UNIVERSITY OF EDUCATION, WINNEBA

REVENUE MOBILISATION AND ITS MANAGEMENT AT A NEWLY

CREATED ASSEMBLY: A CASE OF KWADASO MUNICIPAL ASSEMBLY

BY

GEORGE OWUSU ANSAH

JULY

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DECLARATION

STUDENT'S DECLARATION

I, George Owusu Ansah declare that this thesis with the exception of quotations and references contained in published works which have all been identified and duly acknowledged, is entirely my own original work, and it has not been submitted, either in part or whole, for another degree elsewhere.

SIGNATURE:...

DATE:..

SUPERVISOR'S DECLARATION

I, hereby declare that the preparation and presentation of this work was supervised by me in accordance with the guidelines for supervision of dissertations as laid down by the University of Education, Winneba.

NAME OF SUPERVISOR: Dr. Joseph Antwi Baafi

SIGNATURE ....

DATE ....

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DEDICATION

This work is dedicated to my Member Of Parliament Hon. Dr. S. k. Nuamah (Kwadaso Constituency) and to my late mother the late Cecilia Donkor, my wife Sarah Mensah Joseph, my children Benewaa, Koby and Serwaa and also to my sisters Cynthia and Mina.

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ABSTRACT

Decentralization is assumed to bring about better efficiency in the distribution of public goods and services at the local level. Interestingly, this acclaimed position of decentralization depends largely on the belief that local governments will in practice exercise much fiscal discretion when it comes to the allocation of resources than the central government. However, to the shock of many, local assembly's fiscal discretion appears to be very controlled in the sense that most local authorities tend to have limited power even over their own budgets or external sources of funds. Accordingly, this study sought to assess how revenue are mobilized and managed by one of the newly created municipal Assembly in Ghana that is, the Kwadaso Muncipal Assembly.The target population for the study came from all workers within the Kwadaso Muncipal Assembly particularly those working within the revenue collection department of the Assembly. Accordingly, a projected number of 100 employees of the Assembly was targeted as the study population. However, with the sample size, the study used the Krejcie and Morgan (1970) sampling table to determine the sample size for 100 targeted population.Accordingly, the sample size for the study stood at 80 based on 5% error of margin and 95% confidence interval. The study distributed a total of 80 questionnaires to the selected officers working within the Kwadaso Municipal Assembly. From the questionnaires distributed, a total of 75 completed questionnaires were returned to the researcher. Nonetheless, out of these received questionnaires, 68 were usable for analysis, giving an effective response rate of 90.66%.The study data was subsequently analyzed using descriptive statistics such as Mean and Standard deviation. Also, inferential statistics such as multiple regression analysis was used to to ascertain the sources of revenue that had a significant impact on the Assembly's annual revenue. Findings from the study showed that out of the seven revenue sources, only three of them that is, grants, rates and license had the most significant impact on the Assembly's aggregate annual revenue. Meaning other revenue streams such as, land royalties, fees and fines contribution to the Assembly annual aggregate revenue was minimal. Accordingly, it is recommended to the Assembly to improve its collection approach towards the other revenue streams since improving upon its approach towards these other revenue sources may improve the revenue fortunes of the Assembly.

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

Decentralization is assumed to bring about better efficiency in the distribution of public goods and services, as local governments are viewed to have better appreciation of things and services required at their local level than the central government (Mogues, Benin, & Cudjoe, 2009). This perceived benefit has precipitated the devolution of power and fiscal authorities from the central government to local authorities within most regions. For instance, many African countries after the 1980s, begun devolving political, administrative, and fiscal responsibilities from central to local jurisdictions as a way to enable their citizens participate actively in their own development (Mogues et al., 2009).

Ghana is no exception to this happening as ever since the country transitioned to constitutional rule in the1990s, successive governments has progressively entrusted more powers and resources to its local agencies via a comprehensive decentralization process (The World Bank Group, 2015). For example, with the country's initial district assemblies starting at 110 in the 1980s, it has doubled to 254 MMDAS as at the end of 2018 (Ghanadistricts.com, 2018). This goes to suggest that the country at large has accepted the creation of district assemblies as a means to ensure equitable distribution of resources across the country.

Interestingly, this acclaimed gain associated with decentralization depends largely on the supposition that local governments will in practice exercise much fiscal discretion when

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it comes to the allocation of resources (Mogues et al., 2009). However, to the shock of many, local assembly's fiscal discretion appears to be very controlled in the sense that most local authorities tend to have limited power even over their own budgets or external sources of funds(Mogues et al., 2009). Generally, it is been noted that a significant portion of local assemblies' revenue is often comprised of transfers from upper tiers of government or from donors, and even these funds tend to be formally or informally tied to particular activities, projects, or sectors (e.g., Ghana 2007; ISODEC 2005; The World Bank Group, 2015).This suggests that, it is the revenue that the assemblies are able generate on their own that they can exercise much authority or discretion over but not the one from central government or donor entities (Mogues et al., 2009).

Consistent views were shared by Gadenne (2015) as the author argued that, revenue generated locally is more likely to be employed for wider development projects than revenue from grants or central government. Meaning, local assemblies devolution of power will to a large extent depend on their ability to generate their own funds but not to rely on central government funding and donor support systems.

In spite of this position, revenue generation at the local level still remains insufficiently low. For instance, recent figures released by the Ghana's District Assembly Common Fund (2014), seems to suggest that the entire local revenue generated at the 216 MMDAs as at 2014 was less than two percent of the country's GDP (Government of Ghana, 2014). Hence, it comes as not very surprising that most local authorities provide inadequately low levels of public goods and services to the citizens within their jurisdiction (Dzansi, et al., 2018).

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Notwithstanding this fact about the low level of revenue generation at the local level, it still seems to appear that ever since the Fourth Republic, all governments continue to view the creation of new districts as one of the best means to bring about development at the local level. For instance, in the just ended fiscal year of 2018, 38 additional districts were added to the existing 216 districts (Africa Centre for Government Policies & Projects, 2018).

Moreover, with particular reference to the context this study seeks to undertake its enquiry from thus, Kwadaso Municipal Assembly, it formed part of the 38 newly created MMDAs that were inaugurated on March 15, 2018 by the Ministry of Local Government and Rural Development.

Although, some sections of the literature, have reiterated the connection between district assemblies and economic growth and development (see for example, Iimi, 2005;Thießen, 2003; Martinez-Vazquez, Lago-Peñas, & Sacchi, 2017) nonetheless, this relationship was positively moderated by the fiscal devolution powers of the local assembly. Meaning the ability of the newly created district to generate revenue locally from its local economy is very critical in enabling them to initiate development projects within their districts (Kim & Dougherty, 2018).Accordingly, this study seeks to explore how the fiscal devolution abilities of a newly created district could impact on their development abilities within their locality by using the Kwadaso Municipality as the study context.

1.2 Statement of the Problem

According to Akudugu and Oppong-Peprah (2013), decentralization has been accepted in many developing economies as a means to promote political, social and economic participation of the citizenry in the development of their vicinities. Hence, with time the transfer of power and authority to local units or authorities has been promoted by both the international communities and agencies as a means of addressing the inefficiencies connected with the region's centralised system of governance (OECD, 2001; Muriisa, 2008). This goes to suggests that the proponents of this governance structure view decentralization as capable in ensuring good service delivery at the local level (e.g., Asante & Ayee, 2008; Chikulo, 2007; Crawford, 2008; Muriisa, 2008).

However, the perceived benefits of decentralization and its real impacts in other regions have been very disappointing or abysmal after the creation of the local assembly. For instance, in the studies of Baskaran et al. (2016), Martinez-Vazquez, et al (2016),Chinsinga (2008) and Dijk (2008), it was established that decentralization failed to promote the anticipated economic growth and development post the decentralization process. Largely, the inconsistencies within those studies were linked to the failure of the central governments to promote fiscal decentralisation within the newly created or upgraded districts (Steiner, 2008; Chinsinga, 2008).

This goes to suggest that having in place a robust revenue generation system at the local level acts as an important catalyst for the successes and sustenance of decentralization (Bird 2010; Martinez-Vázques and Smoke 2010). Similar views were shared by the

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World Bank Group (2015) and that of Mogues et al. (2009) as they all opined that it is the revenue that the local assemblies are able to generate within their jurisdiction that enable them to bring about the desired development and growth within their locality.

Yet still, evidence available seems to suggest that revenue generation at the local level or assemblies is still abysmally low and insufficient for the district's needs and aspirations (see for example, Government of Ghana, 2014). Notwithstanding this knowledge, the government still keeps on adding new districts to the existing ones with the present number standing at 254 MMDAs (Ghanadistricts.com, 2018).

Although, some existing studies have look into the challenges confronting Ghanaian local assemblies when it comes to revenue mobilization as well as their financial management practices (see for example, Ackah, Obiri-Yeboah, & Agboyi, 2015; Adu-Gyamfi, 2014; Ankamah & Yao, 2013; Akudugu & Oppong-Peprah, 2013; Akorsu, 2015; Attah-Botchwey, 2018; Opoku, Kyeremeh, & Odoom, 2014) nonetheless, most of these studies emphasis were on already existing MMDAs with no emphasis to the newly created districts.

Likewise Mensah, Adamtey and Mohammad (2015) confirmed this same position when they argued that although many of the existing studies within the Ghanaian context have covered wide range of issues with regards to local assemblies nonetheless, it appears very surprising that little attention has been focused on the newly created districts. However, as citizens expectation about their newly created districts tend to be high, it has become important to look into the working management of these new districts to ascertain how they can mobilize adequate resources locally to achieve economic development and

growth within their districts. Accordingly, this study seeks to address the gap in the literature by looking into how Kwadaso Municipal Assembly which is one of the newly created districts on March 15, 2018 is able to ensure effective financial management with regards to fiscal devolution within its local assembly.

1.3 Purpose of the Study

The aim of the study is to assess how revenue are mobilized and managed by the Kwadaso Municipal Assembly.

1.4 Objectives of the Study

The following are the research objectives:

1. To identify the main sources of revenue available to the Kwadaso Municipal Assembly.
2. To identify the challenges associated with the assembly's sources of revenue.
3. To assess the usage of the assembly's internally generated funds.
4. To identify the sources of revenue streams that had a major impact on the Assembly's annual revenue.

1.5 Research Questions

To accomplish the stated objectives, the following research questions are formulated:

1. What are the main sources of revenue available to the Kwadaso Municipal Assembly?
2. What are the challenges associated with the assembly's sources of revenue?

3. What is the usage of the assembly's internally generated funds?

4. What sources of revenue streams that had a major impact on the Assembly's annual revenue?

1.6 Significance of the Study

Evidently, it has been established that fiscal devolution is very critical to local assemblies' sustenance since it determines their ability to facilitate development projects within their jurisdiction. As suggested by Mogues and colleagues (2009), it is the revenue that the local assemblies are able to generate themselves that mostly comes with no string factors as to how they are to be used or applied within their jurisdiction. Therefore, findings from this research would be of much importance to the Ministry of Local Government and Rural Development particularly with regards to how a newly created district is able to generate funds on its own as well as the challenges they face when it comes to revenue mobilization within their jurisdiction. This information will help the ministry in future policy documents with regards to how to improve local authority's revenue mobilization capacity.

Equally, this research will look at the challenges Kwadaso Municipal Assembly faces with regards to its revenue generation. Accordingly, the assembly through this research will get to know about the main challenges associated with each revenue sources as well the possible measures they could take to prevent or minimize these challenges from happening. Again, this research will add to the limited work when it comes to financial management within a newly created assembly in so doing closing the gap in the literature. Finally, other scholars could rely on this study finding as a term of reference

and as a springboard to conduct additional studies in other new created assemblies to ascertain whether the issues identified in this study are applicable in their context.

1.7 Limitation of the Study

The study will have some limitations. For instance, a national survey study would have ensured a more representation for the study sample since this study would be of great relevance to the new created districts; however, as a result of the limited time this study have to completed, the study will employ a case study design hence, the study institution will be only one district thus, the Kwadaso Municipal Assembly. Therefore, the results would not be able to be generalized to other newly district due to varying characteristics within these districts hence, a more national survey will be needed to address this concern. Finally, as this study seeks to use questionnaire as its main data collection instrument, it may not permit the researcher to interact directly or face-to-face with respondents in order to get to ask more detailed and in-depth questions to discover more information with regards to their revenue mobilization issues. This limitation may pose a methodological problem for the study as it will not be able to unravel an in-depth understanding of the assembly revenue mobilization challenges.

1.7.1 Scope of the Study

The study population would come from Kwadaso Municipal Assembly. Specifically, this study seeks to look at the fiscal devolution and financial management at the stated assembly. Hence, the other forms of decentralization that is, political and administrative

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decentralization would not be the areas of interest in this study. Specifically, the study respondents came from employees working in the accounts, revenue and financial department of the assembly.

1.8 Organization of the Study

The study is organized into five chapters. Chapter One constitues Introduction which pays attention to the study background, Statement of the Problem, and Research Questions. Likewsie other areas such as the the study purpose, Limitations of the Study, Scope of the Study, and Organization of the Study will all be addressed in Chapter One. Chapter Two will dwell on the accounts other studies related to the present study whereas Chapter Three views the Methodology adopted for the study. Chapter Four focuses on Results and Discussions whiles finally, Chapter Five dwells on the Summary of Findings, Conclusions and Recommendations.

CHAPTER TWO

LITERATURE REVIEW

2.1   Introduction

This chapter begins with the definition of the key concepts of the study. Equally, in this chapter, the theoretical underpinnings of decentralization are presented, as well as reviews in references to the study objectives together with the empirical review and finally the conceptual framework of the study are all presented in this chapter.

2.2 Definition of Decentralization

According to Martinez-Vazquez (2011), the concept decentalization can be described as the devolution of decision-making powers from a centralized body to a local or regional body. Generally, this devolution or transfer of power from the central body to localized institutions or bodies is born out of the assumption that such transition of power brings about better efficiency in the distribution of public resources and services. This point of view is born out of the fact that, subnational governments (i.e. local governments) appear to be much informed about the situations or occurrences within the jurisdiction as such may appear well informed to take decisions that may be much responsive to the needs and aspirations of its local citizens (Mogues et al., 2009). This perceived benefit in recent times has precipitated the devolution of power and fiscal authorities from the central government to local district authorities within most regions across the world over.

Moreover, toFass and Desloovere (2003), the conceptdecentralization can be explained as a phenomenon whereby a central government decides to officially concedes part of its authority or decision-making powers to agencies and institutions at the local level to

perform both administrative and fiscal decisions. This means that, ''decentralization is the mechanism for bringing government closer to the governed and equally seeking to improve public administration by empowering local authorities to be the frontrunners in their locality planning and decision making'' (Adu-Gyamfi, 2014, p.7).Again, it has to be noted that decentralization usually comes in two folds, that is, de-concentration (delegation) of authority to field units of the same department, or the level of government, or by devolution of authority to local government (Badu, 2007).

According to Martinez-Vazquez (2011), de-concentration occurs when operations within a local authority is totally decentralized, yet the decision-making powers of the said local authority may still not be entirely devolved. A clear case is that of Ghana, as most local authorities and district assembles are still subject to the control of the central governments when it comes to where it has to spend its district resources or the kind of project to undertake within their district. Conversely, devolution is the phenomenon where the local authorities have total independence when it comes to what kind of services or project to undertake or offer to its citizens within its jurisdictions (Martinez-Vazquez, 2011).

2.2.1 Brief history and Local Government Structure in Ghana

According to Ahwoi (2010), the entire concept of decentralization began in Ghana was in the year 1988 when the PNDC Law 207 provided legal and institutional basis for the composition of first District Assemblies. To the author, the promulgation of the Local Government Act 1993, Act462 into law gave the concept a strong legal backing.

