





CHALLENGES FACED BY METROPOLITAN, MUNICIPAL AND DISTRICT ASSEMBLIES (MMDA'S) IN INTERNAL REVENUE MOBILIZATION IN GHANA



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ABSTRACT

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Exploring on the challenges faced by the Metropolitan, Municipal and District Assemblies (MMDA's) in internal revenue mobilization, this study sets on to investigate the revenue sources of the IGF as well as challenges faced by the District Assembly in IGF mobilization while elaborating on the factors that contribute to the high rate of non-compliance of Internally Generated Fund (IGF) that are levies with the La Dadekotopon District Assembly as case under study. The sample was made up of District revenue officials consisting of the budgeting committee, the audit committee, revenue collection team and staff whose work are related to the subject matter. The results indicated that there are other revenue sources that are not being explored by the Assembly. It also identified some of the challenges faced in revenue mobilization to be inadequate logistics, lack of accurate and current data, poor tracking of economic activities and inadequate education on the part of tax payers. To increase revenue mobilization of the Assembly, the study discovered that there should be continuous education of the tax paying public, prosecution of defaulters and training for Revenue collectors.

Contribution/ Originality: This study is one of the very few studies which have investigated the phenomenon of internal revenue mobilization in the local government sector of Ghana.

1. INTRODUCTION

Ghana's comprehensive decentralization programme aimed at bringing governance closer to the citizens was implemented in the late 1980s. This period witnessed the gradual transfer of power, authority and resources to the District Assemblies. The decentralization programme has since made modest gains, especially in promoting local participation in political governance. Decentralization has been pursued in most developing countries as part of efforts to promote political, social and economic participation of the citizens in the overall development of their localities. Despite these expectations, the decentralization process has hardly delivered the desired results. Decentralized local governments have particularly not performed very well in the promotion of economic development and poverty reduction (Adu-Gyamfi, 2014).

The District Assemblies in Ghana are required to provide administrative, fiscal, social services and amenities to their residents. These responsibilities have been increasing in nature as a result of the gradual decentralization of some of these responsibilities which hitherto were being performed by the central government. If local

governments are to carry out decentralized functions effectively, they must have adequate levels of revenue either raised locally or transferred from the central government as well as the authority to make decisions about expenditures. Internally generated funds (IGF) means revenue mobilization include fees and fines, rates, income from investments, lands and royalties, rent from Assembly building and licenses etc. are mandated by the local Government Act 462, 1993 to be administered by MMDAs from their area of jurisdiction (Ayensu, 2013).

The La Dadekotopon District relies substantially on internally generated funds for effective functioning of its operations. However, the challenges that comes with internal revenue mobilization has made it nearly impossible for the community to reach its target revenue. However, while the Central system of Government is able to finance its deficit with loans, the local government is unable to solicit for such facility.

The La Dadekotopon District system of revenue generation, collection and its management are seemed to be hampered by the unidentified constraints. This study therefore examines the challenges of internally generated revenue of MMDAs.

Given this challenge outlined, the study dwells on some objectives to critically examine the challenges faced by MMDAs in their revenue mobilization process such as identify the various sources of internally generated fund in the La Dadekotopon District, examining the challenges in the mobilization of internally generated fund of La Dadekotopon District and identifying factors that contribute to the high rate of noncompliance of internally generated fund that are levies in the District.

In terms of organization, ensuing the introduction in section one is the literature review captured in section two. This section consists of literature related to the study and researches opinion on the subject matter. Section three elaborates on the methodology utilized for the study consisting of the mode of data collection and analysis procedure. Section four discusses and analyzes the result of the study which focuses on analyzing and discussion of the findings from the responses of population selected amidst interpretation of the findings from the population selected for the study. Section five summarizes the study, presents conclusion and suggested recommendations.

