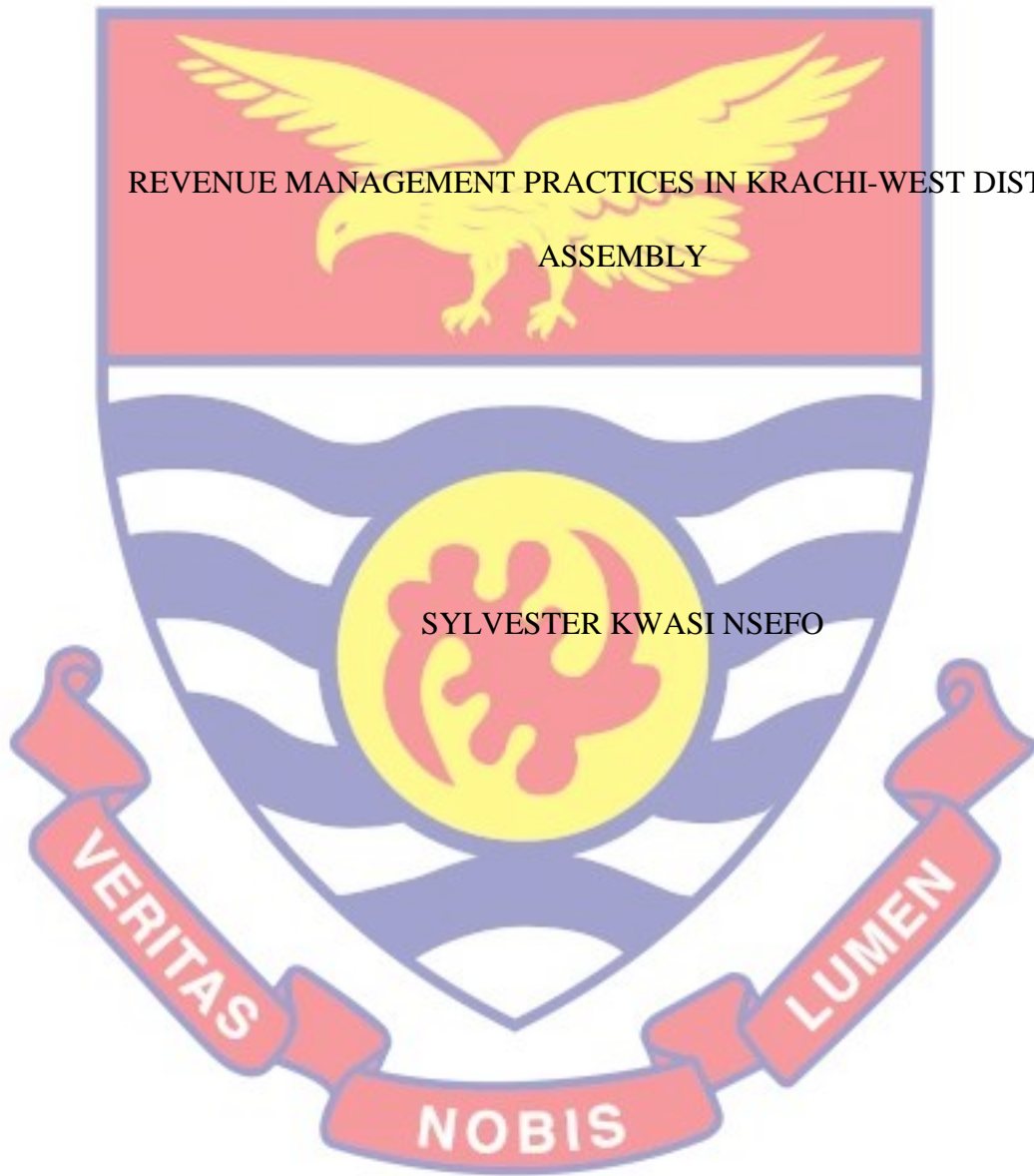


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REVENUE MANAGEMENT PRACTICES IN KRACHI-WEST DISTRICT  
ASSEMBLY

BY

SYLVESTER KWASI NSEFO

Dissertation submitted to the Department of Accounting of the School of Business, College of Humanities and Legal Studies, University of Cape Coast in partial fulfilment of the requirements for the Award of Master of Business Administration degree in Accounting.

AUGUST 2022

## DECLARATION

### Candidate's Declaration

I hereby declare that this dissertation is a result of my own original research and that no part of it has been presented for the another degree in this University or elsewhere except where due acknowledgement has been made in the text.

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

Candidate's Name: Sylvester Kwasi Nsefo

### Supervisor's declaration

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

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

Supervisor's Name: Mr. Isaac Kwadwo Anim

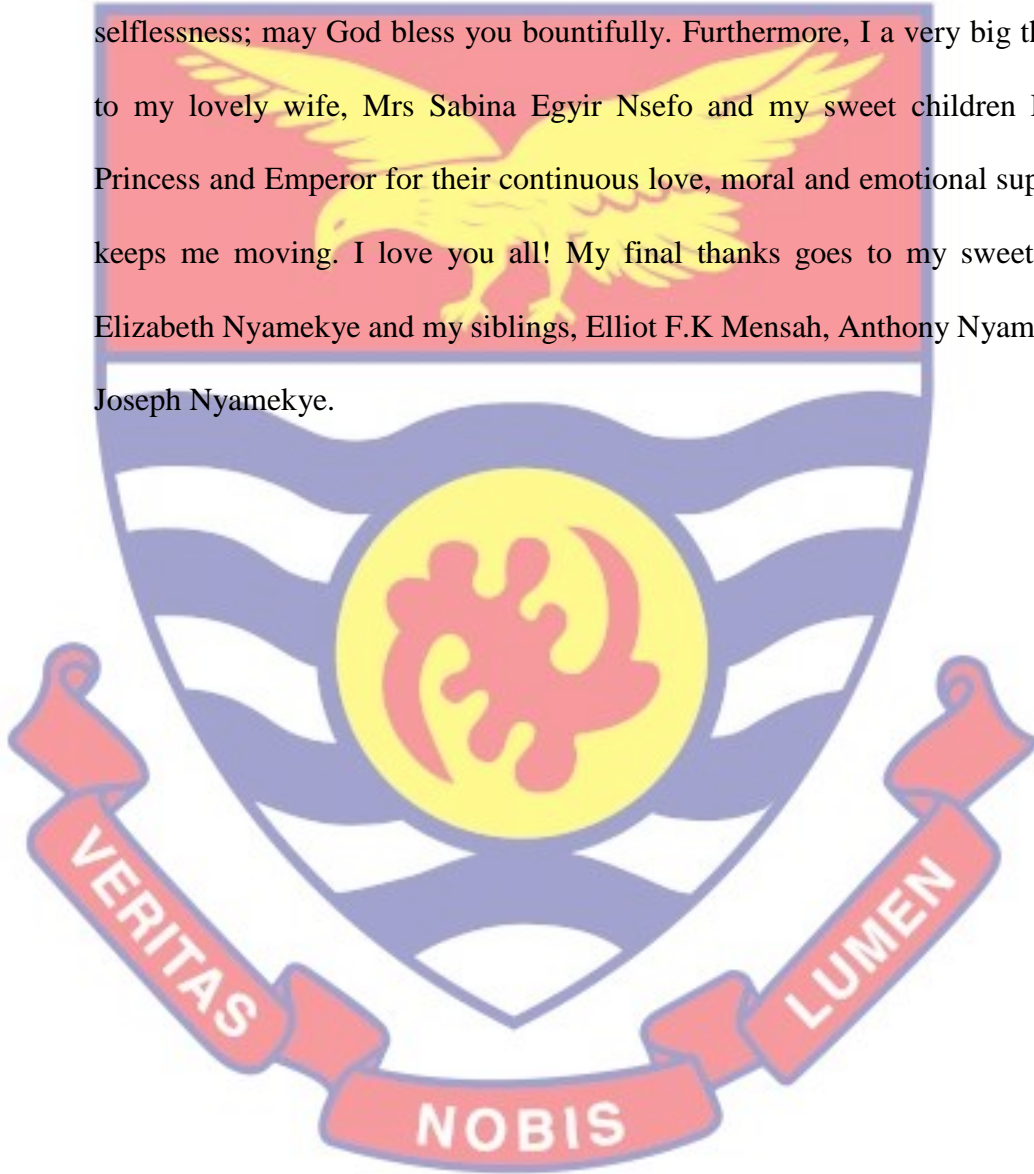
## ABSTRACT

The study sought to evaluate the Revenue management practices in Krachi-West District Assembly (KWDA). The study employed a quantitative approach and adopted a descriptive research design. The population of the study was 5,280 and the sample size of 372 was used by means of the Yamane (1967) sample size determination formula. Also, all 372 questionnaires were valid and considered for the study representing a response rate of 100%. The main instrument used for this study was a structured questionnaire with statistical tools including; frequencies and percentages with the help of the Statistical Package for Social Science version 23 (SPSS). The study adopted a purposive sampling technique. The study revealed that operation of composite budget works very well but adherence to expenditure ceilings guidelines and public sensitization on self-help projects does not work well in KWDA. The study concluded that revenue mobilized by KWDA though not adequate, has also not impacted on the economic, social and infrastructural development of its people. The study recommended that the management of the assembly should adequately educate its rate payers about the need to pay fees and fines, strengthen its internal control systems and motivate revenue collectors at KWDA.



## ACKNOWLEDGEMENT

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## DEDICATION

To my children Empress Nyamekye Ama, Princess Nyamekye Godslove and

Emperor P.K Nyamekye-Nsefo



## TABLE OF CONTENTS

	Page
DECLARATION	ii
ABSTRACT	iii
ACKNOWLEDGEMENT	iv
DEDICATION	v
TABLE OF CONTENTS	vi
LIST OF TABLES	ix
LIST OF FIGURES	x
LIST OF ACRONYMS	xi
CHAPTER ONE: INTRODUCTION	
Background to the Study	1
Statement of the Problem	6
Purpose of the Study	9
Research Objectives	9
Research Questions	9
Significance of the Study	10
Delimitation of the Study	10
Limitation of the Study	11
Definition of Terms	11
Organisation of the Study	12
CHAPTER TWO: LITERATURE REVIEW	
Introduction	14
Theoretical Review	14

Conceptual Review	20
Empirical Review	47
Chapter Summary	51
<b>CHAPTER THREE: RESEARCH METHODS</b>	
Introduction	52
Research Approach	52
Research Design	53
Study Area	53
Population	54
Sampling Procedure	55
Data Collection Instrument	55
Pre- Testing of Questionnaires	57
Data Collection Procedures	58
Data Processing and Analysis	60
Ethical Consideration	61
Chapter Summary	61
<b>CHAPTER FOUR: RESULTS AND DISCUSSION</b>	
Introduction	62
Descriptive Statistics	62
Findings of the Research Objectives	63
Chapter Summary	78
<b>CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS</b>	
Introduction	79

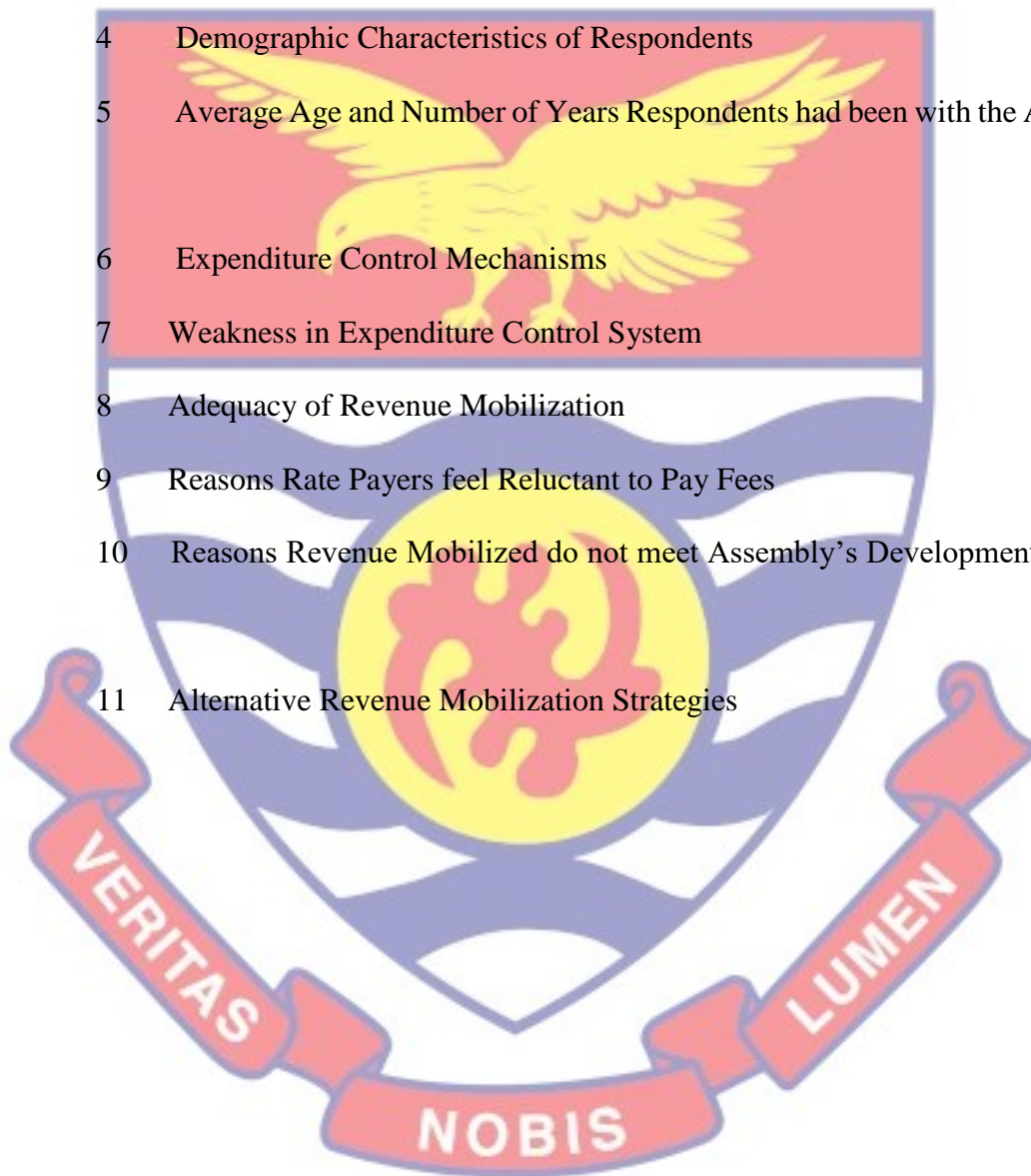


Summary of Key Findings	80
Conclusion	82
Recommendations	83
Suggestion for Further Research	84
REFERENCES	85
APPENDIX	97



## LIST OF TABLES

	Page
1 Regional Breakdown of MMDAs in Ghana	44
2 Population of the Study	55
4 Demographic Characteristics of Respondents	63
5 Average Age and Number of Years Respondents had been with the Assembly	63
6 Expenditure Control Mechanisms	64
7 Weakness in Expenditure Control System	66
8 Adequacy of Revenue Mobilization	67
9 Reasons Rate Payers feel Reluctant to Pay Fees	69
10 Reasons Revenue Mobilized do not meet Assembly's Developmental Needs	70
11 Alternative Revenue Mobilization Strategies	71




## LIST OF FIGURES

		Page
1	Effective management processes	34
2	Financial management processes in the public sector	36
3	Conceptual Framework	50



## LIST OF ACRONYMS



AG	Auditor General
BOG	Bank of Ghana
CAG	Controller and Accountants General
DACF	District Assembly Common Fund
DBO	District Budget Officer
DCD	District Coordinating Director
DCE	District Chief Executive
DDF	District Development Facility
DFO	District Finance Officer
ECS	Expenditure Control System
GIFMIS	Government Integrated Financial Management Information System
GPFR	General Purpose Financial Reporting
IAA	Internal Audit Agency
ICA	Institute of Chartered Accountant
IGF	Internally Generated Funds
IPSAS	International Public Sector Accounting Standards
KWDA	Krachi West District Assembly
LEAP	Livelihood Empowerment Against Poverty



L.I Legislative Instrument  
MOF Ministry of Finance  
MMDAs Metropolitan, Municipal and District Assemblies

M.\$ Million Dollars

NRC National Liberation Council

NPP New Patriotic Party

PAC Public Account Committee

PNDC Provisional National Defense Councils

PPP Public Private Partnership

RPG Recommended Practice Guides



## CHAPTER ONE

### INTRODUCTION

Revenue management research has drawn attention in recent decades from scholars and professionals focused on areas such as revenue management uses, processes, and structures. There has been a rise in revenue management models such as the hedonic price model for measuring the impacts of various factors on the successive consumer decision procedures model, dynamic and deterministic programming models, used to manage matters of revenue management in hotels, revenue management implementation and strategy models. This research ought to assess the revenue management practices at the Krachi-West District Assembly. It includes the background to the study, statement of the problem, the purpose of the study, objectives of the study, significance of the study, delimitation of the study, organisation of the study and the chapter summary.