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Generally, the decision of the country to go in for such administrative arrangement was borne out of fact decentralization was regarded by many particularly the country's development partners as the more effective way to bring about better efficiency in the distribution of public goods and services to the local constituents (Mogues, Benin, & Cudjoe, 2009). Largely, local units or assembly was regarded as the better agents of development at the local level since they tend to have better appreciation of things and services required at their local level than the central government. Accordingly, this perceived benefit has precipitated the devolution of power and fiscal authorities from the central government to local authorities within most regions. In response, many African countries after the 1980s, begun devolving political, administrative, and fiscal responsibilities from central to local jurisdictions as a way to enable their citizens participate actively in their own development (Mogues et al., 2009).

After its acceptance, the districts of Ghana were re-organized in the year 1988-1989 in an attempt to decentralize the government and to combat the rampant corruption amongst officials(Adu-Gyamfi, 2014).The reform of the late 1980s segmented the regions of Ghana into 110 districts, where local district assemblies were given the mandate to address developmental issues at their jurisdiction. Interestingly, with the country's initial district assemblies starting at 110 in the 1980s, it has doubled to 254 MMDAS as at the end of 2018 (Ghanadistricts.com, 2018). Again, in the just ended fiscal year of 2018, 38 additional districts were added to the existing 216 districts (Africa Centre for Government Policies & Projects, 2018).This figure clearly goes to suggest that the country at large has accepted the creation of district assemblies as a means to ensure equitable distribution of resources across the country.

2.3 Theoretical Underpinnings of Decentralization

The classical theory of decentralization identifies itself with three key objectives namely; its ability to spark economic efficiency, produce macroeconomic stability and result in redistribution of incomeor wealth across board (Musgrave, 1959;Oates, 1999). According to the early writers thus, Musgrave, central government should primarily focus on the stabilization of the economy (i.e. inflation, interest rate, exchange rate, balance of trade) and income redistribution whereas their counterparts at the local level due to their proximity to the local citizens should be given the mandate to proffer solutions to the problems and needs of its local people (Musgrave, 1959).

Largely, it has been established that regions that adopt decentralization witness more efficiency when it comes to resource allocation and provision of public goods and services (see for example, Thießen, 2003; Iimi, 2005; Martinez-Vazquez, Lago-Peñas, & Sacchi, 2017). According to Yushkov (2015), the allocative efficiency of the decentalized provision of most public services is higher than that of centralized provision because lower level agencies can improve the well-being of its citizens through the provision of tailor-made services. The productive efficiency can equally be greater under decentralized system since local authorities have better appreciation of its citizens needs and aspirations by offering them with public goods that are relevant to their unique needs (Thießen, 2003).

However, with the productive efficiency , it emanates from the risk of citizens as well as companies ability to 'vote with their feet' and move to another location. Accordingly, these risk factors energize local authorities to work deligently in order to be able toproffer

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better solutions that may be compatible to local demands (Martı´nez-Va´ zquez & McNab, 2003). Again, through competition, local authoritiesare constantly kept to push harderhence, restraining the possibility of acts such as, inefficiency, rent-seeking and corrupt practices that are characterized with central government operations (Breton, 1996).

Moreover, competition tends to become the greater influencer or source of innovation (Rodrı´guez-Pose, 2011). Meaning the smaller the geographicalscale of intervention, the lower the risks involved inthe said project and the aggregate cost ofpursuing innovation in the provision of public goods and services. Accordingly, smaller units of local authority jurisdiction provides opportunity for local authorities to experiment with new solutions and policies without causing any substantial repercussions.

From the position of Marks and Hooghe (2004), decentralization is usually viewed to bring much efficiency in the market. The authors asset that decentalization brings about important benefits when serious diseconomies of scale exist. For instance, it is usually the case that the cost of producing certain public goods will rise as its volumes increases (Rodrı´guez-Pose, 2011). This usually becomes the case when the delivery of public goods and services is done by large, remote and often times inefficient central bureaucracies (Klugman, 1994). In reality, these bureaucracies are not the well prepared institutions to deliver the public goods effectively than the more flexible local agencies that live closer to these local areas and appear very conversant to their needs and aspirations of the local citizes. However, given local governments the authority to procure these goods and services locally may shorten the delivery time and equally

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reduce the product costs leading to greater economic and market efficiency (Ezcurra & Pascual, 2008).

Additionally, with strong democratic institutions (i.e. transparent elections, rule of law and effective parliamentary systems)decentralization may faciliate higher accountability of local authorities and subsequently lead to improve governance (Lockwood, 2005).Largely, due to the proximity between those governing and those governed, decentralization empowers local communities to act as watchdogs over their jurisdiction governance structures. Hence, decentralization is seen to increase participation, transparency and accountability in policy-making at the local level (Ebel & Yilmaz, 2002).

Although, the above works have vividly demonstrated how decentralization leads to improved services and provision of public goods yet others dissent to the positions espoused above. For instance, the arugement that local authorities due to their proximity to citizens are able to offer more suitable goods and services than the centralized government have been counteracted. Prud'homme (1995) profess that needs and wants for public goods and services may not be entirely different from one region to the other. Prud'homme asserts that more than respondingto 'fine differences in preferences between jurisdictions, governments are required to satisfybasic needs, which in reality are usually quite known across board (Prud'homme, 1995). The basic need of access to food, to decent education, to safety, to health care,to basic infrastructure, and to other basic services are universal and do not necessarily differ from one region to another and the central government may be better suited to deliverthese goods (Rodrı́guez-Pose & Gill, 2004). Moreover, even on instances,where needs appear to vary across regions,

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capacitychallenges may constrain the ability of local governments to make the most fromdecentralization. As such, local governments ability to provide relevant solutions to local needs may be defeated by this challenge.

Again, another counter argument has been that, it is not every regions or localities that may be able to generate adequate resources to deliver efficient policies and strategies (Rodrı́guez-Pose, 2011). According to Rodrı́guez-Pose and Gill (2004), poorer regions may not have the expertise and human resources to draftrelevant policies and strategies, and possibly ensure that these policies reflect local demands and needs. Their limitness in terms of instituttional capacities may constrain these regions ability to assimilate and adopt best practices into their jurisdiction (Odero, 2004). Accordingly, these counter views by these authors seems to counteract the earlier views identified to have increase the adoption of decentralization policies across both developed and developing regions. Hence, from the theoretical standpoint of view, there are two positions associated with the implementation of decentralization.

Notwithstanding this point of view, extant literature both recent and new still confirm that decentralization does ensure much efficiency when it comes to the delivery of public goods and services (see for example, Thießen, 2003; Iimi, 2005; Yushkov, 2015; Martinez-Vazquez et al., 2017). Accordingly, this study seeks to explore how these associated benefits of decentralization have been confirmed in a newly created district thus, Kwadaso Municipal Assembly in the Ashanti Region of Ghana.

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2.4 Types of Decentralization

According to Robertson (2002), decentralization can be categorized into three broad forms namely; political, administrative and fiscal. Accordingly, these types of decentralization will be explained in the preceeding paragraphs. Specifically, Adu-Gyamfi (2014) described administrative decentralization as the type of decentralization where the central government decides to transfer part of its central institutions to a local entity to perform such function on its behalf.However, the local entity which assumed such authority will remain part of the central government and remain acccountable to government ministries and agencies(Adu-Gyamfi, 2014). Generally, decentralizaiton takes three main forms namely; fiscal decentralization, political decentralizatin and political decentralization. Accordingly, these categories of decentralization will be briefly described under the sub-section of section 2.4

2.4.1 Fiscal Decentralization

Fiscal decentralization means the revenue and expenditure responsibilities (i.e. the right to impose and collect tax and independently determine the focus areasof expenses) are devolved from the central body to the regional and local levels(Yushkov, 2015). Hence, this portion of decentralization seeks to move fiscal resources and revenue-generating powers, including the authority over budgets and financial decisions to either deconcentrated local unit or central government appointee or an elected individual. Generally, fiscal decentralization policies can assume different institutional posture(Akorsu, 2015). According to Akorsu (2015), fiscal dentralization can either take the form of an increase in transfers from the central government or the creation of new

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sub-national taxes, or the allocation of tax authority that was formerlycontrolled by a national body or institution to a local body .

2.4.2 Political Decentralization

According to Ahwoi (2010), political decentralization can be regarded as the transfer of electoral authorities to sub-national actors or authorities. Meaning, under this branch of decentralization, its emphasis is to re-locate branches of the central government to local areas, entailing a transfer of powers to locally-based officials who remain part of, and upwardly accountable to central government ministries and agencies.

2.4.3 Administrative Decentralization

With administrative decentralization, it can be described as the transfer of powers and resources from a central authority to local authority which is; largely or wholly independent of the central government authority (Manor, 1999). Largely, the administrative forms of decentralization seek to reposition the branches of the central government at the local centers hence, taking the form of movement of powers to locally-based officials who remain part of, and upwardly accountable to central government ministries and agencies.

The administrative decentralization is made up of two broad departments which includes; general administration and planning and budgeting coordination. Moreover, this dimension of decentralization is characterized with either a constitutional amendment or an electoral reform that seeks to open a new, or activate existing but dormant or ineffective spaces for the representation of sub-national politics (Akorsu, 2015).

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2.5 District Assembly Sources of Revenue

According toLocal Governance Act (2016), Act 936 the local assemblies (i.e. MMDAS) will come from three sources namely; decentralized transfers; internally generated funds; and donations and grants. Specifically, per the Act, decentralized transfers constitute revenues that may come from sources such as, the District Assemblies Common Fund (DACF); grants-in-aid from the central government; and any other revenue transferred from the central Government to the District Assembly. Interestingly, decentralized transfers particularly the DACF, forms one of the significant sources of district assembly income. For instance, recent reports published by the Auditor General suggests that out of the total revenue of ¢1,276,293,415.80 the various district assemblies generated or received in the year 2016, 34.7% (¢442,270,291.39) came from DACF (Auditor General, 2017).

Transfers of funds from central government being one of the significant sources of revenue to District Assembly appears not to be only a Ghanaian phenomenon as similar views have been affirmed in other advanced countries as well as other Anglophone African countries (Boadway & Shah, 2009; Bird, 2010). Consistent views were produced in the works of Jibao (2009), as their results reported that local government units in Nigeria received on average almost 78% of their revenue from transfers, in Sierra Leone they received 74% of their revenue from transfers whereas their counterparts in Gambia received 65% of their revenue from central transfers.

Fjeldstad and Heggstad (2012)attributed this high transfer of funds from central government to the fact that, almost all governments across the world over seems to

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channel more expenditure functions to their local authorities hence, without this transfer it may appear impossible for most local authorities to accomplish these projects.

Another reason to have contributed to this phenomenon is the cases of huge differences that exist between rural and urban district assemblies in terms of revenue generation. According to Fjeldstad and Heggstad (2012), these differences in local revenue bases and administrative capacities if not check by the central government could create problems of equalization (horizontal imbalance) between local government authorities, in particular between rural and urban areas. The occurrence of such disparities may mean that one local unit or district will not be able to design suitable local governance system without relying on the central government transfer support systems (Bird 2010: 1).

A clear case of this phenomenon can be likened to the recent figures released by Auditor General as their report indicate that out of the total income of GH¢297,913,691.60 that were generated by 214 assemblies internally in the year 2017, Accra and Kumasi Metro Assemblies collected the highest thus, GH¢45,147,296.26 (15.2%) and GH¢35,292,656.16 (11.8%) whereas Tatale Sanguli and Binduri in the Northern Region and the Upper East Region collected the least thus, GH¢50,555.20 (0.02%) GH¢51,980.91 (0.02%) respectively (Auditor General, 2017).Clearly, absence of transfer from central government will mean that these districts particularly Tatale Sanguli and Binduri districts will struggle to provide its citizens with adequate goods and services.

However, with regards to internally generated funds, the Act stipulates that all district assemblies shall generate revenue internally either through licenses; fees and miscellaneous charges; taxes; investment income or rates. Even though the source of internally generated funds at the district level appears to be many yet its gains in terms of

its contribution to the local assemblies' total revenue have been very abysmal. For instance, figures released by the Auditor General revealed that out of the MMDAs total revenue of ¢1,268,696,235.88, only 23.5% (¢297,913,691.60) came from internally generated funds. This figure goes to suggest that although the existing law makes it permissible for all MMDAs to use varied means to generate revenue locally yet most MMDAs are yet to make real use of these existing mediums (Auditor General, 2018). Consistent views were shared in the reports of the Ghana's District Assembly Common Fund (2014), as their results suggest that the entire local revenue generated at the 216 MMDAs as at 2014 was less than two percent of the country's GDP (Government of Ghana, 2014). Hence, it comes as not very surprising that most local authorities provide inadequately low levels of public goods and services to the citizens within their jurisdiction (Dzansi, et al., 2018).

Expressly, with regards to how the district assemblies could charge for licenses, the Local Governance Act 2016, stipulates that a District Assembly may charge fees for a license issued by or on behalf of the District Assembly, subject to guidelines in respect of the charging of fees for licenses, as may be prescribed by the Minister. Again, the Act states that in case any provisions of any enactment to the contrary are made, any revenue from licenses issued to the economic operators listed in the Eighth Schedule shall be collected solely by or for a District Assembly.

Again, the law makes it permissible for district assemblies to charge commercial vehicles operating within their jurisdiction for a licencing fee. Specifically, the law mandates vehicular owners to obtain licence for their vehicle within the particular their vehicle is working and pay the fee required by law. Meaning district assemblies are required by law

to charge licencing fee for commercial vehicles operating within their district. Equally, the law makes provision for those that may fail to comply with this regulation as well. For instance, section of the Act states that, an owner or person in charge of a vehicle who fails to comply with this regulation, commits an offence and is liable on summary conviction to a fine of not less than ten penalty units and not more than twenty-five penalty units and to a further fine of one penalty unit for each day that the offence continues(Local Governance Act , 2016).

Aside, this licencing fee, the law also makes it permissible for every district to charge any individual or entity that seeks to operate an entertainment facility with their jurisdiction. Specifically, the law requires that any individual shall not undertake or do any of the acts or things specified in the Tenth Schedule within a district unless the person obtains a licence from the District Assembly for that purpose and paid the fee specified in the by-law (Local Governance Act , 2016).

Another means District Assembly uses to generate funds internally is charging of fees for services it provides or facilities it rents out to individuals or entities. The Local Governance Act, Act 936 makes it permissible for District Assembly to charge fees for any service or facility provided by that District Assembly or for any permit issued by or on behalf of the District Assembly subject to guidelines on fee charging prescribed by the Minister (Local Governance Act, 2016). This suggests that the existing law makes it possible for an assembly to charge users of its services or facilities in accordance with the fee charging rates approved by the Minister.

Also, the law allows District Assembly to collect taxes chargeable on the income of the income earners listed in the Twelfth Schedule. Again, income generated from investment

also forms part of the revenue of district assemblies. The law allows District Assembly to invest portion of their income with any secured securities apart from the Government treasury bills after thorough consultation and approval have been sort from the Minister responsible for Finance (Local Governance Act , 2016). This practice is in conformance to modern financial practice since revenue as being it may will never remain the same hence investing some of their current income in an investment vehicle for a future return is a step in the right direction.

Additionally, the law mandates District Assembly to levy sufficient rates to offset its operational expenses. That is, the law mandates District Assembly as the only institution to levy rates for a district despite any customary law to the contrary (Local Governance Act , 2016). The intent of this provision is to allow an assembly to have sufficient funds to pay for the operation of a certain facility or infrastructure within their jurisdiction.

More so, district assemblies through Government of Ghana development partners are able to secure part of their required revenue from these external agencies. According to the Auditor General report, the District Development Facility (DDF), which happens to be a pool grant sponsored by development partners such as, AFD, CIDA, DANIDA and KfW, provided some form of grants to all the 216 Assemblies in the year 2016 (Auditor General, 2017). Aside these, other grants particularly that of the Urban Development Grant (UDG), which is sponsored by the International Development Association of the World Bank did also provide some form of grants to 46 Metropolitan and Municipal Assemblies (MMAs). However, what has to be noted that these grants usually come with its own conditionalities which an assembly has to certify or meet before such grant can be accessed by their Assembly.