2. CONCEPTUAL AND EMPIRICAL LITERATURE

2.1. Fiscal Decentralization

According to Yaw-Nsiah (1997) fiscal decentralization is the transfer to sub-national governments of the power to mobilize, allocate and manage financial resources according to locally determined priorities. Fiscal decentralization involves the ability to externally and internally generate revenues and has therefore become a very important issue in the decentralization process in many developing countries. Fiscal decentralization has been considered crucial for the effectiveness of the decentralized institutions, without which the local governments cannot achieve the desired developmental goals at the local level. Thus, the absence of fiscal decentralization implies the decentralized institutions would not have the financial means to implement projects in order to achieve their mandates (Dick-Sagoe, 2013). Oates (1972) It has been argued that the most common theoretical rationale for decentralization is to attain allocation efficiency among different local preferences for public goods and services. A core component of the above fact is the ability of the decentralized units to have financial responsibility in order to attain that efficiency. This implies that if decentralized units are to carry out their responsibility effectively, they need to have adequate level of revenues raised locally and or transferred from the central government or from other sources and in addition to have the authority to make decisions about expenditures. This process of distribution of public finance and responsibilities to the various levels of government is usually referred to as fiscal decentralization. According to Wolman (1990) the theoretical argument for fiscal decentralization traces back to Madison and Rousseau, in the 17th and 18th centuries, though they had different reasons for supporting decentralization. Madison argues that leaders must derive their powers “directly from the great body of the people,” Which means that power for locals and “not inconsiderable handfuls of nobles are exercising their oppression by a delegation of their powers” (Antwi, 2016). Madison believes that the people must be given the mandate to elect

their leaders as a way of “composing the distinct and independent regions, to which they respectively belong”.

The emphasis of fiscal decentralization is to strengthen the finances of sub national governments and thus their capacity to provide public goods and services. The idea is to give local governments some revenue authority and expenditure responsibility, and allow them to decide on the level and structure of their expenditure budgets. In this way the local people will be able to articulate their needs and preferences, and participate in governing their affairs. Fiscal decentralization as a means of achieving local development is based on two main arguments namely economic efficiency and local revenue mobilization (Adu-Gyamfi, 2014). The efficiency argument is that fiscal decentralization moves government nearer to the people and makes local governments more responsible for decisions about the level and mix of taxes and expenditure, thus increasing welfare. The revenue mobilization argument on the other hand for fiscal decentralization is based on the fact that a decentralized tax structure might actually lead to an increase in the overall rate of revenue mobilization. Typically, central governments collect taxes with a high threshold, which leaves many individuals and small firms outside the tax net. What this means is that a significant proportion of taxable capacity is left out of the tax base because central governments lack the familiarity with the local tax base, which makes it difficult to identify small taxpayers and maintain tax toll. In addition, the revenue gains from bringing small taxpayers into the tax net are small and negligible compared with the mobilization costs. However, local governments do have familiarity with the local tax base because of a variety of licensing and regulatory activities in property and land-based transactions. Also, the potential revenue yield from these local taxable activities may be a sizeable part of the local government budget. Therefore, local governments might be able to reach these small payers through local taxes, rates and user charges for the provision and maintenance of local public services at lower cost than the central government (Adu-Gyamfi, 2014).

2.2. Revenue Mobilization

Revenue mobilization deals with fund raising. Revenue is generated from permits rates, fees and fines, lands and royalties, license etc. It is also an income derived from sale of goods and rendering of services to the customers or citizens. According to Olowu and Wunsch (2003) MMDAs can function effectively where there is efficient revenue mobilization capacity or system that achieves results. Revenue generation is referred to the income receive from investment activities undertaken whereas revenue mobilization referred to income receive from providing goods and rendering of services to customers. Kessey and Gunter (1992) stated that internal revenue mobilization involves two aspects which include policy formation and administration policy. Policy Formulation is deciding in advance the objectives and to ensure that laws are made alongside whereas Administration policy also involves implementation of the formulated decisions. Revenue Mobilization started alongside the local government system Act was passed. Sub-national and local government agencies also provide services for revenue.

2.3. Local Governments and Revenue Collection/Mobilization

The need for additional revenue is desired among many local authorities. But improving revenue mobilization has importance beyond that. Requirements for relieving poverty and improving infrastructure are substantial. The need to develop a Metropolitan, Municipal or District Assembly, for instance, may require low-income generating sectors to strengthen their revenue collection systems. Revenue mobilization is the act of marshaling, assembling, and organizing financial contributions from all incomes accruing from identifiable sources in an economic setting. Oates (1998, cited in (Adu-Gyamfi, 2014)) indicated that local revenue mobilization has the potential to foster political and administrative accountability by the empowering communities. Revenue generation, according to Adu-Gyamfi (2014) has been defined as the process of acquiring revenue through investments that bring returns, while revenue mobilization is also defined as the use of available resources to harness revenues that are by law to be paid by citizens, corporate institutions and quasi-governmental organizations on their operations. With respect to district assemblies, revenue and funding arrangements include all revenues and funds available to the Regional