#### **Background to the Study**

Revenue in its simplest form is the amount of money an individual, organization or government received at any given time. While individuals need revenue to meet their personal and families' expenditure on portable drinking water, food, shelter, decent accommodation and quality healthcare, Government on the other hand is burden with the responsibility of looking for revenue to finance the delivery of public goods and services in a convenient and affordable manner to her citizens. Government of Ghana according to the Government Integrated Financial Management Information System (GIFMIS) classification receives revenue from Tax, Non-Tax, borrowings, Trust monies, Grants and donor supports.

These revenues when received are meant to be deployed to meet its accompanying expenditure classifications on compensation for employees, goods and services, grants to governmental institutions such as District Assembly Common Fund (DACF), consumption on fixed capital, government subsidies for example the recent COVID19 subsidies on water and electricity, social benefit such as school feeding and Livelihood Empowerment Against Poverty (LEAP), and other expenditures that cannot be classified under any of the classifications above.

It is worth noting that government revenues of many nations over the years are often inadequate to finance their expenditure for the budgeted year leading to deficit financing. According to [countryeconomy.com](http://countryeconomy.com), in the national front, Ghana's budget deficit for 1990 and 1991 were (\$307M) and (\$272M) while at the international front, the budget deficits of USA, Spain, Australia, china and Ghana in 2018 were (\$ 1,169,333M), (\$ 39,401M), (\$ 11,617M), (\$ 644,059M) and (\$ 4,566M) respectively. Subsection 3 of section 35 of the 1992 constitution of the Republic of Ghana mandates Government to provide public goods and services such as construction of roads, schools, hospitals, portable drinking water among others to her citizenry in an efficient, effective and equitable manner. However, the inability of central government to mobilize adequate revenue to cater for the needs of its people in all areas has partly led to the delegation of certain powers and authority in the form of local government decentralization to some governmental agencies known as district Assemblies.

The concept of decentralization is one of the new management strategy employed by governments all over the world to increase efficiency and



effectiveness in the delivery of public goods and services or works. Rondinelli and Nellis (1986) defined decentralization as the transfer of duty, administration, and the provision of resources from the central government to field government agencies or lower units of government. Decentralization is believed would help solve societal need in a better manner since the people in a particular geographical location knows what goods or services they need rather than central government's allocation. On this note, (Moris, 1976; Ayubi, 1982; Haris, 1983) posit that central government of many developing countries provide local service and infrastructure in an inefficient and ineffective manner.

Decentralization of District Assemblies is a constitutional 'born child' stipulated in article 240(1) and 241(1) of the 1992 constitution which clearly indicated that the governance and administration of the country shall be carried out in the form of local government decentralization. This means that each District Assembly which is made up of The District Chief Executive (DCE), electoral area representatives (Assembly Members), the member of parliament and government appointees shall be granted certain powers and authority of the central government to administer and manage the affairs of all activities that affect the people living within its catchment areas. Ghana's administrative structure of governance after the enforcement of the 1992 constitution began with 10 regions and 110 District, within each district there was establishment of district assemblies. However, there are currently 16 regions and 212 Districts Assemblies comprising of 151 ordinary Districts, 55 Municipal and 6 Metropolitan Assemblies (MMDAs). The bottom-up approach of governance has help minimized the problem of marginalizing rural



folks where in the ancient days, most of the central government projects such as hospitals, schools, electricity and portable water were disproportionately distributed with almost everything concentrated in urban areas leaving very little if not none to be sent to rural areas.

Decentralization of District Assemblies were meant to ensure an equitable and efficient distribution of public goods and services, hence all District assemblies are to receive funds as enshrined in Section 252 of the 1992 constitution in the form of grant from central government which shall not be less than 5% of total revenue of Ghana on a quarterly basis. Each District Assembly receive its portion of the common fund from the Common Fund Administrator based on Parliament's approved formula. However, the growing demand for basic infrastructure and social welfare coupled with the inadequacy of the DACF has partly contributed to the powers conferred by section 144 and 145 of the Local Government Act 2016, (Act 369) mandating District Assemblies to remain self-reliant as much as possible, mobilize internal sources of funds, promote and attract investors to patronize its resources and generate adequate funds through rating to embark on developmental activities.

Similarly, article 245 of the Ghana's constitution has conferred on assemblies the power to impose levies, taxes, fees, rents and rates on persons and properties within its locality which will serve as supplementary revenues to the DACF and other central government's appropriations to enable the various assemblies carry out their mandate of providing efficient, equitable and assessable basic needs of its people. It is the responsibility of the management of district

assemblies to ensure that revenues mobilized are managed efficiently to achieve the principle of value for money. There are many instances in recent times where it is reported at the Public Account Committee (PAC) that most of the MMDAs do not use monies mobilized or released to them by the central government for its intended purposes. This made many of the MMDAs lose touch with the locality they are to serve.

It is impudent that revenues at the disposal of the assemblies are put to good use and properly managed on behalf of the populace they serve. In most cases this has not been the case. Management of revenue at the assemblies across the country is very poor. This is evidence from the Auditor General's Reports of 2018. Major issues raised by the report was unauthorized payments. Another predicament of the assembly is misapplication of revenue. It has been established that misapplication of funds by the District assembly among others is a worrying situation affecting revenue management of many Assemblies of which Krachi West District Assembly is of no exception. The AG's Report (2013) captured on page 69 that an amount of GHC168,228.74 was misapplied by the Krachi West District Assembly.

In addition to the above was unauthorized expenditure. It is observed that many of the expenditure undertaken by officers of the Assembly were not sanctioned by the appropriate authorities. This practice made it that funds needed for specific headline activities are expended on unauthorized activities. Another predicament was embezzlement of revenue. The assemblies are bedeviled with embezzlements of revenue. Most at times people in charge of revenue collections for the assemblies divert these revenues collected for their personal gains through

pilfering. This was confirmed by the AG's Report (2013) on page 9, that an officer embezzled revenue collected amounting to GH¢30,336.00.

Revenue management is a deliberate attempt of introducing structures, strategies, policies, and hospitable techniques that optimizes the demand for services rendered by the assembly and enhance revenue growth and help to realize the best likely monetary results. Revenue management of district assemblies has to do with the mobilization as well as dealing with the utilization of the assemblies' revenue. It is therefore worth noting that without proper revenue management no assembly can achieve optimum development to ease the living condition of its populace and provide the enabling environment for businesses to thrive. It is imperative to ensure proper revenue management in every organizational set up so as to achieve its targeted objectives.

Though revenue management is vital to the survival of all assemblies, much attention has not been given to ensure its sustainability in many assemblies across the country. For districts assemblies to embark on its mandated developmental agenda, revenue management will therefore be indispensable in this regard. It is in light of this that the researcher intends to assess revenue management practices in Krachi West District Assembly.

### **Statement of the Problem**

District Assemblies as established by the Constitution are mandated to provide certain basic social amenities and essential services to its people which otherwise would have been the responsibility of the central government. In order to deliver its function efficiently and effectively, the District Assemblies Common



Fund Act was enacted in 1993 to cater for the financial needs of District Assemblies in Ghana. Article 252(2) of the 1992 constitution provides the legal basis for setting up the District Assemblies' Common Fund which shall consist of an allocation of not less than five percent of total government revenue (currently 5% of total tax revenue) to be distributed to all assemblies on quarterly basis. These revenues serve as the bedrock upon which District Assemblies provide the developmental needs of its people.

However, the inadequacy of the DACF to meet its expenditure has necessitated central Government to grant the assemblies additional powers to levy and collect taxes, rates, rents and facility user fees known as Internally Generated Funds to enable them provide the required social and basic needs of its people. Similarly, these Assemblies are again granted the autonomy by the Local Government Act to remain self-reliant, mobilize internal funds, market the resources within their domain and attract investors to patronize their activities, goods and services such as developing tourist sites within its boundaries. Mobilizing resources to meet developmental needs of the citizenry is one of the core mandate of MMDAs.

Revenue management of district assemblies have to do with all pragmatic steps, methods and plans involved in both the mobilizing and utilization of funds to ensure optimal results. However, inefficient revenue mobilization and utilization still remains a canker eating deep into the revenue fiber of District Assemblies culminating to poor and inadequate provision of basic amenities to its people. On the part of revenue mobilization, page 5 of the Public Account Committee's report



in 2015 indicated that, management of assemblies are unable to identify new sources for mobilizing revenues and are unable to also devise effective collection methods resulting to a generally low revenue mobilization among District Assemblies in the country. This is the reason why Owusu-Mensah, (2015) still question the strength of Ghana's fiscal decentralization process after many decades of its implementation. Many communities today within the Krachi West District still lack access to basic social amenities such as improved health care facilities, adequate and properly ventilated classroom blocks which could be attributed to the inadequate mobilization of funds.

According to Ahwoi (2010), the general public outcry about the alleged misapplication of public funds has largely contributed to the inability of District Assemblies to provide proper drainage system, adequate electricity supply, portable drinking water, quality health care and other important basic facilities to its people. The public account committee identified that misapplication of funds by the District assembly among others are on the ascendancy and affecting revenue management of most Assemblies including Krachi West District. This was corroborated by the Auditor General's Report (2013, p.69), which states that an amount of GHC168,228.74 was misapplied by Krachi West District Assembly.

Also, knowing very well that the operations of the District Assembly system was envisaged to adopt proper revenue mobilizing techniques that would help mobilize adequate funds as well as tap into societal resources to provide the needed public amenities for its people, it is therefore important to evaluate the revenue management practices employed by assemblies since the

judicious use of public resources is a concern to all tax payers. Although many researchers have delved much into other areas relating to districts assemblies and its operations, there is much to be looked for so long as revenue management of district assemblies are concern. This study therefore seeks to assess the revenue management practices in the Krachi West District Assembly.

### **Purpose of the Study**

The study sought to assess the revenue management practices at the Krachi-West District Assembly.

### **Research Objectives**

The study seeks to achieve the following specific objectives:

1. Identify the expenditure control mechanism of Krachi West District Assembly
2. Determine the weaknesses in the expenditure control system of Krachi West District Assembly
3. Evaluate the adequacy of revenue mobilization of the assembly of Krachi West District Assembly
4. Assess why revenue mobilized do not meet expected developmental needs of Krachi West District Assembly
5. Identify other ways of mobilizing revenue to meet developmental needs of the assembly of Krachi West District Assembly

### **Research Questions**

1. What are the expenditure control mechanisms of the Krachi West District Assembly?

2. What are the weaknesses in the expenditure control system of Krachi West District Assembly?

3. What is the adequacy of revenue mobilization of the assembly of Krachi West District Assembly?

4. Why do revenues do mobilize fall short of what of the developmental agenda of the assembly.

5. What are the alternate ways of earning revenues to meet developmental needs of the assembly?

### **Significance of the Study**

In any study, the significance basically outlines how the research findings would help-solve societal problems and also add to existing knowledge in that study area. The findings in this study when implemented would help improve the efficiency and effectiveness of expenditure controls of the Krachi West District Assembly. Also, it would recommend sound revenue mobilizing techniques that will help boost the financial strength of the assembly so as to meet its developmental needs.

Finally, it would serve as database upon which other researchers would conduct further research in the area of revenue management in District Assemblies.

### **Delimitation of the Study**

This study is limited to how revenue management is carried out in District Assemblies so as to identify the expenditure controls, weakness in the expenditure controls, adequacy of revenue mobilization, why revenue mobilized do not meet



expected developmental needs as well as identifying alternative revenue mobilization of Krachi-West District Assembly. Also this study also delimited itself to the various revenue practices which may be accounted for by mismanagement on the part of the governing bodies and how they contribute to development and efficiency in the output of revenue administration in Krachi-West District Assembly.

### **Limitation of the Study**

This research encountered several problems especially gathering appropriate data for the analysis. Generally, apathy was the major problem since some of the respondents failed to answer the questionnaire. The respondents might not have disclosed their actual opinions on certain issues related to the hospital which could be confidential in nature. Therefore, bias in their responses was possible. Also, this study researched the revenue management practices with the views from sampled respondents at the Krachi West District Assembly, which is a small representation of all the employees in the various districts in Ghana. This may limit the inferences that can be drawn from this study as their views may not be applied to all the employees in the districts in Ghana.

### **Definition of Terms**

**Revenue** is the total amount of income generated by the sale of goods or services related to the company's primary operations. Revenue, also known as gross sales, is often referred to as the “top line” because it sits at the top of the income statement. Income, or net income, is a company's total earnings or profit (McGill & Van Ryzin, 1999).



**Revenue management** is all about pricing strategies to allocate the right capacity to the right customer, at the right place, at the right time. Airlines and hotels use such practices, and their customers seem to see the benefits (McGill & Van Ryzin, 1999).

A **common fund** is a form of collective investment scheme based upon contractual law rather than being enacted through a trust, corporation or insurance policy (Avramovic, 1978).

A **Public-private partnership (PPP)** is often defined as a long-term contract between a private party and a government agency for providing a public asset or service, in which the private party bears significant risk and management responsibility (Hodge & Greve, 2017).

A **tax** is a compulsory financial charge or some other type of levy imposed on a taxpayer (an individual or legal entity) by a governmental organization in order to fund government spending and various public expenditures (Clist & Morrissey, 2011).

### **Organisation of the Study**

The study has been categorized under five chapters. Chapter one highlights on the introduction which includes the background to the study, statement of the problem, research objectives, research questions, limitation of the study, delimitation of the study and organisation of the study. Chapter two also talks about the review of literature in respects of concepts, theories, empirical works and conceptual review that are relevant to the study. Chapter three outlines the methodology of the research highlighting the research design, study area, data

collection instrument, data sources, data collection procedures as well as the pretesting of questionnaire and research ethics while Chapter four deals with presentation and discussion of results. Finally, chapter five deals with the summary of findings, conclusion and recommendation of the study.



## CHAPTER TWO

### LITERATURE REVIEW

#### Introduction

Bearing in mind, the purpose of the study which sought to assess the revenue management practices at the Krachi-West District Assembly. This section reviews relevant literature on concepts and theories that are related to the study. It provides the theoretical basis of the research which highlight on decentralization in Ghana, Agency theory, Fraud Triangle Theory and Fraud Management Lifecycle Theory. The chapter also reviewed some empirical works relevant to the study and finally ends with a conceptual framework about the revenue management practices in District Assemblies. This chapter also touches on the functions of the District Assembly, Sources of funds for MMDAs, regulatory framework of Ghana, role of assembly members, financial discipline in the local government Assemblies.

#### Theoretical Review

According to Kivunja, (2018), theoretical framework consists of the theories expressed by authorities in the field into which an inquirer plans to study which also provide him with a theoretical coat hanger for data analysis and interpretation of results. Brondizio, Leemans, and Solecki (2014) agree that theoretical framework is the specific concepts about phases of human efforts that can be useful to the study of actions. According to Grant and Osanloo, (2014), theoretical framework consists of notional values, ideas, concepts, and tenants of a system. In order to situate the understanding of revenue management practices in District Assemblies, the following theories underpins the study: Agency Theory,

Fraud Triangle Theory, Fraud Management Lifecycle Theory and regulatory framework.

### **Agency theory**

Jensen and Meckling (1976), define agency theory as a contract in which one party known as principal contract another party called agent to perform duties on its behalf and also delegate decision making authority to its agent. The efforts of realizing virtuous governance in the District Assembly is done by the execution of the principles of equity, transparency, and accountability in the use and management of public funds. The crucial factor to make this attainable is through the adoption and implementation of COSO principles of risk management which help to manage fraud and inherent risk associated with revenue management of District Assemblies (Rae et al, 2017).

It is impossible to access how District Assemblies have developed their communities without looking at revenue management practices which foster the premise of transparency, equity, and accountability in the day to day human endeavor. The principle of revenue management may not function effectively without considering the agency theory (Al-Fatlawi, 2018). In the District Assembly system, the relationship between the District Assembly and its residents (rate and tax payers) could be likened to agency relationship. District Assemblies becomes the agents and act as central managers of resources as well as expenditure agents by collecting fees and taxes as enshrine in Section 141(1) and 142 of the Local Government Act,2016 (Act 936) on behalf of its residents who are the principals whose taxes, fees and rates are used by the assembly.



To ensure judicious use of the tax payers money, the District Assemblies are mandated to provide information about their financial performance through the Auditor General's Department to the Legislature (Parliament) where the representatives of the community members evaluate the Assemblies performance and recommend the necessary corrective measures to be taken in line with Section 176 (1) and (2) of the Local Government Act, 2016 (Act 936). The agency relation thus deepens the District Assemblies provision of information to its community members.

The Agency theory describes District Assemblies as indispensable structures so long as community development is concern hence, it is important to ensure effective revenue management in order to minimize unscrupulous conducts of agent (Mwangi, 2012). Also, Agency Theory emphasis the need to match the interest of the agent to that of the principal hence there must be a written contract to address the concerns of both the principal and agent. Jussi and Petri (2004), indicate that the principal-agency relation would be more strengthen when the principal engages experts to introduce control systems to monitor the activities of the agents and also ensure the expectations of the agent is met by the principal.