Expressly, the law has made extensive avenues via licence, taxes, investment, rate, etc. for all District Assembly to generate enough revenue to provide the needed goods and services for its citizens yet it appears very surprising that internally generated funds remain the least sources of revenue to most MMDAs across the country. With the exception of two metropolis thus, Accra and Kumasi who have consistently generated a greater part of their revenue internally all the other MMDAs have to large extent relied on external bodies for most part of their funding needs (see example, Auditor General, 2017; Auditor General, 2018).

According to Ankamah (2012), local business licensing has gradually become one of the main source of revenue for the national and local government across all jurisdiction. For instance, in a study done by Fjelstads and Heggstads (2012), it was evident that licensing particularly, business licensing at the local level contributed significantly to most Anglophone Africa countries local assembly revenue with its contribution standing between 5-30 percent of most local government revenue. In terms of its implementation, local business taxes are normally levied in either of thes forms: a) either by a fixed amount which most often varies by type, size or the location of the business; or b) as a percentage of the turnovers or profit of the business (Devas & Kelly, 2001). Certain forms of business taxes are justified at the sub-national level as an indirect but administratively easier way to tax the incomes of the business owners, especially non-wage incomes, and a "benefit tax for the services and infrastructure provided by sub-national governments" (Martinez-Vazquez, 2007). However, in other quarters business licensing taxes or fees could take the form of user service charge where the buisness who uses a local government infrastructure are required to pay for those services or facilities

(Martinez-Vazquez, 2007). Admittedly, all the identified avenues exist for the local assembly to generate or mobilize sufficient revenues to spearhead their developmental projects nonetheless, evidence avialable suggest that grants and transfers continue to remain as the main source of most local assembly revenue.

In retrospect, the MMDAs over reliance on government transfers appear to be counterproductive as evidence available seems to suggest that local authorities excessive dependence on central government support may affect their ability to deliver goods and services on time.For instance, within the case of Tanzania, it was established that most local governments within that region were not able to deliver their services and projects on the required time since funds expected from the central government were not received on time (Fjeldstad et al., 2010). Likewise, in the case of Ghana, it has been established that most assemblies received their first quarter of the government transfers (i.e. DACF) in the third or fourth quarter of the year, with the remaining overlapping into the following fiscal year (Jibao, 2009).

Moreover, in the studies of Fjeldstad (2006), it was evident that the main sources of revenue at the local assembly level were property rates/taxes, business licenses and user charges or fees paid on facility or services used at the local level. Although, within some jurisdictions, these revenue per law and stipulation constitute part mobilization has been largely ineffective or inefficient (see for example, Brosio, 2000; Fjeldstad, 2006). For instance, Brosio (2000) assert that within many context property rate collections tends to be very costly to administer, whereas the compliance level of user fees is very low which has resulted in widespread resistance to pay especially from the poor classes in society (Fjeldstad, 2004).

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In spite of this criticism attached to property rate taxes at the local, other writings within the literature have held contrary view. For instance, a review done by Ankamah (2012), suggest that property tax is seen or regarded by many as one of the best and permanent means to generate revenue at the local district level. Largely, the author review revealed that property rate taxes promotes political accountability as payers of these tax will demand transparency from their receivers with regards to what these revenues are used for. The tax also has a desirable feature that ensures that the tax bearers are the beneficiaries of the service provided (Martinez-Vasquez, 2007).

Moreover, with particular reference to the case of Ghana, study by Fjeldstad and Heggstads (2012) suggest that property tax accounted for nearly 14 percent of local government revenue within a given financial/fiscal year. Likewise, within the case of Tanzania, estimates released by Fjeldstad et al (2004) seems to suggest that property rate accounted for between 10-30 percent of that country's local councils' annual revenue. Interestingly, in spite of its potential to provide local districts and council a substantial part of their revenue is implementation has not been fully explored or exploited in most Africa countries. Largely, Bell and Bowman (2006) attributed its less exploitation in most Africa countries to the issues of obsolete registry and valuation records, lack of political support and lack of skilled human resource to perform real valuation of the various properties within their jurisdiction.

2.6 Challenges Associated with Revenue Mobilization at the District Assembly

Property taxes are one of the potential sources of revenue to most district assemblies yet it happens to be the least contributor to district assemblies internally generated funds. A

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study done by Jibao, (2009) across some Anglophone African countries revealed that within the case of Ghana, property tax accounted for merely 14% of the total revenues generated across most district assemblies. Its less exploitation is not only peculiar to Ghana, as extensive work done by Fjeldstad and Heggstad (2012) observed that across the entire sub-region property tax revenue accounted for less than 0.5% of most African countries annual GDP.

Generally, several reasons have accounted for this less exploitation of the property tax regimes by most district assemblies. Bell and Bowman (2006) indicate that most district assemblies do not have well developed property markets. Again, other issues such as, absence of property register and valuations rolls, lack of administrative capacity and equipment as well as lack of political support and political interference in revenue collection have been identified as the main challenges that confront the effective implementation of property tax at the district level (Bell & Bowman, 2006).

Similarly, recent survey undertaken by Dzansi et al. (2018) corroborated same view as their results revealed that many property owners who were entitled to pay property rates were not even sent a bill to pay. The authors found out that the main reasons that accounted for such occurrence was the absence of effective billing systems coupled with obsolete property valuation list and lack of electronic databases of property owners. Also, another reason identified was the inability of most MMDAs to enforce this requirement due to their unavailability of resources as well as lack of political will and legal capacity (Dzansi et al., 2018).

Likewise, the Auditor General report affirmed same views when their report suggests that even though property rates in law happen to be one of the sources of revenue to MMDAs

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yet its contributions to MMDAs annual revenue appears to be very low (Auditor General, 2018). Specifically, their findings revealed that out of the 216 districts, Sixteen Assemblies recorded uncollected revenue of GH¢1,578,954.57 of which all these revenues came from property rate and business operating permits. This occurrence was linked to the fact that most of the Assemblies largely did not have rate registers to guide collection and also did not devise effective revenue collection strategies such as barring business operators from entering business premises or going to court to compel payment (Auditor General, 2018).Accordingly, the absence of update to date property registers and data and the lack of qualified valuers to prepare or maintain valuation rolls have made the enforcement of property rate taxes very challenging across most local units (Franzsen, 2007).

Aside these notable factors, Mikesell (2002) on his part argued that the problem confronting the implementation of property taxes at the local level is more of a political issue than that of economic. The author asserts that administration of property tax within most African countries comes with powerful political adversaries. Interestingly, the tax seems to strike the wealthy directly since usually the real properties to be taxed are noticeable to all, and the levy itself is visible. Accordingly, since the wealthy appears to control most of the political powers in these regions, they tend to use their political connections to frustrate its administration within their jurisdiction. Consistent views were shared by Burgess and Stern (1993) as they posit that the low level of exploitation of the property and land taxation echoes the rich and super wealthy ability to frustrate its implementation since it has direct impact on their earning or interest. Hence, the reality

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has always been that the taxes that are paid barley reflect the real or true value of the property on the ground (Franzsen, 2007).

Also, in the studies of Ankamah (2012), challenges identified to limit District Assembly income generating abilities is the lack of capacity of land valuation board, unavailability of data registry about the businesses and properties located within the district and absence of street naming and numbering system. According to Ankamah (2012), absence of proper registry about the properties and businesses within a jurisdiction made it extremely difficult for most district assemblies to track and collect license, rates and taxes from business entities within their locality. Again, another factor found to have impeded District Assembly revenue collection is the lack of central government support when it comes to the enforcement of provisions within the Local Governance Act.

Again, with the studies of Adu-Gyamfi (2014), it largely sought to examine effectiveness of the revenue mobilisation schemes used by theUpper Denkyira East Municipal Assembly within its jurisdiction. However, the study employed a mixed approach where qualitative and quantitative researchapproaches were used. Evidently, results from the study revealed that the key sources of revenue for the Assembly day to day running came from property rates, licenses, market tolls and lorry parkfees and property rate. Again, results from the study revealed that issues such as, inadequate data on revenue sources, the Assembly inability to enforce its bye-laws and inadequate revenue collectors undermines the Assembly ability to generate adequate revenue from these identified revenue streams.

Moreover, within the context of Nigeria, a study by Abiola and Asiweh (2012), produced similar results as their works identified challenges such as, lack of bye-laws enforcement,

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inadequate revenue collectors, and lack of logistics impeded Nigerian's local assembly revenue mobilization schemes. The study eventually concluded that increasing tax revenue is a function of effective enforcement strategy which is the pure responsibility of tax administration.

According to Dzansi et al. (2018), the cost involved in the administration of these revenues appears to be very costly to bear. Expressly, their study results revealed that the median salaried of revenue collectors in most MMDAs were about 60 percent as high as the entire revenues collected. Meaning, nearly one out of five revenue collectors receive a monthly salary that is quite higher than their revenues collected amounting to a commission rate of over 100 percent.

As indicated by Mikesell (2002), the cost that comes with the administration of these taxes that is, maintaining the relevant payment records and ownership records, determining the taxable property values, calculating and distributing property tax bills, managing receipt payment, and applying tax enforcement against non-payers is strangely very higher than the amount generated. Surprisingly, these administration cost in some cases even appear higher than the revenue that can be generated from that stream of income source (Fjeldstad & Heggstad, 2012). As such, it makes it counterproductive to channel collectors to go in for such revenue sources.

Hence, the array of factors associated with property taxes makes its implementation very cumbersome to administer (Brosio 2000), and the enforcement of user fees has resulted in widespread resistance to pay from the poorer segments of the urban population in some countries (Fjeldstad, et al., 2005). Additionally, the complex nature of business licensing and registration systems have made it very difficult for most local authorities to collect

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licences and taxes from small and medium scale operating within their districts (Devas & Kelly 2001; Sander 2003). However, international evidence shows that when well administered, these revenue instruments can provide substantial and reliable revenues for urban municipalities.

Explicitly, local business taxes are computed or levied in one of two forms either through a fixed rate, which tends to differ by type, size, or location of the business, or as a percentage of turnover or profits (Devas & Kelly, 2001). However, enforcing of this rate payment by local authorities appear to very problematic especially when dealing with SMEs. Generally, computing business revenue or profitability is difficult both in relation to small enterprises, that usually do not keep adequate records and to large enterprises that may have several centres across various jurisdictions (Fjeldstad, 2006). As such, due to most Assemblies inability to assess businesses return or profit margins, they find it difficult to collect business licences or taxes within their jurisdiction.

Also, within the context of Nigeria, a study by Abiola and Asiweh (2012) established that even though increasing tax revenue is a function of effective enforcement strategy which is the pure responsibility of tax administration nonetheless, challenges such as, absence of law enforcement institutions and personnel at the local units coupled with inadequate revenue collectors and relevant logistics tools made revenue mobilization very cumbersome for most Nigerian local assemblies. Similarly, within the same country setting the study of Eze and Harrison (2013), examined the financial management systems in the local governments in Nigeria. Generally, it assessed the roles, powers and challenges of the treasury department of local government in Nigeria. Apparently, results from the study revealed issues such as, lack of adequate technical capacity and lack of

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enforcement of the Assembly bye-laws constraints Nigeria local government ability to mobilize adequate revenue within their respective jurisdictions. Accordingly, their work recommended for capacity building exercise for the local assembly and enforcement local units bye-laws.

Largely, their study emphasis was to look at Nigeria Tax administration as well as its ability to eschew tax evasion and generate revenue for local level development. The study results of Abiola and Asiweh (2012) is not very different from that of Attah-Botchwey (2018), as the author study results posit that even though revenue mobilization at the Accra Metropolitan Assembly appears to be done timely and according to schedule nevetherless, drawbacks such as failure to do proper risk assessment, diversion of revenue belonging to the Assembly, lack of education and information on the Assembly's project, and lack of logistics and administrative support tend to reduce the vibrancy of the system and revenue mobilization prowess of the Assembly.

Last but not the least, the studies of Akorsu (2015) seek out to look at the issues that inhibit the revenue mobilization abilities of the Cape Coast Metropolitan Assembly (CCMA). Apparently, results from the study revealed that Cape Coast Metropolitan Assemby was unable to mobilise sufficient resources in terms of funds to help meet its socioeconomic and political obligations to consumers of public goods and services within the metropolis. The study also found that the inability of the Assembly to mobilize adequate resources within their jurisdiction came from issues such as, absence of reliable and dependable property data and valuers, insufficiency in the number of revenue collectors or mobilizers, corruption on the part of the revenue collectors and inadequate logistical support systems at the Assembly. Accordingly, the study recommended that in

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order for the assembly to address these challenges they should put in place reliable data base on properties and businesses, use relationship marketing to reach out to stakeholders through meetings, seminars, conferences, forums, tax education and sensitization to know the problems of payment of taxes, rates, etc.

More so, the work of Opoku et al. (2014) looked into local revenue mobilization strategies of Abura-Asebu-Kwamankese District Assembly. Basically, results from the study showed that notwithstanding the enormous availability of several resource avenues within the district, the Assemblyis yet to take advantage of the various revenue streams. However, it was established that the strength of the Assembly's local revenue collection measures took the form ofrevenue collectors' inclusion in tax decisions, house-to-house collection, and database. Nevertheless, with reference to the challenges constraining the district revenue mobilization exercies, it was established that issues such as, inadequate personnel for revenue mobilization and poorcash management systems and accountability mechanisms at the Assembly thwarfted the Assembly revenue generation abilities.

Finally, it has established that issues such as, corruption and connivance between revenue collectors and the payees are some of the key challenges associated with local District Assemblies revenue mobilization (Ackah, et al., 2015). For instance, in the Auditors General report, it was established that a former Accountant at Kintampo North Assembly misappropriated a total of GH¢54,107.22 between June 2006 and July 2009 in the district's revenue generated. Equally, in the same report, it was evident that cash irregularities noted during the audits amounted to GH¢8,452,270.81 and were made up of funds embezzlement, unaccounted and uncollected revenue, uncollected funds with officials and unsubstantiated payments. Comparable results were found in the studies of

Akorsu (2015) as the author's work linked local assembly's income insufficiency to issues such as, tax avoidance, connivance and evasion, corruption and revenue leakage by revenue collectors.

2.7 The Revenue Sources that Contribute Significantly to Local Assembly's Total Revenue

Specifically, this section of the chapter seeks to identify which of the forms of local assembly's revenue stream

s contribute significantly to their overall revenue.

First and foremost, the study of Attah-Botchwey (2018) seeks out to investigate the financial management processes and performance local district assembly by using the Accra Metropolitan Assembly as its study context. The author used a descriptive and cross-sectional research approach were questionnaire items were given to the directors, budget officers, planners, finance officers, revenue collectors, the internal auditors and staff of the Assembly. Evidently, results from the study revealed that the main source of the Assembly revenue came from avenues such as, basic rate, property rate, special rate and rate payable by public corporation and organization owning properties in the area of jurisdiction of the district assembly. Equally, within the same study it was evident that other sources such as, land concessions and royalties, fees and fines, licenses, rent from market stores, assembly property, bill boards, advertise areas and investment income constituted the other segment of the Assembly sources of revenue. However, the revenue sources that contributed significantly to the understudied Assembly total revenue

werelicenses and rent from market stores. Conversely, the revenue sources that contributed minimally to the Assembly total revenue were land concessions and royalties.

Comparable results were produced in the studies of Adu-Gyamfi (2014) as the author work identified revenue sources such as market tolls, lorry park fees and property rate as the highest contributor to Upper Denkyira East Municipal Assembly entire revenue figures. Specifically, the author's work sought to examine the effectiveness of the revenue mobilization mechanism of the Upper Denkyira East Municipal Assembly. Similarly, within other Africa countries, property rate has been identified as one of the significant sources local assembly's revenue. For instance, in the studies of Fjeldstad et al (2004), it was established that property tax accounted for between 10–30% of Tanzania urban councils entire revenue whereas within the areas of South Africa, figures released by Bahl and Smoke (2003) suggest that property taxes accounted for nearly 20% of the South African metropolitan councils entire revenue.

