upper West Akim Ghana Health Service. So, items that have mean close to 3 are considered as an agreement. The results are presented in Table 6.

Table 6: Causes of Poor Revenue Allocation

Statements	N	Mean	Std. Deviation
Highest amount of bad debts, poor revenue assessment and methods of collection	98	2.47	0.922
Bureaucracy at the local government revenue allocation offices	98	2.39	0.881
Weak control systems and increased complexity of revenue mismanagement	98	2.27	1.053
Non implementation of corrective actions and sheer fraud	98	2.87	1.118
Poor financial management and inefficient auditing system	98	2.94	1.1822
Increasing relevance of audit reports	98	2.94	1.063
Inadequate salary and remuneration for revenue staff	98	2.93	1.018
Irregular inspection of accounting books and auditing of the revenue allocation records	98	2.95	0.999
Inability of local government to enforce by-laws which could enhance revenue allocation	98	2.44	0.862
Exhibition of improper and inadequate accounting records	98	2.90	1.020

Source: Field Survey (2020)

From Table 6 it was realized that the highest mean was 2.95 with a corresponding standard deviation of 0.999. This mean corresponds to ‘irregularly inspection of accounting books and auditing of the revenue allocation records’ as the main cause of revenue allocation to Upper West Akim Ghana Health Service. ‘Poor financial management and inefficient auditing system’, ‘increasing relevance of audit reports’ had the next highest mean of 2.94 with corresponding standard deviations of 1.063 and 1.018 respectively.

Comparing their standard deviations imply that increasing salary increasing the relevance of audit reports was more preferred to be a cause of poor revenue allocation Upper West Akim Ghana Health Service. The next cause was ‘inadequate salary and remuneration for revenue staff’ had a mean of 2.93 and a standard deviation of 1.018. ‘Exhibition of improper and inadequate accounting records’ was a cause with a mean of 2.9 and standard deviation of 1.020. ‘Implementation of corrective actions and sheer fraud’, ‘weak control systems and increased complexity of revenue allocation offices’ had means of 2.87, 2.72 and standard deviations of 1.118 and 1.053 respectively.

From the analysis, it was found that ‘unregularly inspection of accounting books and auditing of the revenue allocation records’, ‘poor financial management and inefficient auditing system’, ‘increasing relevance of audit reports’, ‘inadequate salary and remuneration for revenue staff’, ‘exhibition of improper and inadequate accounting records’, ‘implementation of corrective actions and sheer fraud’, and ‘weak control systems and increased complexity of revenue allocation offices’ were agreed upon by the

respondents as the causes of poor revenue allocation to the Upper West Akim Ghana Health Service.

Among the causes that were identified, the research found a new cause that is more profound that future studies relating to this research must go deeper and find out why. The study found that increasing relevance of audit reports is a cause of poor revenue allocation to the Upper West Ghana Health Service. Audit reports should rather be a ground on which loop holes in the system can be stopped to curb poor revenue allocation to the health service but it rather turned out to a cause. Related research conducted by Harelimana (2018) showed that audit actually has an effect on revenue collection rather and recommended that there is for a study on how the size of a company influences the auditing as there is variation for various institutions based on sized. This presupposes that, the size of the institution or government body makes audit report a cause of poor revenue allocation to the departments of government including Upper West Akim Ghana Health Service by having an influence on the audit reports to cover up loop holes.

Internal and External Sources of Development Funds

The third objective sought assess the sources of funds that help Upper West Akim Ghana Health Service to develop their sector for effective health care delivery. The respondents were asked to indicate the source of funds in terms of internally generated funds and externally generated funds. The results are presented in Table 7 and discussed below.

From Table 7, it was observed that majority (86.7%) of the respondents showed that general tax revenues were the main internal source of funds for development. Thus, within the region of Upper West Akim, the

Ghana Health Service has a proportion of tax revenues collected by the local government in order to develop the health sector for quality delivery. Again, concerning the external sources of revenue for Upper West Akim Ghana Health Service, majority (72.4%) of the respondents indicated that private health insurance was a main external source of developmental funds. This was followed by 14.3% of the majority who said that employer-financed schemes are also an external source of development funds for Upper West Akim Ghana Health Service.

