



RESEARCH ARTICLE

EVALUATING THE CHALLENGES OF INTERNALLY GENERATED FUNDS IN TECHIMAN NORTH DISTRICT ASSEMBLY- GHANA

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ABSTRACT

The study has been designed to analyze the Challenges of Internally Generated Funds and its contributions; evidence from Techiman North District Assembly. The purpose of the study was to acquire in-depth knowledge about the various sources of Internally Generated Funds (IGF) and to clarify our understanding of problems associated with the assembly's revenue generation. A purposive sampling technique was used. Primary data was the main source of data for the study. The researchers administered questionnaires to assembly members, unit committee members and opinion leaders in the district. It was disclosed that Techiman North District Assembly had the following as its sources of internal generated funds; rates, lands, (excluding stool lands), fees and fines, licenses, rents, investments. It was also found out that mobilized revenue is used to construct roads, setting of social amenities, improving the agric sector and building schools. It was concluded that the awareness level of respondents on the taxes charged by the Techiman North District Assembly was low and generation of internally generated funds is faced with a lot of challenges which needs to be addressed immediately. It was recommended that there should be provision of appropriate logistics and incentives to revenue collectors who exceed their targets. There should be sanctions for tax payers who default.

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INTRODUCTION

The pool of district financial resources in many developing countries might come from seven main sources: independent revenue sources or own sources where receipts accrue directly to the district, central government financial transfers to the district (which can have different forms), voluntary contributions by members (groups), profits from public enterprises or rents from public properties, financial assistance from donor agencies, short and long term loans and other sources like penalties and selling property (Gunter, 2008). Following the decentralization process, Metropolitan, Municipal and District Assemblies (MMDAs) in Ghana currently have the responsibility of planning and implementing their own projects and programs. These include rates and receipts, royalties from lands, fees and tolls, licenses, rent, investments and other miscellaneous activities effort at revenue mobilization and generation. Externally, revenue also comes to the Metropolitan, Municipal and District Assemblies (MMDAs) from the central government in the form of grants-in-aid and the District Assemblies' Common Fund (DACF)

and District Development Fund (DDF). It has been observed that since independence, several attempts have been made by the various regimes of government at development to alleviate traces of poverty in the country. Nonetheless, the results achieved have fallen short of the peoples' expectations mainly because the various people for whom development programs were designed for were not involved in the planning and implementation of such projects. It was in the light of this that, government in its policy guidelines issued in May, 1982 set the tone for decentralization by declaring the need for participatory democracy to ensure that the bane of remote government that has afflicted Ghanaians since independence was done away with effectively to render government truly responsive and accountable to the people (Acheampong, 2014). The 1988 decentralization measures initiated in Ghana were intended to stimulate the participation of local people in the development of their various localities through the establishment of sub-national governance structures and to identify and solve local problems using local resources generated at the local level. By these assumptions, the development of local areas should depend largely on the preparedness of the people to champion the cause of their development agenda through mobilizing the needed resources (Adenuga, 2013). Adu-Gyamfi, (2014) postulated that, within the context of decentralization, local

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government structures are set up to provide local infrastructure, services and other facilities that are necessary for promoting the social wellbeing of the people. These services and facilities may include: providing education facilities, street lighting, and basic health facilities the provision of potable water, providing sanitation services, market facilities, major transport and road networks to and from the hinterlands and land use development plans for business and residential purposes. As a result, Metropolitan, Municipal and District Assemblies (MMDAs) were established to be responsible for the collection of needed financial resources in the form of taxes, property rates, levies, issuance of licenses and penalties among others to be used for the socio-economic development of their respective areas. Some of these developments are done through sub-government structures such as sub-metropolitan councils, district councils, zonal councils, urban town and area councils and unit committees. Metropolitan, Municipal and District Assemblies (MMDAs) receive grants and other forms of transfers from central government and are mandated to generate funds locally to fund development projects and programme hence the decentralization system (Edward, 2012).