Coordinating Councils (RCCs) and the Metropolitan, Municipal or District Assembly (MMDAs)- Internally Generated Funds, Central Government transfers, development partner support grants, access to borrowing, land rates, mineral royalties, transfers, ceded revenues and external credits. Apart from central transfers, such as from the Common Fund, the Assemblies are expected to engage in activities that can generate revenues to be used for their administrative and other operations. The growth of Africa's towns and cities has outpaced local authority capacity for service delivery in terms of management, infrastructure, and financing (McCluskey, 2003). Firstly, the urban municipal authorities, many of whom were originally instituted as colonial administrative institutions, have not been restructured to cope with the fast-growing population (Saunders *et al.*, 2009). Secondly, a growing number of urban residents live in informal settlements characterized by deficient basic services such as housing, clean water, electricity, sanitation, refuse collection, roads, and transport (Devas and Kelly, 2001). Thirdly, many municipalities are fiscally powerless and depend on money related exchanges and help from focal government (Brosio, 2000). Additionally, the income gathering organizations are frequently wasteful and a lot of incomes gathered are improperly overseen. By and large, a crucial necessity while updating nearby frameworks is more noteworthy accentuations on the cost – adequacy of income accumulation, considering the immediate expenses of income organization, as well as the general expenses to the economy, including the consistence expenses to citizens. What is more, misfortunes through debasement and avoidance should be diminished. Obviously, enhanced income organization cannot make up for awful income outline. In this way, changing the income structure ought to go before the change in organization since there is very little legitimacy in making a terrible income framework fairly better (Bahiigwa *et al.*, 2004). To address issues of fiscal imbalance, some countries have established revenue sharing systems to ensure fairer distribution and allocation of central resources, and to ensure that such allocations are not affected by political affiliations. Kenya, South Africa and Nigeria all have such systems. In Ghana, Metropolitan Municipal and District Assemblies (MMDAs) are partners to the central government in the national development and as partners, they are required to generate enough Internal Generated Funds to enable them carry out development projects. The revenue generated internally is used to support the statutory District.

Assemblies Common Fund to provide infrastructural development and services to the people. It is the responsibility of MMDAs to provide municipal and other services as well as maintaining law and order, all of which require enough financial capital. Thus, internal revenue mobilization is therefore paramount, Adu-Gyamfi (2014). The District Assemblies Common Fund is the formula- based system of financial transfers for local development from the Central Government. The Fund was created under Article 252 of the 1992 Constitution to serve as a mechanism for the transfers of resources from the Central Government to the MMDAs. The Article provides that 5% of Ghana's total revenue (now increased to 7.5%) should be paid into the Fund for distribution to the local authorities. To operationalize this constitutional provision, Parliament enacted the District Assemblies Common Fund Act (Act 455) in July 1993 to provide further legislation and detail on the administration of the Fund,. While allocations from the Central Government are very important, for fiscal decentralization to be effective and sustainable, and for local governments to be able to provide effectively for their areas, there is general agreement that local governments have to be fiscally independent and less dependent on Central Government finances. This is the concept behind internally generated revenues. Internally Generated Revenue (IGR) is the revenue the local government generates within the area of its jurisdiction. The extent to which a local government can go in accomplishing its goals will largely depend on its IGR strength (Adenugba and Ogechi, 2013). Incontrovertibly, IGR is not limited to the resources generated within a geographical territory but also include returns on capital investment from offshore and beyond local confinement. Internally Generated Funds consist of all revenues collected by the MMDAs. IGF is a sum of basic, special and property rates, fees, licenses, trading services, specialized funds, such as stool land royalties, timber royalties and mineral development funds, and investment income. Currently, IGFs are the only funds over which the MMDAs have total control. Because the Common Fund and most development partner funds are targeted toward development projects and cannot be used for recurrent

expenditures, the ability for the MMDAs to maintain new and existing infrastructure will become more and more difficult if they are unable to generate adequate funds from their own activities.