Table 7: Internal and External Sources of Development Funds

Source	Frequency	Percent
Internal		
General tax revenues	85	86.7
Deficit financing	7	7.1
Earmark insurance	3	3.1
Social insurance	3	3.1
External		
Private health insurance	71	72.4
Employer-financed schemes	14	14.3
Charity and voluntary contributions	6	6.1
Community finance and self help	4	4.1
Direct household expenditure	3	3.1
Total	98	100

Source: Field Survey (2020)

According to Kimathi (2017) there four sources of funds to health service sector. These include generation of revenues by the local government from property taxes, business licenses and entertainment taxes; equalisation fund set aside by government for maginalised government departments and

represent 5% of national revenue and conditional and unconditional grants from the national government. He classified these into three sources including public, private (consumers) and donors. This confirms why tax revenues and private health insurance are the main internal and external sources of revenue to the Upper West Ghana Health Services respectively. Consumers are the largest contributors representing approximately 35.9% (KPMG Africa, 2014). Thus, taxes are borne on consumers more than any other stakeholders. This is possible to get revenues to run the administration of government departments including health services.

Chapter Summary

The chapter was concerned with analysing the data, presenting the results and discussing them. The data was presented in accordance with the research objectives to answer the research the research questions. The study used mean, standard deviation, frequency and percentages to analyse the objectives. The background of the respondents was analysed to ensure that the respondents have a ground in terms of ability to read and analyse questions before answering them. This was also done to examine their background was good enough to fully understand the topic of the study. It was realised that the respondents had a good background and information provided them concerning the objectives do not deviate from what is expected by the research questions.

CHAPTER FIVE

SUMMARY, RECOMMENDATIONS AND CONCLUSIONS

Introduction

Revenue allocation is an important factor in every field or organisation or institution. The study was conducted on Upper West Akim Ghana Health Services. This chapter therefore, presents summarisation of the study, recommendations and conclusions from the study are made in this chapter.

Summary of Key Findings

The study investigated revenue allocation difficulties in the Upper West Akim District of the Ghana Health Service. The questions that span this study includes:

1. What are the challenges faced by officials at the Upper West Akim GHS in ensuring effective revenue allocation and healthcare delivery?
2. What are the causes of poor revenue allocation to the local government department (GHS)?
3. What are the sources of development funds of GHS both internal and external?

The approach was qualitative and descriptive design was used to analyze the objectives. The data was presented using a mean and standard deviation table, as well as frequency tables. The data was analyzed using the mean and frequencies. It was discovered that the majority of the respondents were females with a post-secondary education. Furthermore, the majority of the respondents were Upper West Akim Ghana Health Service junior staff who had worked for less than five years. The findings revealed that the Upper West Akim Health Service faces challenges with revenue allocation, including

the use of a state joint local government account, a high level of corruption, undue interference from either the state or the government and perceptions of political interference, poor communication and data exchange among existing revenue departments, a desire to create "islands of excellence" within the public sector, and impediments caused by poor civil service. Non-implementation of corrective actions and outright fraud, poor financial management and inefficient auditing system, increasing relevance of audit reports, inadequate salary and remuneration for revenue staff, irregular inspection of accounting books and auditing of revenue allocation records, and exhibition of improper and inadequate accounting records were among the causes of poor revenue allocation to Upper West Akim Ghana Health Service. Furthermore, the study discovered that general tax revenues are the most important internal sources of funding, while private health insurance is the most important external source.

Conclusions

The study concludes that the challenges identified as being faced by workers at the Upper West Akim Ghana Health Service provide insight into how the health service's workers struggle to complete tasks. This means that, despite the government's and legal authorities' efforts to ensure a smooth flow of revenue to the Upper West Akim Ghana Health Service, the department still faces difficulties in receiving the funds. In theory, this makes them ineffective in their efforts to ensure high-quality health care. Furthermore, high corruption as a problem implies that government systems may be ineffective in delivering high-quality health care. This has ramifications for stakeholder policies regarding municipal donations and support for the health-care sector.

Furthermore, if these challenges are not addressed immediately, strike actions are likely to occur.

Poor revenue allocation to the Upper West Akim Ghana Health Service has been linked to the increasing relevance of audit reports. This is a brand-new finding from the research. The majority of funds come from private health insurance and general tax revenues; it was also discovered. This means that the internal audit report may contain flaws that need to be investigated, and the findings may have an impact on theories that support internal audit operations. Because the size of an organization or government has an impact on audit reports, future literature should examine the theories that guide internal auditing. Furthermore, the study's findings suggest that development fund sources can be strategically planned so that funds can flow easily to Upper West Akim. This will have an impact on government policy, as it will force the government to rethink how funds are distributed to government departments, including Upper West Akim.

Recommendations

Based on the findings of the study the following recommendations are made:

1. The study recommends that internal audit reports be submitted to the public scrutiny and a standard procedure to be found in choosing the internal audit. This is to assure stakeholders that those auditors are not eyed or discriminated but at least they see the result and be aware of the procedure used in the selected.

