

**REVENUE IMPROVEMENT ACTION PLAN**

**2024**

**PREPARED BY MPCU**

**OCTOBER, 2023**

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# **EXECUTIVE SUMMARY**

The Revenue Improvement Action Plan 2024-2027 of the Ahafo Ano North Municipal Assembly outlines the concise policy, strategy and implementation plan for maximizing internally generated funds potentials to improve local level service delivery. It is intended to ensure a coordinated and systematic approach to dealing with internally generated fund (IGF) mobilization and management within the broad confines of Ghana’s public financial management system.

Given the wide range of stakeholders and interested parties involved with internal revenue operations of the Assembly, the methods adopted in developing these guidelines were participatory. These involved organizing three meetings to enable stakeholders to reflect and discuss on the key issues. Key findings unearthed were that IGF operations are complicated and non-transparent, thus making it costly to administer and thereby facilitating corruption and mismanagement.

The current limitations adversely affect service delivery. To reverse the trend for improved and effective service delivery, core principles of revenue predictability, viability, equity and administrative efficiency, among others, were key areas of focus.

The areas of thematic emphasis identified and addressed are

1. Sources of Internally Generated Funds;
2. Mobilization and Collection of Internally Generated Fund;
3. Utilization and Service Delivery; and
4. Citizens and Tax Payers’ Rights and Responsibilities.

This document provides guidance on the operational efforts to be pursued during the year to address issues confronting IGF operations and optimize internally generated funds potentials through implementation of key actions to be adopted for improved performance in the Municipa

# **CHAPTER ONE**

# **GENERAL INTRODUCTION**

## 1.1 Introduction

Ghana’s decentralization policy is outlined in Chapter 20 of the 1992 Constitution and is operationalized by the Local Government Act 462 of 1993. The overall objective of the decentralization policy is to make local government effective centers of self-governance, participation, local decision-making, planning and development.

The specific objectives of the policy are to:

* Transfer real power to the Assemblies and reduce the workload on remote and under resourced central officials
* Bring political and administrative control over services to the point of delivery in order to improve accountability and efficiency
* Free local managers from central constraints and allow them to develop organizational structures tailored to suit local circumstances
* Improve financial accountability by establishing a clear link between the payment of taxes and the provision of services
* Improve the municipal capacity to plan finance and manage service delivery to their constituents

## 1.2 Legal Framework for the Local Government Revenue

The local Government Act, 1993 Act 462 mandates the Assembly and independent legal entity capable of mobilizing appropriate resources and with approval of the Assembly as a house for development purpose. It operationalizes the provision under article 240(2). (a) and (b) of the 1992 Constitution.

## 1.3 Methodology

## 1.3.1 Population and Revenue Data

Sources of data used for the plan was obtained from the compilation of revenue data from the Assembly and the population from the 2021 population census. The baseline figures were from past revenue performance obtained from the Finance Department of the Assembly.

## 1.3.2 Stakeholders’ involvement

In order to make the revenue improvement plan participatory, the various stakeholders involved in revenue were represented. They comprise the representative of the landlords associations, GPRTU, dressmakers, hairdressers, and beautician associations, market women, butchers etc. Their views were collated and analyzed to identify the constraints to revenue mobilization from their point of view.

## 1.4 Review of the Assembly’s Revenue by Management

The Municipal Chief Executive and key Municipal Assembly staff consisting of the MCD, MFO, MBA, MIA, MPO, Head to revenue section, the Municipal Engineer, that is, all those key staff involved in the planning and collection of revenue were briefed on the RIAP. This was aimed at a review of present collection systems and glimpse at the intended upgrading through the RIAP.

# **CHAPTER TWO**

## SOCIO-ECONOMIC PROFILE OF THE MUNICIPALITY

## 2.1 Establishment of the Municipality

Ahafo Ano North Municipal is among the 43 Administrative Districts in the Ashanti Region. It was originally created in 1988 by Legislative Instrument (LI) 1402. It was elevated to a Municipal status in November 2017 through LI 2264. The Municipality has 39 Electoral Areas with 7 Zonal Councils.

## 2.2 Location and Size

Ahafo-Ano North shares boundaries with five districts: Tano North and South, Asutifi South, Ahafo Ano South East and Ahafo Ano South West Districts. The Municipality covers an area of 567 sq. km representing approximately 2.52 percent of the region’s total surface area.

## 2.3 Population Structure

The population of the Municipality in 2010, according to the Ghana Statistical Service Population and Housing Census (PHC) was 94,285, representing about 2.0 percent of the region’s total population with a growth rate of 2.96 percent. The current population is projected at 92,742 made up of 50.40% males and 49.60% females.

## 2.4 Vision of the Municipal Assembly

Aspire to become a healthy, literate and democratic society that provides equal and fair socio-economic opportunity to all citizens

## 2.5 Mission Statement of the Municipal Assembly

To improve the living conditions of the people in the Municipality by mobilizing the human and material resources in providing social and infrastructural facilities and services for balanced development.

## 2.6 Goals

The development goals of the Ahafo-Ano North Municipal Assembly are to ensure we;

* Build a prosperous society
* Create opportunities for all
* Safeguard the natural environment and ensure a resilient built environment and
* Maintain a stable, united and safe society.