Pande and Leepsa, (2017) recount that when the relationship and interests between the agent and principal are not managed well to ensure satisfaction especially on the part of the agent, it could lead to poor performance of work and information asymmetry. Jensen and Meckling, (2006) are also of the view that lack of full disclosure of information about the principal and agent could create adversity for both parties and there must be a comprehensive contractual arrangement

between the principal and the agent. Agency theory applies to this research because both the financial and non-financial decisions taken by the District Assemblies(agents) affect its community members(principals) hence any differences in interest, priorities or opinion if not properly checked will create principal- agent problem. Implementing an efficient revenue management is one of the surest strategy to address agency problem.

### **Fraud triangle theory**

The Fraud Triangle Theory developed by Cressey, (1953) states that people engage in fraud due to perceived pressure, opportunity and rationalization. Al-Fatlawi, (2018) avers that poor pay policies, greed and debts, alcoholism, financial problems, drug addiction are the major sources of pressure. Decision makers who are entrusted with resources have to check these pressures else resources under their custody could be misused which will affect their performance. Al- Fatlawi, (2018) further posited that opportunity arises when there is chance to commit the act of fraud and institutions which are not ready to prevent fraud, present chances for such acts to take place.

More so, rationalization stem from the fact that the committers of this crime present their justification that they are borrowing the item or money and will replace them. Other justification of others is that they currently need the money or item than the institution needs them. An inefficient revenue management in an organization is the basis for all these frauds. It is therefore the responsibility of management to identify possible pressures in the form of money problems, substance abuse, etc. and devise means of minimizing opportunity for fraud and

unethical behavior. Effective revenue management practices at the District Assembly will help avoid these intricacies.

### **Fraud Management Lifecycle Theory**

Meeting the developmental needs of communities can be achieved if there are efficient revenue management. Efficient and effective revenue management practices must be established to mitigate fraud, irregularities and expenditure control. This reason brings to bare the need for fraud management lifecycle theory propounded by Wilhelm, (2004). The theory was focused on internal auditing as a means of strengthening revenue management practices. The eight stages of fraud management are; Fraud deterrence, Fraud prevention, Fraud detection, Fraud Analysis, Fraud policy, Fraud Investigation and Fraud prosecution (Wilhelm, 2004). Managers must acquire the needed skills to be able to manage all the stages before we can say fraud management Lifecycle has been effectively managed. The eight stages of the Fraud Management Lifecycle Theory are explained below.

**Fraud Deterrence:** these are actions and activities put in place to discourage and stop fraud before it is even attempted. This can be achieved by making the system so tight and difficult for fraud perpetrating at the same time create extreme punishments to discourage fraudulent activities. **Fraud Prevention:** the second stage in the cycle has to do with safeguarding the institution and its processes in order to prevent losses that arise as a result fraud. Also, Protective measure, appropriate methods, quality structures as well as good authentication systems are put in place to make commitment of fraud very difficult. **Fraud Detection:** this stage brings



together fraud testing, fraud attempts and fraud success which must be linked together to ensure disclosure of fraud.

Fraud Mitigation: this fourth stage helps stop fraudsters from either carrying on with the fraud or stop them from finishing the fraudulent activities. The faster mitigation activity commences, the earlier the chances of realizing its intended results. Mitigation in fraud concentrates on how to minimize the extent of fraud, the amount of losses associated with fraud as well as the recovery cost in correcting the impact of the fraudulent activity on the institution's image. Fraud Analysis: involves activities that help ascertain and understand losses incurred regardless of the four activities explained earlier. Analysis of fraud also help to determine the effects of fraud management activities upon client and institution as well as provide opportunity to evaluate measures put in place and help tightened any loopholes detected.

Fraud Policy: as a declaration that helps recognize fraud and the facts gathered through analysis stage provide the foundation for developing policies that will help address the weaknesses in the entire system. Fraud Investigation: this stage involves gathering sufficient appropriate evidence and information to stop fraudulent activities, recover stolen assets and return them to the owners at the same time aid in prosecuting and convicting the fraudsters (Njenga & Osiema, 2013). Fraud investigation focuses on three key areas thus Internal investigations which deals with investigating staffs, Consultants or Contractors. The second area have to do with investigations directed at clients, fraudsters and organized groups while the third area deals with harmonizing with law enforcement itself. (Wilhelm, 2004).



Fraud Prosecution: The final stage involves processing and arranging fraudsters before the law court. There are three purposes of fraud prosecution. The first is to punish perpetrators to prevent any future re-occurrence. Secondly, is to help improve, institute or maintain the good image and reputation of the institution. Finally, fraud prosecution help retrieve the stolen items or help compensate the injured party where possible (Njenga & Osiema, 2013). The Fraud Management Lifecycle Theory is applicable to this study because it provides fore-knowledge about fraudulent activities which affect revenue management and at the same time prescribe appropriate measures that when adopted and implemented, could help improve upon the efficiency and effectiveness of revenue management practices in District Assemblies.

### **Conceptual Review**

#### **Decentralization concept**

Decentralization has been a tool employed by many nations to transfer powers and authority from a body to its subsidiary. It is widely patronized in many organizations because it ensures that agents who act on behalf of their principals are able to mobilize resources on their own to initiate projects and programs in an efficient and effective manner. Article 240(1) of the 1992 Republican constitution of Ghana states that “Ghana shall have a system of local government and administration which shall, as far as practicable, be decentralized”. “Ghana’s district assembly decentralization system has granted district assemblies the autonomy to mobilize revenue on behalf of central government to provide essential services to the citizenry. Many authors have assigned different definitions to the

term decentralization. Prominent among these definitions is the one postulated by Rondinelli (1989) who defined decentralization as the transfer of planning, managerial skills and resource allocation abilities from central government to local authorities. Dauda, (2006) also defined decentralization as shift of managerial control and power from central government to the grassroots.

Ghana's decentralization process according to Amano and Annan (1999) was initially perceived to be a policy that would help "private actors" carries out developmental projects where central government is unable to do so. However, the releasing of state control did not efficiently provide the developmental needs of the supposed beneficiaries hence the gradual shift of efforts towards institutional reforms to promote democratization, representation and accountability at the local level. Ayee (2000) speculated that Ghana's decentralization could be traced back as far as 1878 during the British colonial rule where chiefs and elders within a particular area became the local authority and governs its subjects in accordance with the dictates of the colonial masters. Unlike any typical decentralized system, Nkrumah (2000) noted that, the chiefs and elders rather directed accountability to the colonial masters instead of its people which defeats the democratic principles of the chieftaincy institution in Ghana.

Decentralization was perceived by many to be a special purpose vehicle which could transport development to the Ghanaian masses. Nsanko (1993) posited that there have been many committees and commissions set up by successive governments since independence to come out with an efficient and effective governance system to facilitate development. Prominent among them are W.B Van

Lare Commission in (1958), Justice Mills-Odoi Commission (1967), Edward Akufo-Addo's Constitutional Commission (1968) and the committee of experts for drafting Ghana's constitution (1991). The commonest recommendation made by these committees and commissions is that, Ghana's centralized system should be dissolved to pave way for decentralization which was arguably seen to bring governance and administration to the doorstep of the citizenry while deepening democracy, accountability and tranquility. Based on these recommendations, various governments have embarked on decentralization drive through the creation of district assemblies.

During the era of the Convention Peoples Party (CPP), the ruling government led by Dr. Kwame Nkrumah metamorphosed the provincial and district administration initially created into 183 local councils to be responsible for quality basic education, effective market systems and any equally important national initiatives. The National Liberation Council (NLC) after overthrowing the CPP government, succeeded in reducing the number of District Assemblies to 40. The next reform in the district assembly system was the 65 District Assemblies recognized by the National Redemption Council (NRC) in 1974. Afterwards, Ft. Lt. J. J Rawlings led the Provisional National Defense Council (PNDC) in 1988 to promulgate the local government law in 1988; PNDCL 207 which increased the number of districts assemblies to 110. Subsequently, the New Patriotic Party led by J. A Kuffuor created additional 28 bringing the number to 138 in political decentralization.



### Functions of the district assembly

According to Ayee (2000: 466) both the 1992 Constitution and the Local Government Act, 1993 (Act 462) has accorded District Assemblies with certain broad powers to have control over their designated geographical area which include the highest political and executive body; the highest Planning authority; Development authority; Budgeting authority and the Rating authority within its designated geographical area. Similarly, District Assembly can be said to have the following functions:

1. Responsible for directing political and administrative activities of the government and also supervising all other administrative units in the district.
2. Ensure the implementation of approved programs and projects for the district and other developmental programs sanctioned by MDAs, NGOs or other statutory bodies
3. Carry out deliberative, legislative and executive functions
4. Ensure overall development of the district by effectively mobilizing its resources
5. Ensure promotion of productive activity and social development within its catchment area.

Clearly the District Assembly is seen as the principal authority which has an oversight responsibility to co-ordinate and ensure efficient implementation of all developmental activities within its jurisdiction including those implemented by other developmental partners such as world vision facilitated projects.



### Administrative decentralization

Administratively, Rondinelli (1989) categorized decentralization into Deconcentration, Delegation and Devolution. Similarly, Services of the District Assembly according to Ayee (2000) can be classified into three broad categories with regards to the level of involvement and authoritative administration exercised by central government through its MDAs. These services he classified as deconcentrated, delegated and devolved public services.

Deconcentration: This according to Ayee (2000:462), are services rendered by national agencies whose operational framework does not fall directly under the District Assembly although they have their offices spread across all the 276 Districts in the country. Some of the deconcentrated services are those rendered by Ghana Revenue Authority, Ghana Police Service, Ghana Health Service just to mention but few. It is instructive to note that although services rendered by these state institutions do not fall directly under the full authorization of the District Assembly, there is always a greater co-operation and synergy between the 'parent national body' and the District Authorities in achieving needed results for example, during the 2005 disturbances in Krachi township, the Ghana Armed Forces and Ghana Police Service deployed personnel from their respective national offices to calm down situations but the Krachi West District Assembly was in charge of their fuel, accommodation and other basic needs that enabled smoothen the operations. Also, there seem to be a very thin line with regards to financial provisions used in embarking such projects, it is sometimes unclear as to who is financially

responsible for some of these projects, whether central government or District Assembly,

Delegation: have to do with the shift of central government's decision making powers to smaller governmental units such as the District Assembly so that they provide certain specific functions to the public. The delegated public functions of the District Assembly cover services delegated to it by the appropriate ministry or agency (Ayee 2000: 467-8). For example, the construction of classroom block by the District Assembly is done in consultation with the Ghana Education Service; provision of quality healthcare facilities is also set up in conjunction with Ghana Health Service. These developmental needs when sanctioned by central government through its MDAs means the District Assembly lack significant powers and control with regards to such projects. Interestingly, the District Assembly is seen to be executing more of these projects and programs on behalf of central government.

Devolution: refers to the transfer of decision making and financial management powers from central government to sub-national units of government. Devolution allows for the creation of Metropolitan, Municipal and District Assemblies whereby central government transfer authority and power to District Assemblies for them to ensure the development of their geographically demarcated boundaries. It also allows for the election of majority of the assembly members which makes it the most advanced form of decentralization and becomes the bedrock for political decentralization as well. In the performance of their public function, District Assemblies are granted the authority to source for funds through

imposition of levies, fees and fines on persons and properties within their respective jurisdictions. According to Ayee (2000: 468), devolved service entails the transfer of power and responsibility for District Assemblies to exercise legislative authority through formation of bye-laws and the ability to generate revenue through imposition of levies, fees and fines.

### **Fiscal decentralization**

Smoke (2003) indicated that fiscal decentralization have to do with the ability of central government to delegate local revenue generation as well as decision making powers to local government units for them to ensure development in their respective areas. It is therefore instructive for one to say that effective fiscal decentralization is required to ensure the achievement of any decentralized policy. Boateng (2014) outline two importance of fiscal decentralization. Firstly, he identifies finance to be a conveyer belt that drives policy implementation. This therefore implies that effective and adequate fiscal decentralization is required to achieve the goal of any decentralized policy. Secondly, he posited that many nations have adopted fiscal decentralization as the panacea to improve good governance, foster economic growth and promote community development. According to the World Bank (2001), effective decentralization could be achieved if local government is able to adequately raise local revenues and or receive appropriation from central government.

Smoke (2003) is another scholar who supported the system of fiscal decentralization. He outlines three reasons in support of his assertions. Firstly, he indicated that many third-world nations adopted fiscal decentralization to



complement Central government's effort to embark on national and economic development. Poverty is one of Africa's biggest challenges that make it difficult for central government structures to adequately cater for the developmental needs and aspirations of communities. To ensure effective and adequate provision of such developmental needs of the various communities, central government has seen it necessary to devolved financial decision functions for District Assemblies to cater for the developmental needs of its people.

Secondly, governments of many developing countries upon realizing that central government structures have failed to address the needed development have renewed their interest to facilitate economic development through Structural Adjustment Programs push forth by international development agencies such as the World bank and IMF. More so, the structural adjustment programs have also failed to yield the needed result, it therefore became rational for governments of these nations to lay more emphasis and strengthen local government participation for them to effectively provide for essential basic needs of its people.

Thirdly, the global community has given credence to the operations of local government. To promote social development as well as effective utilization of economic resources, international agencies has given support to local processes over the years especially in developing countries. Governments of many nations which did not initially acknowledge contributions of local government have been compelled to support local government operations through collaboration and partnership programs with international agencies such as World Vision, DANIDA, USAID among others.



Vo (2005) indicated that fiscal decentralization must be supported to maximize economic efficiency. He believes efficiency would be achieved only when scarce resources are optimally distributed to local government for effective utilization. Owusu-Mensah (2015), in his deeper sense warns that Fiscal decentralization should not be misconstrued as an ultimate goal to be achieved, however it is a special purpose vehicle that drives democratic participation as well as economic development. Fiscal decentralization is seen by many to bring developmental partners together which facilitate provision of social goods. In the view of Smoke, effective decentralization could be achieved when central government is able to assign clear-cut functions to local units and also when there is appropriate internal revenue generation for local government. He further contended that there must be efficient inter-governmental transfer to ensure that local governments' revenue is appropriately expended according to the needs of the people.

Woolman (1997) argued that fiscal decentralization improves efficiency in resource allocation and enhance democratic values. Similarly, fiscal decentralization improves productivity because it enhances responsiveness to indigenous policy. Kee (2003) also contended that fiscal decentralization allows for the implementation of local decisions that inures to the direct benefit of its indigenes and is able to deepen democratic values as well as provide relatively stable political atmosphere at the local level. Despite the strong advocacy by international development partners for nations to embrace fiscal decentralization, some scholars have also raised 'red flag' as the smooth implementation of fiscal

decentralization in developing countries. Prominent among these critics is Tanzi (1995). He posited that there could be difficulty in coordinating decentralized fiscal structures with tax reforms.

According to Varsano (1995), in an attempt to introduce an efficient Value Added Tax system, the Brazilian government has faced a great political challenge and was unsuccessful to reach a consensus among the state authorities who collect this Value Added Tax. He also indicated that the fiscal independence of subnational operations provides breeding ground for local level corruption. Furthermore, he indicated that technological advancement and Urban mobility has made it difficult to local authorities to identify “local services”. Prud’homme (1995) also advances some brilliant argument against fiscal decentralization. He stated that fiscal decentralization must be practiced in countries that allows for full decentralization thus, countries that allows sub-national units to mobilize local source of funds to meet the developmental needs of its people.

#### **Agency relation and the district assembly system**

Agency relationship basically explains the fiduciary relationship upon which one party known as the principal allows another party known as agent to perform certain acts on his behalf. In the district assembly certain, all persons living within a District becomes the principal and elect/appoint certain persons(agent) to represent them and take decisions on their behalf as stipulated in both article 242 of the Constitution and section 5(1) of Act 936 of the Local Government Act ,2016 that; A District Assembly shall consist of the following members-

(a) One person from each local government electoral area within the district elected by universal adult suffrage;

(b) The member or members of Parliament from the constituencies that fall within the area of authority of the District Assembly as members without the right to vote.

(c) The District Chief Executive of the district;

Other members not being more than thirty percent of all the members of the District Assembly, appointed by the president in consultation with the traditional authorities and other interest groups in the district. Clearly this composition indicates that the people and chiefs within any district have a hand in all members who represent them at the District Assembly and are therefore expected to act in the best interest of its people. It is therefore incumbent on these elected/appointed agents (District Assembly) to harness the resources of their respective principals so that they can provide for the developmental needs of their people. It is for this reason that that the Constitution has empowered MMDAs to impose, levy and collect rates, fines and fees on persons and properties living within its geographical boundary so as to be able to fulfil its constitutional mandate.

However, there have been exploitation of monopolistic power, pursuit of self-interest and abuse of office by some District Assemblies creating principal-agency problems in the local governance system. While some constituents are not happy about fixation of higher local charges in the form of fees, fines and rates, others complain about lack of portable water, quality education and proper drainage system among others which are attributable to embezzlement and misappropriation



of funds as uncovered by the Auditor General on page 69 in The Auditor General's Report (2013) which captured an amount of GH¢168,228.74 as misapplied by the Krachi West District Assembly.

### Sources of funds for MMDAs

Section 124 of the Local Government Act 2016, (Act 936) categorized revenues of MMDAs into

- (a) Decentralized transfers
- (b) Internally Generated Funds
- (c) Donations and grants
- (d) Borrowing.