2.4. Empirical Literature

Under this section we reviewed some empirical literature on the subjects. In a study conducted by Prichard (2015) using 100 respondents in Yendi, Ghana, they identified the main factors affecting the district assembly levies as follows. Limited resources; District Assemblies lack the resources to administer efficient revenue mobilization system. Lack of support from Central Government; the government does not provide the assemblies with the needed logistics to administer the tax system. Uncommitted local reform leadership was also identified as a challenge.

In a study conducted by Darison (2011) using 200 respondents in Accra, Ghana, he identified lack of I.C.T introduction in the district as a challenge to the assembly's inability to generate enough revenue from IGF. He also identified corruption a linkage to levies noncompliance. The study also identified large coverage of the district in relation to the staff strength and limited logistics as a hindrance to levies compliance. In a study undertaken by Agyapong (2012) in Kumasi, Ghana using 120 respondents, the following were his findings. MMDAS do not use IGF for their intended purpose; they have outmoded strategies for revenue mobilization; lack of tax education and capacity building for tax noncompliance and lack of consultation or involvement of stakeholders in fixing rates. In another study undertaken by Ayensu (2013) in Koforidua, Ghana using 1000 respondents, the following were his findings. Business operators are aware and willing to honor their obligation on levies/ charges. However, they lack the motivation to pay levies in view of lack of communication and prior notification of changes in rates and Revenue collectors. In a study conducted by Adu-Gyamfi (2014) using 85 respondents in the Upper Denkyira East of Ghana, the main challenges affecting revenue mobilization were identified as low tax education, irregular valuation of properties, and poor enforcement of the assembly's bye- laws and inadequate logistics for revenue collectors due to low incentives.

2.4.1. Internally Generated Fund (IGF)

MMDA have been mandated by Act 462 of the constitution to impose levies through land and royalties, fees and fines, rates and licenses. It is generally recognized that revenue generated from the above-mentioned sources is weak due to Local government little fiscal independence (Antwi, 2016). Currently, IGFs are the only funds over which the MMDAs have total control. DACF and funds from development partner and projects are targeted toward development and cannot be used for recurrent expenditure. The MMDAs ability to provide and maintain infrastructure will be more difficult because the IGF is not adequate to cater for such projects (MLGRDE, 2008). Main sources of District Assemblies' internally generated Revenue include Fees; Rates; Licenses; Lands and Royalties; Trading Services; and Miscellaneous.

2.4.2. Problems in Revenue Mobilization

The decentralization process has devolved a lot of responsibility to the Metropolitan, Municipal, and District Assemblies. As part of their responsibilities, they are supposed to control the total development of their coverage area. As part of the devolution of authority from Central Government to the Assemblies they are also mandated by the 1992 Constitution to generate their own income known as the internally generated funds to support their developmental agenda. The revenue generating capacities of the Assemblies have improved over the years; however, they still do not meet their target due to the following reasons:

Firstly, attitude towards payment of rates: The people's unwillingness to pay basic rates is a major challenge confronting several District Assemblies. Basic rates form a considerable proportion of the District Assemblies internally generated revenue therefore the evasion of the basic rates cripples the assemblies' efforts to ensure

sustainable development of the districts. The enforcement of user fees has resulted in widespread resistance to pay from the poorer segments of the urban population.

Secondly, apathy on the part of revenue collectors: This phenomenon has become rampant in the District Assemblies in Ghana. Revenue collectors fail to render accurate accounts to the Assemblies on the revenue generated. Also, some revenue collectors connive and condone with tax payers not to pay the correct amount. This problem has emanated due to the unqualified nature of revenue collectors. These activities of the revenue collectors adversely affect the progress of District Assemblies in Ghana. This affects the District Assemblies' capacity and accountability.

Also, lack of enforcement of payment of property rates: The Local Government Act, 1993, Act 462 identifies property rates as one of the several ways the District Assemblies can employ to raise revenue internally. It is however pathetic to note that several Districts Assemblies in Ghana do not use this means to augment their revenue. Also, due to the use of antiquated methods of collecting property rates, property owners avoid the payment of rates. This has made property rates very costly to administer (Brosio, 2000).