## 2.7 Core Functions

The core functions of the Ahafo-Ano North Municipal Assembly are outlined below:

1. Formulate and execute plans, programmes and strategies for the effective mobilization of the resources necessary for the overall development of the Municipal.
2. Promote and support productive activity and social development in the Municipal and remove any obstacles to initiative and development.
3. Initiate programmes for the development of basic infrastructure and provide works and services in the Municipal.
4. Be responsible for the development, improvement and management of human settlements and the environment in the Municipal.
5. In co-operation with the appropriate national and local security agencies, be responsible for the maintenance of security and public safety in the Municipal.
6. Ensure ready access to courts and public tribunals in the Municipality for the promotion of justice;
7. Initiate, sponsor or carry out such studies as may be necessary for the discharge of any of the functions conferred by the act or any other enactment;
8. Co-ordinate activities of all the decentralized departments for incorporation into the Municipal Assembly’s main plan.
9. Perform such other functions as may be provided for under any other enactment.

## 2.8 Municipal Economy

### ***2.8.1 Agriculture***

Agriculture which is the mainstay of the Municipal economy employs about 74 % of the labour force. Farming in the Municipality is mostly subsistence (90%) and the farmers cultivate both food and cash crops. The main food crops produced, to mention a few, are cassava, plantain, rice, cocoyam, maize, yam, and vegetables. Cocoa is the major cash crop grown in the Municipality followed by Oil Palm. There has been the emergence of non-traditional crops like, Citrus, Pineapple, Mango, Pawpaw, Banana, and Coconut.

### ***2.8.2 Market Center***

Tepa has a weekly market when traders converge on Thursdays to sell their goods and also buy local staples like rice, plantain, cassava, maize, vegetables in large quantities. There are also small daily markets in other communities like Anyinasuso, Mabang, Akwasiase, Abonsuaso and Betiako.

### ***2.8.3 Road Network***

There is a total of 520km road network in the Municipality of which 49km is tarred with 471km untarred. This has been a major problem to development as mobility from some community to the other becomes impossible during the rainy seasons.

### ***2.8.4 Education***

Almost all the major communities in the Municipality have basic schools. The Municipality has 2 Senior High Schools at Tepa and Mabang. There are 76 Kinder Gartens (KGs), 76 Primary Schools and 65 Junior High Schools.

### ***2.8.5 Health***

The Municipality has 1 Hospital, 6 Health Centres, 7 CHPS Compounds, 1 Maternity Home and 1 Clinic. These health facilities are fairly distributed across the length and breadth of the Municipality. The Municipality can also boast of 1 Nursing and Midwifery Training College which has campuses at Tepa and Anyinasuso.

### ***2.8.6 Water and Sanitation***

The residents of Tepa have access to pipe borne water provided and managed by the Ghana Water Company. Small Town Pipe Systems exist in Akwasiase, Mabang, Asuhyiae and Ayinasuso. Other communities within the Municipality are also served with bore holes fitted with hand pumps and mechanized boreholes. Some communities have grown in size and need to be provided with small town water supply system. These communities include Bonkrom-Kyekyewere, Abonsuaso, Betiako, Twabidi, Amakrom/Tettehkrom, Subriso, Manfo and Dwaaho. Current interventions under the Infrastructure for Poverty Eradication Programme (IPEP) in the Municipality include three community-Based Mechanised Solar Powered Water Systems at Bredi, Numesua and Subriso.

The Municipal Assembly is collaborating with Zoom Lion Company Ltd to manage the collection of refuse in some selected communities in the Municipality. Communal containers have been placed at some vantage points in the selected communities and are evacuated daily to the final disposal site at Kruboa.

A total of twenty six (26) public toilets can be found in the Municipality made up of two Water Closets, Two Environ loom, and one Aqua Privy with the rest being KVIPs. These toilet facilities are mostly found in the major communities such as Tepa, Akwasiase, Mabang, Anyinasuso, Betiako, Subriso, Manfo, Dwaaho, Asuhyiae and Abonsuaso

### ***2.8.7 Energy***

The Municipality is hooked onto the National Electricity Grid with nearly all the major communities. Power production and supply is done by the Volta River Authority (VRA) while distribution is carried out by NEDCo. Beposo, Katapei and Nyameadom have been connected to solar energy by a private solar operator, Black Star Energy. The Ministry of Energy and Petroleum intends to connect additional 33 communities in the Municipality to the National Power Grid.

### ***2.8.8 Tourism***

#### **Asuhyiae Confluence**

River Tano and its tributaries converging at Asuhyiae have attractive scenery, thus placing it on high tourist potential. To open up the confluence at Asuhyiae to tourists, the Municipal Assembly is going to construct better roads to the site.

#### **Grotto Sacred Spot**

The Municipality has undulating landscape with few high grounds between Dwaaho and Manfo. This area has beautiful scenery and currently serves as an ideal praying ground for religious groups.

This is the highest point in the Municipality at Manfo about Nine (9) kilometres from the Municipal capital. When one stands on this highland, one can see all the communities around the area far and near. This spot offers a convenient and congenial atmosphere for Catholic faithful and other Christians who come to offer prayers annually.