However, it is not in all context that property rate has been identified as a significant contributor to local district assembly revenue streams. For instance, in the case of Liberia where local councils were not permitted to collect property rate tax, it was evident that this stream of revenue margin rate of 1% of the total revenues of the central government (Jibao, 2009).The question then is, has its collection from the central government other than the local authorities contributed to its less collection outcomes? Obviously, the response to this question is clear as in areas where it was found to be collected by local authorities it accounted significantly to local councils or assembly's aggregate revenue (see for example, Bahl & Smoke, 2003;Fjeldstad et al. 2004).

Also, with the study of Akorsu (2015), it sought to examine the effectiveness of the revenue mobilization strategies of the Cape Coast Metropolitan Assembly. Apparently, results from the study suggest that the Assembly main sources of revenue came from rate, land, fees and fine, rent, licenses and miscellaneous. However, in terms of this source contribution to the Assembly overall revenue, figures from the study suggest that grant from central government thus, the District Assembly Common Fund constituted the greater contributor to the Assembly entire revenue from the period of 2009-2013. Expressly, in the Assembly's aggregate revenue data of its 2009 financial year, grants from central government contributed 75% of the Assembly overall aggregate of revenue generated within that year. The story was not very different from the subsequent year, as figures computed in the study suggest that grant from central government contributed 65.3% of the Assembly entire revenue. Again, in the year 2011, the Assembly aggregate data revealed that grant from the central government accounted for 35.6% of the assembly aggregate revenue. Also, in the year 2012 and 2013, grant again took the first spot as its relative contribution accounted for 40.3% and 44.3% in the year 2012 and 2013 respectively. Surprisingly, among all the various sources of the Assembly revenue, investment income which constitutes income generated from investment activities constituted the lowest portion of the Assembly entire revenue stream. For instance, it accounted 0.9% and 1.0% of the Assembly aggregate revenue in the year 2012 and 2013 respectively.

Consistent results were reproduced in the studies of Ackah et al. (2015) as their work identified grants thus District Assembly Common Fund and donor support as a key contributor to the Ahanta West District Assembly revenue. In the study specifics, results

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from their work established that grant from central government and donor agencies contributed over 92.03% and 93.99% of the Assembly aggregate revenue in the year 2010 and 2012 respectively. Intriguingly, the money generated internally only constituted 7.97% and 6.01% for the year 2010 and 2012 realized revenues. This goes to suggest that, the locally generated of the Assembly was largely inconsequential judging from the total amount the Assembly received from central government and donor agencies.

Again, with the works of Akudugu and Oppong-Peprah (2013), it sought to assess the challenges confronting the Asante Akim South District Assembly in its revenue mobilisation and management initiatives. In terms of the study data collection approach, the researchers used tools such as in-depth interviews, group discussion and review of relevant financial documents of the Assembly thus, their Trial Balance Sheets to unravel the challenges of the Assembly with regards to their revenue mobilization prowess. Evidently, results from the study revealed that the understudied district that is, the Asante Akim South District Assembly performed abysmally with its internal revenue mobilisation. Comparatively, the Assembly internally generated fund was the least contributor to their overall revenue generated. Also, in the same study, it was realized that a wide difference existed between the district budgeted revenue or expenditure and the actual revenue or expenditure, especially in 2002. In addition, it was revealed that a large amount of the internally generated fund was expended on recurrent expenditure (personnel emoluments, travel and transport, and miscellaneous). The intriguing part of the findings was that any increase in revenue had an equivalent increase in expenditure.

Finally, a study done by Fjeldstad and Heggstad (2012) observed that across the entire sub-region, property tax revenue accounted for less than 0.5% of most African countries

annual GDP. Meaning, in retrospect, property rate accounted for only small portion of local assembly's entire generated revenue within a given year. Similarly, results were confirmed in the studies of Dzansi et al. (2018) as their work revealed that out of the entire revenue sources available Ghanaian district assembly's property rate accounted for a lesser part of all the revenue generated by the Assembly's within a given year. However, among all the revenue sources, central government grant that is District Assembly Common Fund constituted a significant part of MMDAs aggregate revenue within a given year. Equally, the Auditor General report corroborated same position as their findings for the 2017 fiscal year suggests that even though property rates in law happen to be one of the sources of revenue to MMDAs yet its contributions to MMDAs annual revenue appears to be very low (Auditor General, 2018). Specifically, their findings revealed that out of the 216 districts, Sixteen Assemblies recorded uncollected revenue of GH¢1,578,954.57 of which all these revenues came from property rate and business operating permits. This occurrence was linked to the fact that most of the Assemblies largely did not have rate registers to guide collection and also did not devise effective revenue collection strategies such as barring business operators from entering business premises or going to court to compel payment (Auditor General, 2018).

2.8 Empirical Review

This section seeks to discuss previous works that investigated District Assembly revenue mobilization and its utilization and equally indicate the gap this study seeks to fill.

Firstly, the study of Attah-Botchwey (2018) sought to assess the internal control system in the Accra Metropolitan Assembly (A.M.A) and how it affected their revenue

mobilization for the Assembly. Accordingly, the study sampled 100 employees within the assembly to ascertain their views on the assembly internal control mechanisms. Evidently, results from the study showed that AMA had an internal control mechanism in place namely; risk assessment, which was most poorly complied with, control activities, information and communication and monitoring. Specifically, the study concluded that the identified internal control systems had a significant impact on the revenue mobilization abilities of AMA. Interestingly, notwithstanding this impact, it was still realized that the assembly was faced with challenges such as, poor risk assessment, diversion of revenue belonging to the Assembly, lack of education and information on the Assembly's project, and lack of logistics and administrative support tend to reduce the vibrancy of the system and revenue mobilization. Although, the study of Attah-Botchwey (2018) did look at the internal control systems of a district assembly yet their emphasis was mainly on an already existing local assembly thus, Accra Metropolitan Assembly hence, making the present work entirely different from the work of Attah-Botchwey (2018) since it seeks to look at a newly created district but not on an already existing local assembly.

Also, with regards to the study of Adu-Gyamfi (2014), it seek out to investigate the effectiveness of the revenue mobilization of district assemblies by uisng the Upper Denkyira East Municipal Assembly as their study context. The study employed a primary data source where questionnaire items were distributed to 85 selected staff within the understudied assembly. Results obtained from the study showed that Upper Denkyira East Municipal Assembly sourced most of their internally generated funds from property rates, licenses, market tolls and lorry park fees and property rate. Again, the study

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revealed that issues such as, insufficiency of data sources, lack of enforcement of revenue mobilization bye laws, inadequate revenue collectors and their training impeded the assembly ability to generate sufficient revenue within their jurisdiction. As indicated earlier this study equally follow the same trajectory in the literature by placing its attention on an existing assembly hence, making it quite difficult to replicate its findings to a newly created district or municipality.

Similarly, the work of Akorsu (2015) sought to investigate the strategies used by Cape Coast Metropolitan Assembly (CCMA) in their revenue generation. Results from the study indicated that CCMA was unable to mobilize adequate resources internally to enable them meet its socioeconomic and political obligations to its citizens in the metropolis. Again, the study established that the metropolitan inability to generate adequate funds internally was mainly as a result that they depended on traditional means in their revenue mobilization.Subsequently, the study recommended that, the chief executive officer of CCMA should put in place reliable data base on properties and businesses and equally seek to employ relationship marketing to reach out to more stakeholders via meetings, seminars, conferences, forums, tax education and sensitization to know the problems of payment of taxes, rates, and the challenges in revenue mobilisation. Admittedly, the study present study focus seems to somehow similar to that of Akorsu (2015) nonetheless, their study in all regard did not identify the sources of revenue CCMA relied on for their metropolis development project. Equally, since their context is a metropolis, it becomes a little problematic to use their results to depict that of municipality which is barely a year old.

Moreover, the work of Fosu, Krah and Obeng (2013), sought to investigate the budgeting, accounting and reporting practices of Metropolitan, Municipal and District assemblies (MMDAs) in Ghana and the extent to which these practices conform with financial regulations and laws, specifically the Local Government Act 1993 (Act 462) and the Financial Memorandum of MMDAs, (2004). Apparently, the study used a survey research design where questionnaire items were distributed to 20 MMDAs that were conveniently selected. The study subsequently complemented the self-administering questionnaire with structured interviews and observations. Findings from the study suggest an average level of total compliance with financial laws and regulations index at 12.33 (representing 82.2%). Again, the study confirms that there is no significant difference among MMDAs regarding their level of compliance with the laws. The findings also suggest that there is no significant association between number of accounting staff and level of compliance with financial laws and regulations. The study concludes that the assemblies' compliance to budgeting, accounting and reporting provisions is encouraging, even though total compliance is ideal.

Although, their study results made insightful revelation with regards to how some selected MMDAs accounting reporting practices conform to the Local Government Act 1993 (Act 462) and the Financial Memorandum of MMDAs, (2004) nevertheless, it has to be noted that none of a newly created or established MMDAs were included in their study sample. Again, their study emphasis was not on the revenue mobilization of MMDAs as well as the challenges that come with these revenues in terms of their generation. On this note, the present study is entirely different from that of Fosu and colleagues (2013).

Finally, the work of Opoku et al. (2014)assessed the local revenue mobilization strategies of Abura-Asebu-Kwamankese District Assembly. The study used a survey approach where 20 staffs and 194 tax payers were targeted. Hence, questionnaires were distributed to these set of sample to provide responses on the issues under study. Apparently, results from the study showed that regardless of the availability of sources of revenue within the locality, the Assemblywas yet to take advantage of them. However, it was established that the strength of the Assembly's local revenue collection measures took the form ofrevenue collectors' inclusion in tax decisions, house-to-house collection, and database. Nevertheless, with reference to their weaknesses, it was revealed that issues such as, poor taxpayer participation in tax decisions, inadequate personnel for revenue mobilization and poorcash management systems and accountability mechanisms at the Assembly thwarfted the Assembly revenue generation abilities.

As rightly indicated by Mensah and colleagues (2015) even though many of the existing studies within the Ghanaian context have covered wide range of issues with regards to local assemblies nonetheless, it appears very surprising that little attention has been focused on the newly created districts. Obvioulsy, studies discussed above confirmed this same trend as none sought to explore the revenue conditions or the financial management practices of a newly created district. However, as citizens expectation about their newly created districts tend to be high, it has become important to look into the working management of these new districts to ascertain how they can mobilize adequate resources locally to achieve economic development and growth within their districts.

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2.9 Conceptual Framework

The conceptual framework of this study highlights the main sources of revenue available to the Kwadaso Municipal Assembly as well as its associated challenges linked to its generation. Reviews in the literature indicated that District Assembly's rely on revenue sources such as, rates, levies, central government transfers, grants from development partners, etc. Again, with reference to the challenges associated with the collection of these revenues, it was established that issues, such as, poor address system, outdated records about properties, lack of central government support and commitment to enforce District Assembly laws, embezzlement on the part of the Assembly employees, absence of property valuers, etc. limit District Assembly ability to exploit these revenue sources to the fullest. Likewise, within this study context same variables will be explored to ascertain its occurrence within a newly created district thus, Kwadaso Municipal
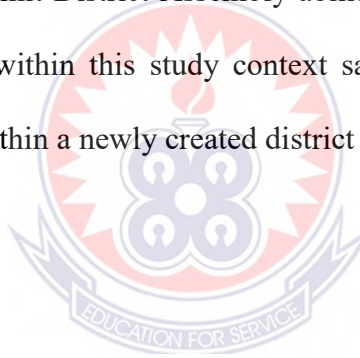
CHAPTER THREE

METHODOLOGY

3.1   Introduction

This chapter gives a brief description of the research method employed, the population considered and discusses the sample and sampling procedures used. Also, it presents the source of data, the data collection procedures and the type of research instrument used. It also addresses the type of data analysis approach used.

3.2 Research Design

According to Bryman (2012), the choice of a research design should showcase the decisions about the priority being given to a range of dimensions of the research processes. Generally, these dimensions take the form of whether a study seeks to express the linkage between variables; to generalize the study results to an entire population; get the meaning of a particular situation in its natural settting or to understand a social context and the interdependencies that exist between them. Moreover, as this study seeks to assess how revenue are mobilized and managed by the Kwadaso Muncipal Assembly, it will be positioned within the context of appreciating the behaviour of a particular entity within a specific social context.

As indicated by Kumar (2011), within the fields of behavioural or the natural sciences, a research design could take any of these forms thus, an experimental design, a cross-sectional or survey design, a longitudinal design, a case study design or comparative design. However, with reference to this study context, it will be positioned within the cross sectional research design.

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Creswell (2014) described a survey design as the kind of design that collects a large set of information from a large sample size. Equally, with this approach, it ensures that the information a study collects has some form of consistency since the questions asked are always the same across the entire respondents. As this study seeks to collect the same form of information from a large pool respondents, it becomes imperative to select a research design that can guarantee some form of consistency across board. Also, as cross-sectional design is placed firmly within the context of quantitative research approach this study is likewise guided on the principles of quantitative research strategies.

3.3 Study Population

The population is the group of persons or units that have the information a study seeks out for(Malhorta & Birks, 2007). According to Malhorta and Birks (2007), in attempting to decide or select a particular population for a study, one has to know in advance the exact characteristics of who should and who should not be included in the sample. Therefore, as this study seeks to assess how revenue are mobilized and managed by the Kwadaso Muncipal Assembly, the study population came from all workers of the Kwadaso Muncipal Assembly particularly those in the revenue collection department of the Assembly. Accordingly, a projected number of 100 employees of the Assembly was targeted as the study population.

3.4 Sample and Sampling Techniques

According to Quinlan (2011), a sample is a small subset of a population and also said to be representative of the total population. Accordingly, sampling becomes a key requirement when gathering data as it enables a study to use a small sub-set of the population without necessarily using the entire population in a particular study. Generally, the approach used to select a sample could be informed by either a probability or a non-probability sampling approach.

Nevertheless, the decision to use a particular sampling method over the other is based on what a study seeks to achieve. For example, if a study wants to ensure that each unit in the population has an equal chance of being selected, then simple random sampling should be employed (Bryman, 2012). Conversely, if a study's purpose is to collect data or information from a selected few, then non-probability sampling approach should be used. However, what each researcher ought to know beforehand is that each sampling approach has its own limitations.

As this study sought to ensure that its sample reflected the exact characteristics of the study population, probability sampling thus, simple random sampling was used in selecting the sample for the study. Apparently, this sampling technique gave each sample a fair avenue of being selected to participate in the study. Moreover, on the determination of the sample size, the Krejcie and Morgan (1970) sampling table was used to calculate the sample size. Mathematically the Krejcie and Morgan (1970) sampling size formula is computed as:

$$N = \frac{x^2 * N * P * (1 - P)}{\left(ME^2 * (N - 1)\right) + (x^2 * P * (1 - P))} + \cdots$$

Where n=sample size

X^2= chi-square for the speficied confidence level at 1 degree of freedom

N= population size

P=population proportion (.50)

ME- desired Margin of Error (expressed as a proportion)

Hence, based on the formular the sample size for the study stood at 80 based on 5% error of margin and 95% confidence interval.

3.5 Data Collection Tools

According to Bryman (2012), a data collection instrument is a tool used for collecting data from the study respondents. It can take the form of a self-administering questionnaire or a structured interview schedule, or participant observation. Kumar (2011) made some observations when it comes to which collection tool to use. The author asserts that even though there are many tools available for data collection, nonetheless, the decision to use a specific data collection method ought to be guided by the objective of a study, resource availability and the skill set of the researcher. For instance, there will be times where the method most appropriate to achieve the objectives of a study cannot be employed due to challenges such as lack of resources and/or required skills (Kumar, 2011).

More so, Kumar (2011) added that in selecting a data collection method, the socioeconomic and the demographic characteristics of the respondents had to be given

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key consideration due to its effect it can have on the instrument. Hence one has to know as much as possible about respondents' characteristics such as educational level, age structure, socioeconomic status and ethnic background.