These revenue sources are discussed below

Decentralized transfers are monies received from DACF, grants-in-aid from central government or any other revenue received from the central government example is the DDF. Internally Generated Funds are revenues generated, access and used by a District Assembly which include licenses, fees and miscellaneous charges, taxes, investment income and rates. Donations and grants: grants are non-compulsory financial assistance given by government, organization, or individual to the assembly. Some grants may be directed by the donor to carry out a specific activity, for example grant for the construction of school block, while other grants may be given to supplement an assembly's budget or used for general expenditure.

That notwithstanding, section 124(6) of Local Government Act,2016 (Act 936) define grant to mean donations being funds paid directly to a District Assembly by a development partner. Borrowing: section 124(5) of the Local Government



Act,2016 (Act 936) further indicated that a District Assembly may borrow to finance relevant projects in accordance with relevant laws.

### **Management as a concept**

Management is a term often used in a “loose sense” by many to connote achieving more with fewer resources. However, many scholars have assigned different definitions to the term. One of the ancient scholar is F. W. Taylor (1911), he defined management as the art of working towards the achievement of set objectives in a suitable and economic manner. He further outlines four principles on scientific management to include;

- i. Scientific examination of all possible methods available to perform a task and select the most rapid and economical among them.
- ii. Workers should be selected and trained based on their competence but should be supervised in carrying out their task so as to achieve target goal.
- iii. Payment and remuneration should be tie to output of work
- iv. Management should concentrate on setting of organizational goals and making available the needed resources while employees focus on effective performance and enhanced productivity.

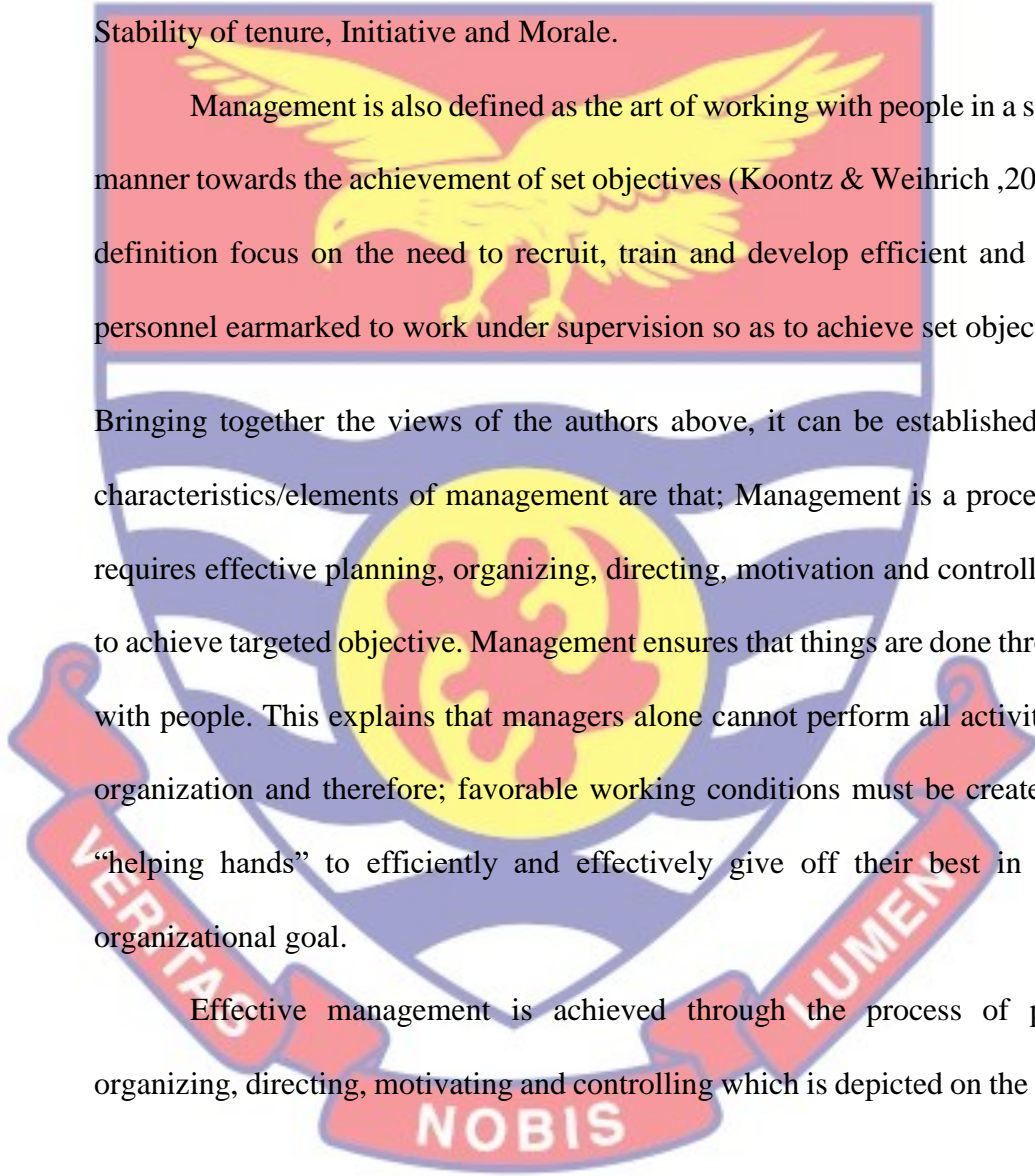
Another classical definition of management was given by Henri Fayol (1916), He posited that to manage means to make available needed resources, ensure that employees work in harmony while ensuring that performance meet targeted objective. This definition also considers organizing and motivating personnel for them to give off their best for the attainment of organizational goals.

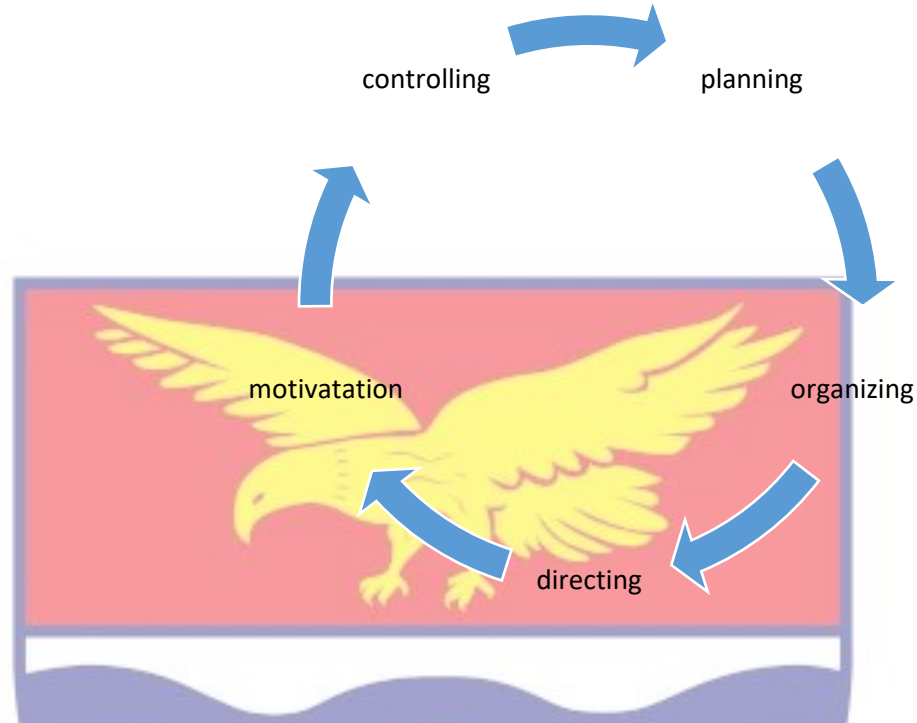
He is also of the view that to ensure effective management, managers must ensure the following fourteen principles; Division of labour, Authority, Discipline, Unity of command, Unity of direction, Subordination of individual interests to common good, Remuneration, Centralization, Scalar chain of command, Order, Equity, Stability of tenure, Initiative and Morale.

Management is also defined as the art of working with people in a structured manner towards the achievement of set objectives (Koontz & Weihrich ,2010). This definition focus on the need to recruit, train and develop efficient and effective personnel earmarked to work under supervision so as to achieve set objectives.

Bringing together the views of the authors above, it can be established that the characteristics/elements of management are that; Management is a process which requires effective planning, organizing, directing, motivation and controlling so as to achieve targeted objective. Management ensures that things are done through and with people. This explains that managers alone cannot perform all activities in an organization and therefore; favorable working conditions must be created for all “helping hands” to efficiently and effectively give off their best in attaining organizational goal.

Effective management is achieved through the process of planning, organizing, directing, motivating and controlling which is depicted on the Figure 1.





*Figure 1: Effective management processes*

Source: Adopted from Fayol (1949)

Planning is the first stage in the management process. It has to do with the ability to decide on what course of action to undertake, how, when and where to carry out that action and who has to do it to achieve the needed results. The next process after planning is organizing, this means bringing together all the factors of production i.e. capital, land and labor to work together in a harmonious and concerted manner. Directing is the third process which has to do with inspecting, inspiring and supervising subordinates in the performance of their duty. It also has to do with how to guide and regulate the activities of employees so that their output would not deviate from predefined targets but would rather be in conformity to pre-determined goals.



The next stage after Directing is Motivation. This has to do with putting in place systems that energize and sustain employees' efforts towards working for the attainment of organizational goals. As the saying goes "a hungry man is an angry man" which basically means a person deprived of a basic need will naturally not be appease and employees are no exception. It is therefore important to motivate employees for them to put all other resources into good use. Controlling being the last stage in the management process is also concerned with the ability to put in place systems that compares actual organizational performance with predefined standard and corrective measures

### **Financial managements in Ghana's public sector**

Money is needed in all spheres be it individual life, business, government or not-for –profit making organizations. Inadequate, inefficient use as well as untimely supply of these monies is what hinders development and growth in both public and private sector. Funds are required in the field of business to commence, continue or for expansion while government require funds to also undertake planned policies, projects and programs. Just like any other discipline, the public sector of Ghana has many laws governing management of funds (revenue) so as to ensure judicious use, improve transparency, accountability and boost public confidence about operations of public institutions including the district assemblies. Kessey, (1995) defined financial management as established structures put in place to ensure the efficient, effective and economic use of organizational finances so as to achieve target objective. Similarly, Gulp & Agrawal, (1996) also asserts Financial Management as the process of leveraging organizational funds in the best



possible manner so as to increase the present value of the expected future returns to the owners.

McMaster (1991) posited that in most developing countries, the financial strength of local government authorities is unable to meet the social needs of its people. It is for this reason why managers of District Assemblies must ensure the optimum use of these limited funds so as to achieve more with little resources. From the above definitions, it can be deduced that, effective and efficient financial management can be achieved when the processes of planning, budgeting, controlling, auditing are adhered to. The figure below illustrates the financial management practices of District Assemblies.

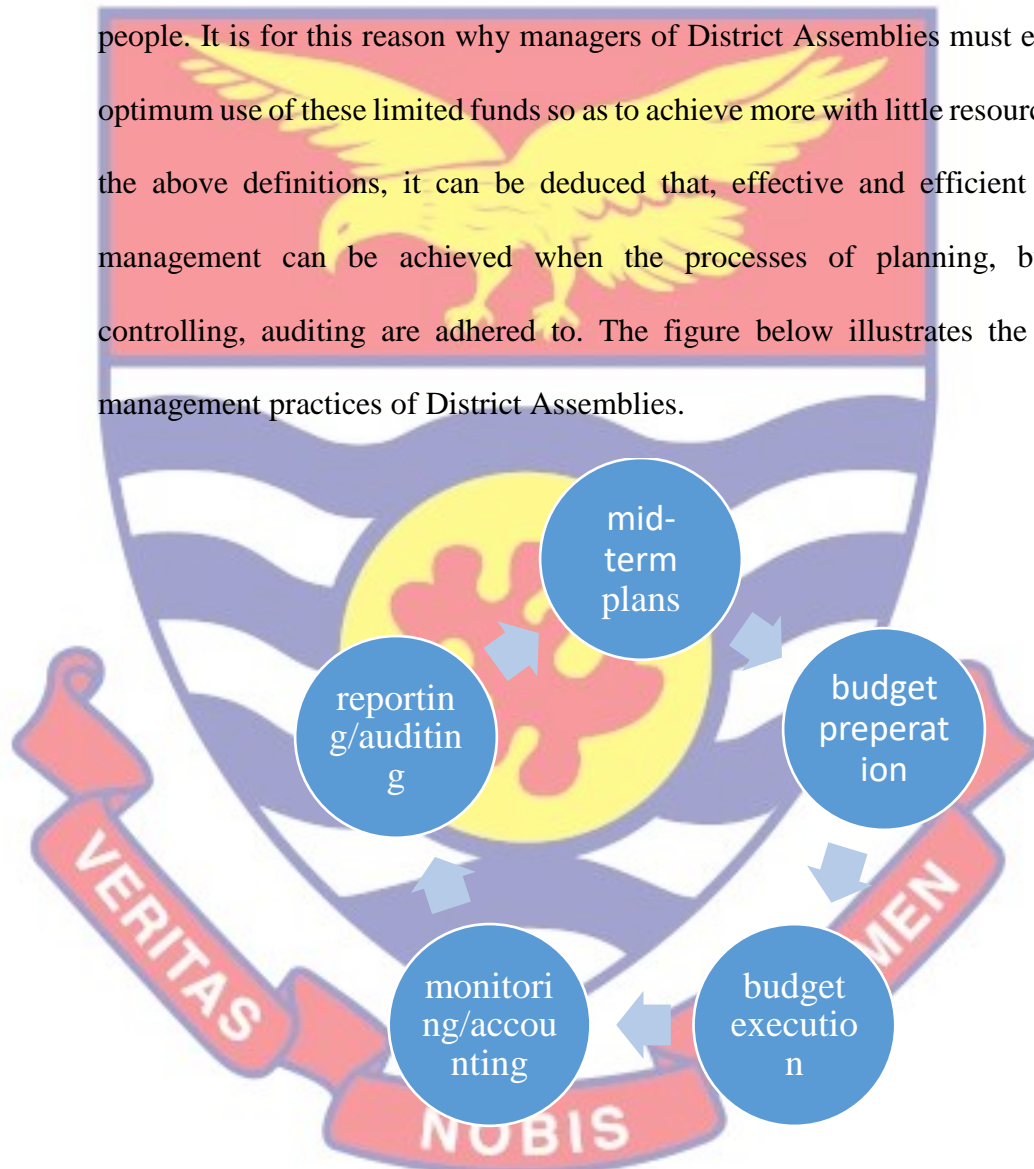


Figure 2: Financial management processes in the public sector

Source: Adapted from Lawson (2015)

The first process in the financial management process is the drafting of the midterm plans, policies and programs which section 21(2)(a) of the Local

Government Act, 2016 (Act 936) mandates the executive committee to “coordinate plans and programs of the sub-committees and submit these as comprehensive plans of action to the District Assembly”. This comprehensive developmental plans and programs with it accompanying development strategies when approved by the assembly would be implemented over some number of years and would serve as a “reservoir” from which annual budgets of the assembly would be drawn from.

According to John Mensah (2005), the first Development plan of Ghana’s District Assemblies was prepared to cover the period 1996-2000. The activities involved in the planning stage lays the foundation and forms the anchor on which the budget preparation rest since the availability of resources to accomplish the laid down programs and policies are factored into consideration. Section 10(3) of the Local Government Act 2016, (Act 936) states that, a District Assembly is responsible for the overall development of the district and shall ensure the preparation and submission through the regional coordinating council development plans of the district to the National Development Planning Commission in line with this provision.

The second stage in the process has to do with the preparation of budget. Budgeting according to Koontz and O’Donnell (1972) is an anticipated financial statement of revenue and expenditure to be executed over a definite period of time so as to achieve a set objective. With the assembly system, all policies, projects and programs within the budgeted year are transformed into monetary values, where all expenditures as well as expected revenues for the ensuing year are compiled to form

a single document call budget. Budget execution is the third stage in the financial management process. At this stage, funds made available to the District Assembly are released to carry out policies and programs so as to achieve the budgetary objective. In other words, the funds approved for the assembly during the year are directed towards its budgeted programs and policies for which such funds are meant for.

The next stage in the process is monitoring/accounting and evaluation. Here, management of the assembly put in control measures to ensure that progress of executing its policies and programs are in conformity with budgeted activities. Also corrective actions are quickly taken where necessary to ensure that required output is achieved. Reporting and auditing is the last stage in the financial management process. It is important to note that there is just a thin line between monitoring and auditing. While the former has been talked about to be management's action to ensure that desired results are achieved, the latter have to do with ensuring that relevant financial laws are complied with so as to ensure the efficient and effective use of financial resources as well as checking fraudulent acts.

Public sector Auditing is perceived by many to be the bedrock of good financial management and accountability by way of keeping check on public sector entities as well as detecting and deterring corrupt practices. Article 253 of the 1992 Republican Constitution of Ghanaian provides for a mandatary external audit of all funds of District Assemblies in the country which states that "The Auditor-General shall audit the accounts of the District Assemblies annually and shall submit his reports on the audit to Parliament".