# **CHAPTER THREE**

# **CURRENT SITUATION OF REVENUE MOBILISATION**

## 3.1 System and Constraints

## 3.1.1 Revenue Billing and Collection Practices

### ***3.1.1.1 Revenue Billing System and Procedures***

## A. Current Situation

* Fees and Rates are proposed by Budget committee and fixed and used together with available data to prepare the Annual Budget for the ensuring year. This is submitted to the F&A sub-committee, then to the Executive committee and approved by the Assembly in the last quarter of the year.
* Consultations with identifiable ratepayer groups before fees are fixed.
* Revenue collectors are trained before the 1st working day of the year on the Approved fee-fixing Resolution
* Collection of new fees and rates starts from the first day of the ensuring year.
* Revenue is collected only with Value Books and deposited at the Bank twice a week.
* Revenue from defaulters is retrieved through payments, spot fines, default fine or the courts.
* Revenue collectors are responsible for value books issued to them as well as cash collected by them until it is banked.
* Revenue collectors prepare and keep Registers of Ratepayers
* Cost of collection kept at barest minimum as possible.
* Property Rate billing and payment are yet to be computerized.

## B. Constraints

The Municipal Assembly’s inability to collect 100% of the estimated revenue could be attributed to the following:

* Lack of reliable revenue data
* Low values of fixed properties in the Municipality-inability to revalue properties.
* Low level of education of revenue staff
* Unwillingness of the rate payers to pay
* Perceived corrupt practices of revenue collectors
* Lack of motivation for the revenue staff
* Non-Ceding of revenue items to Area Councils
* Non- functional of Area Councils
* General apathy to rate payment by the public which may be due to lack of information/education on Assembly’s activities and the perceived inability of the Assembly to live up to their expectation in the provision of amenities
* Inability and lack of will to prosecute rate defaulters situation made worse by outdated byelaws.
* Evasion of rate payment with the connivance of some collectors.
* Inadequate logistics e.g. vehicle, bike, protective clothing, computer etc.
* The constant breakdown of the only revenue mobilization vehicle.
* Inefficient manual billing system.

### ***3.1.1.2 Revenue Collection System and Procedures***

## C. Current Situation

* Annual Fee-Fixing and budget process:-The Budget Committee sends proposals to management and then to Finance & Administration (F&A) Sub-Committee which meets with representatives of identifiable rate per groups. The F&A Sub-Committee then sends their recommendations to the General Assembly through the Executive Committee for approval. The approved fee-fixing resolution is therefore submitted to the Ministry of Local Government for publication into the Ghana Gazette.
* Target setting by Revenue Superintendent, Municipal Budget Analyst, & Finance Officer for Revenue Station, Companies and individual collectors.
* Monthly Public Education on willful rate payment.
* Collectors equipped with the necessary value books, cashbooks, and copies of Fee-Fixing Resolution.
* Workshop organized for Revenue collectors on fee-fixing Resolution and Skills of collection.
* Billing mostly done at the main offices (Revenue and Finance) and Revenue stations.
* Collections begin on the first working day of the year with daily and weekly monitoring by station officers and RS and MFO respectively. Monthly monitoring however includes MCE, MCD, and MBA
* Use of Task Force comprising police, Assembly staffs and Assembly members to market centers and difficult areas

## D. Constraints

* Inadequate nominal rolls, and registers and unreliable data.
* Irregular availability of vehicle for revenue mobilization, field supervision and monitoring.
* Unwillingness of payers to pay promptly citing lack of amenities such as market shed, good roads, good relationship with them and poor sanitation.
* Evasion where markets are not fenced
* Inadequate public education
* Lack of appropriate weather clothing for the collectors and supervisors
* Irregular in-depth training courses for Collectors
* Lack of collectors in some areas
* Gazzeting of Byelaws is taking unduly too long a time.

## 3.2 Revenue Monitoring and Control

Management of Revenue is handled by team of officers’ viz. Zonal Revenue Heads (Officers), CRS, MBA, MFO, MCD, MCE and MIA

**Table 1:** **Officers and their responsibilities**

|  |  |  |
| --- | --- | --- |
|  | OFFICER | RESPONSIBILITY |
| a) | Chief Revenue Superintendent | Target-setting, monitoring supervision and evaluation, Supervision of Revenue Station Head. |
| b) | Municipal Budget Analyst | Target-setting, monitoring and evaluation, prompting management on Revenue performance |
| c) | Municipal finance Officer | Target-setting, monitoring coordinating and evaluation |
| d) | Municipal Coordinating Director | Monitoring, coordinating and evaluation |
| e) | Municipal Chief Executive | Monitoring ,coordinating and evaluation |

## A. Conditions

* All collectors are to compile registers.
* Any money/cash received, as revenue must be covered only by an approved and appropriate GCR, ticket, licence etc.
* There is a prohibition of issue of temporary or authorized receipts of forms.
* All collectors are to be supplied with the necessary items.eg .Value books, cashbooks, copies of Fee-Fixing Resolution etc. at the beginning of the year.
* Collectors make daily payment of all revenue collected to the Revenue supervisor and to the bank
* Commission collectors given 20% commission on what they collect

Monthly Bank Reconciliation statements extracts by Accounts office.

### ***B. Other points to note***

* Revenue Station Officers (SOs) go round daily to supervise the work of collectors under them.
* Periodic field supervision, monitoring and evaluation by Chief Revenue Superintendent and MFO.
* Once a week the Revenue station officers receive the total amounts collected by the collectors under them after ensuring that all cash is accounted for by checking from their respective value books, and reconciling with entries in their cashbooks.
* SO’s in turn pay the aggregate revenue to the bank and submit the relevant records for checking, reconciliation and audit by Revenue Superintendent.