Largely, as it became evident in this study that the study respondents were found not to be at ease with the interview approach due to the nature of questions as well as their time schedule, they preferred an approach that took less of their time as well as ensure some form of anonymity with regards to the responses given.

Obviously, these assumptions clearly show that within the context of this study, self-administering questionnaire was the best research method for the study data collection. For instance, with this approach, there will not be an interviewer present when a self-completion questionnaire is being completed hence the tendency for a Hawthorne (interviewer) effect will be entirely eliminated. Again, another benefit of self-administered questionnaire is that it is less expensive and equally offers greater anonymity than other forms of data collection methods.

3.5.1 Pre-Testing

To ascertain reliability and content validity of instrument, a pilot test was conducted to check and ensure that no irrelevant question was present. Any indications of ambiguities realized were modified to make them straight forward and more meaningful. The pre-test was carried out at the Sofoline-revenue points which form part of the sub-metro under the control of the Kwadaso Municipal Assembly. Additionally, the study supervisor read

through the questionnaires items thoroughly to ascertain whether it matches the research questions the study sought to understudy.

3.6 Data Sources

The study relied on both primary and secondary source of data. The study used the secondary source in gathering information from the Ghana Local Government Act as well as previous studies relating to financial management at the local assembly. Rodson (2002) argued that, primary sources of data refer to data that will be collected to express a specific purpose. The primary data for this study were obtained from the study sample. The primary data enabled the researcher to compare and contrast information to see whether the data gathered affirm or disaffirm the findings of previous studies.

3.7 Data Collection Procedures

The questionnaires were sent out the selected respondents to enable the researcher have adequate insight into the problem under investigation. The questionnaire was the main instrument used in the study since it was a less expensive way to gather data from a large number of respondents and also required less skill for its administration. The questionnaire had four sections. The first section elicited questions on the background information of the respondents. The second sections constituted questions on the main sources of revenue available to the Assembly. The third part had questions on the challenges associated with the assembly's sources of revenue. The last section equally had questions on exact things the Assembly used the generated funds or revenue for within their jurisdiction. The questionnaires were adapted from the literature hence, the

questionnaires were taken from previous works of Fjeldstad and Heggstad (2012), Adu-Gyamfi (2014), Ackah, et al. (2015), Akorsu (2015), Attah-Botchwey (2018). The administration of the questionnaire was done through personal visits to the Assembly's office on five consecutive occasions. Questionnaires were given to respondents five days prior to its collection hence, this approach provided the respondents ample time to go through and respond.

3.8 Reliability and Validity of the Measuring Instrument

According to Bryman (2012), measurement validity applies primarily to quantitative research and to the search for measures of social scientific concepts. To the author, with measurement validity, the emphasis is to check and ensure whether a measure (i.e. revenue mobilization sources and its associated challenges) that is devised out of a concept really does reflect the concept that it is supposed to be denoting. Therefore, in order to ensure that the measuring constructs denoted the exact measure, a thorough theoretical review of the literature was undertaken to identify what previous studies used in measuring these constructs before the questions were eventually developed. Also, Kumar (2011) added that validity is mostly concerned with the integrity of the conclusions that are generated from a piece of research. Hence, in order to ensure integrity of the study findings, the questionnaire was vetted by both the study supervisor as well as other experts in the field of fiscal decentralization before the questionnaires were eventually distributed.

However, reliability is concerned with the issue of whether the results of a study are repeatable. Hence to achieve study reliability, prior works in the scope of District

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Assembly revenue mobilization were reviewed and current findings were compared to them to identify where similarities and variations existed.

3.9 Ethical Considerations

In research, it is required that the study respondents are protected so that they do not fall prey to the investigation being undertaken (Bryman & Bell, 2007). Accordingly, it required of the investigator to inform participants about the purpose of the investigation so that respondents become aware of the purpose and intention of the study. Additionally, ethically, researchers are required not to disclose participants' information to third parties or in their study analysis. Hence, it is required that information such as respondents name, personal contacts, etc. are not taken when carrying out research. Accordingly, for the study to ensure that all these ethical dimensions were addressed, first, possible forms of traces that could make respondents fall victims as a result of the information provided were eliminated. For instance, respondents were not asked to provide information about their names and contact details in this study. Again, in order to ensure that the respondents were aware of what this study seeks to achieve, the respondents were thoroughly briefed and equally allowed to rescue themselves anytime time they felt uncomfortable to continue answering their questionnaire items.

3.10 Data Analysis

According to Bryman (2012), data analysis is generally about data reduction. That is, it is meant to reduce the large body of information that the researcher has gathered so that he or she can make sense or meaning out of it. Bryman (2012) held that until the researcher

reduces the amount of data collected it is more or less impossible to interpret the material. The author again added that an additional issue to take into consideration with data analysis is whether a study was dealing with either primary or secondary data. With primary data analysis, the researcher or researchers who were responsible for collecting the data conduct the analysis whereas with secondary data the analysis occurs when someone else analyses a previous data. Within the context of this study it was dealing with primary data hence, the study relied on The IBM Statistical Package for Social Sciences (SPSS) version 20.0 to analyse its field data. Equally the data was analysed on the basis of descriptive statistics (i.e. Frequency, Mean, Standard Deviation and Percentage). Finally, the findings and discussions of the results would be presented in the next two chapters.

CHAPTER FOUR

PRESENTATION AND ANALYSIS OF DATA

4.1   Introduction

This chapter focuses on the descriptive analysis of the final data collected from the survey and summaries of the basic statistics related to the respondents' demographic profile and the other measuring scales of the study. The Statistical Package for Social Sciences (SPSS) version 17.0 was used for the descriptive analysis of the research data. The chapter is structured into two sections. The first section presents the response rate and the demographic profile of the survey respondents. The second and final section looked at the measurement constructs of the study and discussions of the findings in reference to the research objectives.

4.2 Response Rate

The study distributed a total of 80 questionnaires to the selected officers working within the Kwadaso Municipal Assembly of the Ashanti Region of Ghana. From the questionnaires distributed, a total of 75 completed questionnaires were returned to the researcher. Nonetheless, out of these received questionnaires, 68 were usable for analysis, giving an effective response rate of 90.66%. This response rate is regarded as sufficient for the present study, since according to Mugenda and Mugenda (2003) a response rate of 50 percent can be viewed as adequate for a study's data analysis whereas a response rate of 60 percent can be seen as good with a response rate of 70 percent and above being viewed as excellent for a study's data analysis. Hence, getting a response rate over 90

percent for this study analysis per the analogy of Mugenda and Mugenda (2003) can be regarded as highly sufficient for the present study data analysis.

4.3 Demographic Profile of Sample

The demographic profile of the study respondents is presented in Table 4.1. The specific categories considered in the demographic profile include; participants' age, gender and educational qualification, position occupied at the Assembly and the number of years the respondents had worked at the Assembly.

Table 4.1: *Demographic Profile of Survey Respondents*

Demographic variable	Category	Frequency	Percentage
Gender	Male	49	72.1%
	Female	19	27.9%
	21-30 years	32	47.1%
Age	31-40 years	33	48.5%
	41-50 years	3	4.4%
Education qualification	Diploma/HND	6	8.8%
	Bachelor's degree	55	80.9%
	Master's degree	7	10.3%
Position/Department	Budgeting/Finance department	18	26.5%
	Engineering department	12	17.6%
	Revenue collection department	14	20.6%
	Assembly member	12	17.6%
	Development department	12	17.6%
Number of years worked in the Assembly	Up to 1 year	44	64.7%
	1-3 years	10	14.7%
	4-7 years	14	20.6%

Source: Researcher's Field Survey, 2019.

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The demographic profile of the surveyed respondents in Table 4.1 show that 49(72.1%) of the respondents were males whereas the remaining thus 19(27.9%) were females. Moreover, with regards to the ages of the respondents, it was established that 47.1% of the respondents ages were within the age category of 21-30 years whereas majority of the respondents thus, 48.5% ages were within the age brackets of 31-40 years with the remaining thus, 4.4% ages falling within the age category of 41-50 years. Also, with respect to the respondents' level of academic qualification, it became evident that a small section of the respondents thus, 8.8% had diploma or HND as their highest level of education and the majority thus, 80.9% having bachelor's degree as their academic qualification and the rest that is, 10.3% had master's degree as their academic qualification.

Also, with regards to the department the respondent worked in or the position the respondents occupied at the Assembly, it was evident that 26.5% of the respondents worked either in the budgeting or the financial department of the Assembly. On the other hand, 17.6% of the respondents worked within the engineering department whereas 20.6% worked in the revenue collection department and the rest thus, 17.6% worked within the development department or either occupied the role of Assembly member.

Finally, with regards to the number of years the respondents had being with the Assembly, it was evident that a large section of the respondents that is, 64.7% have barely worked with the Assembly for the period of up to 1 year. This revelation goes to confirm the time span with which the Municipal Assembly was created by the Local Government Ministry in the year 2018. However, 14.7% of the respondents had worked at the Assembly for the period of 1-3 years whereas the remaining thus, 20.6% had

worked at the Assembly for the period of 4-7 years. Findings from the study suggest generally a large section of the respondents worked at the financing and budgeting department of Assembly and likewise occupied key roles making them well informed to respond to the questions this study seeks to answer.

4.4 Sources of Revenue at the Kwadaso Municipal Assembly

As being a newly created Municipal Assembly, it became important to establish whether the revenue sources the Kwadaso Municipal Assembly depended on to finance their activities commensurate with the ones stipulated in the Local Governance Act (2016), Act 936. Accordingly, this study objective sought to identify the main sources of revenue the Assembly depended on. As such, the respondent's ratings on the main sources of their revenue have been presented in Table 4.2.

Table 4.2: *Sources of Revenue at the Kwadaso Municipal Assembly*

Descriptive Statistics		One-Sample Statistics			
Revenue Sources	**Mean**	**Std. Dev**	**t**	**Sig. (2 tail**	**Remarks**
Licenses (i.e. Business Operating Permit Fees) issued or given to entities engaging in economic activities within the municipality forms part of the Assembly sources of revenue.	4.68	.584	65.987	.000	Strongly agree
Rent from market stores, rents from assembly property and rent on bill boards and advertisement and rents from lorry parks is one of the sources of revenue to this Municipal Assembly.	4.66	.683	56.315	.000	Strongly agree
Central Government transfers/ Grants to district assemblies (District Assembly Common, Fund (DACF), Salary Grants, District Development Facility/ Urban Development Grant, Ceded Grant, Donor support, Road Fund, GET Fund, HIPC Fund) forms part of the Assembly.	4.51	.680	54.745	.000	Strongly agree

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Fees and Fines through markets dues, slaughter-houses, dressing stations, pounds, lorry parks, conservancy, cattle kraals (i.e. enclosure for cattle), marriage and divorce, births and deaths, building permit fees, court fines etc. forms part of the Assembly.	4.15	1.040	32.868	.000	Agree
The Assembly depends on revenue generated from land through concessions and royalties as one of its revenue sources.	4.09	.842	40.051	.000	Agree
Investment Income thus, dividends received from the Assembly investing activities constitute one of the Assembly's sources of revenue.	3.63	1.132	26.468	.000	Agree
Basic rate (Poll tax), Property rate (landed property owners), Special rate and Rate payable by public corporation and organization owning properties in the metropolis forms part of the Assembly sources of revenue.	4.38	.947	38.169	.000	Agree
Private Sector Support (Public Private Partnership (PPP) and Donors funding forms part of the Assembly's sources of revenue.	3.93	1.027	31.535	.000	Agree

Source: Researcher's Field Survey, 2019.

On this study objective, a 5-point Likert scale was employed to elicit the respondents' responses on the revenue sources of the Assembly. However, a significant level of 0.05 was pre-determined and a hypothetical mean range of 1.0 to 1.44 was used as an indication that the respondents' level of agreement on an item fell under "strongly disagree". Equally, a mean value within the range of 1.50 to 2.44 meant respondents level of agreement fell under "disagree" whereas a mean value within the range of 2.50 to 3.44 suggests that the respondents level of agreement to an item fell under "not sure" with a mean of 3.50 to 4.44 suggesting that the respondents agreement to an item fell under

"agree" and finally, mean value within the range of 4.50 to 5.00" suggesting that the respondents agreement to an item fell under "strongly agree".

However, the descriptive analysis shows that all the sources of revenue items investigated in this study had mean values above 3.5, which implies that the respondents rated these items between agree and strongly agree score. This could then be described that, "Licenses (i.e. Business Operating Permit Fees) issued or given to entities engaging in economic activities within the municipality constituted a key revenue stream to the Assembly''. It had a Mean score of 4.68 suggesting that the respondents rating on this item fell within the strongly agree score. The next highest Mean value went to item 2, "rent from market stores, rents from assembly property and rent on bill boards and advertisement and rents from lorry parks". It had mean value of 4.66 indicating that the respondents strongly agreed that this revenue streams formed a significant part of the Assembly's sources of revenue.

Again, the third highest Mean value went to item 3, ''Central Government transfers/ Grants to district assemblies (District Assembly Common, Fund (DACF), Salary Grants, District Development Facility/ Urban Development Grant, Ceded Grant, Donor support, Road Fund, GET Fund, HIPC Fund) forms part of the Assembly''. It had a Mean rating of 4.51 which suggests that the respondents' level of agreement on this item fell within the strongly agreed score.

Moreover, even with the least rated items, "Investment Income thus, dividends received from the Assembly investing activities" and "Private Sector Support (Public Private Partnership (PPP) and Donors funding" all these items had mean values within the range

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of 3.63 and 3.93 hinting that even on these items the respondents rating were within the agreed score. Meaning these items were equally regarded by the respondents as part of the revenue streams the Assembly depended on. Clearly, this goes to suggest that most of the respondents agreed to all the revenue sources as part of the revenue sources the Assembly relied on.

However, a statistical t-test was further used to establish whether the respondents regarded a particular revenue streams as a key source or not. The statistical t-test analysis as presented in Table 4.2, indicates the test significance with respect to the mean, standard deviation and standard error for each sources of revenue and their respective statistical significance level.

Out of the 8 items, the standard deviation for all the items were above 0.5, indicating that the respondent's responses were well spread across all the 5-point rating with none of the items having its rating spread across one direction. The t-test in Table 4.2 shows the mean values (that is, test value) of the population mean, which is the one sample t-test, df, which is the degree of freedom and the significance (that is, p-value). This p-value provides a basis for a statistical decision to be made as to whether or not the population mean and sample mean are equal. From this Table 4.2, the p-value is for two-tailed and the results show that all the p-values are below 0.005 which indicates statistical significance. Evidently, results from Table 4.2 show that the respondents identified licenses, rents from market, stores and bill boards together with central government transfers as the main sources of revenue to the Assembly.

Accordingly, findings from this study is in line with the earlier works of Boadway and Shah (2009), Bird (2010) and that of Fjeldstad and Heggstad (2012) as their works

identified central government transfers as one of the key sources of revenue to District Assemblies. Again, findings from this study affirm the study results of Dzansi et al. (2018) as their work identified rents and licenses as one of the main revenue streams to most Ghanaian local Assemblies. Equally, the position espoused by the study respondents go to corroborate the views expressed in the studies of Fjelstads and Heggstads (2012) as their work established business licensing at the local level as one of the notable revenue sources of most Anglophone Africa countries local assemblies. Similarly, results from this study is consistent with that of Ankamah (2012) as the author's work revealed that local business licensing has moved to become one of the main source of revenue for most local government across all jurisdiction. Equally, within this context, the respondents agreed that Licenses (i.e. Business Operating Permit Fees) issued or given to entities engaging in economic activities within the municipality formed key part of the Assembly's sources of revenue. Finally, findings from this study is in tandem with the study results of Fjeldstad (2006), as the author's work established that the main sources of revenue at the local assembly level were property rates/taxes, business licenses and user charges or fees paid on facility or services used at the local level.

4.5 Challenges Associated with Revenue Mobilization at the District Assembly

Even though, several revenue streams were identified by the respondents as part of the Assembly's revenue streams yet, evidence in the literature suggests that it is not in all cases that the local Assemblies are able to mobilize enough revenue from these sources. Accordingly, this study objective sought to identify the challenges that impede the Assembly's ability in generating adequate revenue from the identified revenue streams.