## **Planning and budgeting**

According to Section 123(2) of Local Government Act 2016, (Act 936), “A District Assembly shall, before the end of each financial year submit to the regional coordinating council a detailed budget for the district stating the revenue and expenditure of the district for the ensuing year”. The decentralization agenda of the Ghanaian government has mandated District Assemblies to prepare developmental plans which will be implemented on piece-meal basis over a number of years. Mensah (2005) indicated that in line with the National Development Planning System Act (480), District Assemblies prepared their first Development plan for the period 1996-2000 which most Assemblies could not implement properly due to unsatisfactory commitment by stakeholders, inadequate financial resources of some District Assemblies, and weak institutional structures.

## **Expenditure controls**

Expenditure control refers to a set of interrelated managerial systems established to regulate the use of financial resources and ensure compliance with managerial policies with regards to safeguarding organizational assets as well as keeping of proper records. According to the Sailendra (2016), Although expenditure control is an essential action in public financial management, many middle income countries have relatively weak expenditure control systems. it is in line with this that the GOG change its Chart of Accounts from MTEF to GIFMIS to properly monitor expenditure and receipts of MDAs so as to enhance transparency and understandability of public expenditure.



In addition to the above control mechanism, Section 7(1) of the PFM Act 2016, (Act 921) admonishes principal spending officers of covered entities (including district assemblies) to ensure the orderliness and proper use of funds while managing its resources within the ceiling set by the Minister of Finance. Also, Section 87(1) of Ghana's constitution also instructs assembly management to ensure that all expenditure incurred in the performance of its lawful duty, or incidental, or conferred on it by a legislation, must be contained within the approved budget for the applicable year.

### **Role of assembly members, participation of electorates and stakeholders in the district assembly process**

District assemblies as established by the constitution are further granted powers in article 4 of the Local Governance Act, 2016 (Act 936) to operate as an artificial being with the capacity to carry out business transactions in the best interest of its people. Just like the profit making organizations where some individuals act as managers on behalf of the business owners, assembly members cannot be left out when it comes to the administering and managing of district assemblies on behalf of its people. To prevent the struggle that many rural folks go through before having access to portable water and other basic needs, each area is allowed to elect its own assembly member who then acts on their behalf in lobbying for the needs of his people. Every member of the District Assembly is supposed to maintain a very close relation with members of his/her electoral area, take their views, opinions on issues that the District Assembly would discuss and present same to the assembly, inform the people about general decisions of the District

Assembly as well as the actions he has taken to help solve the problems highlighted by the electorates. This is the reason why Tranchant (2011) asserts that the empowerment associated with decentralization is important in reducing national struggle.

Although all electoral areas have representative members at the District Assembly, section 40 and 41 of Act 936 admonish District Assemblies to create enabling environment for residents and other stakeholders in the district to participate effectively in activities of the District Assembly. However, the direct participation by these stakeholders are limited to making an oral representation before the subcommittee in charge of a draft bye-law or a fee fixing resolution is referred to, attend the proceedings of the District Assembly as observers, participate in town hall meetings, budget preparation and validation fora and visit to sites where developmental activities are carried out.

#### **Financial discipline in local government service**

MMDAs in Ghana are regulated by many laws especially with regards to finance. To ensure that revenues received are managed in an efficient manner, there are many laws set to guide the operational activities of local government service. However, in all spheres of live, flouting of laid down rules if not checked would affect the organizational goal and district assemblies are of no exception hence article 253 of the 1992 constitution has mandated the Auditor General to audit the accounts of the District Assemblies annually and submit reports on the audit to Parliament.

Furthermore, section 96 (1) of the PFMA, 2016 (Act 921) states that any person who is connected with the disbursement of public funds could be convicted to imprisonment between six months and five years or to a fine of not less than one hundred penalty units and not more than two thousand, five hundred penalty units or to both if he commits any of these acts;

(1) Makes an unauthorized commitment resulting in financial obligation for the government

(2) is responsible for any improper payment of public funds or payment of money that is not duly verified in line with existing procedures.

(3) is responsible for any deficiency in or for the loss, damage or destruction of any public funds, stamp, security, stores or any other government property,

(4) in relation to the duties of that person, willfully makes or signs a false certificate, false return or false entry in a book, or

(5) fails to report knowledge or information in respect of fraud committed by a person against the government, contrary to any enactment related to public financial management, to the appropriate authority or law enforcement authority. Similarly, section 96 (2) of the PFMA, 2016 (Act 921) also state

that “A person, acting in an office or employment connected with the procurement or control of Government stores, or the collection , management or disbursement of amounts in respect of public fund or public trust who authorizes an expenditure exceeding the approved appropriation in the relevant budget commit an offence and is liable on summary conviction to a term of imprisonment of not less than six months and not



more than twelve months or to a fine of not more than the value of the assessed impact of the commitment or to both .

### **Local government decentralization and the district assembly system in Ghana**

Prior to the drafting of the 1992 Ghanaian Constitution, Ghana was governed through 10 Administrative regions and 110 District Assemblies. Article 241 (1) of the 1992 republican Constitution adopted all these District Assemblies by stating that “for the purpose of local government, Ghana shall be deemed to have been divided into districts in existence immediately before the coming into force of this Constitution. Although, Article 241(2) of the 1992 Constitution stipulate that “Parliament may by law make provision for the redrawing of the boundaries or reconstituting the districts”, Bagulo (2012) noted that there were no formal procedures to be followed to get these changes done until the Local Government Act. 1993 (Act 462), was enacted which came to spell out in clear terms, procedure and criteria for the creation of Districts and constituencies. The Kuffuo’s government in 2004 first invoked the powers under subsection 2(a) of section 1 of the Local Government Act, 1993 (Act 462) and the Mills government in 2012 also did same to create new Districts. However, a new Local Government Act 20016, (Act 936) was passed and became the source of authority upon which the Akkuffo-Addo’s government created new districts in 2018 which brings the current number of MMDAs in Ghana to 260 as shown in Table 1.

**Table 1: Regional Breakdown of MMDAs in Ghana**

REGIONS	No METROPOLIS	OF MUNICIPAL	No DISTRICT	OF	TOTAL No OF MMDAs
Greater Accra	2	23	4		29
Ashanti	1	18	24		43
Eastern	-	14	19		33
Western	1	8	5		14
Central	1	7	14		22
Upper East	-	3	12		15
Upper West	-	5	6		11
Northern	1	10	5		16
Savanna	-	2	5		7
North-East	-	2	4		6
Volta	-	7	11		18
Oti	-	2	6		8
Bono East	-	4	7		11
Bono	-	6	6		12
Ahafo	-	3	3		6
Western	-	3	6		9
North					

Source: Field survey (2021)

## **Public sector regulatory framework of Ghana as a measure to ensure control of public expenditure.**

As a measure to ensure the transparency and accountability in the management of public funds in public institutions in Ghana, many mechanisms were put in place in the forms of laws and regulations. According to ICA-Ghana (2010), before any state institution can obtain government recognition or funding, it must be shrouded in government legality, quasi-legality or some government regulations. This is a fundamental principle in every country across the globe. It additionally explained that, laws are aiding performances and the regulations provide procedures for the day to day running of activities of the institutions. Therefore, all institutions of the state are covered by laws. This led to the enactment of The Financial Administrative Decree 1967 (NLCD 165) which established the Consolidated Fund and others though some of these rules were repealed later by the 1972 Audit Service Degree.

According to Arhin (2020, Lecture note unpublished), the regulatory framework governing the public sector in Ghana may be categorized into Legislative, Administrative and Professional frameworks. The Legislative framework which refers to rules and laws enacted by parliament to regulate the management of public funds includes the 1992 Constitution (chapter 13), Public Financial Regulation 2019 (L.I 2378), Public Financial Management Act 2016 (Act 921), the Financial Administration Act (2003) Act 654, Financial Administration Regulation 2004 (L.I 1802), Public Procurement Act 2003, Act 663, Public Procurement Amendment Act 2016 (Act 914), Income Tax Act 2015 (Act 896),



Audit Service Act 2000 (Act 584), Internal Audit Agency Act 2003(Act 658), Local Government Act 1993 (Act 462), Financial Memorandum of MMDAs, 2004, National Pension Act 2008 (Act 766), the Internal Revenue Act, the Customs Excise and Preventive Act, The Bank of Ghana Act, the District Assembly Common Fund Act, and Petroleum Revenue Management Act 2011 (Act 815).

Arhin (2020: Lecture note unpublished), avers that the administrative framework are guidelines, rules, measures and directives issued by those entrusted with public financial management (MOF,CAG,AG and BOG) which are consistent with the financial legislations to ensure compliance with laws such as Accounting manuals issued by CAG to MDAs and MMDAs, Budget preparation guidelines and policies issued by MOF, Budget Implementation Guidelines issued by MOF, Warrants and cash release instructions issued by MOF, Disbursement procedures issued by CAG and MOF, Chart of Accounts of GOG issued by CAG, Auditing standards issued by AG and IAA, Other directives and instructions and other regulations that parliament may enact from time to time (Centre for policy Analysis, 2005; ICA-Ghana, 2010).

He also avers that professional frameworks come in the form of standards issued by standard setting bodies including the current accounting standard used in the Public Sector called International Public Sector Accounting Standards (IPSAS) issued by International Public Sector Accounting Standards Board (IPSASB) with 39 standards issued, Recommended Practice Guides (RPGs) and Conceptual framework for General Purpose Financial Reporting(GPFR).

## Empirical Review

### Expenditure control mechanisms

Ayikwei, (2016) undertook a study on the effectiveness of the disbursement and utilization of the district assembly common fund (DACF) in the Gomoa East District. The study employed both primary and secondary data and revealed the following as its major findings: That the administrator of the DACF is primarily responsible for the effective monitoring of the disbursement and utilization of the DACF through its demand of DACF budgets and reports from the MMDAs, it also revealed that stakeholders are largely involved in the selection of DACF funded projects and also, community members have adequate knowledge about the fund but are generally not satisfied with projects funded by the DACF, citing the delays in the release of the fund as a major setback in the successful execution of DACF projects. It was also reported that over the years, the DACF has led to improvement in the social and economic infrastructure in the district and finally, that the DACF is characterized by too many deductions at source by the central government. The study concludes that the fund has indeed improved the socio-economic infrastructure and lives of the citizens in the district. However, the delays and the shortfalls between projected and actual allocations stalls some projects and prevent others from being realized.

Mensah, (2012) also undertook a case study on how the Ga South Municipal Assembly manages internally and externally generated funds. Simple percentages were employed to analyze and interpret the data and it was discovered that the district assembly spend more on capital expenditure than recurrent expenditure. It

was also revealed that internally generated revenue is far below their budget in the years under study.

Owusu, (2012), conducted a study into revenue mobilization and its impact on the development of Kpando Municipal assembly in the Volta Region. The study set out to discover other revenue sources that are not being explored by the Assembly, strategies adopted for revenue collection and accounting standards and contribution of internally generated fund. The results indicated that there are other revenue sources that are not being explored by the Assembly. It also revealed that IGF is insignificant to fund developmental projects of the Municipality.

Dzansi et al., (2018), also conducted a survey of local government revenue mobilization capacity in Ghana by collecting data on property valuations, use of revenue management software and databases, billing and collection procedures, enforcement, cost of collection, and residents' knowledge of local government revenue collection and expenditures. It was discovered that low usage of revenue management software has significantly affected revenue mobilization of most MMDA's. There was also high cost of revenue collection aside the low usage of electronic payment mode by rate payers creating the opportunity for high rates of leakages. The study further revealed that a major constraint of IGF is that most MMDA's try to impose un-assessed property rates on property owners.

Finally, it was revealed that while most MMDA's poorly inform their residents about the Assembly's revenue collection and expenditure, most residents do not know about expenditures funded by their MMDA and also most District Officials have inaccurate views about their residents' expenditure priorities because



most residents describe roads and water as their topmost priorities while District Officials report education and health as their district's priority. Okpa (2019) also used questionnaire in collection of data and employed survey design to study alternative revenue streams for school-base funding and sustainability of higher education in Nigeria. The study concluded that advertising and sponsorship, food retailing services, renting of physical facilities and educational services are very crucial in sustaining higher education.

### **Weaknesses in Expenditure Control Systems**

Kiswanto, Hajawiyah and Mahera (2020), also carried out a study on factors influencing the weaknesses of internal controls of local government in Indonesia. The study seeks to examine the factors that influence local government internal control weaknesses including leverage, locally generated revenue, capital expenditure, regional complexity, and findings of previous year's internal control weaknesses. The study employed purposive sampling and discovered that locally generated income, capital expenditure and findings of previous year's internal control positively affect weaknesses of local government internal controls, while leverage and regional complexity do not. It was also revealed that lack of supervision with regards to revenue and expenditure causes decreases in the quality of local government internal control system.

Ariesa and Berasategu (2009), using Field research and literature, investigated the internal controls on revenue and expenditure cycle of PT. LEVINA and revealed that structural weaknesses, documentation and business

activity(procedure) weaknesses and internal control weaknesses are the potential weakness in the revenue and expenditure.

### Conceptual Framework

As part of the study, a conceptual framework for revenue management practices in District Assemblies was developed to show how District Assemblies manage their revenue. The framework indicate that Agency theory is the authority behind the District Assembly’s ability to mobilize revenue and at the same time expend them. It is therefore important to put in place an effective revenue management practice and robust control systems that could check and control fraud so that revenues would be adequate to meet developmental needs.

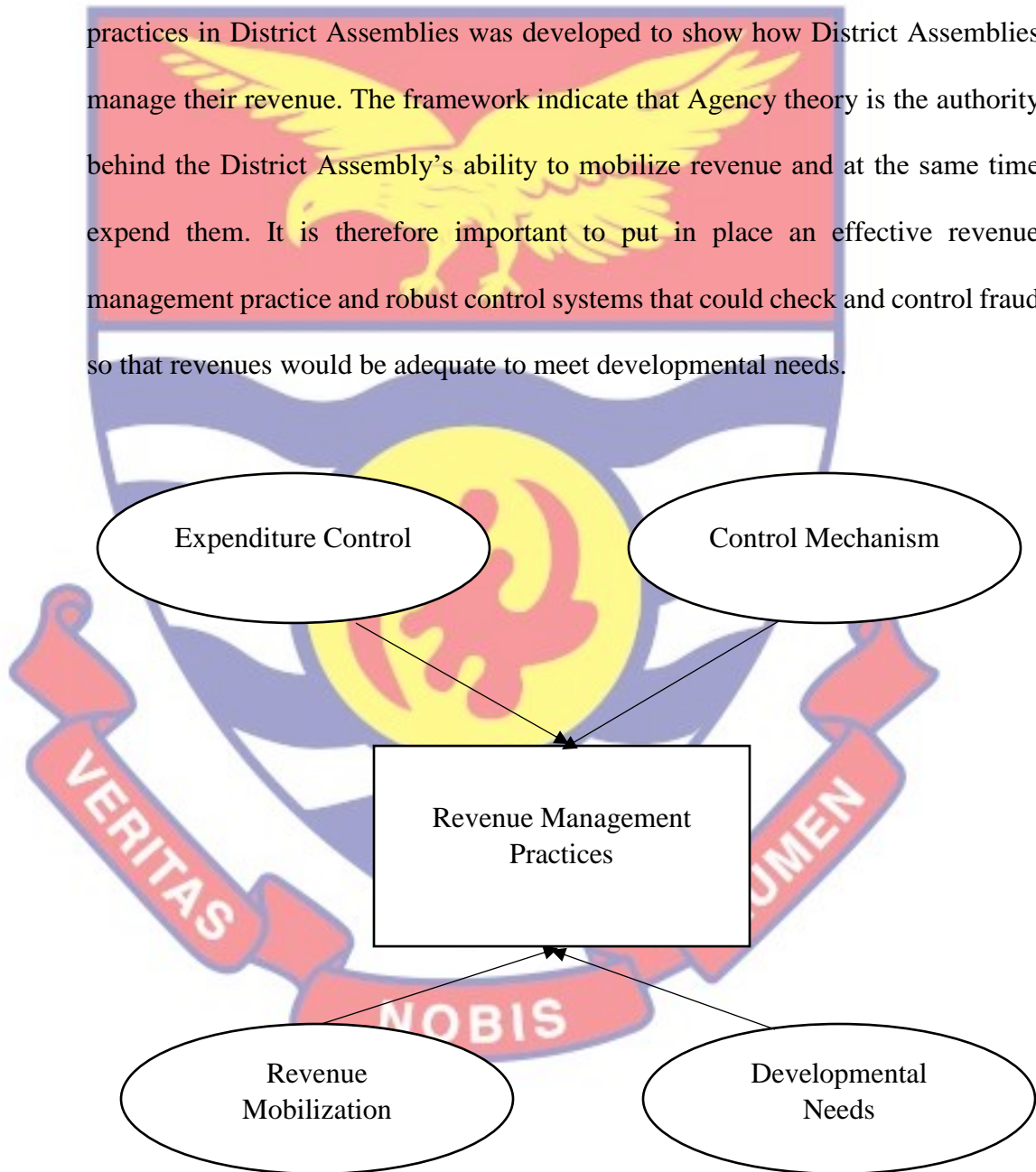


Figure 3: Conceptual Framework

Source: Author’s Construct (2021)

## Chapter Summary

The chapter identified the agency theory, fraud triangle theory and fraud management lifecycle theory as the theoretical foundation upon which the study was conducted. The chapter further presented a series of empirical reviews relating assessing revenue management practices at the Krachi-West District Assembly. It also showed the conceptual framework within which the study was conducted at the conclusion part of this chapter.