## 3.3 Revenue Database

### ***3.3.1. Adequacy of Basic Revenue Source Data***

All businesses liable to pay rates and fees have been captured in Manual registers. This exercise, which is done every year, is meant to update and strengthen the Municipal revenue base. Collection and computerization of revenue has however come to a standstill due to financial constraints.

## 3.4 Organization for Revenue Mobilization

### ***3.4.1 Staffing Revenue Section***

Currently the section has Five (5) permanent staff as well as Twenty-Three (23) commission collectors. They are under direct supervision of Revenue Superintendent.

There is the need to recruit qualified staff to get the required establishment for the Revenue Section to reflect its role within the Municipal Assembly.

### ***3.4.2 Training of Revenue Staff***

The Assembly has an on-going in-service training programme for the revenue staff. Every year training programmers’ are organized for the revenue staff at the beginning of the year on how to use of the Approved fee-fixing Resolutions.

### ***3.4.3 Motivation of Revenue Staff***

The required logistics for revenue staff are being provided within the limited means of the Assembly.

## 3.5 Revenue Facilities

### ***3.5.1 Markets***

Some part of the floors become muddy during the rains. This disrupts the market and should therefore be addressed to ensure safe marketing. These markets are fairly fenced and have security lights.

### ***3.5.2 Sanitation and Waste disposal***

The sanitation of the markets has to be improved. There is no provision made in other markets

Wastes at the markets are disposed constantly. The Assembly’s Refuse Truck often gathers the wastes at the markets early in the morning for conveyance to the disposal sites. This job has been contracted out to Zoomlion (GH) Company which is now responsible for waste management of the markets and lorry parks.

### ***3.5.3 Toilets and Urinals and Security Lights at Market centres and lorry parks***

There are no toilets and urinal in the market centres and lorry parks. The passengers do not have access to toilet and urinal at Market centres and lorry parks making life unbearable passenger. Security lights should be provided for all lorry parks in the Municipal.

## 3.6 Resources for Revenue Collection

Ahafo Ano North Municipal Assembly disappointingly is deficient of resources for revenue generation. Some of the resources include such simple and relatively inexpensive items as uniforms, raincoats, boots, and identity cards.

## 3.7 Empowerment of Rate Payers

### ***3.7.1 Creating Rate Payer Awareness***

The Assembly has been making conscious efforts to educate ratepayers on the need to pay their rates regularly and promptly.

### ***3.7.2 Consultations with Rate Payers on Rate-Fixing***

Every year, before new rates are fixed the Assembly convenes a meeting with the ratepayers during which the rate and fees are fixed. The meeting is always in the form of consensus building whereby the rates proposed by the Assembly are subjected to careful scrutiny before they are finally accepted or revised.

### ***3.7.3 Ability of Rate Payers to pay current levels of rate***

Since the rates often target people who do business and land lords, most of the people in the target group are capable of paying the rates. This is evidenced in the fact that, anytime new rates are set and enough education made.

### ***3.7.4 Adequate Social Amenities for Rate payers***

Within the Assembly’s mean, there is an improvement in the provision of social amenities for the people. However, the construction of such facilities like roads, which most of the community’s desire cannot be done by the Assembly due to its limited resources. We learn that the central government is trying to source funding to rehabilitate most of the roads in the municipal.

# **CHAPTER FOUR**

# **ANALYSIS OF REVENUE PERFORMANCE (2020-2022)**

## 4.1 Introduction

This chapter bring to fore the analysis of internally revenue mobilization performance from 2020-2022.

**Table 2: Actual IGF Compared With Budgeted IGF (2020-2022)**

|  |  |  |  |
| --- | --- | --- | --- |
| **YEAR** | **BUDGETED IGF (GH¢)** | **ACTUAL IGF**  **(GH¢)** | **PERCENTAGE COVERAGE** |
| 2020 | **545,257.56** | **623,980.59** | 114.43% |
| 2021 | **648,000.00** | **569,372.23** | 87.87% |
| 2022 | **848,000.00** | **635,502.70** | 74.94% |

Source: Budget/ Finance Office Tepa

From the Table 2, it can be observed that the percentage coverage of Actual IGF was high in 2020, declined in 2021 and then increased in 2022

## 4.3 Specific issues/challenges relating to the following:

### ***4.3.1 Rates***

The Assembly continue to record nothing for Basic Rates. Although some deductions have been made from staff salaries at CAGD, the Assembly have not been able to collect these monies. The Assembly should ensure that these monies are collected and recorded. Property rates is one of the revenue items that contributes significantly to the inflows of Ahafo Ano North Municipal Assembly and has the greater potential for revenue mobilization. It is important for the Assembly to ensure that all the necessary strategies needed to ensure that more funds are generated from this source are put in place.

### ***4.3.2 Lands and Royalties***

The Assembly must improve on its strategies in this direction in order to increase revenue of the Assembly. Building Plans/Permit Registration though recorded a substantial amount, the Statutory Planning Authority and Building Inspectorate should continue its educational campaigns and enforcement to compel Developers & Property Owners to get permits.

### ***4.3.3 License (Business Operating Permit-BOP)***

Revenue from this item have been encouraging over the years and continue to do well even with the impact of Covid-19. The Assembly should increase efforts to collect more revenue for this item since its contribution to the total budget is significant in terms of revenue mobilization. Management should liaise with the MIS unit to develop software for its collection instead of the manual collection which is susceptible to leakages.