Therefore, the respondent's ratings as to the challenges impeding their revenue mobilization effort with reference to the identified revenue streams have been presented in Table 4.3

Table 4.3: *Challenges Associated with Revenue Mobilization at the District Assembly*

Challenges	Min	Max	Mean	Std. Deviation
Absence of property register and valuers at the Assembly makes it very difficult for the Assembly to mobilize adequate property rate within its municipality.	1	5	4.00	1.007
Lack of political support and political interference inhibit the effective implementation of property tax at this Municipal Assembly.	2	5	3.82	1.078
Absence of effective billing systems coupled with obsolete property valuation list limit the Assembly's capacity to collect adequate property rates within its jurisdiction.	1	5	3.76	1.306
Unavailability of data registry about the kind and nature of businesses located within the district impede effective revenue mobilization within the district.	1	5	3.82	1.007
Absence of street naming and numbering system constraint the Assembly capability in mobilizing adequate revenue within the district.	2	5	4.19	.996
Lack of central government support when it comes to the enforcement of provisions within the Local Governance Act limit the Assembly ability to mobilize adequate revenue within its jurisdiction.	2	5	3.90	.900
The cost involved in the administration and collection of internal revenue makes it somehow difficult for the Assembly to employ adequate revenue collectors.	2	5	3.72	1.049

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| The complex nature of business licensing and registration systems makes it very difficult for our Assembly to collect licences and taxes from small and medium scale operating within our jurisdiction. | 2 | 5 | 3.54 | 1.251 |

Source: Researcher's Field Survey, 2019.

The descriptive analysis show that all the items under the associated revenue sources challenges had their mean values above the 3.500 score suggesting that the respondents 'level of agreement fell within the agreed score. Moreover, among all the eight measuring items under this construct, 'item 5' (*Absence of street naming and numbering system constraint the Assembly capability in mobilizing adequate revenue within the district*) received the highest mean value. It had a mean score of 4.19 indicating that the respondents identified absence of street naming and numbering as one of the main challenges that limited the Assembly's effort in generating adequate revenue within the municipality. The second highest mean value went to 'item 1', (*Absence of property register and valuations rolls at the Assembly makes it very difficult for the Assembly to mobilize adequate property rate within its municipality*). It recorded a mean score of 4.00 indicating that the respondent's rating on this item was within the agree score.

Once more, the third highest mean value went to item 6, (*Lack of central government support when it comes to the enforcement of provisions within the Local Governance Act limit the Assembly ability to mobilize adequate revenue within its jurisdiction*) which recorded a mean score of 3.90. Interestingly, even with the least rated item thus, 'item 8' (*The complex nature of business licensing and registration systems makes it very difficult for our Assembly to collect licences and taxes from small and medium scale operating*

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within our jurisdiction) results from Table 4.3 reveal that it had a mean value of 3.54. This hints that, most of the respondents identified all the enlisted issues as the main challenges that limited the Assembly's ability in realizing adequate revenue from the various revenue streams. A clear case of this indication can be confirmed in item 3 and 4 where most of the respondents agreed that the absence of effective billing systems coupled with obsolete property valuation list limited the Assembly's capacity to collect adequate property rates within its jurisdiction.

Even though, property rate taxes are one of the potential sources of revenue to most district assemblies yet it happens to be the least contributor to most district assemblies internally generated funds. Within this context, issues such as, ineffective billing systems coupled with obsolete property valuation and absence of property register and valuers were identified as the main challenges that impeded the Assembly's effort in mobilizing adequate revenue from this revenue source. Accordingly, results from this study corroborate the studies of Bell and Bowman (2006) as their work identified issues such as, absence of property register and property assessors and lack of administrative capacity as the main factors that impede local Assembly's ability in mobilizing property rate taxes. Likewise, findings from this study affirm that of Dzansi et al. (2018) as their work identified the absence of effective billing systems and obsolete property valuation list as the main factors that impede local Assembly effort in mobilizing property rate revenue.

Again, within this study context, it was established that lack of central government support when it comes to the enforcement of provisions within the Local Governance Act limited the Assembly's ability to mobilize adequate revenue within its jurisdiction. On this score, findings established within this study tends to align with that of Mikesell

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(2002) and Franzsen (2007) as their works identified absence of central government support to local Assembly laws and provisions as the main factors that constraints local government revenue mobilization prowess.

Equally, findings from this study confirm that of Ankamah (2012) as the author's work identified unavailability of data registry about businesses and properties located within a local area and absence of street naming and numbering system as the key issues that limit District Assembly income generating abilities. Comparably, within this study context the respondents identified the unavailability of data registry about the kind and nature of businesses located within their district as part of the main issues that impeded effective revenue mobilization within the district. Lastly, the study results affirm the works of Dzansi et al. (2018) and that of Mikesell (2002), as their works identified the cost in the administration and collection of internal revenue as one of the key issues that limit most local Assembly's ability to recruit more revenue collectors within their jurisdiction.
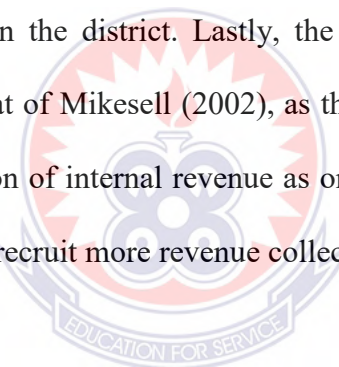
4.6 Usage of the Assembly's Internally Generated Funds

This study objective sought to identify the category of project/services with which the Assembly used its internally generated fund to finance within the last financial year. Accordingly, respondents rating with regards to the category of projects the Assembly used its internally generated fund to fund has been presented in Table 4.4.

Table 4.4: *Category of Products/Services the Assembly Used its IGF to Fund*

Usage of IGF	Frequency	Percent
Educational	34	50.0
Security	4	5.9

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Health	4	5.9
Infrastructure	7	10.3
Sanitation	13	19.1
Administration	6	8.8
Total	**68**	**100.0**

Source: Researcher's Field Survey, 2019.

Results from Table 4.4. show that a large chunk of the Assembly's IGF was used on educational projects. Specifically, on this item 50% of the respondents listed it as the main area the Assembly used its large portion of IGF on. The second area with which the Assembly used a large part of its IGF to fund was sanitation. Expressly, 19.1% of the respondents identified sanitation as the main area their Assembly used most of its IGF to finance. However, among all these areas, security and health were the areas that received the least part of the Assembly's IGF.
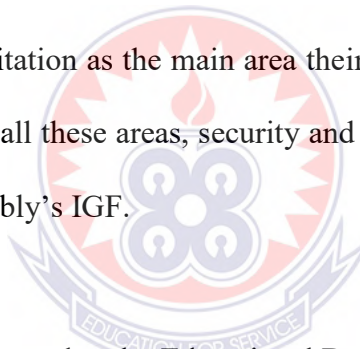
4.6.1 Key Projects Implemented under Educational Development Projects

After identifying the main category of projects, the Assembly used its IGF to finance, the next item sought to identify the specific developmental projects that were undertaken under each project category. Accordingly, the respondents rating with reference to the kinds of educational projects funded via the Assembly's IGF has been presented in Figure 4.1.
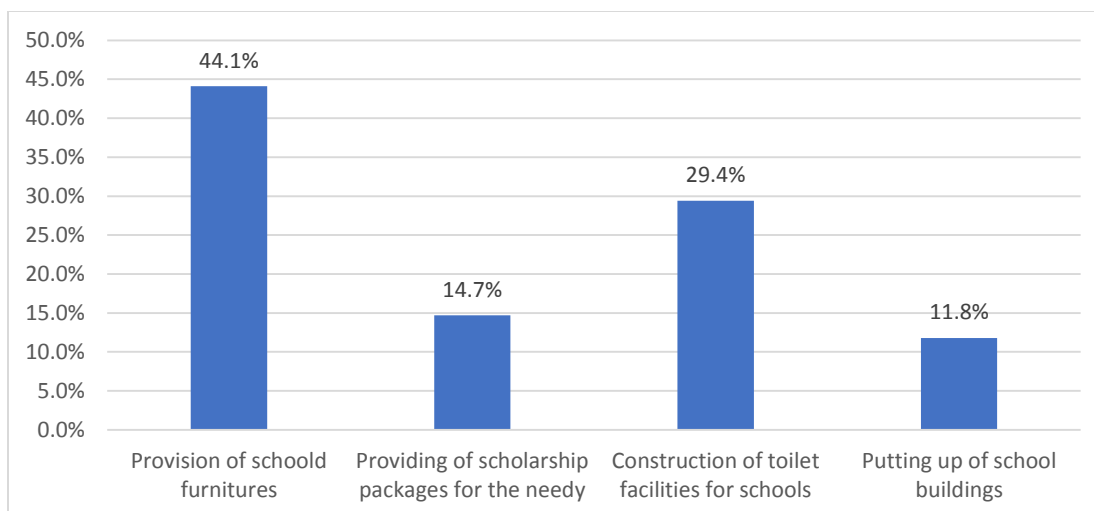
Fig. 4.1: *Key Projects Implemented under Educational Development Projects*

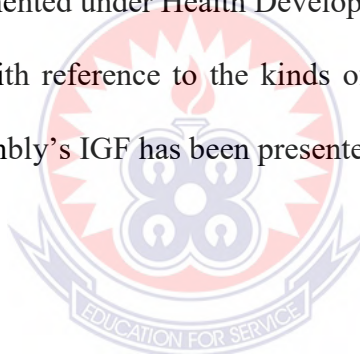**Source: Researcher's Field Survey, 2019.**

Results from Figure 4.1 reveal that out of the four notable projects implemented under education, providing of furniture for schools was the educational project the Assembly used most of its IGF fund. On this item, 30(44.1%) of the respondents identified it as the main educational project the Assembly used most part of its IGF on. Again, construction of toilet facilities for schools was the next educational project the Assembly spent most of its IGF on. Specifically, 20(29.4%) of the respondents identified it as the main educational project the Assembly used most part of its IGF to fund within the municipality. Equally, it also became evident that 10(14.7%) of the respondents identified scholarship packages for the needy as one of the main educational projects that took a significant portion of the Assembly IGF.

Lastly, construction of school buildings was the least educational project the Assembly spent its IGF on. Specifically, 8(11.8%) of the respondents identified it as the main

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educational projects that took a significant portion of the Assembly IGF. This is quite not surprising since the Kwadaso municipality is part of the metropolis that has a large chunk of the educational facilities within the Ashanti hence, not making the construction of school blocks as one of key developmental project for the Assembly agenda was somehow expected. Findings from the study suggest that providing of school furniture for schools was the educational project that took a significant portion of the Assembly IGF. However, construction of school buildings was the least educational project the Assembly spent most of its IGF on.

4.6.2 Key Projects Implemented under Health Developmental Projects

The respondents rating with reference to the kinds of health development projects that were funded via the Assembly's IGF has been presented in Figure 4.2.
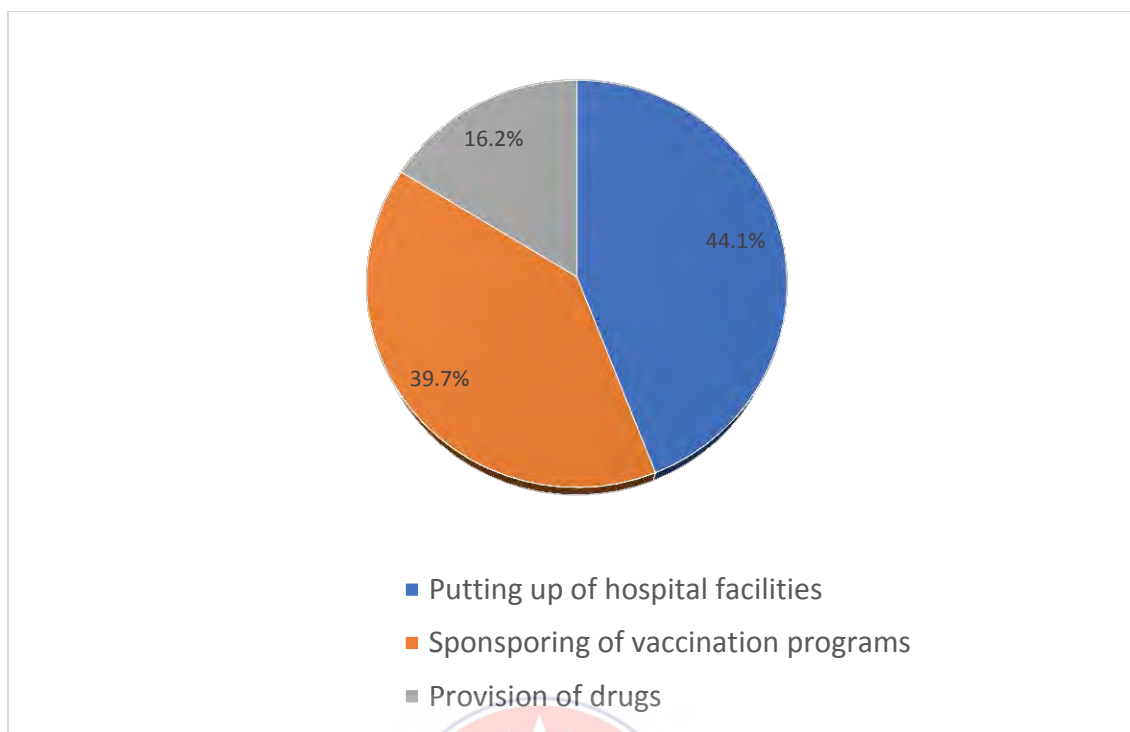
Fig 4.2: *Key Projects Implemented under Health Developmental Projects*

Source: Researcher's Field Survey, 2019.

Results from Figure 4.2 suggest that out of the three notable projects undertaken by the Assembly under health, putting up of hospital facilities was the health project the Assembly spent a large chunk of its IGF on. On this item, 30(44.1%) of the respondents identified it as the main health project the Assembly sponsored most from its IGF. Additionally, sponsoring of vaccination project was the second health related project the Assembly spent most of its IGF on. Evidently, 27(39.7%) of the respondents identified it as the main health project implemented by the Assembly via its IGF.

However, provision of drugs to the various health centers within the municipality was the health project that received a least funding form the Assembly's IGF. Specifically, it was

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only 11(16.2%) of the respondents who identified provision of drugs as one the health projects that Assembly used its IGF to fund. Generally, findings from the study suggest that putting up of hospital facilities was the health project that took a greater part of the Assembly IGF. However, provision of drugs was the health project that took lesser part of the Assembly IGF.