Furthermore, poor tracking of economic activities: The District Assemblies in Ghana are challenged by the failure of some individuals and small-scale enterprises engaged in economic activities to pay tax. Some do not have the mechanism to ensure adequate monitoring of economic activities in their area of jurisdiction. This has resulted in a situation whereby these enterprises pay less than the expected amount of money (Devas and Kelly, 2001).

Lastly, poor Record Keeping: Poor keeping of records of economic activities within the districts are bedeviling smooth growth. District Assemblies in Ghana have inadequate data on all economic activities found in the district. For instance, they do not collect or keep data on the number of hairdressers, tailors, traders, barter, lotto kiosk among others operating within the district. This militates against any attempt to improve internally generated revenue. These sources of revenue when well administered can provide substantial and reliable revenue for local government (McCluskey, 2003).

Effective and efficient local revenue mobilization is a major priority to all District Assemblies; it is however beset with numerous challenges. Attempts and efforts should be channeled towards its resolution. The billing and collection effort by many Assemblies have not lived up to expectation. According to Yeboah *et al.* (2008) the revenue collection rate is very low even though some local Assemblies have employed private partners for the collection. This they attribute to the following; Inadequate data on all economic activities in the district e.g. hairdressers, seamstresses, traders, barter, lotto kiosk, Misclassification of properties and business and inappropriate tax assessment basis, Lack of realistic means of accessing the revenue potential due to lack of accurate data, Revenue collectors not paying to the Assembly all monies collected and the absence of tracking mechanisms, Property owners avoiding the payment of property rates. Some individuals and small-scale enterprises engaged in economic activities avoid the payment of taxes to the Assembly as well as Laborious and time-consuming business licensing and permit acquisitions deter small scale business operators from applying. Also maps, which will serve as the basis for revenue planning, are often only in manual format, obsolete or worn out while some assemblies have no base maps at all. This makes it difficult to relate spatial content to attribute information available.

3. RESEARCH MATERIALS AND METHODS

In terms of methodology, the study adopts the mixed approach. Both qualitative and quantitative research methods were used for the study. A case study approach is adopted since it has the advantage of allowing for an intensive collection of information needed to achieve the objectives of the study. Plans for the survey started in the last quartile of 2018 with a number of meetings with relevant stakeholders at the Ministry of Local government and Rural Development, Ministry of Finance, Office of the Head of Local Government Service, the National Development Planning Commission and the La Dadekotopon District Municipal Assembly. Following the stakeholder meetings, initial drafts of the questionnaires were tested at La Dadekotopon District Municipal

Assemblies and also shared with some of the key stakeholders for their feedback. Specific questionnaires were prepared for each of the respondent categories which focused on their education and experience, as well as comprehensive questions on revenue mobilization capacity (including resources), strategies, practices and constraints. Although the MMDAs have several sources of Internally Generated Funds (IGFs) (summarized as Fees & Fines, Rates, Licenses, Land and Royalties, Rent and Investment income), the survey places more emphasis on two main MMDA internal revenues sources - Property Rates and Business Operating Licenses. Questions were asked about billing, collection, enforcement, technology and database use, as well as revenue collectors' performance, salaries and commissions etc. In all, there were about 14 questionnaires that were developed and harmonized into a single Computer-Assisted Personal Interviewing (CAPI) program, designed using CSPro, which filters the appropriate questions for each respondent category. The data was then collected using network enabled tablets which ensured real time upload and synchronization of the data to a single location for daily examination.

The survey targeted 720 officials and workers whose work is related to in the La Dadekotopon MMDA in Ghana. The officials included Chief Executives, Coordinating Directors, Finance Officers, Budget Officers, Chair of the Finance and Administration Sub-Committee (and in some cases the Presiding Member), revenue accountant, audit and revenue officers (which includes revenue supervisors and superintendents as well as salaried and commissioned revenue collectors). In addition, randomly sampled whose work relate to the subject matter were all duly sampled. Utilizing purposive and convenient sampling technique, the sample size selection of 720 was informed by the key players involved based on their knowledge in the budgeting, finance and revenue generation in the District Assembly. The choice of the officers at the District Administration was informed by the fact that they were directly involved in the processes that led to the setting of the budget processes as well as the management of the revenue generation processes.