### ***4.3.4 Fees***

The Assembly performance for fees is satisfactory. However, management should endeavor to put in measures to generate more revenue. It has been observed that, the year-on-year collection for fees has appreciated over the years

***4.3.5 Rent***

Most of the staff occupying Assembly Bungalows/Flats have also made full payment of their rents. There is the need for Management to impress on defaulting staff to pay their rent

# **CHAPTER FIVE**

# **STRENGTH, WEAKNESS, OPPORTUNITIES AND THREATS OF THE AHAFO ANO NORTH MUNICIPAL ASSEMBLY**

## 5.1 Introduction

A critical analysis of the Municipal internal and external environment with regards to locally generated revenue provides inputs for formulating appropriate strategies for achieving the desired Revenue Improvement Action Plan (RIAP) for the Assembly. The external environment comprises the uncontrollable factors, and developments that create profitable opportunities to be exploited and or threats to be noted. The conditions in the internal environment determine the Municipal relative strengths and weakness.

## 5.2 Internal and External (SWOT) Situation of the Municipal

The SWOT analysis of the Assembly has been summarized and presented in the Table 4.

**Table 3: SWOT Analysis**

|  |  |  |  |
| --- | --- | --- | --- |
| **STRENGTHS** | **WEAKNESS** | **OPPORTUNITIES** | **THREATS** |
| High ratable population | Unreliable data | Availability of natural  Resources | Low remuneration of  Revenue staff |
| Availability of Revenue staff | Inadequate revenue staff | Existence of physical  infrastructure | Unwillingness of rate  Payers to pay |
| Existence of Assembly  Byelaws | Inadequate logistics | Existence of  Government’s legal instrument | Public reaction towards  Increase in rates and introduction of new rates |
| Availability of Revenue  Database | Low revenue base | Existence of donor  funded programme | Existence of other  Government Revenue Agencies |
| Availability of logistics | Low level of education of revenue staff | Investment  opportunities | Assembly’s imitation to  borrow for investment |
| Availability of Revenue  Sources | Low morale of revenue staff |  | Land tenure system for  Long term investment |
| Rate payers willing to pay | Revenue leakage |  |  |

## 5.3 Stakeholders’ (Ratepayers’) Analysis

In order to take into account the expectation and concerns of the ratepayers in the Assembly in developing the right strategies for revenue improvement, ratepayer forum was organized. The major expectations and concerns are summarized below.

* They should be involved or be consulted when undertaking fee-fixing
* Improve sanitation condition in markets. Poor sanitation in the markets does not motivate them to pay their rates and tolls.
* Provide sufficient market stores/stalls to prevent people from selling on the streets.
* Existing market should be rehabilitated
* Money collected from Ratepayers must match with the expected developments
* Taskforce should be in place to assist in the revenue collection
* Traders’ associations and leadership should be used in the revenue collection exercise
* The revenue collectors should be trained and motivated
* Re-locating of traders in such a way that like items are in one location.
* Area Councils should be functional to assist in revenue collection.
* Markets should be fenced and adequate security provided.

## 5.4 Key Issues

The under-mentioned key issues have been derived from the internal, external environmental scan and stakeholders; (ratepayers’) analysis. These key issues are the weaknesses, constraints and threats or challenges that the Municipal should address in order to improve upon local revenue generation. These are:

* Inadequate and unreliable data on revenue source
* Low education level of revenue staff
* Poorly trained revenue staff
* Inadequate logistics for revenue mobilization
* Collusion between revenue collectors and ratepayers to defraud the assembly
* Non-enforcement of bye-laws on rate/fee defaulters
* Insufficient revenue offices and safes
* Ineffective sub-structures (Area Councils)
* Low motivation of revenue staff
* Ineffective communication between ratepayers and the assembly
* Absence of regular education by the municipal about the need to pay rates/fees
* Ratepayers are not effectively involved or be consulted when undertaking fee-fixing
* Chiefs, area and unit committee members should be involved in the collecting basic rates
* Familiarity of some of the revenue collectors with the ratepayers is developing into corrupt practices and such revenue collectors be rotated frequently
* Make use of traders’ association/private companies and leadership as well as taskforce in revenue collection.
* Provide sufficient market stalls/Sheds and stores to prevent people from selling on the street
* Lack of market management committees
* Assembly not capable of increasing basic rate.
* Poor security at the markets
* Limited parking spaces for vehicles at the Lorry Parks.

# **CHAPTER SIX**

# **STRATEGIES FOR IMPROVING REVENUE PERFORMANCE**

## 6.1 Introduction

This chapter shows the recommendations for improving revenue generation in the Municipality.

## 6.2 Revenue Management System Billing System and Procedure

* Bills should be issued promptly and at regular intervals of time so as to alert the rate payer that a particular bill is to be expected at the usual time. It will also help the rate paper to make provision in his budget in anticipation of that bill.
* Bill should be checked for errors before being sent out, thereby removing any doubt about the accuracy of bill.
* Bills which have been previously prepared based on old values, particularly in case of property rates, should be thoroughly scrutinized to ensure the current values are taken into consideration. This will eliminate or reduce offending bills and the incidence of angry protest from landlords.
* Efforts must be made to get absentee landlords by all means. This is possible through a tenant or some other person who knows him or by post.
* A reliable data on all revenue sources is prerequisite for preparing of bills to exploit the full potential of every revenue source. The ultimate solution lies in a computerized billing system based on a computerized database. As far as possible, therefore, the billing system should be computerized for efficiency and effectiveness.
* Assembly to institute special for a where information and education will be the focus to explain to the public ,the Assembly’s achievements that is plans ,processes ,progress, prospects and problems to encourage payers to pay rate willingly on demand.