4.6.3 Key Projects Implemented under Infrastructure

The respondents rating with reference to the kinds of infrastructure projects funded by the Assembly through its IGF has been presented in Figure 4.3.
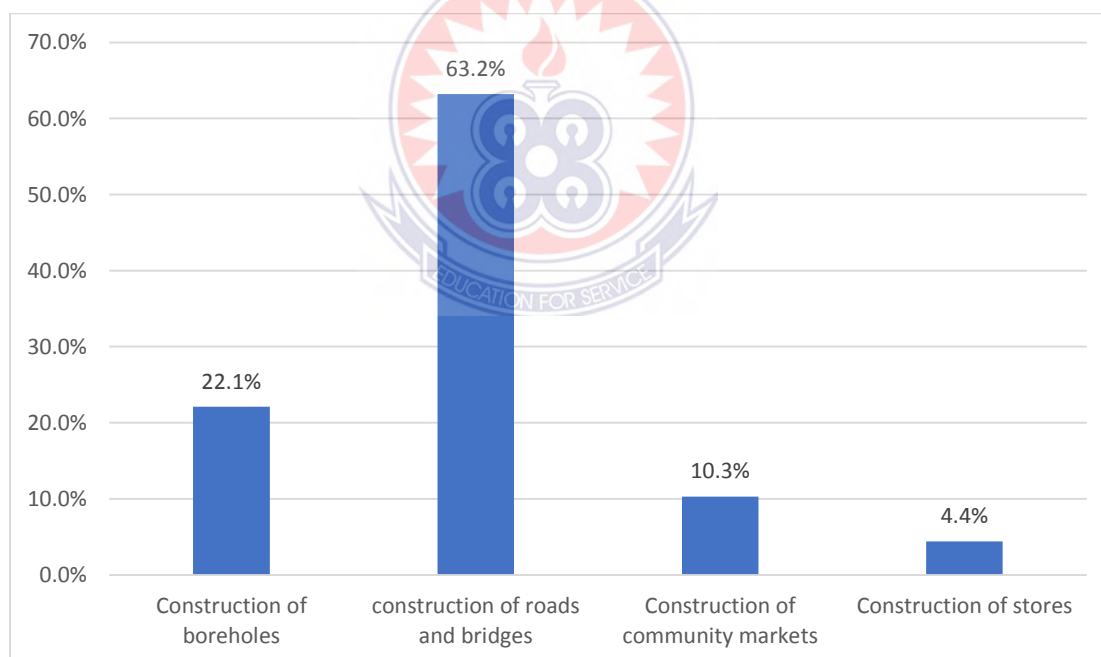

Fig 4.3: *Key Projects Implemented under Infrastructure*

Source: Researcher's Field Survey, 2019.

Results from Figure 4.3 show that out of the four main projects implemented under infrastructure, construction of roads and bridges for the various communities within the municipality constituted the main infrastructure project the Assembly used most of its IGF to finance. On this item, 43(63.2%) of the respondents identified it as the main infrastructural project the Assembly used significant part of its IGF to finance. Once again, construction of boreholes was the subsequent infrastructural project the Assembly used most part of its IGF to finance. Evidently, on this item, 15(22.1%) of the respondents identified it as one of the main infrastructural projects the Assembly used a significant portion its IGF to finance within the municipality. Additionally, it was established that 7(10.3%) of the respondents identified construction of market centers as one of the key infrastructural projects that took a significant portion of the Assembly IGF.

Finally, construction of stores was the least infrastructural project that took a lesser part of the Assembly's IGF. On this, only 3(4.4%) of the respondents identified it as one of the key infrastructure projects the Assembly spent its IGF on. Findings from the study suggests that construction of roads and bridges for the various communities within the municipality constituted the main infrastructure project the Assembly used most of its IGF to finance. Conversely, construction of stores was the project that took a least portion of the Assembly's IGF.

4.6.4 Key Projects Implemented under Sanitation

The respondents rating with reference to the kinds of sanitation projects that were funded by the Assembly through its IGF has been presented in Figure 4.4.
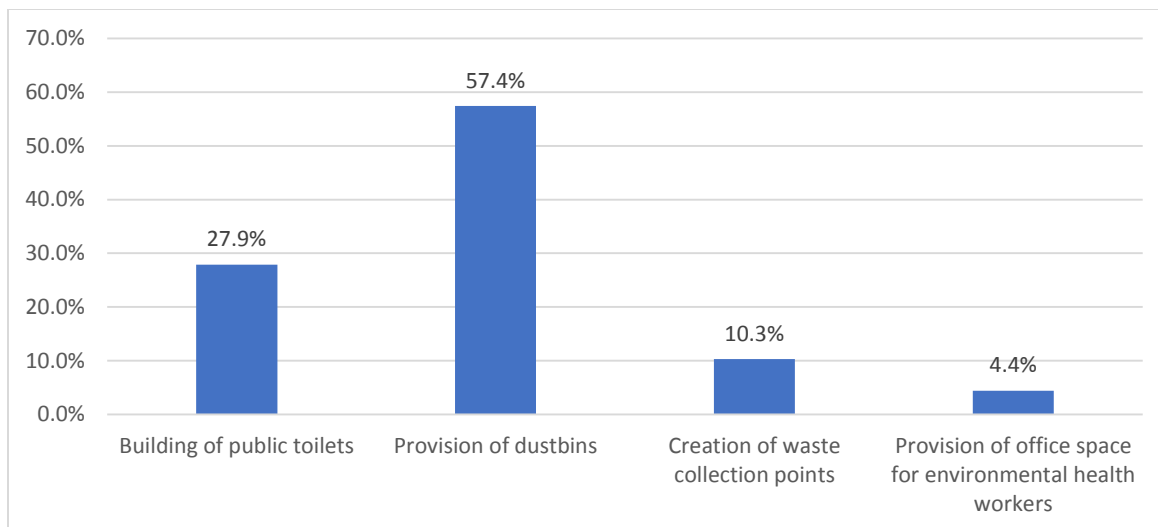
70

Fig. 4.4: *Key Projects Implemented under Sanitation*

Source: Researcher's Field Survey, 2019.

Results from Figure 4.4 reveal that among the four main projects implemented under sanitation by the Assembly, provision of dustbins across the municipality constituted the sanitation project that took a large part of the Assembly's IGF. On this item, 39(57.4%) of the respondents identified it as the main sanitation project with which the Assembly used a significant portion of its IGF to finance. Again, the next project that used a greater part of the Assembly's IGF was building of toilet facilities. Particularly, on this item, 19(27.9%) of the respondents identified it as one the main sanitation projects the Assembly used a large chunk of its IGF to fund. Moreover, it was established that 7(10.3%) of the respondents identified the creation of waste collection points as part of the sanitation projects with which the Assembly funded via its IGF.

Lastly, the respondents identified the provision of office space for the environmental health workers as the sanitation project that took a less portion of the Assembly's IGF.

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On this project, only 3(4.4%) of the respondents identified it as part of the sanitation projects funded by the Assembly via its IGF. Generally, findings from the study suggest that provision of dustbins across the municipality constituted the sanitation project that took a large part of the Assembly's IGF. On the other hand, provision of office space for the environmental health workers took a lesser portion of the Assembly's IGF under sanitation projects.

4.6.5 Key Projects Implemented under Administration

The respondents rating with reference to the kinds of administrative projects funded through the Assembly's IGF has been presented in Figure 4.5.
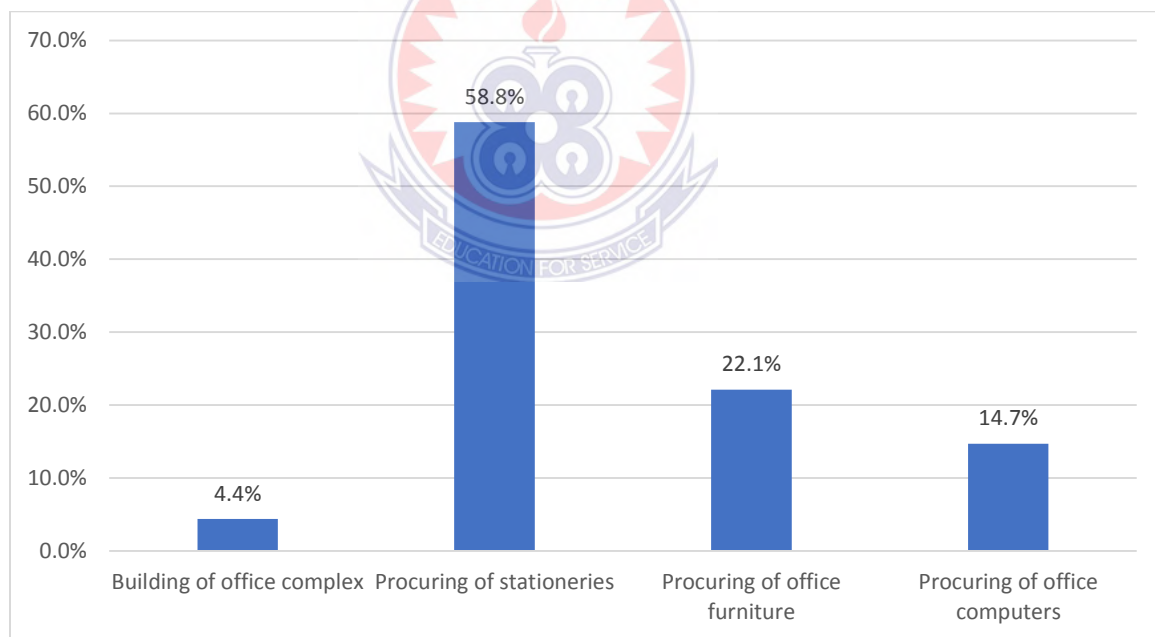

Fig. 4.5: *Key Projects Implemented under Administration*

Source: Researcher's Field Survey, 2019.

Results from Figure 4.5 suggest that among the main projects undertaken under administrative projects, procuring of stationeries formed the administrative project that took a significant portion of the Assembly's IGF. On this item, 40(58.8%) of the respondents identified it as the main administrative project that took a larger part of the Assembly's IGF. Again, the subsequent project that used a larger part of the Assembly's IGF was procuring of office furniture. Specifically, on this item, 15(22.1%) of the respondents identified it as the main administrative project that took a large portion of the Assembly's IGF. Furthermore, 10(14.7%) of the respondents identified procuring of office computers as one of the administrative projects the Assembly used a larger part of its IGF to finance.

Lastly, the respondents identified the building of office complex as the administrative project that took a minor part of the Assembly's IGF. Explicitly, on this, only 3(4.4%) of the respondents identified it as part of the administrative projects funded by the Assembly via its IGF. Findings from the study suggests that procuring of stationeries formed the administrative project that took a significant portion of the Assembly's IGF. Conversely, building of office complex took a lesser portion of the Assembly's IGF under administrative projects.

4.6.6 Key Projects Implemented under Security

The respondents rating with regards to the kinds of security projects funded through the Assembly's IGF has been presented in Figure 4.6.
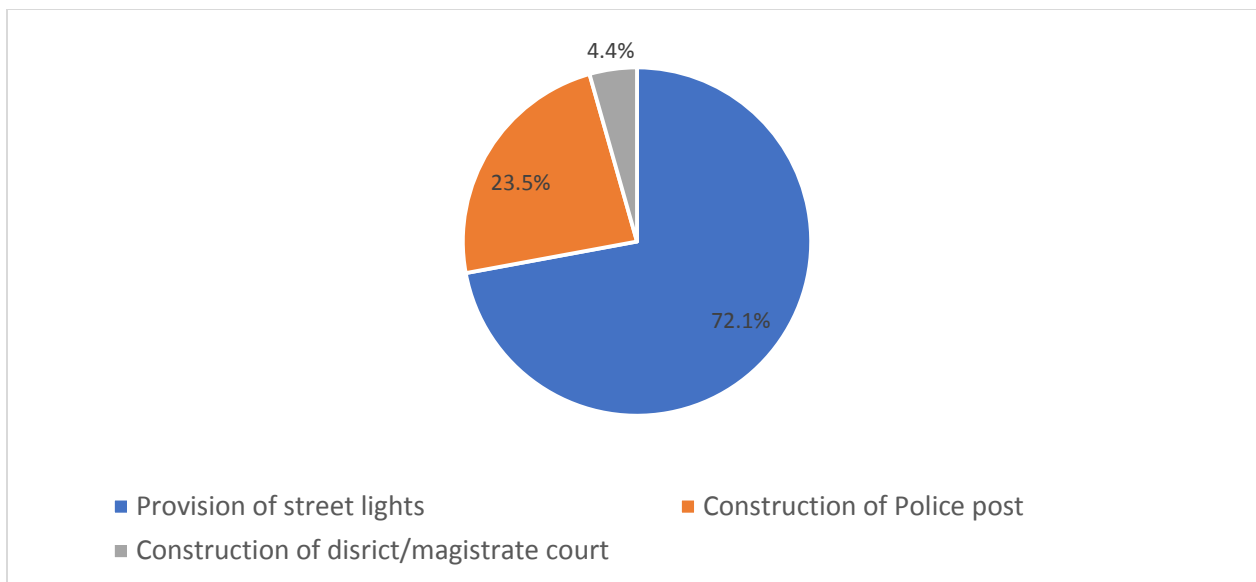
Fig. 4.6: *Key Projects Implemented under Security*

Source: Researcher's Field Survey, 2019.

Results from Figure 4.6 reveal that among the main security projects implemented by the Assembly, provision of street lightning constituted the security project that took a large part of the Assembly's IGF. On this item, 49(72.1%) of the respondents identified it as the main security project with which the Assembly used a large part of its IGF to fund. Again, the subsequent project that took a greater part of the Assembly's IGF was construction of Police post. Particularly, on this item, 16(23.5%) of the respondents identified it as one the main security projects that took a greater part of the Assembly's IGF. Additionally, it came to bear that the construction of district and magistrate courts were the security projects that used a little part of the Assembly's IGF. Notably, on this item, only 3(4.4%) of the respondents identified it as one of the security projects that took the less portion of the Assembly's IGF.

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4.6.7 Key Projects Implemented under Social Related Projects

The respondents rating with reference to the kinds of social projects funded through the

Assembly's IGF has been presented in Table 4.5.

Table 4.5: *Key Projects Implemented under Social Related Projects*

Social Projects	Frequency	Percent
Registering of the poor unto the National Health Insurance Scheme	15	22.1
Providing social support to the poor within the municipality	23	33.8
Sponsoring of the disabled in urban entrepreneurship programs	23	33.8
Providing food to the rehabilitating schools within the municipality	7	10.3
Total	**68**	**100.0**

Source: Researcher's Field Survey, 2019.

Evidently, results from Table 4.5 suggest that among all the key developmental projects

undertaken under social related projects, providing social support to the poor as well as

sponsoring of the disabled in urban entrepreneurship programs formed the social projects

that took a significant portion of the Assembly's IGF. On this item, 23(33.8%) of the

respondents identified it as the main social projects that took a larger part of the

Assembly's IGF. Again, the subsequent project that used a larger part of the Assembly's

IGF was the registering of the poor unto the National Health Insurance Scheme.

Specifically, on this item, 15(22.1%) of the respondents identified it as one the social projects that took a greater part in the Assembly's IGF.

However, providing of food to the rehabilitating schools within the municipality was the social project that took a minor portion of the Assembly's IGF. On this project, only 7(10.3%) of the respondents identified it as part of the social projects funded by the Assembly via its IGF. Findings from the study suggests that providing social support to the poor as well as sponsoring of the disabled in urban entrepreneurship programs formed the social projects that took a significant portion of the Assembly's IGF. Conversely, providing of food to the rehabilitating schools took a lesser portion of the Assembly's IGF under administrative projects.
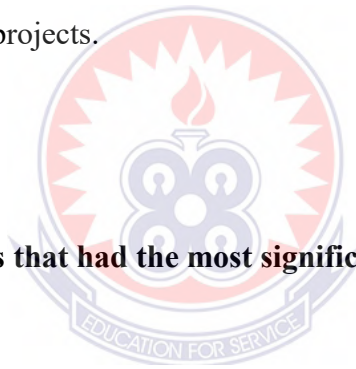
4.7 The Revenue Streams that had the most significant impact on the Assembly's Annual Revenue

Regression analysis was the statistical procedure used to ascertain the sources of revenue that had the most significant impact on the Assembly's annual revenue. Accordingly, the regression analysis in Table 4.6 provides the result of constant, Beta coefficients of the predictive variables, t-value and the significant values (p-values) of the independent variables.

Table 4.6: *The Revenue Sources that had a major Impact on the Assembly's Annual revenue*

Predictor Variables	Beta-value	Standard error	t-value	p-value	Remarks
(Constant)	4.404	.444	9.919	.000	S

Grant	.572	.292	1.957	.002	S
Land and royalties	.278	.089	3.141	.073	NS
Rates	.196	.050	3.928	.000	S
Rents	.123	0.64	1.904	.061	NS
License	.476	.365	1.302	.005	S
Fees	.180	.261	.690	.496	NS
Fines	.110	.094	1.167	.247	NS

    a.   Dependent Variable: Aggregated Annual revenue, Note (S=Significant, NS=Not significant)

b.   Predictors: (Constant), Grant, Land and royalties, Rates, Rents, License, Fees and

Fines

Correlation Coefficient of the model (R) = 0.651; R^2=0.313, Adjusted R Square = 0.281, F= (4, 68) = 7.188, Overall Model Significance = 0.000 level
Source: Researcher's Field Survey, 2019.