The establishment of Metropolitan, Municipal and District Assemblies (MMDAs) is mainly to facilitate and accelerate development and key to achieving this is the mobilization of financial resources (Akorsu, 2015). The medium term district development planning process has shown that there seems to be high demand and expectation for an enhanced development on the part of communities in the districts, amidst the fact that resources are limited and human needs are unlimited. One way of narrowing this high expectation of development by the district folk is to widen the financial resource base of the district through internally generated funds. From the above, it seems that the internally generated fund mobilization in some municipal and district assemblies are suffering. On the other hand, the district and municipal assemblies are expected to mobilize internal revenue that could enable the smooth implementation of its programmes. In order to minimize such gaps and challenges a thorough investigation is believed to be necessary to improve our understanding of some challenges facing some municipal and district assemblies in mobilizing internally generated fund (IGF). Obviously, the study seeks to find out the evaluation of the prospects and challenges of internally generated funds in the Techiman North District Assembly- Ghana

Literature Review

Overview of Tax System in Ghana

Taxation is the commonest and oldest source of government revenue in the world. It is an instrument of public policy. Taxation in Ghana dates back to 1943. It began with the collection of income tax. The income tax ordinance of 1943 was introduced as a law to tax income earners. Income tax is a direct form of taxation levied directly on income (Abdalla, 2008). Taxation can be said to be a means by which government finance their expenditure by imposing charges on citizens and corporate entities. It can also be said to be a pecuniary burden laid upon individuals or property owners to support the government of a nation. Basically, there are two types of taxation and they are direct tax and indirect tax. Throughout history, taxation has always been one of the most important policies for every government, regarding the raising

of revenues for developmental projects (Kazenet, 2011). Taxation was introduced in Ghana in 1943 to create more avenues for government source of income in order to fund variety of public services. 'Taxation is a necessity for any nation seeking civilization since there is no civilized state in the world where some form of taxation is not a necessity'. However, taxation has always been one of the most important policies for every government, regarding the raising of revenues for developmental projects. Like all other policies, taxation also includes a problem within itself, although it was established on the objectives of equity, efficiency, positive economic growth and proper administrative costs. Certain lapses in tax policies, coupled with various schemes adopted by taxpayers, have led to the problem of tax evasion and tax avoidance. It is a serious societal problem which is causing much concern and major setback on revenue collection in Ghana.

Decentralization Structure of Ghana

Decentralization is the transmission of resources, power and responsibilities from the central government to the district levels in order to enable them carry out efficient and effective governance of the people. In Ghana, The Municipal and District assemblies are the heads of the various municipals and districts respectively and are therefore given the needed authority and resources to carry out their duties (Gyimah-Boadi, 2009).

Functions of District Assemblies'

As stated in the 1992 Constitution of Ghana, Article 245 and the Local Government Act 462 of 1993, district, municipal and metropolitan assemblies are mandated by these legal frame works to perform the following functions; A district assembly shall exercise political and administrative authority in the district, provide guidance, give direction to and supervise all other administrative authorities in the district. A district assembly shall exercise the deliberative, legislative and executive functions. The assembly is responsible for the overall development of the district and is to ensure that every year development plans of the district are worked out and sent to the government for approval. To promote and support productive activities and social development in the district and remove any challenge to initiative and development. Subject to this act and to government policy it shall be the responsibility of district assembly to take steps and measures as necessary and expedient to: execute approve development plans for the district, guide, encourage and support sub- district local government bodies, public agencies and local communities to perform their rules in the execution of the approved development plans and promote or encourage other persons or bodies to undertake project under approve development plans. The district assembly shall co-ordinate , integrate and harmonize the execution of programmes and projects under approve development plans for the district and other development programmes or carry out by ministries, Departments, public corporation and other statutory bodies and non- governmental organizations.

Sources of District Assemblies (Fiscal inflow)

The sources of funding in Ejura Sekyedumase District to a large extend are from central government salaries of staff, funds for development project, example, District common

fund, HIPC and also from assembly's own internally generated funds. The assembly solely depends on district assembly common fund for its developmental project. The main sources of internally generated fund according to the local government Act 462 1993 include land (loyalties), fees and fines, property rate, licenses, miscellaneous and Annual Basic Rates.

Lands (loyalties)

This comprises of levies imposed on building plans and permits as well as stool lands payable to the Assembly.

Fees and fines

Section 34 of Act 462 allows District Assemblies to charge fees for any services or facility they provide. These are user charges levied on services provided by the assembly. These are fees mainly levied on markets, lorry parks, conservancy and burial services, slaughter houses etc. These also include fines from tribunal or courts paid to the assembly.