4. DATA PRESENTATION, ANALYSIS AND DISCUSSION OF FINDINGS

The data was collected in accordance with the objectives of the study. It contains descriptive information of the sampled revenue collectors of the La Dadekotopon District Assembly. A total number of seven hundred and twenty (720) questionnaires were administered to respondents with 100% response rate. In any research, a return of more than 50% is acceptable and accorded reliable. The data has been presented in the form of graphs, charts and tables.

4.1. Demographic Characteristics of the Respondents

The demographic characteristics have been summarized and displayed in Table 1. The descriptive statistics of the demographics was studied to enable the researcher evaluate the respondent's characteristics relevant to the study. Respondents' sex, educational level and number of services were highlighted.

4.2. Demographic Characteristics of Tax Officials

Table-1. Demographic characteristics of tax officials.

Variables	Frequency	Percentage
Years of Experience		
Less than one year	72	10%
2- 5 years	144	20%
6-10years	306	42.50%
10years and Above	198	27.50%
Total	720	100%
Education		
Basic School	108	15%
High School	72	10%
Tertiary	522	72.50%
No formal Education	18	2.5%
Total	720	100%

Source: Field survey 2019.

4.2.1. Level of Education

15% (108) of the respondents had only basic education while 10% (72) respondents had high school education. The study also revealed that about 72.5% (522) of the respondents indicated they had tertiary education. This implies that majority of the respondents had the needed education which would empower them to appreciate the understanding of district levies. 2.5% of the respondents had no formal education.

4.2.2. Years of Experience of District Tax Officials

10% (72) of the respondents had less than 1 year experience. 20% (144) of the respondents had between 2 to 5 years of experience. 42.5% (306) of the respondents had between 6 to 10 years of experience. 27.5% (198) of the respondents had more than 10 years of experience. The modal class for this distribution was 6 to 10 years of experience, registering 42.5%. It is presumed that the information given by the respondents was true. The study revealed that majority of the respondents had more than three years' experience in the District Assembly revenue collection implying that if revenue officials are given adequate logistics, motivated as well they will be able to achieve their target.

4.3. Levies Charged by the District

The study sought to identify the various levies that are charged by the district. To achieve this objective, the respondents were made to identify among the list, the various levies that were charged by the district which served as sources of the IGF.

Table-2. Levies charged by the district.

Response	Frequency	Percentage
Business operating permit	702	97.50%
Property rates	684	95%
Signage/ Billboards	702	97.50%
Building permit fees	648	90%
Market tolls	504	70%
Fees and fines	594	82.50%

Source: Field survey 2019.

The study identified six levies administered by the district assembly. These were Business Operating Permit (BOP), Property rates, Signage or Billboards, Building Permit Fees, Market tolls and Fees and Fines.

4.3.1. Business Operating Permit

702 out of 720 respondents identified Business Operating Permit as a levy charged or administered by the district Assembly as a source of IGF, this represented 97.5% of respondents which indicates that majority of the revenue officials recognized Business Operating Permit as a levy administered. This represents the annual business operating license fees paid by business owners in the district Assembly.

4.3.2. Property Rates

95% of the respondents identified property rates as a levy administered by the district Assembly. Property rates represents fees charged on properties owned by district members based on valuation.

4.3.3. Signage/ Billboards

97.5% representing 39 of the 40 respondents identified signage or Billboard fees as an administered levy by the district Assembly, this represents fees charged on the use of billboards walls and the various district platforms as a medium of advertisements.

4.3.4. Building Permit Fees

Out of the 720 respondents, 648, representing 90% of the respondents identified Building Permit Fees as administered by the district Assembly. Residents who needed permits to put up building structures were required to pay prescribed fees to the district Assembly which served as a source of IGF for the district.

4.3.5. Market Tolls

This refers to fees charged by the district Assembly for the usage of market facilities for the various commercial activities. 504 of the 720, which is 70% of revenue officials agreed that this levy was charged by the district Assembly, however this represented the lowest outcome which could be as a result of inefficiency in administration or poor contribution of the levy.

4.3.6. Fees and Fines

82.5% of the revenue officials identified fees and fines as a levy charged by the district Assembly. This represented the fees such as slaughter house, parking tickets, entertainment, marriage and divorce and court fines paid by residents which contribute to the IGF.

4.4. Likert Scale Showing the Contribution of Each I.G.F to the District Revenue

The contributions of the various sources of the IGF are ranked in [Table 3](#):

Table-3. Rankings of Contributions to the IGF.