2. Restructuring of public administration financial management is suggested in order to prevent the leakage of money that must be given to the various departments.
3. To prevent excessive influence by state and political authorities, transparency should be promoted by the local government and the way in which the government's money is spent.
4. Channel of communication should be restructured in order to clearly communicate effectively among existing staff revenue departments.
5. Corrective actions in existence should be revised and implemented to avoid poor financial planning and management.
6. Inspection of accounting books and accounting records should be on monthly basis to ensure quality of accounting and auditing procedures.
7. A percentage increase in pay should be granted to those who are engaged in the revenue allocation process. These facts should serve as sufficient motivation for them to refrain from abusing their authority and diluting funds allocated to the Upper West Akim Ghana Health Service.

Suggestion for Future Study

This study examined the challenges faced by Upper West Akim Ghana Health Service with revenue allocation, causes of poor revenue allocation to Upper West Akim GHS and sources of internal and external developmental funds of Upper West Akim GHS. There is the need to for future study to look out similar tests for a longer period. Due to the importance of internal audit, there is the need for future research explore the areas that relate to audit quality in relation to revenue allocation to health service institutions.

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APPENDICES

APPENDIX A

QUESTIONNAIRE

UNIVERSITY OF CAPE COAST

COLLEGE OF HUMANITIES AND LEGAL STUDIES

SCHOOL OF BUSINESS

DEPARTMENT OF ACCOUNTING

**Problem of Revenue Allocation to Upper West Akim Ghana Health
Services in Eastern Region of Ghana**

Dear Sir/Madam,

The purpose of this study is to examine the problems of revenue allocation to local government departments especially Ghana Health Service (GHS) in Upper West Akim. This questionnaire will be used for academic purpose only and all responses received will be protected with the highest form of discretion and obscurity. Your voluntary participation in this study will be suitably appreciated. Thank you.

SECTION A: Background Information of Respondent

1. Gender Male [] Female []
2. Employment status
Senior staff [] Junior staff [] other, please specify.....
3. Level of education
Basic level [] Secondary level [] Tertiary level [] others
specify.....
4. Job status
Officer [] manager [] accountant [] Audit [] Administrator

[] other, please specify.....

5. Length of service

Below 5 years [] 6-10 years [] Above 10 years []

SECTION B: Challenges faced in ensuring effective revenue allocation

The following statements below relates to challenges faced by officials at the GHS in ensuring effective revenue allocation and healthcare delivery. On a scale of 1 to 4, state your level of agreement. 1 = strongly disagree, 4 = strongly agree.

Challenges		1	2	3	4
1	Use of state joint local government account				
2	High level of corruption				
3	Undue interference from either State or government and perceptions of political/ministerial interference				
4	Poor budgeting and accounting system				
5	Over dependence on government and external funding as a result of revenue to Ghana Health Service				
6	Low effectiveness of revenue allocation by the local government authority				
7	Poor communication and data exchange among the existing revenue departments (e.g., income tax, sales tax, customers)				
8	Desire to crate “islands of excellence” within the public sector				

9	Impediments caused by poor civil service human resources policies				
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6. If you have any other challenge faced by the Upper West Akim Ghana Health Service, please specify.....

SECTION B: Causes of poor revenue allocation to Ghana Health Service, Upper West Akim

The following statements below relates to causes of poor revenue allocation to Ghana Health Service at Upper West Akim. On a scale of 1 to 4, state your level of agreement. 1 = strongly disagree, 4 = strongly agree

Causes of poor revenue allocation		1	2	3	4
1	Highest amount of bad debts and poor revenue assessment and methods of collection				
2	Bureaucracy at the local government revenue allocation offices				
3	Weak control systems and increased complexity of revenue mismanagement				
4	Non-implementation of corrective actions and sheer fraud				
5	Poor financial management and inefficient auditing system				
6	Increasing relevance of audit reports				
7	Inadequate salary and remuneration for revenue staff				

8	Unregularly inspection and auditing of the revenue allocation records				
9	Inability of local government to enforce by-laws which could enhance revenue allocation				
10	Exhibition of improper and inadequate accounting records				

SECTION C: Sources of Development Funds of GHS

7. The following are sources of development funds available to a health service department of local government. Please kindly click the one that applies

External Sources of Funds

- a. General tax revenues []
- b. Deficit financing []
- c. Earmark insurance []
- d. Social insurance []
- e. Lotteries and betting []

Internal Sources of Funds

- a. Private health insurance []
- b. Employer-financed schemes []
- c. Charity and voluntary contributions []
- d. Community financing and self-help []
- e. Direct household expenditure []

THANK YOU