Rate

Property rates constitute a substantial part of the total revenue for local assemblies, but the rate is often not sufficient. The basis for the rate is the resident adult population and immovable properties. The property rate is levied on immovable property (Yeboah and Johnson, 2010).

Licenses

Licenses are based on economic activities in the district. The license serves as the permit for undertaking any each activity in the district. Business operating permits, development permits etc. are forms of licenses given to people to allow them carry out some activities in the district. It provides revenue to support local authorities in the performance of their functions (Yeboah and Johnson, 2010). Whilst some of such licenses are paid on annual or quarterly basis a greater number of them are paid on monthly basis and thus increasing the cost of collection (Yeboah and Johnson, 2010).

Miscellaneous

This any other revenue generated outside the above-mentioned sources.

Annual basic rate

This is generally rates payable by all people of eighteen (18) years and above. It is a poll tax and broad based by Section 8, Act 462 2000 exemptions are given to those who are above the age of seventy (70) years as well as student in educational training without incomes.

Challenges of Internally Generated Funds in Ghana

1. The current challenges faced by district assemblies in the mobilization of internally generated funds in Ghana as stated by Alupungu et al. (2012) include; insincerity of revenue collectors; that is most collectors are not truthful when it comes to the amount of money they collect from tax payers. They usually under declare the taxes they collect.

2. Absence of reliable data for revenue forecasting; One of the challenges that hinder revenue mobilization in the Ejura Sekyedumase District assembly is the lack of adequate and reliable database of the district, with the result that many of the tax items listed in the fee fixing resolution of the assembly could not be collected. Undoubtedly, it has been observed that poor revenue mobilization is the inadequate revenue base and no matter the modalities put in place they cannot collect enough.
3. Irregular flow of District Assembly Common Fund (DACF); the main challenges that faces most Metropolitan, Municipal and District Assemblies (MMDA) in Ghana is the irregular flow of funds to the assemblies. In most assemblies funds are not used as they are budgeted for, especially with the District Assembly Common Fund (DACF). Also more often, expenses made under contingency at sources were serious challenge to budgeted allocation.

Challenges that hinder revenue mobilization

From literature, there are several things that could be done to encourage the payment of internally generated funds. It is believed that the proper placement of adequate structures by district assemblies would aid in boosting the generation of internally generated funds. One such important practice is proper financial management (Alupungu et al., 2012). It also includes their expenditure in the generation of funds together with controls so as to regulate both the revenue and expenditure. There are prospects as tax payers will turn to pay when they really see value for their money (Alupungu et al., 2012). Some of the challenges that hinder revenue mobilization are insincerity of revenue collectors, tenant not paying their rent on time, unfriendly attitude of tax collectors, incompetent monitoring system and Unavailability of tax personals (Romanus, 2015).

Contributions of internal generated funds

IGF's in as much as is used for community project is also to a large extent used for the administrative management of the Assembly which gives the notion that the Assembly day to day activities is more of a priority to the Assembly than developing the community (Armah, 2014). According to Victor, (2015) Assemblies had applied IGF to fund a number of projects in areas. Some of these projects include the construction of markets, cleaning and sanitation, construction and renovation of classrooms, provision of scholarship and educational facilities, provision of street lights and renovation of roads and bridges among others.

MATERIALS AND METHODS

The population for the study consists of the district from whom the Techiman North District Assembly collects levies/tax from and the management of the district assembly. The sample size for the study comprised of the District Finance Officer, District budget officer, District planning officer, District coordinating director, the revenue superintendent, fifteen (15) tax collectors, and one hundred (100) tax payers. This is to enable us get the various perspectives of the people mainly involved in the mobilization of the internal generated fund of the Techiman North District Assembly. Eleven (11) questionnaires were sent