	Scale 1	Scale 2	Scale 3	Scale 4	Scale 5
Revenue Source	Very Low	Low	Average	High	Very High
	Frequency %	Frequency %	Frequency %	Frequency %	Frequency %
Signage/ Billboard	-	-	-	324(45%)	396(55%)
Property rate	-	-	-	234(32.5%)	486(67.5%)
Business operating permit	-	-	-	108(15%)	612(85%)
Fees and fines	-	36(5%)	72(10%)	306(42.5%)	306(42.5%)
Market tolls	-	18(2.5%)	54(7.5%)	144(20%)	504(70%)
Building permit fees	-	-	90(12.5%)	198(27.5%)	432(60%)

Source: Field survey, 2019.

From the [Table 3](#) above a Likert scale marked 1-5: 1 being “very low”, 2 for “Low”, 3 being “Average”, 4 being “High” and 5 being “Very High”. The respondents were to indicate which of the following sources of revenue contributes significantly to IGF of Business Operating Permit, Property Rates, Market tolls, Fees and fines, Signage and Building Permit Fees.

4.4.1. Business Operating Permit

From the [Table 3](#) above, 15% representing 108 out of 720 respondents opined that the Business Operating Permit contributed “highly” to the District IGF, 85% of the respondents also indicated that the Business Operating Permit contributes “very highly” to the District IGF. This shows that majority of the revenue officials are of the view that the Business operating Permit was a very high contributor to the IGF of the La Dadekotopon District Assembly due to the presence of the numerous multinational companies, five-star hotels, banks and insurance companies operating in the District Assembly. These businesses pay thousands of cedis annually in the form of Business Operating fess which makes it a very high contributor to the District IGF.

4.4.2. Property Rates

[Table 3](#) above shows that 234(32.5%) indicated that property rates are high contributors to the District IGF, 486 of 720 representing 67.5% of the respondents indicated that property rates contributed very highly to the IGF.

La Dadekotopon is perhaps, the richest District Assembly in Ghana now. It can raise huge funds annually from property rates alone. It is the rating authority over some of the most luxurious localities in Ghana. Cantonments and North Labone which were zoned super first-class localities when they formed part of AMA, are now part of the new Municipal Area. In addition to that, the Accra Airport City, a modern business enclave, with multi-storey, high value commercial property of hotels, offices and shopping malls, is within the boundary of La Dadekotopon.

4.4.3. Signage/ Billboard

From Table 3, 45% representing 324 of 720 respondents were of the view that signage or billboard's contribution to the IGF of the District was high and 396 representing 55% of the respondents indicated that it was a very high contributor to the IGF. The numerous businesses in the District made their commercial advertisements through signage or billboards and the fees they pay to the district contribute highly to the IGF of the District.

4.4.4. Fees and Fines

From the table above, 36 of the respondents representing 5% indicated that the fees and fines gave a low contribution to the IGF, 72 of the respondents representing 10% indicated that fees and fines contributed averagely to the IGF, 306 out of the forty respondents representing 42.5% also were of the opinion that fees and fines made high contributions to the IGF, whereas 306 also agreed that fees and fines contributed very highly to the District IGF. The La Dadekotopon District offered numerous services to the residents which attracted fees contributing highly to the District IGF.

4.4.5. Market Tolls

From the Table 3 above, one of the revenue officials indicated that Market tolls contributed lowly to the IGF, 3 of the respondents representing 7.5% were of the view that Market tolls contributed averagely to the IGF, 20% which is 8 out of the forty respondents agreed that Market rolls contributed highly to the IGF, 78% of the respondents also agreed that Market tolls contributed very highly to the IGF of the District.

4.4.6. Building Permit Fees

The table above shows that 90 out of 720, representing 12.5% of the respondents agreed to the fact that building permit fees contributed averagely to the Districts IGF, 27.5% also indicated that building permit fees was a high contributor to the IGF. 60% of the 40 respondents also indicated that building permit fees' contribution was very high. New building was rapidly springing up in the districts on which permit fees were paid by owners which contributed to the IGF of the District Assembly.

4.5. Challenges Faced by Revenue Collectors in Revenue Mobilization

Respondents were asked to identify among the listed challenges which was a militating factor against revenue mobilization process. Their responses are found in the Table 4.