## CHAPTER THREE

### RESEARCH METHODS

#### Introduction

Bearing in mind, the purpose of the study which sought to assess the revenue management practices at the Krachi-West District Assembly. This chapter discusses the research design, research approach, study area, population, sampling procedure, data collection instrument, data collection procedures, data processing and analysis.

#### Research Approach

Sekaran and Bougie (2016) postulated that, the epistemological underpinning of a quantitative motif holds that there exist definable and quantifiable social facts. The study therefore employed the quantitative research approach based on the nature of the study purpose under consideration, specific objectives, hypotheses and the nature of the primary data to be collected and analysed. Creswell (2014) asserted that quantitative approach deals with explaining phenomena by collecting numerical data that are analysed using mathematically based methods (in particular statistics).

This approach typically begins with data collection based on a hypothesis or theory and it is followed with application of descriptive or inferential statistics (Tashakkori & Teddlie, 2010). Quantitative methods are frequently described as deductive in nature, in the sense that inferences from tests of statistical hypotheses lead to general inferences about characteristics of a population. Quantitative methods are also frequently characterized as assuming that there is a single “truth”

that exists, independent of human perception (Lincoln, Lynham & Guba, 2011). It was also found that the findings from quantitative research can be predictive, explanatory, and confirming (Williams, 2007 as cited in Bernard & Bernard, 2012).

### **Research Design**

A research design according to Cooper and Scindler (2008), is a road map that direct how data should be collected and analyzed so that the objective of the study would be achieved. The inquirer employed a descriptive research method to describe the characteristics of the data that was collected which were presented in tables. Descriptive research appeals to the inquirer due to the following advantages; firstly, it presented the enquirer with the ability to use qualitative, quantitative data or both which means the inquirer has the option to select the data collection instrument. Secondly, it allows the collection of honest and quality data since the research is conducted in the respondents' natural environment. Finally, it helps create real life experiment by avoiding bias on the part of the inquirer because it is unethical for the inquirer to manipulate characteristic of the phenomenon being studied. The inquirer sought the views, perceptions and understanding of stakeholders' in Krachi West District about how revenues generated by District Assembly are managed.

### **Study Area**

The study was conducted in the Krachi West District which has Kete Krachi as its district capital. The present day Krachi West District Assembly was part of ancient Krachi District established on 10<sup>th</sup> March, 1989 via Legislative instrument (1501) among the first districts in Ghana and latter revoked with the passage of L.I

(1755) that divided the Krachi District into Krachi East with Dambai as its capital and Krachi West District with Kete Krachi as its capital. Fast forward into 2012, another Legislative Instrument was passed, L.I (2078) which carved out Krachi Nchumuru District and cited Chinderi as its capital leaving the new Krachi West District with Kete Krachi still the district capital,

According to the 2020 PHC, Krachi West District is geographically located at the north-western corner of the Oti region and shares boundary with Krachi East District to the East, Krachi Nchumuru to the North and Sene West which is being separated by River Volta to the West. It has a total land area of four thousand, one hundred and sixty-nine square kilometers (4,169 sq km) with about some 37% of it covered with water while about seventy-three percent of its population aged fifteen years and older are economically active.

### **Population**

Population of a study is the elements or people to be studied and from whom data are obtained. In other words, it is the entire group of persons that have the characteristics that interest the researcher. Amedahe and Gyimah (2016) defines a population as a group of individuals' persons, objects, or items or entire aggregation of cases that meet a designated set of criteria. The target population of the study was made up of rate payers, Assembly employees and assembly workers in KWDA. The target population of the study are shown in Table 2.



**Table 2: Population of the Study**

Category of Respondents	Size
Rate Payers	5153
Employees	96
Assembly Members	31
<b>Total</b>	<b>5280</b>

Source: Human Resource Office, KWDA (2020)

### **Sampling Procedure**

Sampling is the process of selecting a portion of population to represent the entire population (Amedahe & Gyamfi, 2016). The sample size of the study was determined using the formula developed by Yamane (1967) as cited in Adam (2020). The study used a sample size of 372 out of 5280, calculated at 95% confidence level. Purposive sampling technique was used to select 372 respondents from the categories with knowledge on revenue management practices in KWDA. This was so because they are the key respondents familiar with revenue issues in the district, and were perceived by the inquirer to have the information relevant to the study. Again, purposive sampling technique was use in the sense that those selected are the key individuals who know much about revenue management in the district assembly. Furthermore, this technique helps the enquirer in selecting individuals from heterogeneous background who know much on relevant issues being studied and could provide appropriate answers to items on the questionnaire.

### **Data Collection Instrument**

The inquirer collected both primary and secondary data in examining the revenue management practices in district assemblies, specifically Krachi West

District. Well-structured questionnaires were used in collecting primary data from respondents. The questionnaires were structured into six sections with clearly stated scales to guide respondents in providing easy and relevant information that would help meet the study objectives. Section A covers personal data about respondents such as sex, highest educational background and relation to the assembly. Section B collects data on the expenditure control mechanisms in the assembly while section C contained items that looks out for weaknesses in the expenditure control system. Section D focused on assessing how adequate the assembly's revenue is while section F gathers information about respondents' perception as to why revenue mobilized do not meet developmental needs and finally, section F find out the alternative ways of mobilizing revenue to be able to meet the assembly's developmental needs.

The Inquirer employed both secondary and primary sources to elicit information on the revenue management practices in Krachi West District Assembly. Secondary data were mainly from published articles, books, journals from library and internet, information from the heads of departments and units of the assembly as well as unpublished lecture notes. Also, primary data were collected from some workers of the assembly who are familiar with the assembly's budgeting, revenue collection, expenditure initiation, authorization/payment, fee-fixing resolution and rate payers who are the contributors of the Internally generated fund, assembly members who legislate and pass bylaws on rates, fees, rents and other source of assembly's IGF as well developmental project that will be undertaken by the assembly.

### Pre- Testing of Questionnaires

Reliability test of questionnaire items was established using a pre- test by collecting data from respondents not included in the sample. Data collected from pre-test were analyzed to test the reliability of internal consistency. The researcher made use of five constructs namely, expenditure control mechanism, weaknesses of expenditure control, adequacy in revenue mobilization, why revenue do not meet developmental needs and alternative revenue mobilizations. On construct of expenditure control mechanism, 6 items were used yielding a Cronbach's Alpha value (0.760) with no item removed. On the construct of weaknesses of expenditure controls, 7 items were used given a Cronbach's Alpha value of 0.800 for all item's reliability.

On adequacy in revenue mobilization, 6 items were used and all items were retained for internal consistency with Cronbach's Alpha value of 0.814. On revenue do not meet developmental needs, 8 items were used given a Cronbach's Alpha value of 0.721 with all items retained for items reliability. Finally, on alternative revenue mobilization, 6 items were used given a Cronbach's Alpha value of 0.849 and no items was removed to ensure item reliability. The reliability Cronbach's alpha value for all the measured items with respect to their construct they seek to determine are shown in Table 1 after presenting the questionnaires to 30 participants to assess item's reliability outside the study area before the main study.

The Cronbach's alphas for all constructs are  $> 0.7$ .



**Table 3: Reliability of Questionnaire Items Leading to their Construct**

Construct	No. of Items	Cronbach's
Expenditure Control Mechanism	5	0.760
Weaknesses of Expenditure Controls	7	0.800
Adequacy in Revenue Mobilizations	6	0.814
Why Revenue doesn't meet Developmental Needs	8	0.721
Alternative Revenue Mobilizations	6	0.849
<b>Overall Average Reliability Factor</b>		<b>0.789</b>

Source: Field survey (2021)

### Data Collection Procedures

The researcher first visited the District Assembly's premise on Friday, 12<sup>th</sup> February, 2021, but couldn't see the DCE due to a crunch meeting, however he approached the DCD and familiarize himself and explain the motive behind his visit. On the same day the researcher knocked on the doors of the DFO and the District Budget Officer to brief them about the yet-to-be conducted study. On the second visit, the researcher managed to have access and sought the consent of the District Chief Executive about the research work and to also seek his permission to engage other workers of the assembly to respond to items on the questionnaire in due time.

Afterwards, some heads of departments, units head as well as their subordinates were contacted, briefed and individual consents sought before giving them the questionnaires. Due to the good rapport between the researcher and the assembly workers, some respondents managed to "squeeze" little time out of their busy schedules to provide right away answers to items on the questionnaire with

assistance from the researcher where there was the need, while many others sent the questionnaires to the house and spent days before completing them. The researcher also spent about two weeks contacting respondents among rate payers all over the district in their shops, market centers as well as their homes to brief them and seek their response to items on the questionnaire. Furthermore, the researcher spent couple of weeks travelling across the district to reach out to assembly members as well as chiefs and elders for their responds on the questionnaire items.

Finally, respondents from the media were also approached with the questionnaire who also spent some days before completing items on the questionnaire. In any of these circumstances, the researcher read out and translate into the common dialect (twi) to respondents who could not read/ write and also explained some items on the questionnaire to others who needed assistance for them to be able to provide valid and appropriate response to the best of their knowledge.

### **Challenges on the Field**

Although, the outcome of the study was successful, it was not without challenges. The biggest among them is that, apart from staff of the District Assembly, most of the respondents among rate payers and assembly members are spread across the district making it difficult for the researcher to get them since the researcher have to visit a respondent on about two different occasions before getting him/her responds to the questionnaire depending on his schedules.

Also, most of the respondents especially rate payers find it difficult to read/write hence the Inquirer spends a lot of time to read out and translate into a

suitable dialect (mostly Twi) all items on the questionnaire for a respondent to first understand before he chooses his suitable answers. The combine effects of these challenges brought about delay in meeting time schedule for the collection of data and completion of the research work as a whole.

### **Data Processing and Analysis**

Data processing and analysis operations carried out included data editing, cleaning and classification. Data editing cleaning is the examination of the collected data to detect omissions and errors and to correct them whenever possible. Data classification is the arranging of the collected data in classes or groups with common characteristics. Similar data was then tabulated before being further analysis was conducted. The tabulated data were then analysed using quantitative techniques. Descriptive statistics were used for the analysis of the collected data which included parameters such as measures of central tendencies and the measure of dispersion. Inferential data analysis techniques such as regression analysis were also used to analyse the collected data.

The responses from the questionnaires were then edited, coded using Statistical Package for Social Science (SPSS) version 26.0 for processing. This statistical software is recommended for use in studies in social sciences (De Vaus & de Vaus, 2013). In analysing the data, categories were identified and put into themes for presentation and discussion. Both inferential statistics and descriptive statistics were computed. In terms of all the objectives, the results were analysed using descriptive statistics.



The results were presented using tables. The quantitative data collected was organized in accordance with the research questions. The responses received from the respondents were initially tabulated according to five Likert-Scale (options) contained in the questionnaire. These scales were 1 – least level of agreement, 3 – not sure (uncertain), and 5 – Highest level of agreement.

### **Ethical Consideration**

Questionnaires were administered in accordance with laid down ethics surrounding academic research. Respondents were made aware that any information provided is solely for academic purpose hence, the highest level of confidentiality is assured. This encouraged most respondents among the assembly workers, Assembly members, rate payers as well as opinion leaders who had relevant information kind enough to respond to the questionnaire. Also, all authors whose information became relevant to the study were duly acknowledged through proper citation.

### **Chapter Summary**

This chapter was to describe the methods used in achieving the aim of this study. It has revealed the study design and the researcher's reason for choosing a particular design. The population, as well as the sample size for the study and the sampling techniques used had been discussed. For analysis sake, the chapter touched on the methods for collecting the data and the instruments employed in collecting the data. The chapter has shown enough information about analysing the data and complying with ethical stance. The next chapter which is Chapter four gives a presentation of the results of the collected and analysed data.

## CHAPTER FOUR

### RESULTS AND DISCUSSION

#### Introduction

This chapter presents the results of the study and discusses them in the light of the research objectives that guided this study. The specific objectives of the study were to identify the expenditure control mechanism of Krachi West District Assembly, determine the weaknesses in the expenditure control system, evaluate the adequacy of revenue mobilization of the assembly, discover why revenue mobilized do not meet expected developmental needs and identify other ways of mobilizing revenue to meet developmental needs of the assembly. The data used in the research were obtained through the administering of structured questionnaire. The quantitative and descriptive research design was adopted to aid in the collection of data for analysis. The chapter begins with the demographic data of the respondents and followed by the sections that answer the research objectives.

#### Demographic Characteristics of Respondents

This section discusses the demography characteristics of respondents and the variables are gender, qualification age and average number of years' work. Table 4 shows the distribution of ages, qualifications of respondents and status.

**Table 4: Demographic Characteristics of Respondents**

Variables	Category	Frequency	Percentages
Gender	Male	258	68.8
	Female	116	31.2
Qualification	Basic	229	61.6
	Second Cycle	77	20.7
	Tertiary	66	17.7
Status	Assembly Worker	40	10.4
	Assembly Member	15	4.0
	Rate Payer	317	85.2

Source: Field survey (2021)

Results in Table 4 show that 258 (68.8%) of the respondents are male and 116 representing (31.2%) are female. On qualification of the respondents, the results indicate that the majority of the respondents 229, representing 61.6% had basic education, 77 representing 20.7% had second cycle education and 66 representing 17.7% had tertiary education. With respect to the status of the respondents, results indicate that majority of the respondents 317, representing 85.2% are rate payers, 40 representing 10.4% are Assembly workers and 15 representing 4.0% are Assembly members.

**Table 5: Average Age and Number of Years Respondents had been with the Assembly**

	Min	Max	Mean	SD
Average Years	3	23	8.57	3.29
Average Age of respondent	27	56	40.88	9.33

Source: Field Survey (2021)



Results in Table 5 indicates that on the average respondent spent 8.57 years working hand-in-hand with the assembly and standard deviation of 3.29. Again, respondents had average age is 40.88 and standard deviation of 9.33

### **Expenditure Control Mechanism of Krachi West District Assembly**

To determine the opinions of respondents on expenditure control mechanism in Krachi West District Assembly, respondents were asked to rate their levels of opinions using a Likert scale question of 1-4, indicating 1= least level of agreement, 3= neutral/not sure, 4= highest level of agreement on expenditure control mechanism. Means and standard deviation were computed and mean values less than 3 indicates that expenditure control system is not effective in the Assembly. Results are shown in table 6 below.

**Table 6: Expenditure Control Mechanisms**

Variables	Mean	SD
Expenditure control is important to every public institution	4.36	0.617
There is efficient expenditure control mechanism in the KWDA	1.97	0.703
Operation of composite budget system works in the assembly	4.01	0.559
Expenditure ceiling guidelines are followed during budget	1.95	0.627
Assembly educates pupil to reduce demand on services	1.86	0.619
Mean	2.83	0.625

Source: Field Survey (2021)

Table 6 summarizes the means and standard deviations of five variables used in measuring expenditure control mechanisms in Krachi West District Assembly. It indicated expenditure control is important to every public institution was rated as the most influential variable [M= 4.36, SD = 0.617], which revealed respondents' opinions on the variable relatively close to mean value. Operation of

composite budget system works in the assembly was rated second [M = 4.01, SD = 0.559], which also demonstrate a close view of respondents. The least rated expenditure control mechanisms within Krachi West District Assembly are; there is efficient expenditure control mechanism in the KWDA [M = 1.97, SD = 0.703], expenditure ceiling guidelines are followed during budget preparation [M = 1.95, SD = 0.627] and Assembly educates pupil to reduce demand on government services [M = 1.86, SD = 0.619]. The overall mean and standard deviation are 2.83 and 0.625 respectively indicating that overall, the respondents disagree that expenditure control mechanisms at Krachi West District Assembly are properly done.

#### **Weaknesses in Expenditure Control system in KWDA**

In order to determine the weakness of expenditure control system in the Assembly, opinions of respondents on weakness of expenditure control system measurement variables were obtained. Respondents were asked to rate their levels of opinions using a Likert scale questions of 1-5, indicating 1= strongly disagree, 2= disagree, 3= neutral/ don't know, 4= agree and 5= strongly agree on weakness of expenditure control system. Average responses of respondents are shown in Table 7.