out for the tax payers but only 64 were properly filled and 20 questionnaires were administered to the tax officials and only 16 were completely filled. And so 64 tax payers' views were sampled as well as 16 tax collectors. Hence the total number of respondents for the study was 80. Purposive and convenience sampling techniques was used. Purposive sampling techniques were used to identify key informants at the Assembly while the convenience sampling was used to collect data from the tax payers. To achieve the aim of this research, both primary and secondary data was used during the research process. There are two sources of data (primary and secondary sources of data) but the researcher adopted primary source of data in this study generated through the distribution of well-structured questionnaires for the respondents. The questionnaire was divided into two parts; the questionnaire for the tax payer and questionnaire for the tax collector. Each part is categorized into "A and B". "A" constitutes socio-economic characteristics and "B" also constitutes tax information. Questionnaires for the taxpayers contain three (3) questions. Of which two questions was found in category "A" and one (1) was found in category "B". Out of these three (3) questions, two (2) are close ended question and one (1) is open ended questions. Two of the close ended questions are having the characters of strongly disagree, disagree, agree, strongly agree and the rest of the one(1) questions is restricted to some given answers to be selected from. Questionnaires for tax collectors also contains eight (8) questions of which five (5) of them are found in category "A" and three (3) are found in category "B". Out of the eight (8) questions, six (6) of them are open ended questions and two (2) are closed ended questions. One (1) of the close ended questions is having the characters of: strongly disagree, disagree, agree and strongly agree and two (2) of them are restricted to some given answers to be selected from. The questionnaire was distributed personally. The key officers of the Assembly were given questionnaires with respect to their areas of operation as far as revenue mobilization, expenditure, planning and budgeting are concerned. Data collected within the study was analyzed using descriptive statistics (frequencies and percentages).

Empirical Discussion and Analysis

Demographic Features of Respondents

Table 1. Gender Distribution

| Gender | Frequency | Percentage (%) |
|--------|-----------|----------------|
| Male | 48 | 60 |
| Female | 32 | 40 |
| Total | 80 | 100 |

(Source: Field survey, 2016)

Table 1 shows gender distribution among sampled population. The results show that out of the 80 respondents, 48 respondents, representing (60%) were males, while 32 respondents, representing (40%) were females. This clearly indicates that more males responded to the questionnaires than the females.

Table 2. Age Distribution

| Gender | Frequency | Percentage (%) |
|--------|-----------|----------------|
| Male | 48 | 60 |
| Female | 32 | 40 |
| Total | 80 | 100 |

(Source: Field survey, 2016)

Table 2 shows the profile of the respondents by age. The result shows that of the 80 respondents, majority (52.5%) were between 31 and 40 years, 25% were between 20 and 30 years, 12.5% between 41 and 60, while 10% were 60 and above. This clearly indicates that majority of the respondents in Techiman North District were between the ages of 31 to 40. Respondents between 60 and above were least in Techiman North District Assembly.

Table 3. Educational level

| Level | Frequency | Percentage (%) |
|----------------------|-----------|----------------|
| Secondary | 14 | 17.5 |
| Technical/vocational | 38 | 47.5 |
| Tertiary | 28 | 35 |
| Total | 80 | 100 |

(Source: Field survey, 2016)

Also, in terms of education, 47% representing 38 respondents had technical and vocational education, 28 respondents representing 35% had tertiary education, while the rest (17.55) had secondary education. This clearly indicates that most respondents have technical/vocational education which represents 47.5% and the least 17.5% had secondary education.

Table 4. Sources of internally generated funds

| Responses | Disagree (SD+D) | Agree(SA + A) |
|-------------------|-----------------|---------------|
| Fees and fine | 0(0) | 80(100) |
| Income tax | 63(78.9) | 17(21.1) |
| Property rate | 0(0) | 80(100) |
| Investment income | 0(0) | 80(100) |
| Miscellaneous | 0(0) | 80(100) |

(Source: Field survey, 2016) (Percentages are in parenthesis)

For the sake of the analysis, both responses obtained from the affirmation of agree and strongly agree were combined (SA+A), while those of disagree and strongly disagree were also combined (SD+D). This was because some of the values obtained were as low as 1.0% to 9.0%. The additions were made to make the analysis relevant. Respondents were asked to indicate the extent they agree; or disagree with the following statement as a source of internally generated fund. 80 respondents representing 100% agreed to fees and fines, with respect to income tax as a source suggested, 63 of respondents representing 78.9% disagree, whilst 17 of the respondents representing 21.1% agreed, property rate, royalty, and licenses as major sources of internally generated funds to the Techiman North District Assembly. As seen in table 4 with the exception of income tax, all the respondents agree that property tax, licenses, royalty, fees and fines are the source of funds to the Techiman North District Assembly. Majority of respondents agreed that income tax is not source of IGF. The respondents held the view that income tax is paid to the central government and not the District Assembly. For this reason, 78.9% of the respondents disagreed with the suggestion that the income tax is source of revenue to District Assembly.