## 6.3 Collection Systems and Procedure

* The Revenue Section must be recognized and the position of the head be upgraded to attract qualified people into senior position of the proposed department.
* Design training programs for Revenue Collectors to upgrade their efficiency and effectiveness.
* Revenue Collectors should be provided with uniforms and protective clothing
* Annual award scheme for the most efficient and effective revenue Collector(s) should be institutionalized.
* Cash collections should be lodged promptly into ACDA bank account or paid to the cashier.
* Small safes should be installed at the revenue centers/ offices.
* Insurance should be provided for cash in-transit.
* Develop a format for collectors on which they can easily record their daily collections.
* Erect revenue barriers at the appropriate points for ease of collecting conveyance fees
* Encourage private collection especially by identifiable groups
* Provide ware house for the big markets where necessary
* A sustained rate-payer-awareness campaign should be vigorously embarked upon to reduce and in form rate payers about all matters concerning rate payment.

In this regard, the assistance of Civil society Groups, NGOs, Traditional rulers, Traders Association and NCCE can be solicited.

## 6.4 Monitoring and Control

The following should be closely monitored;

* Use of the value books
* Daily cash takings
* Accounting for cash revenue generation
* Periodic analysis of revenue generation
* Bank reconciliation
* Audit trails

### ***6.3.1 Use of Value Books***

It is recommended that only the MFO should approve requisition for value books initiated by the Revenue Superintendent. The MFO prepares the L.P.O for the purchase from the Accountant General’s Department. Stocks are kept under the control of MFO or his appointed accounts officer.

The Revenue Superintendent prepares a store requisition following request for books from revenue collectors .The MFO approves the requisition to authorize the issue of the value books to the Revenue Superintendent, who in turn supplies the book to store revenue collectors as requested. Finally, the details of the transactions are recorded into a register, which is to be maintained by MFO for the purpose. The format for recording this is shown in Table 5

**Table 4: Requisition of Value Book Card**

**NO. OF SHEET PER BOOKS…………………DESCRIPTION………………………………..**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| DATE  RECEIVED | RCPT  REF. | QTY  RECEIVED | SERIAL  NO. | DATE | BOOK  NO. | SERIAL  NUMBERS | SIGNATURE  RECEIPIENT | SIGNATURE  ISSUING OFFICER | REMARKS |
|  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |

### ***6.3.2 Daily Cash Takings***

The revenue collectors prepare a summary of daily cash taking, which have been reconciled with receipts and tickets. He submits the summary together with the amount to the Revenue Superintendent who issues him with a receipt for acknowledgement. Please see recording format.

***Table 5: Revenue Collectors Returns Sheet***

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| DATE | TICKET  GIVEN NUMBER | TICKET  SOLD NUMBER | VALUE OF TICKETS  SOLD | AMOUNT PAID  TO REVENUE SUPERITENDENT | TICKET  RETURN TO  REVENUE HEAD | SIGNATURE  REVENUE COLLECTORS | REMARKS |
|  |  |  |  |  |  |  |  |

The Revenue Superintendent pays and lodges the cash into the Ahafo Ano North Municipal Assembly’s bank accounts. There after he prepares summarizes of all monies he receives from revenue collectors.

Finally, he submits his summary of totals, plus the separate summaries from revenue collectors together with the pay-in-slip to the cashier at the MBA. A copy of the summaries of the totals (aggregate summary) should be sent to the MFO and internal Auditor, and the head of revenue section for information.

### ***6.3.3 Cash Receipt by Cashier***

The cashier pays all cash receipts into GCB bank account Tepa branch the same day or early the next morning. The cashier enters all the receipts into the cash receipts book**.**

### ***6.3.4 Bank Reconciliation***

The cashier is expected to reconcile the bank statement with the cashbook and the general ledger. He then prepares a bank reconciliation statement to be submitted to the MFO, the head of revenue section, and the Internal Auditor. There reconciliation statement is to be prepared monthly.

### ***6.3.5 Periodic Analysis of Revenue***

The need to analyze the result for revenue generation weekly and monthly be value, revenue category and source required no emphasis. Revenue for the week should be analyzed weekly so as to determine the value and the source of the amounts that are receive from each source. This information will show the comparative performance of each revenue source and reveal whether or not the actual results are the reflection of what has been anticipated.

The relevant format for the monitoring and control of revenue collections details in the details in the standard RIAP Manual

### ***6.3.6 Revenue Database***

The lack of adequate database has already been identified as a serious constrains to the effective revenue mobilization. There is the need therefore, to improve the database systems if revenue collection is to be stepped up.

The first step in the revenue data base is to develop or update the rates result Registers .All rates registers should be developed or update in line with the recommendations in the standard RIAP Manual.