**Table 7: Weakness in Expenditure Control System**

Variables	Mean	SD
There is adequate documentation for initiating, authorizing and approving expenditure	2.06	0.865
The documentation procedures are followed to the latter	2.04	0.803
Officials are regularly trained to stay in track to expenditure	2.35	1.225
The assembly educate the public about things they should do for themselves to help reduce government expenditure	4.19	0.496
Education on expenditure help reduced the expenditure	4.40	0.577
There is segregation of duty to check proper expenditure control system	4.46	0.633
The segregation of duty procedures is followed to the latter	2.56	1.261
Mean	3.15	0.837

Source: Field Survey (2021)

Table 7 summarizes the means and standard deviations of seven variables used in measuring the weakness of expenditure control system in the Assembly. It indicated there is segregation of duty to check proper expenditure control system was rated as the most influential variable [M= 4.46, SD = 0.633], which revealed respondents' opinions on the variable relatively close to mean value. Education on expenditure help reduced the assembly's expenditure was rated second [M = 4.40, SD = 0.577], which also demonstrate a close view of respondents. The assembly educate the public about things they should do for themselves to help reduce government expenditure was identified as the third variables [M = 4.19, SD = 0.496]. The least measured variables of weaknesses of expenditure control system are: segregation of duty procedures are followed to the latter, officials are regularly trained to stay in truck to control expenditure, documentation procedures are



followed to the latter and there is adequate documentation for initiating, authorizing and approving expenditure [M = 2.56, SD = 1.261], [M = 2.35, SD = 1.225], [M = 2.06, SD = 0.865] and [M = 2.04, SD = 0.803] respectively. The overall mean and standard deviation 3.15 and 0.837 respectively indicating that overall, the respondents had opinions that weaknesses of expenditure control systems are a little above midway rating.

### **Adequacy of revenue mobilization of KWDA**

In order to evaluate the adequacy of revenue mobilization of the Assembly, opinions of respondents were obtained based on the items used in assessing revenue mobilization. Respondents were asked to rate their levels of opinions using a Likert scale questions of 1-5, indicating 1= strongly disagree, 2= disagree, 3= neutral, 4= agree and 5= strongly agree on revenue mobilization. Average responses of respondents are shown in Table 8.

**Table 8: Adequacy of Revenue Mobilization**

Variables	Mean	SD
Revenue mobilization is crucial to the survival of Assemblies	4.38	0.485
KWDA mobilize adequate revenue to meet its developmental needs	1.95	0.754
The Assembly meet its revenue target over the last 3 years	1.76	0.630
Revenue mobilized by KWDA over the past 3 years has positively impacted on the economic, social and infrastructural development	1.52	0.585
Projects undertaken by the Assembly are in line with revenue collected	1.57	0.496
Assembly funded some projects through IGF in the past 3 years	1.55	0.632
Mean	2.12	0.597

Source: Field Survey (2021)

Table 8 summarizes the means and standard deviations of six items used in measuring adequacy of revenue mobilization in the Assembly. It indicated revenue mobilization is crucial to the survival of District Assemblies was rated as the most influential variable [M= 4.38, SD = 0.485], which revealed respondents' opinions on the variable relatively close to mean value. Respondents disagree the KWDA mobilize adequate revenue to meet its developmental needs [M = 1.95, SD = 0.754] indicating respondents' opinion relatively close to the mean value. Also, respondents disagree the KWDA meet its revenue target over the last 3 years [M = 1.76 SD = 0.630], which also show respondents opinions are homogenous. The least measured item on the adequacy of revenue mobilization of KWDA are; revenue mobilized by KWDA over the past 3 years has positively impacted on the economic, social and infrastructural development, projects undertaken by the Assembly are in line with revenue collected and Assembly funded some projects through IGF in the past 3 years [M = 1.52, SD = 0.585], [M = 1.57, SD = 0.496] and [M = 1.55, SD = 0.632] respectively indicating respondents disagree on all measured items. The overall mean and standard deviation 2.12 and 0.597 respectively indicating that overall, the respondents had opinions that there is no adequate revenue mobilization in KWDA.

**Account for why revenue mobilized do not meet expected developmental needs of Krachi West District Assembly**

The study further assessed respondents' views on reasons why individual or rate payers feel reluctant to pay fees and why revenue generated do not meet developmental aspirations in the districts. Respondents' views on the objective

were assessed by allowing them to choose as many variables indicating reasons of their reluctance to pay fees and also identify why revenue mobilized do not meet developmental aspirations. Table 9 and 10 shows the results of the respondents' views in terms of numbers and percentages.

**Table 9: Reasons Rate Payers feel Reluctant to Pay Fees**

Variables	Frequency	Percentage
Inadequate sensitization by the Assembly	288	77.42
Unhealthy human relation between collectors and payers	140	37.64
Complaint about not seeing the use of collected funds	316	84.95
Payers take advantage of too close relationship with collectors	112	30.12
Deliberate refusal to pay	149	40.05

Source: Field Survey (2021)

Results in Table 9 show that out of 372 respondents, 288 (77.42%) of the respondents indicated inadequate sensitization by the Assembly is the reason why rate payers feel reluctant to pay fees for revenue generation. 140(37.64%) out of 372 respondents had the views that unhealthy human relation between revenue collected and payers is reasons why rate payers do not pay fees, this shows that majority of the respondents do not hold this opinion. 316(85.95%) out of 372 respondents' complaint about not seeing the use of collected funds in line with developmental projects. 112(30.12%) out of 372 respondents indicated that payers take advantage of too close relationship with collectors as reasons of inadequate revenue mobilization in the district. Finally, 149(40.05%) out of 372 respondents thinks that it is due to deliberate refusal to pay.



**Table 10: Reasons Revenue Mobilized do not meet Assembly’s Developmental Needs**

Variables	Frequency	Percentage
High cost of collection and administration	56	15.05
Inadequate collection staff	279	75.00
High rate of default	328	88.17
Inadequate data on property and persons to be levied	316	84.95
Unaccounted funds by some members of the team	54	14.52
Payers unable to afford high cost of rates and fees	84	22.58
Poor financial management	325	87.37

**Source: Field Survey (2021)**

Table 10 shows that out of 372 respondents, 56 (15.05%) of the respondents indicated high cost of collection and administration is the reason why revenue mobilized do not meet Assembly’s developmental needs. 279(75.00%) out of 372 respondents had the views that inadequate collection staff is a reason why revenue collected do not meet developmental needs, this shows that majority of the respondents do hold this opinion. 328(88.17%) out of 372 respondents indicated that it is high rate of defaults while 316(84.95%) out of 372 respondents indicated that inadequate data on property and persons to be levied. 54(14.52%) out of 372 respondents indicated that unaccounted funds by some members of the collection team is the reason. Also, 84(22.58%) out of 372 respondents selected payers unable to afford high cost of rates and fees. Finally, 325(87.37%) out of 372 respondents thinks that it is due to poor financial management.

### Alternative revenue mobilization strategies

This section discusses alternative revenue mobilization strategies of KWDA. Respondents were asked to rate their levels of opinions on the ways of mobilizing revenue to meet developmental needs of the assembly, using a Likert scale questions of 1-5, indicating 1= strongly disagree, 2= disagree, 3= neutral, 4= agree and 5= strongly agree. Means and standard deviation were computed and mean values less than 3 indicates absences of opinions. Results are shown in table 11.

**Table 11: Alternative Revenue Mobilization Strategies**

Variables	Mean	SD
Levy automation system could help increase revenue collection of the assembly in a transparent, easy, less costly and speedy manner	4.40	0.491
The assembly's involvement of private operators would help raise the needed revenue to provide the developmental needs of its people	4.09	0.617
Adopt public private partnership (PPP) as a means of improving revenue collection and management for development	1.86	0.453
Construction of bill boards and other advertising platforms by the assembly would help increase the assembly's revenue	4.27	0.657
Mean	3.65	0.554

Source: Field Survey (2021)

Table 11 summarizes the means and standard deviations of variables leading to alternative revenue mobilization strategies. It indicated that the item levy automation system could help increase revenue collection of the assembly was rated as the most influential variable [M= 4.40, SD = 0.491], which revealed respondents'

opinions on the variable relatively close around the mean value. Construction of bill boards and other advertising platforms by the assembly was rated second [M = 4.27, SD = 0.659], which also demonstrate a close view of respondents. The assembly's involvement of private operators in revenue mobilization [M = 4.09, SD = 0.617] indicated a homogenous response. The least rated variables is the recommendation for KWDA to adopt public private partnership (PPP) as a means of improving revenue collection [M = 1.86, SD = 0.453]. The overall mean and standard deviation are 3.65 and 0.554 respectively indicating that overall, the respondents had opinions that the above items measuring alternative revenue mobilizations strategies will lead to improving revenue mobilization in the district.

### Discussion of Results

On the objective to identify expenditure control mechanism of Krachi West District Assembly. The following expenditure control mechanisms items were examined, expenditure control is important to every public institution, there is efficient expenditure control mechanism in the KWDA, operation of composite budget system works in the assembly, expenditure ceiling guidelines are followed during budget preparation and Assembly educates pupil to reduce demand on government services. It was observed that respondents agreed on the following, expenditure control is important to every public institution and operation of composite budget system works in the assembly.

They therefore disagree that expenditure control mechanisms items on efficient expenditure control mechanism in the KWDA, expenditure ceiling guidelines are followed during budget preparation and Assembly educates people in order to reduce demand on government services. The overall mean is less than 3



[ mean of means < 3] indicating that respondent had opinion that expenditure control mechanisms does not work well in KWDA. Finding is similar to that of Ariesa and Berasategu (2009) who investigated the internal controls on revenue and expenditure cycle of PT. LEVINA and revealed that structural weaknesses, documentation and business activity(procedure) weaknesses and internal control weaknesses are the potential weakness in the revenue and expenditure. Similarly, Mensah (2012) also carried out a research on the impact of revenue mobilization on development in Kpando Municipal Assembly and posited that aside the provisions in the Financial Administration Act and Financial Administration Regulation, the District Assembly does not follow these expenditures related procedures to the latter.

On objective to determine the weaknesses in the expenditure control system of Krachi West District Assembly (KWDA). Weakness of expenditure control system, measurement items were analyzed and their mean and standard deviation were computed respectively. The items were as follows: there is adequate documentation for initiating, authorizing and approving expenditure in KWDA, documentation procedures are followed to the latter in the KWDA, officials are regularly trained to stay in track to control expenditure, the assembly educate the public about things they should do for themselves to help reduce government expenditure, education on expenditure help reduced the assembly's expenditure, there is segregation of duty to check proper expenditure control system and segregation of duty procedures is followed to the latter.

Respondents point out that the main weakness of expenditure control system in KWDA are; there is no adequate documentation for initiating, authorizing and approving expenditure in KWDA, documentation procedures are not followed to the latter in the KWDA, officials are not regularly trained to stay in track to control expenditure and segregation of duty with regards to expenditure procedures are not followed to the latter. Results and sampling procedure of the study is similar to Kiswanto, et. al. (2020), as they carried out a study on factors influencing the weaknesses of internal controls of local government in Indonesia using purposive sampling and discovered that locally generated income, capital expenditure and findings of previous year's internal control positively affect weaknesses of local government internal controls, while leverage and regional complexity do not. It was also revealed that lack of supervision with regards to revenue and expenditure causes decreases in the quality of local government internal control system.

The overall mean is a little above a midway response indicating that respondent had midway opinion that there is weakness of expenditure control mechanism in KWDA.

On the objective to evaluate adequacy of revenue mobilization of the KWDA. The study evaluated six items of which one of them was highly rated as adequacy of revenue mobilization. The respondents disagree on the five items used to evaluate the adequacy of revenue mobilization, they indicated that KWDA does not mobilize adequate revenue to meet its developmental needs, the Assembly has not been able to meet its revenue target over the last 3 years, revenue mobilized by KWDA over the past 3 years has not positively impacted on the economic, social

and infrastructural development of its people, projects undertaken by the Assembly are not in line with revenue collected and the District Assembly has not been able to fund projects through IGF in the past 3 years.

The overall mean of items evaluating adequacy of revenue mobilization is less than 3 indicating that respondent disagree that there is adequacy of revenue mobilization in KWDA. The findings are partly in line with the study undertaken by Nii Ayikwei(2016) who looked into the Effectiveness of The Disbursement and Utilization of The District Assembly Common Fund (DACF) in the Gomoa East District and observed that, community members are not satisfied with projects funded by DACF just like those funded by internally mobilized revenue. However, his findings that the DACF has positively impacted on the economic, social and infrastructural development of the people of Gomea East is in sharp contrast with the findings of this study which revealed that revenue mobilized in KWDA has not positively impacted on its people.

On the objective to discover why revenue mobilized do not meet expected developmental needs in KWDA. The study sought the views of respondents on the reasons why rate payers feel reluctant to pay fees based on these variables; inadequate sensitization by the Assembly, unhealthy human relation between revenue collectors and payers, complaint about not seeing the use of collected funds, payers take advantage of too close relationship with collectors and deliberate refusal to pay. Majority of the respondent indicated that the main reasons why rate payers feel reluctant to pay rates and fees in KWDA are inadequate sensitization by the Assembly and complaint about not seeing the use of collected funds. Few of



the respondents also indicated that the reasons are unhealthy human relation between revenue collectors and payers, payers take advantage of too close relationship with collectors and deliberate refusal to pay.

The study further sought the views of respondent as to why mobilized revenue in KWDA do not meet developmental needs in the district based on variables such as; high cost of collection and administration, inadequate collection staff, high rate of default, inadequate data on property and persons to be levied, unaccounted funds by some members of the collection team, payers unable to afford high cost of rates and fees and poor financial management. Majority of the respondents indicated that inadequate collection staff, high rate of default, inadequate data on property and persons to be levied and poor financial management are the reasons that mobilized revenue are not able to meet developmental needs in the district.

Again, few of the respondents also indicated that reasons of revenue not meeting developmental needs are high cost of collection and administration, unaccounted funds by some members of the collection team and payers unable to afford high cost of rates. Results of the study corroborate with Owusu, (2012), who conducted a study into revenue mobilization and its impact on the development of Kpando Municipal assembly in the Volta Region and revealed that IGF is insignificant to fund developmental projects of the Municipality.

On the objective to identify alternative revenue mobilization strategies at Krachi West District Assembly. The following alternative revenue mobilization strategies were examined, levy automation system could help increase revenue

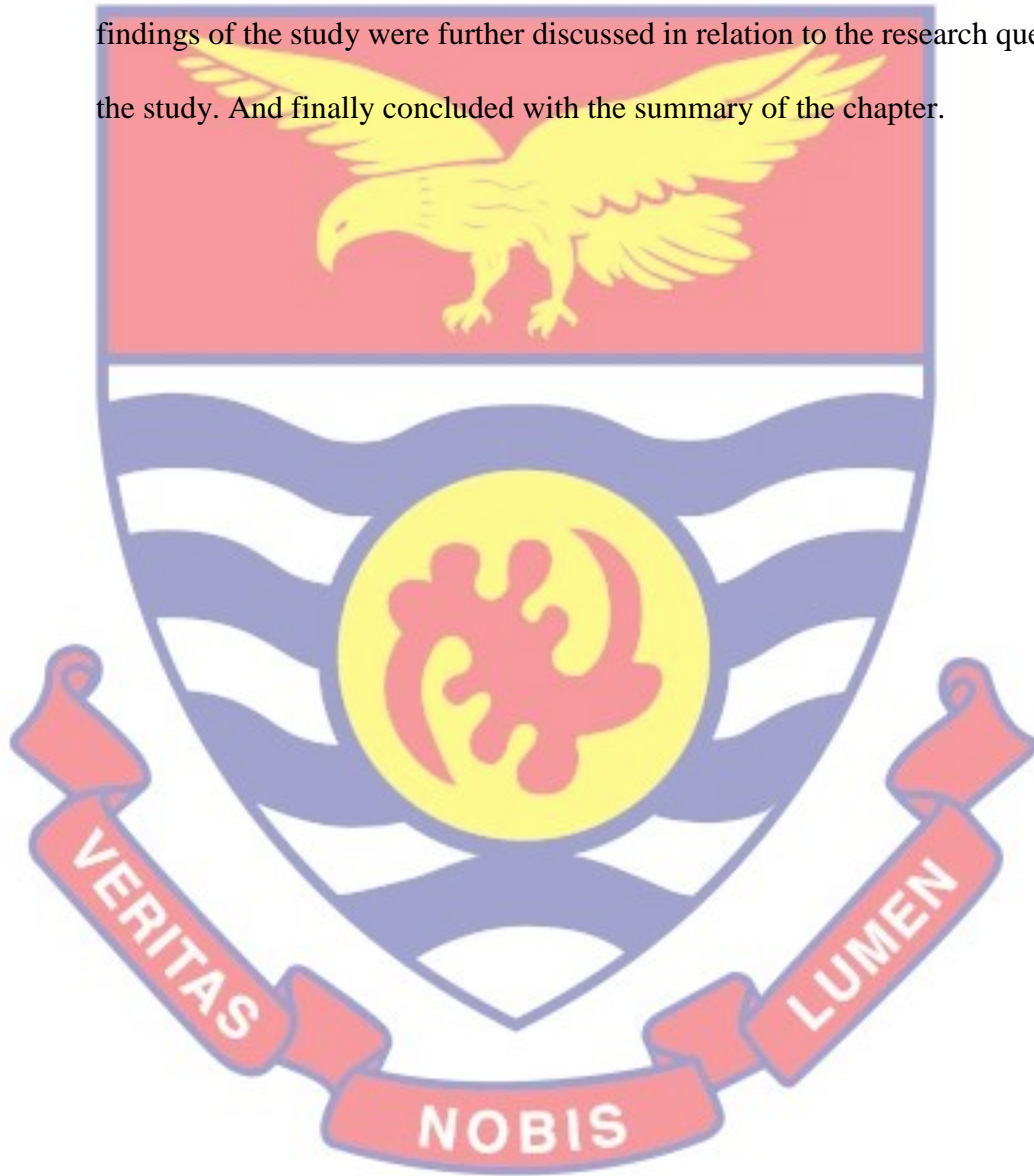
collection of the assembly in a transparent, easy, less costly and speedy manner, the assembly's involvement of private operators would help raise the needed revenue to provide the developmental needs of its people, Public Private Partnership (PPP) as a means of improving revenue collection and management in order to provide the needed development and construction of bill boards and other advertising platforms by the assembly would help increase the assembly's revenue.