Table-4. Factors militating against internal revenue mobilization in Dadekotopon district.

Response	Frequency	Percentage
Inadequate public education	468	65%
Lack of reliable data	396	55%
Government interference	486	67.50%
Inadequate Logistics	648	90%
Poor expertise	378	52.5%
Lack of current and accurate data on district activities	522	72.50%

Source: Field survey 2019.

From the Table 4 above, 90% of the revenue officials opined that inadequate logistics was a factor which posed a challenge in their revenue mobilization process, revenue collectors and revenue supervisors cover a wide area in the district which makes the use of vehicles necessary for efficient revenue mobilization. 486 of the respondents representing 67.5% of the 720 respondents agreed that government interference was hindering revenue mobilization in the District, the attempt to prosecute tax defaulters was frequently met with interference of politicians, chiefs and opinion leaders which hindered collection efficiency. 52.5% of the 720 respondents also were of the view that poor expertise on the part of revenue collectors also contributed to inefficiency of the revenue collection, 72.5% of the revenue officials also agreed that lack of current and accurate data on district activities posed a challenge to the revenue collection process, 55% of the respondents were of the view that lack poor tracking of economic was a factor militating revenue mobilization in the district, lack of reliable data of economic activities affects efficiency of revenue mobilization, 65% of the 720 respondents indicated inadequate public education as a challenge to revenue mobilization in the district.

4.6. Response on Depth of Understanding Demonstrated by Tax Payers on Tax System

On the revenue official's view on how tax payers demonstrated knowledge of tax system, 57% of the revenue officials are of the view that tax payers demonstrate understanding of the tax system of the District Assembly, while 43% of the respondents also indicated that tax payers do not understand the tax system of the District. Tax payers understanding of the tax system of the District improves revenue mobilization efficiency.

4.7. Response on the Level of Education of Tax Payers and Compliance

This section presents revenue officials view on whether level of education of tax payers ensures compliance. From the data, 77% of the revenue officials agreed that the level of education of the tax payers could ensure compliance to tax laws, while 23% were also of the view that level of education of the tax payers has no effect on tax compliance. This shows that majority of the revenue officials believe education is required to ensure effective tax compliance on the part of tax payers in the District Assembly.

4.8. Response on Simplification of Bye Laws and Compliance to Tax Laws

Responses in whether simplification of bye laws can ensure compliance to tax laws shows that 70% of the respondents believe that the simplification of the bye laws can ensure tax compliance on the part of tax payers in the District Assembly, while 30% also believe that tax compliance will see no change after the simplification of bye laws.

Also, on the response on punishment of breach against bye laws and compliance the data results shows that 60% of the 40 respondents were of the view that stiffer punishment against those who breached bye laws on levies could ensure compliance on the part of tax payers in the District Assembly, 40% of the respondents also disagreed that stiffer punishments was needed to ensure effective tax compliance on the part of tax payers in the District Assembly.

Furthermore, response on more revenue offices and compliance shows that 52% of the revenue officials agreed that more revenue offices in the District can ensure compliance on the part of tax payers, however 48% of the respondents were of the view that more revenue offices has no influence on the tax compliance of the District tax payers

5. CONCLUSION AND SUGGESTED RECOMMENDATION

This study has opened up the La Dadekotopon Metropolitan Assembly for investigations. The study brought to light interesting findings regarding the financial and or revenue collection administration of the Assembly. The study found out that revenue collection at the Assembly has been effective and efficient and although IGF has

contributed significantly to the development of the Assembly, it was not enough to meet the developmental needs of the Metropolis. The Central Government still had much greater say.

As a concluding remark, it is imperative for a public human organization such as the MMDA to establish the necessary rapport with and goodwill towards people in its jurisdiction. This in turn, will ensure ease of performing its duties and tax compliance. Against the backdrop of the analysis presented herein in this study, the following recommendations are underscored. In a bid to enhance revenue mobilization process by revenue officials, it is suggested that firstly, training for revenue collectors, education for tax payers, provision of adequate logistics are highly suggested. Again, the need to widen the tax net beyond the existing sources while recruit more revenue collectors and train them to collect revenue for the Assembly is highlighted. Lastly, organizing of workshops for revenue collectors to enhance their skills and providing materials that they will need to perform well is encouraged.

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