#### **The recommendations rates register are as follows:**

* Register of resident(Nominal Roll)
* Register of properties or house
* Register for the trade licenses
* Register of fee payers
* Register for Revenue sources facilities
* Register of revenue

## 6.4 Training of Revenue Staff

Like the staff of all other departments, the revenue collectors should be given the continuous on-the-job training, coupled with regular attendance at a workshop to help sharpen their skills and raise their productivity (that is the efficiency and effectiveness). The training needs are summarized below:

* Understanding the Local Government Act
* Revenue collection system and procedure
* Handing of value books
* Basic Book-Keeping
* Revenue monitoring and control procedures-the role of the revenue collector
* Understanding the rate payers behavior
* Basic human relations
* Communicating effectively with the people

## 6.5 Motivation of Revenue of Revenue Staff

No organization can achieve its goals and objectives without proper motivation of its staff. The revenue staff can be motivated in several ways in addition to training. Provide collectors with protective clothing as well as working tools is one of the best ways of motivation. This goes a long way in giving them a sense of identify and belonging. Another way to motivate them is to institute a periodic (monthly, semi- yearly or yearly) performance awards system, including cash award for excellent, provided the procedure is transparent.

## 6.6 Organization of Revenue Section

### ***6.6.1 Restructuring of Revenue Section***

As stated earlier on, the slowly status of the revenue section in MMDA organization structure is one of the contributory factors to effective performance of staff. It is therefore recommended that the section be upgraded in line with the consultants ‟proposal submitted to the MLGRD for consideration and approval. It may not be necessary initially to lift the section to a full department status to attract results oriented candidates to the section its level will be slightly below a full departmental status. It is further recommended to ensure proper accountability; each Revenue station has Revenue Head who will supervise revenue collectors in the station. In case, the collectors are to render daily accounts to the revenue Head.

# **CHAPTER SEVEN**

# **REVENUE IMPROVEMENT ACTION PLAN SCHEDULE**

## 7.1 Introduction

This Chapter presents the Revenue Improvement Action Plan as schedule. It presents activities that the Assembly should undertake to improve revenue collection. There are two main categories that are policy actions such as setting targets, management re-organization and procedure reviews. The other aspect is the physical improvement to revenue facilities or infrastructure.

The schedule focuses on the objectives, details of activities to be undertaken, expected output, assigned responsibilities and estimated budget of the activities to be undertaken. The time period for implementing the activities together with the means of verifying the implemented outputs are also presented.

To access certain funds, the Ahafo Ano North Municipal Assembly must be seen to be implementing the RIAP, and in particular to have achieved certain set target for revenue mobilization. These achievements will become triggers for accessing the funds. It is therefore important for the Ahafo Ano North Municipal Assembly to put in place the necessary mechanisms for ensuring that the scheduled activities are effectively and efficiently implemented.

# **AHAFO ANO NORTH MUNICIPAL ASSEMBLY**

# **REVENUE IMPROVEMENT ACTION PLAN -2024**

**Table 6: Revenue Improvement Action Plan (2024)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Objectives** | **Strategies** | **Activities** | **Outputs** | **1ST** | | | | **2ND** | | | | **3RD** | | | | **4TH** | | | | **Responsibility** | | **Means of Verification** | **Budget GH¢** | **Remarks** |
| To improve IGF from 91% to 100% by Dec. 2024 | Improving revenue mobilization in the Municipality | Establish Revenue Task force to improve revenue collection | Revenue task force established and actively working |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | | MFO/RS | Reports from the Revenue Office | 20,000.00 |  |
|  |  | Organize tax education programmes in the Municipality | Quarterly tax education programmes organized and reports submitted |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | | MFO | Reports from MFO | 10,000.00 |  |
|  |  | Procure required logistics for revenue collection | Required logistics procured and in use to improve IGF |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | | MCD/MFO | Assembly’s Report | 35,000.00 |  |
|  |  | Enforce Assemblies bye-laws on tax defaulters | Offending tax defaulters prosecuted |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | | MCE/MCD | Reports rom MISEC | 15,000.00 |  |
|  |  | Organize periodic training for revenue collectors and accounts staff to improve their capacity | Improved IGF mobilization recorded |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | | MFO/MPO | Reports from MPO | 25,000.00 |  |
|  |  | Provide incentive packages for revenue collectors who meet their target | Number of yearly award programs organized for best revenue collectors |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | | RS | Revenue office | 20,000.00 |  |
|  |  | Cede some revenue item seven ( 7) Zonal councils | No. of revenue item ceded to Zonal council |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | | RS/MCD/MFO | Reports from  MFO | 25,000.00 |  |
|  |  | Organize periodic workshop/  meetings with Revenue Collectors to access performance | Periodic meetings organized with Revenue Collectors |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | | MCD/MFO/MPO | Reports from the MFO | 35,000.00 |  |
|  |  | Embark on revenue Mobilization | Revenue campaign embarked |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | | MCD/MFO/MBA | Reports from the MFO | 12,000.00 |  |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Objectives** | **Strategies** | **Activities** | **Outputs** | **1ST** | | | | **2ND** | | | | **3RD** | | | | **4TH** | | | | **Responsibility** | | **MOV** | | **Budget GH¢** | | **Remarks** |
| To Strengthen the Revenue Unit by Dec. 2024 | Re-organizing the Revenue Unit | Strengthen sub – structure Assembly | Municipal  sub-Structures strengthened |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | | MCD/MFO | Observation | | 83,000.00 | |  |
|  |  | Train Zonal Council members and staff | All Sub-structure officers trained with training reports |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | | MCD/MPO | Training Reports | | 15,000.00 | |  |  |
|  | Increase Revenue Staff | Employ additional staff | Increase in IGF collection |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | | MCD | Staff list | | 10,000.00 | |  |
|  | Train Revenue Staff | Prepare training materials and Implement annual training programme for revenue collectors | Training needs prepared and All Revenue staff trained annually |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | | MFO/MPCU | File | | 40,000.00 | |  |
|  | Motivating Revenue Collectors | Establish incentive scheme for revenue collectors | Incentive scheme established by December 2021 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | | MCD | Reports from the Finance Dept. | | 15,000.00 | |  |
|  |  | Developing revenue performance target | Revenue performance targets developed |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | | MPO/MFO/MBA | File | | 5,000.00 | |  |
|  |  | Implement appraisal system | Appraisal scheme operationalized |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | | MCD | | Report | | 25,000.00 |  |  | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
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| **Objectives** | **Strategies** | **Activities** | **Outputs** | **1ST** | | | | | **2ND** | | | | **3RD** | | | | **4TH** | | | | **Responsibility** | **MOV** | **Budget GH¢** | | **Remarks** |
| To Provide inputs for Revenue Mobilization by the end of Dec. 2024 | Provide uniforms, ID cards, raincoat and boots for Revenue Collectors | Obtain approval from the MA for policy to be institutionalize | Approval from the MA granted and institutionalized |  | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | MCD | File | 5,000.00 | |  |
|  | Supply regularly value books | Procure value books | Value procured |  | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | MCD | Observation | 18,000.00 | |  |
| To enhance ratepayers capacity for rate paying by Dec 2024 | Create ratepayers awareness | Procure megaphones | megaphones purchased |  | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | MFO | Stores records | 5,000.00 | |  |
|  | | | | | | | | | | | | | | | | | | | | | | | | | |
| **Objectives** | **Strategies** | **Activities** | **Outputs** | | **1ST** | | | | **2ND** | | | | **3RD** | | | | **4TH** | | | | **Responsibility** | **MOV** | | **Budget GH¢** | **Remarks** |
| To improve database system by Dec. 2024 | Update ratable items registers and software | Update ratable population | Rate able population updated | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | MPO/  Statistical Officer/MIS | Population/  Census Procurement | | 15,000.00 |  |
|  |  | Train Budget, Revenue and Account Staff to operate system | Budget, Revenue and Accounts staff trained | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | MFO/CRS/  MBA | Training Reports | | 10,000.00 |  |
|  |  | Computerize billing system | Billing system computerized | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | Computerized bills |  | | 5,000.00 |  |