It was observed that respondents agreed on the following, levy automation system could help increase revenue collection of the assembly in a transparent, easy, less costly and speedy manner, the assembly's involvement of private operators would help raise the needed revenue to provide the developmental needs of its people and construction of bill boards and other advertising platforms by the assembly would help increase the assembly's revenue mobilization. The overall mean is more than 3 [mean of means < 3] indicating that respondent had opinion that the alternative revenue mobilization strategies if implemented will improve revenue base of KWDA.

Findings are similar to that of Owusu, (2012), who conducted a study into revenue mobilization and its impact on the development of Kpando Municipal assembly in the Volta Region and set out to discover other revenue sources that are not being explored by the Assembly, strategies adopted for revenue collection and accounting standards and contribution of internally generated fund. Owusu's results indicated that there are other revenue sources that are not being explored by the Assembly. It also revealed that IGF is insignificant to fund developmental projects of the Municipality.

## Chapter Summary

The chapter has provided an analysis of the data with respect to the key objectives of the study. The chapter began with a provision of key descriptive characteristics to understand the nature of the respondents of this study. The findings of the study were further discussed in relation to the research questions of the study. And finally concluded with the summary of the chapter.





## CHAPTER FIVE

### SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

#### Introduction

This chapter summarizes the main findings of the study in relation to the research objectives, conclusions of the study and gives recommendations based on the findings of the study.

This study critically evaluated the revenue management practices employed by District Assemblies in Ghana specifically Krachi West District Assembly (KWDA) under the following research objectives: Identify expenditure control mechanism of Krachi West District Assembly, Determine the weaknesses in the expenditure control system of Krachi West District Assembly (KWDA), Evaluate the adequacy of revenue mobilization of the (KWDA), Discover why revenue mobilized do not meet expected developmental needs and Identify alternative revenue mobilization strategies to meet developmental needs at Krachi West District Assembly

The research design employed was descriptive research design in quantitative sense with cross sectional survey method for data collection. The target population of the study was all Rate payers, Employees of the Assembly and Assembly members in Krachi West District Assembly (KWDA). The study used a sample size 372 respondents from the total population and purposive sampling technique was used to select respondents from the categories with knowledge on revenue management practices in KWDA to make up the sample size. Data were collected by means of 5-point Likert type questionnaire rating from 1-5, indicating

1 as the least rating and 5 as the highest rating. Data were analyzed using statistics package for social science version 23 (SPSS) by employing mean, standard deviation and percentages. On demographic characteristics of the respondents, data collected and analyzed indicated that most of the respondents were rate payers, male and have had Basic Education.

### **Summary of Key Findings**

Research objective one identified expenditure control mechanism of Krachi West District Assembly. The study revealed that in KWDA respondents indicated that there is no adequate documentation for initiating, authorizing and approving expenditure in KWDA, documentation procedures are not followed to the latter in the KWDA, officials are not regularly trained to stay in track to control expenditure and segregation of duty procedures are not followed to the latter

Research objective two determines the weaknesses in the expenditure control system of Krachi West District Assembly (KWDA). The study observed that respondents disagree that there is efficient expenditure control mechanism in the KWDA, expenditure ceiling guidelines are followed during budget preparation and Assembly educates pupil to reduce demand on government services. It was again revealed that overall mean of items used in measuring expenditure control mechanisms fall in line with disagreement

Research objective three evaluate the adequacy of revenue mobilization of the KWDA. Results revealed that KWDA does not mobilize adequate revenue to meet its developmental needs, the Assembly has not been able to meet its revenue target over the last 3 years, revenue mobilized by KWDA over the past 3 years has

not positively impacted on the economic, social and infrastructural development, projects undertaken by the Assembly are not in line with revenue collected and the District Assembly has not been able to fund projects through IGF in the past 3 years.

Research objective four discovered why revenue mobilized do not meet expected developmental needs in KWDA. Results revealed that majority of the respondent indicated that the main reasons why rate payers feel reluctant to pay fees in KWDA are inadequate sensitization by the Assembly and complaint about not seeing the use of collected funds. Results further revealed that due to inadequate collection staff, high rate of default, inadequate data on property and persons to be levied and poor financial management are the reasons why KWDA is not able to mobilized revenue to meet developmental needs in the district.

Research objective five identified alternative revenue mobilization strategies at Krachi West District Assembly. Results revealed that and alternative revenue mobilization strategies are, levy automation system could help increase revenue collection of the assembly in a transparent, easy, less costly and speedy manner, the assembly's involvement of private operators would help raise the needed revenue to provide the developmental needs of its people and construction of bill boards and other advertising platforms by the assembly would help increase the assembly's revenue mobilization.



## Conclusion

On the findings of objectives, the study concludes that there is no adequate documentation for initiating, authorizing and approving expenditure in KWDA, documentation procedures are not followed to the latter in the KWDA, officials are not regularly trained to stay in track to control expenditure while segregation of duty procedures are not followed to the latter in District Assembly. The study again concludes that there is no efficient expenditure control mechanism in the KWDA, expenditure ceiling guidelines are not followed during budget preparation and Assembly does not educate people to reduce demand on government services.

The study further concludes that KWDA does not mobilize adequate revenue to meet its developmental needs. Also, the Assembly has not been able to meet its revenue target for the past 3 years and revenue mobilization has not impacted on the infrastructural development while projects undertaken by the Assembly are not in line with revenue collected. Additionally, the study concludes that due to inadequate sensitization and complaint about not seeing the use of collected funds, inadequate collection staff, high rate of default, inadequate data on property and persons to be levied and poor financial management the Assembly have not been able to mobilized enough funds.

It further concludes that the alternative way to mobilize funds at the Assembly is levy automation system, involvement of private operators and construction of bill boards and other advertising platforms.

## Recommendations

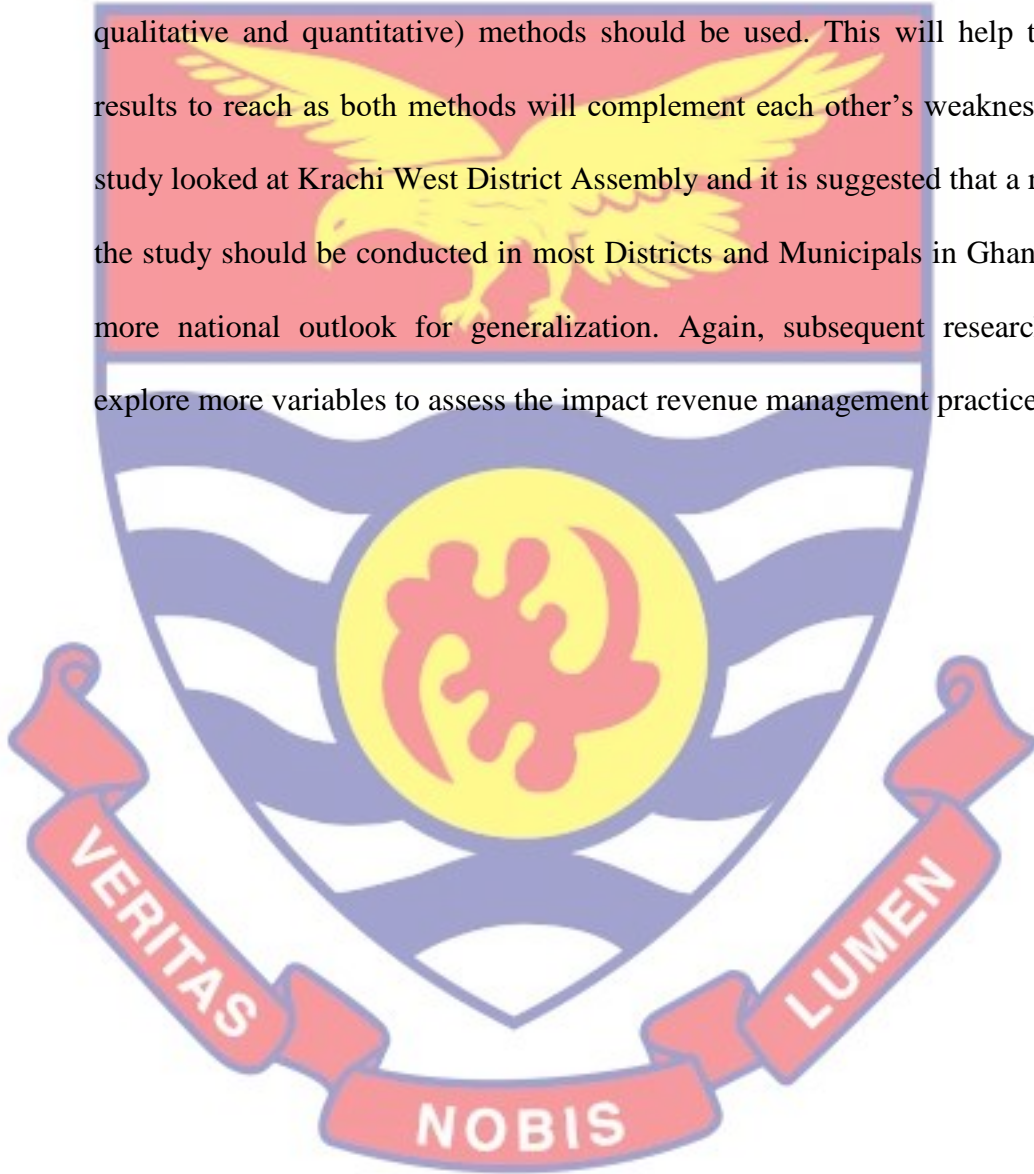
From the findings and conclusions of the study, the following recommendations were proposed. It is recommended to the management of the Assembly should streamline and enhance its documentation in order to initiate expenditure controls, documentation procedures should be followed to the latter and officials handling financial matters in the Assembly should be trained regularly to stay on track with control expenditure.

It is again recommended that the Assembly should strengthen its expenditure control mechanism, ensure adherence to expenditure ceiling and also educate people about self-help projects that would help to reduce demand for government services. Also, KWDA should embark on adequate and consistent sensitization about the importance of rate/fee paying to the Assembly and at the same time let the people know the use of collected funds.

It is further recommended that the assembly should provide safe means of transport especially to the Islands and motivate its few revenue collection staff to enter every corner within the district for revenue. There must be consistent measure to punish defaulters to serve as deterrence to others. There should be improvement on data on property to be levied as well better financial management system. Also the Assembly should use levy automation system and also involve private operators for their rate collections

### Suggestion for Further Research

This study was based on quantitative analysis, as a result, the employees were not able to describe the situation and explain in detail the reasons behind the answers that were given. In view of this soon, the mixed method (that is, both qualitative and quantitative) methods should be used. This will help the study results to reach as both methods will complement each other's weaknesses. This study looked at Krachi West District Assembly and it is suggested that a replica of the study should be conducted in most Districts and Municipals in Ghana to give more national outlook for generalization. Again, subsequent researchers can explore more variables to assess the impact revenue management practices.





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S/N	Expenditure Control mechanism	1	2	3	4	5
Item6	Expenditure control is important and indispensable to every public institution					
Item7	There is efficient expenditure control mechanism in the KWDA					
Item8	Operation of composite budget system works in the assembly					
Item9	Expenditure ceiling guidelines are followed during annual budget preparation					
Item10	The assembly educate the public in order to reduce the demand for government services					

11. Apart from the control systems enumerated above, please specify other operational mechanism at the assembly that help control expenditure?

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**SECTION C: WEAKNESSES IN EXPENDITURE CONTROL**

Please indicate your opinion on the weaknesses in expenditure control system in KWDA on a measurement scale of 1 – 5 with 1 showing least agreement, 5 showing strong agreement and 3 not sure

S/N	Weaknesses of expenditure control system	1	2	3	4	5
Item12	There is adequate documentation on who is responsible for initiating, authorizing and approving expenditure					
Item13	Are the documentation procedures followed to the latter					
Item14	Through seminars/workshops etc., officials are regularly trained to stay in truck with new ways of controlling expenditure					
Item15	The assembly educate the public about things they should do for themselves to help reduce government expenditure					
Item16	Has the education help reduced the assembly’s expenditure?					

Item17	There is segregation of duty with regards to who issues cheque, sign it and who records it in the books					
Item19	The segregation of duty procedures followed to the latter?					

16. In your view, do you see other weaknesses in the expenditure control system in KWDA apart from those enumerated above.

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**SECTION D: ASSESSING THE ADEQUACY IN REVENUE MOBILIZATION**

Please indicate your opinion on assessing the adequacy in revenue mobilization in KWDA on a measurement scale of 1 – 5 with 1 showing least agreement, 5 showing strong agreement and 3 not sure

S/N	Assessing the adequacy in revenue mobilization in KWD	1	2	3	4	5
Item20	Revenue mobilization is very crucial to the survival of all District Assemblies					
Item21	KWDA is able to mobilize adequate revenue to meet its developmental needs					
Item22	The Assembly has been able to meet its revenue target over the last 3 years?					
Item23	Revenue mobilized by KWDA over the past 3 years has positively impacted on the economic, social and infrastructural development of its people					
Item24	you satisfied with the projects undertaken with regards to the quantum of revenue collected.					
Item25	Has the assembly funded some projects through IGF in the past 3 years (2018-2020)					



26. kindly list the projects undertaken by KWDA over the last 3 years (2018-2020) through Internally Generated Funds, if you agree or strongly agree to Likert scale item 25 above?

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**SECTION E: WHY REVENUE MOBILIZED DO NOT MEET DEVELOPMENTAL NEEDS**

Please indicate your opinion on why revenue mobilized do not meet developmental needs of KWDA on a measurement scale of 1 – 5 with 1 showing least agreement, 5 showing strong agreement and 3 not sure

S/N	Revenue mobilization do not meet developmental needs in KWDA	1	2	3	4	5
Item27	Many people do not pay rates, rents, fees and others in Krachi West District.					
Item28	Revenue collectors find it cumbersome to collect revenue for the assembly					
Item29	There are enough revenue mobilization team in KWDA?					
Item30	The work of revenue mobilization team is very satisfactory					
Item31	Does KWDA involve those who pay rates and fees when fixing rates, fees, and other levies?					
Item32	Are there adequate, proper and robust monitoring mechanisms on revenue collection in the assembly?					
Item33	Property rates collection is very low as compared to other levies					
Item34	Property rate is charged base on the current market price of the property					

35. when was the last time that Assets and properties in KWDA were revalued?

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36. Please tick [√] as many as appropriate in your view, why you think people are reluctant to pay rates, fees and other levies in the district.

Reasons of non-payment	Tick
Inadequate sensitization by the Assembly	
Unhealthy human relation between revenue collectors and payers	
Complaint about not seeing the use of collected funds	
Payers take advantage of too close relationship with collectors	
Deliberate refusal to pay	

Other reasons specify (if any)

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..... 37. Please tick [] as many as appropriate the reason(s) why you think revenue mobilized do not meet assembly's developmental needs

Reasons of non-payment	Tick
High cost of collection and administration	
Inadequate collection staff	
High rate of default	
Inadequate data on property and persons to be levied	
Unaccounted funds by some members of the collection team/ embezzlement	
Payers unable to afford high cost of rates, fees etc	
Poor financial management	

Other reasons specify (if any)

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**SECTION E: ALTERNATIVE REVENUE MOBILIZATION TO MEET DEVELOPMENTAL NEEDS.**

Please indicate your opinion on alternative revenue mobilization to meet developmental needs of KWDA on a measurement scale of 1 – 5 with 1 showing least agreement, 5 showing strong agreement and 3 not sure

S/N	Alternative revenue mobilization strategies	1	2	3	4	5
Item38	Levy automation system could help increase revenue collection of the assembly in a transparent, easy, less costly and speedy manner					
Item39	The assembly’s involvement of private operators (PPP) would help raise the needed revenue to provide the developmental needs of its people					
Item40	Would you recommend Public Private Partnership as a means of improving revenue collection and management in order to provide the needed development?					
Item41	Do you agree that construction of bill boards and other advertising platforms by the assembly would help increase the assembly’s revenue?					
Item42	With regards to the quantum of revenue collected, are you satisfied with the projects undertaken?					
Item43	Has the assembly funded some projects through IGF in the past 3 years (2018-2020)					

44 Please state your reasons why you will recommend levy automation system for KWDA as another means of increasing revenue collection.

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45 Please state any other strategies that would help KWDA to mobilize revenue efficiently and effectively so as to help meet the developmental needs of its people.

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End of questionnaire, Thank you