Multiple regression analysis was carried out and it was established that the seven sources of revenue available to the Assembly had a significant impact on their annual revenue since *F (4, 66) = 7.188, p<0.01*. Also, the correlation coefficient for the entire predictor variables stood at *(R=0.651)* meaning there is significant positive relationship between the seven sources of revenue and the Assembly's annual revenue. Again, the Adjusted R square value was *(0.281)* which suggests that only 28.1% of the variability in the Assembly's annual revenue could be explained by all the seven revenue streams.

However, among all the seven revenue sources, results from Table 4.6 show that grants, rates and license had the most significant impact on the Assembly's annual revenue since the p values on these items were <0.01. Nevertheless, with the other remaining streams namely; land royalties, rates, fees and fines, it became evident that these revenue streams did not have any significant impact on the Assembly's annual revenue since p value was

>0.05. Finally, findings from the study suggest that all the seven revenue sources, grants and licenses had the most significant impact on the Assembly's annual revenue since the beta value for these variables were 0.572 and 0.476 respectively.

Findings from this study corroborate the works of Attah-Botchwey (2018) whose study results posited that among the various forms of revenue streams to the Assembly, licenses had the most significant impact on the Assembly annual revenue. Likewise, findings from this study affirm the other side of Attah-Botchwey (2018) study results when the author's findings reported no significant impact between revenue sources such as, land concessions and royalties and Assembly's aggregate revenue. Again, findings from this study affirm the works of Akorsu (2015) as the author's work reported a significant impact between government grants and local Assembly's aggregate annual revenue. Similarly, the study results from this study is in consonance with the results produced in the studies of Ackah et al. (2015) as their work identified grants thus, District Assembly Common Fund and donor support as a key contributor to the Ahanta West District Assembly revenue.

In contrast, findings from this study is inconsistent with the works of Adu-Gyamfi (2014) as the author's work identified a significant impact between revenue sources such as market tolls, lorry park fees and property and Assembly's aggregate annual revenue.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1   Introduction

This chapter presents the summary of the study as guided by its research questions, objectives and conclusions reached based on the findings of the study. Also, recommendations for additional research studies are equally presented in this chapter.

5.2 Summary of the Findings

The main problem of the study was to assess how revenue are mobilized and managed by the Kwadaso Muncipal Assembly. The target population for the study came from all workers within the Kwadaso Muncipal Assembly particularly those working within the revenue collection department of the Assembly. Accordingly, a projected number of 100 employees of the Assembly was targeted as the study population.

Specifically, with the first objective, the study sought to identify the main sources of revenue available to the Kwadaso Municipal Assembly. On this objective, results from the study showed that licenses (i.e. business operating permit fees), rent from market stores as well as rents from assembly property together with central government transfers constituted the major sources of revenue stream available to the Kwadaso Municipal Assembly. Equally, on this same objective, it was revealed other revenue streams such as, investment income and private sector support and donors funding though formed part of the Assembly's sources of revenue but did not constitute a portion of their sources of revenue.

Moreover, with the second research objective, it sought to identify the challenges associated with the assembly's sources of revenue. With this study objective, findings from the study revealed ineffective billing systems coupled with obsolete property valuation and absence of property register and valuers as the main challenges that impeded the Assembly's effort in mobilizing adequate revenue from this revenue source. Again, it was established that lack of central government support when it comes to the enforcement of provisions within the Local Governance Act limited the Assembly's ability to mobilize adequate revenue within its jurisdiction. Likewise, under this same study objective, it became apparent that the unavailability of data registry about the kind and nature of businesses located within the district impeded effective revenue mobilization within the district. Lastly, it was established that the cost involved in the administration and collection of internal revenue made it somehow difficult for the Assembly to employ adequate revenue collectors to mobilize adequate revenue for the Assembly.

The next objective of the study sought to assess the usage of the assembly's internally generated funds. With this objective, findings from the study revealed that a large chunk of the Assembly's IGF was put into educational projects. Again, the second area with which the Assembly used a large part of its IGF to fund was sanitation. However, among all these areas, security and health were the areas that received the least part of the Assembly's IGF. Moreover, under the educational project, providing of furniture for schools was the educational project the Assembly spent a larger part of its IGF on. Equally, under health development, putting up of hospital facilities was the project the Assembly spent a large part of its IGF on. Lastly, under sanitation project, provision of

dustbins across the municipality constituted the sanitation project that took a large part of the Assembly's IGF.

Finally, with the fourth research objective it sought to identify the sources of revenue streams that had a major impact on the Assembly's annual revenue. Apparently, on this study objective, it was evident that among all the seven revenue sources, grants, rates and license had the most significant impact on the Assembly's annual revenue since the p values on these items were <0.01. In contrast, other revenue sources such as, land royalties, rates, fees and fines, had no significant impact on the Assembly's annual revenue since p value was >0.05.

5.3 Conclusions

Findings from the study suggest that grants, license and rents formed the main sources of revenue to the Assembly. However, with other revenue streams such as investment income and private sector support and donor funding, findings from the study suggest that it did not formed a major portion of the Assembly's sources of revenue. Again, findings from the suggest that issues such as, absence of street naming and numbering system and lack of property register and valuers at the Assembly were the main issues that limited the Assembly's revenue mobilization capabilities.

Finally, findings from the study suggest that out of the seven revenue sources only three of them that is, grants, rates and license had the most significant impact on the Assembly's entire aggregate annual. Meaning other revenue streams such as, land royalties, fees and fines contribution to the Assembly annual aggregate revenue was minimal.

5.4. Recommendation

It became evident in the study that out of the seven revenue sources only three of them that is, grants, rates and license had the most significant impact on the Assembly's entire aggregate annual. Meaning other revenue streams such as, land royalties, fees and fines contribution to the Assembly annual aggregate revenue was minimal. Accordingly, it is recommended to the Assembly to improve its collection approach towards the other revenue streams since improving upon its approach towards these other revenue sources may improve the revenue fortunes of the Assembly.

Again, it was revealed that the absence of street naming and numbering limited the Assembly's ability to mobilize adequate revenue from businesses operating within their jurisdiction. Accordingly, it is recommended to the Assembly to complete the street naming initiative that was started by the previous government since upon completion they will be able to identify where every property or business is situated and subsequently moved to them to collect the relevant taxes and rates due them.

Additionally, the study observed that lack of property registers and valuers at the Assembly impeded the Assembly effort to collect property taxes from the various properties located within their jurisdiction. On this point, it is recommended to the Assembly to improve upon its property register and if possible, recruit more property valuers into the Assembly since such decision may improve the amount of revenue they mobilize from properties within their jurisdiction.

Finally, it was established that the cost involved in the administration and collection of internal revenue made it somehow difficult for the Assembly to employ adequate revenue

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collectors to mobilize revenue for the Assembly. Accordingly, it is recommended to the Assembly to adopt technology-based applications that may enable individuals and businesses to pay their taxes or rates via their mobile money wallet. This if done, will limit the number of personnel required to mobilize revenue for the Assembly and even reduce the cost associated with revenue mobilization.

5.5 Suggestions for Further Research

Specifically, this study confined itself to one newly created Assembly thus, Kwadaso Municipal Assembly. Accordingly, a comparative study should be carried out to compare whether the findings obtain in this study could equally be applicable to other newly created districts in order to ascertain whether the findings can be generalized to all newly district or municipalities in Ghana.
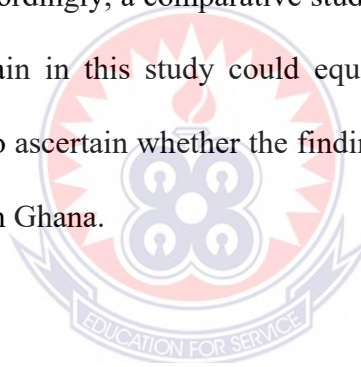
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Appendix

UNIVERSITY OF EDUCATION WINNEBA- KUMASI CAMPUS

Department of Accounting

Dear Sir/Madam,

This study seeks to assess how revenue are mobilized and managed by the Kwadaso Municipal Assembly. The results of the study would help the Assembly to identify the various challenges associated with each revenue stream and likewise identify how best to address these challenges. Your responses, though voluntary, are greatly appreciated and would be treated with utmost confidentiality. Thank you.

Instructions: Please tick [√] the response that best describe your view.

SECTION A: RESPONDENTS PROFILE

1. **Age**

[   ] 21-30

[   ] 31-40

[   ] 41-50

[   ] above 50

2. **Gender**

[   ] Male

[   ] Female

3**. Educational background of respondent**

[   ] Diploma

[   ] Degree

[   ] Post-degree

[   ] Doctorate

[   ] Please others(s), specify…………………………………………………

4. Please state your current position at the Assembly…………………………………………….

5. For how long have you been working in this Assembly? (Please Tick any one)

[   ]Up to 1 year

[   ]1 to 3 years

[   ]4 to 7 years

[   ]8 to 10 years

[   ] More than 10 years

Section B: Sources of Assembly Revenue

Please indicate how you agree or disagree with the following statements as to whether the given revenue stream forms part of the Assembly's sources of revenue. Use this scale: (**1 – Strongly Agree, 2 – Agree, 3 – Neutral, 4 – Disagree, 5 – Strongly Disagree**). Circle/Tick where is applicable to you.

	Sources of Revenue	SA	A	N	D	SD
6.	Licenses (i.e. Business Operating Permit Fees) issued or given to entities engaging in economic activities within the municipality forms part of the Assembly sources of revenue.	1	2	3	4	5
7.	Rent from market stores, rents from assembly property and rent on bill boards and advertisement and rents from lorry parks is one of the sources of revenue to this Municipal Assembly.	1	2	3	4	5
8.	Central Government transfers/ Grants to district assemblies (District Assembly Common, Fund (DACF), Salary Grants, District Development Facility/ Urban Development Grant, Ceded Grant, Donor support, Road Fund, GET Fund, HIPC Fund) forms part of the Assembly sources of revenue.	1	2	3	4	5
	Fees and Fines through markets dues, slaughter- houses, dressing stations, pounds, lorry parks, conservancy, cattle kraals (i.e. enclosure for cattle), marriage and divorce, births and deaths, building permit fees, court fines etc. forms part of the Assembly sources of revenue.	1	2	3	4	5
9.	The Assembly depends on revenue generated from land through concessions and royalties as one of its revenue sources.	1	2	3	4	5
10.	Investment Income thus, dividends received from the Assembly investing activities constitute one of the Assembly's sources of revenue.	1	2	3	4	5
11.	Basic rate (Poll tax), Property rate (landed property owners), Special rate and Rate payable by public corporation and organization owning properties in the metropolis forms part of the Assembly sources of revenue.	1	2	3	4	5
12.	Private Sector Support (Public Private Partnership (PPP) and Donors funding forms part of the Assembly's sources of revenue.	1	2	3	4	5

Section C: Challenges Associated with the Assembly's Sources of Revenue

Please indicate how you agree or disagree with the following statements as to whether the given statements form part of the main challenges associated with the Assembly's

revenue sources. Use this scale: (**1 – Strongly Agree, 2 – Agree, 3 – Neutral, 4 – Disagree, 5 – Strongly Disagree**). Circle/Tick where is applicable to you.

	Challenges	SA	A	N	D	SD
13.	Absence of property register and valuations rolls at the Assembly makes it very difficult for the Assembly to mobilize adequate property rate within its municipality.	1	2	3	4	5
14.	Lack of political support and political interference inhibit the effective implementation of property tax at this Municipal Assembly.	1	2	3	4	5
15.	Absence of effective billing systems coupled with obsolete property valuation list limit the Assembly's capacity to collect adequate property rates within its jurisdiction.	1	2	3	4	5
16.	Unavailability of data registry about the kind and nature of businesses located within the district impede effective revenue mobilization within the district.	1	2	3	4	5
17.	Absence of street naming and numbering system constraint the Assembly capability in mobilizing adequate revenue within the district.	1	2	3	4	5
18.	Lack of central government support when it comes to the enforcement of provisions within the Local Governance Act limit the Assembly ability to mobilize adequate revenue within its jurisdiction.	1	2	3	4	5
19.	The cost involved in the administration and collection of internal revenue makes it somehow difficult for the Assembly to employ adequate revenue collectors.	1	2	3	4	5
20.	The complex nature of business licensing and registration systems makes it very difficult for our Assembly to collect licences and taxes from small and medium scale operating within our jurisdiction.	1	2	3	4	5

Section D: Category of the Assembly Usage of Internally Generated Funds

Please indicate the category of project/services with which the Assembly used most of its revenue to finance within its municipality. Tick the project that best described the project the Assembly used large chunk of its revenue to function.

21. Select the category of project/services with which the Assembly used a large portion of its revenue to finance within the last financial year within the municipality.

[ ] Educational

[ ] Security

[ ] Health

[ ] Infrastructure

[ ] Sanitation

[ ] Administration

[ ] Environment

[ ] Social protection

[ ] Transportation

Section E: Usage of the Assembly's Internally Generated Funds

Please indicate whether you are aware of any developmental project being provided or implemented by the Kwadaso Municipal Assembly ever since its conception.

22. Select/tick any possible **educational** developmental projects that have been undertaken in the municipality by the Kwadaso Municipal Assembly.

[ ] Scholarships for the needy

[ ] Provision of drinking water

[ ] Putting up School building

[ ] Provision of toilet facilities for the school

[ ] Provision of school furniture

[ ] Construction of ICT centres/community libraries

23. Select/tick any possible **health** developmental projects that have been undertaken in the municipality by the Kwadaso Municipal Assembly.

[ ] Putting up hospital / clinic

[ ] Putting up doctors / nurses bungalows

[ ] Provision of hospital facilities

[ ] Provision of drugs

[ ] Provision of ambulances

24. Select/tick any possible **Infrastructure** projects that have been undertaken in the municipality by the Kwadaso Municipal Assembly.

[ ] Construction of bole holes

[ ] Construction of roads and bridges

[ ] Construction of community market

[ ] Construction of stores

[ ] Construction of entertainment centres

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25. Select/tick any possible **Sanitation** projects that have been undertaken in the municipality by the Kwadaso Municipal Assembly

[ ] Building a public toilet

[ ] Provision of dustbins

[ ] Creation of waste collection points

[ ] Provision of office space for environmental health workers

26. Select/tick any possible **Administrative** projects that have been undertaken in the municipality by the Kwadaso Municipal Assembly

[ ] Building of office complex

[ ] Procuring of stationeries

[ ] Procuring of office furniture

[ ] Procuring of office computers

[ ] Payment of salaries

27. Select/tick any possible **Security** projects that have been undertaken in the municipality by the Kwadaso Municipal Assembly

[ ] Provision of street lights

[ ] Construction Police Post

[ ] Construction district/magistrate court

[ ] Provision of police bungalows

[ ] Construction of fire service centres

28. Select/tick any possible **Environmental** projects that have been undertaken in th emunicipality by the Kwadaso Municipal Assembly

[ ] Planting of trees

[ ] Creation of recreational parks

[ ] Sponsoring of cleaning activities

[ ] Sitting of dustbins across all the municipality

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29. Select/tick any possible **Social** projects that have been undertaken in the municipality by the Kwadaso Municipal Assembly.

[ ] Registering of the poor unto the National Health Insurance Scheme

[ ] Providing social support to the poor within the municipality

[ ] Sponsoring of the disabled in urban entrepreneurship programs

[ ] Providing food to the rehabilitating schools within the municipality

30. Select/tick any possible **Social** projects that have been undertaken in the municipality by the Kwadaso Municipal Assembly.

[ ] Construction of lorry parks

[ ] Providing of transport services

[ ] Providing of car loans facilities to commercial drivers

28. Indicate/State any other project that has been undertaken by the municipality by the Kwadaso Municipal Assembly.

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