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# **CHAPTER EIGHT**

# **RECOMMENDED ACTIONS NEEDED TO IMPROVE IGF OPERATIONS AND PRACTICES**

After much deliberation with all stakeholders involved, a number of strategies for improving the IGF level in Municipality was adapted with the view of not overburdening existing ratepayers with increases in taxes. These strategies are the focus of this chapter.

## 8.1 Key Strategies for IGF Improvement in the Ahafo Ano North Municipality

The Municipal Assembly seeks to achieve improvement in IGF collection and management through the following:

## Improving the Local Tax Base

The Ahafo Ano North Municipal Assembly shall make conscious efforts to increase her local revenue coverage (tax base) to improve collection by adopting the following strategies:

* Consciously identify new revenue items within the confines of the law on a continuous basis;
* Regular update of the tax base to ensure that the data is reliable credible at all times. This involves ensuring that new properties, businesses and other revenue items are captured in the database and those that have ceased to exist deleted;
* Valuation, revaluation and supplementary valuations are carried out accordingly. This requires that Assemblies set aside by ploughing back the needed resources from IGF collection to execute the task; and
* Addressing of physical developments is controlled to ensure that new ones are addressed and processed into the database.

## Improving Collection Operations

The following will be used to enhance revenue collection:

* Involve of ratepayers in the FFR processes by getting to contributing to the setting of the amounts and how they think collection can be improved;
* Gazette the FFR resolutions;
* Introduce an effective and efficient billing system; and
* Establish collection points closer to ratepayers and publicize it.
* Provide services to the public for payment of their rates and fees;
* Educate public on the use of the IGF;
* Build on best practices of improving on general collection.

## Increasing Controls to Reduce Leakage

To reduce revenue leakages, the Assembly will perform the following actions:

* Organize surprise field check of the billing and collection processes (for collections it should be to check both the collectors and payers);
* Set targets for the collectors based on the data available;
* Have a process of tracking collections, defaulters and outstanding payments; and
* Educate the public on the payment requirements and consequence of defaulting.

## Improving Administrative Efficiency to Reduce Collection Costs

Improving revenue performance depends on the cost of collecting revenues and simplified administrative procedures. The following will be adapted by the Assembly to improve Administrative efficiency:

* Apply simple budget effective rates and fees administration procedures;
* Reduce cost of collection or compliance by assigning appropriate staff, setting targets and tracking performance;
* Improved route planning;
* Recruit of competent staff and retraining of existing ones;
* Establish of an effective control, supervision and monitoring mechanism over the collection process;
* Increase allocation of resources for investment in revenue generation ventures such as stores, markets, lorry parks and sanitation facilities (toilets and bathrooms).
* Apply a realistic basis for budgeting for IGF in line with the Annual Budget Guidelines;
* Set revenue targets to be achieved and organize sessions to review performance;
* Set-up rewards system for revenue collectors;
* Arrange for the requisite logistics to facilitate improved collections; and
* Monitor and report on the progress of plan