Table 5. Type of levy paid by respondents

| Type of levy | Frequency | Percentage (%) |
|-----------------|-----------|----------------|
| Property rate | 7 | 8.8 |
| Land(royalties) | 32 | 40 |
| Market tolls | 41 | 51.3 |
| Totals | 80 | 100 |

(Source: Field survey, 2016)

Table five (5) shows type of levy paid by respondents. For those who paid levies, the common levies were property rate (8.8%), royalties (40%) and market tolls (51.3%). This clearly indicates that 51.3% of the respondents paid market tolls which represent the highest percentage of levy collected by the district. 40% of the respondents paid land (royalties) which represent the second highest percentage of levy collected and the least was 8.8% of respondents paid property rate to the district.

What challenges impede revenue mobilizations in the district?

For the sake of the analysis, both responses obtained from the affirmation of agree and strongly agree were combined (SA+A), while those of disagree and strongly disagree were also combined (SD+D). This was because some of the values obtained were as low as 1.0% to 9.0%. The additions were made to make the analysis relevant. The figures in the brackets represent the percentages.

Table 6. Challenges of revenue mobilizations in the district

| Statement | Disagree (SD+D) | Agree (SA+A) |
|--|-----------------|--------------|
| Inability to break even or make profit on the job | 3(3.7) | 77(96.3) |
| Insincerity of revenue collectors | 80(100) | 0(0) |
| Tenants not paying their rents on time | 80(100) | 0(0) |
| Unfriendly attitude of tax collectors | 10(12.5) | 70(87.5) |
| Incompetent monitoring system | 23(28.8) | 57(71.2) |
| Unavailability of tax personals | 0(0) | 80(100) |
| Joining long queues and spending a lot of time at the revenue office | 70(91.2) | 10(8.8) |
| Corruption | 5(6.1) | 77(93.9) |
| Poor financial management | 60(90.1) | 9(7.7) |
| Lack of education | 0(0) | 80(100) |

(Source: Field survey, 2016)

(Percentages are in parenthesis)

Table six (6) With respect to the statement, Inability to break even or make profit on the job, 77 respondents agreed representing 96.3%, whilst 3 respondents representing 3.7% disagreed. Also, With respect to the statement insincerity of revenue collectors and tenants not paying their rents on time, 80 respondents representing 100% disagreed and none of the respondents, agreed. Furthermore, with the statement unfriendly attitude of tax collector's, 10 of the respondents disagreed representing 12.5% and 70 respondents representing 87.5% selected agree. With respect to the 'statement incompetent monitoring system', 23 respondents disagreed representing 28.8%, and 57 respondent agreed representing 71.2%. Moreover, joining long queues and spending a lot of time at the revenue office as a challenge suggested, 70 respondents representing 91.2% disagreed, 7 respondents agreed representing 8.8 % With respect to the statement corruption, 77 respondents selected agree representing 93.9%, whilst 5 respondents representing 6.1% disagree. Finally, Lack of education as a challenge suggested 80 respondents agreed representing 100%, but none of the respondents disagreed. In summary, 3 (3.7%) respondents and 77 (96.3%) "Disagreed" and "agreed" respectively that their main challenge was inability to breakeven or make profit on their job. "Insincerity of revenue collectors" and "Tenants not paying rent on time" was not a challenge to tax payers as it is indicated in the table by 100 percent of respondents "disagree" respectively. With respect to "Unfriendly attitude of tax collectors" 70 respondents representing 87.5% considered it as

a challenge. "Incompetent monitoring system" was not a challenge to 23 respondents representing 28.8% and 57 respondents representing 71.2% saw it as a challenge. "Joining of long queues to pay tax" were not challenges to 91.2% but was a challenge to 8.8%; however, "Unavailability of tax personnel" was rated as a major challenge to the respondents with the highest percentage (100%). "5 (5.7%) respondent and 77 (96.4%) "Disagree and "Agree respectively that their main challenge was corruption. And "Lack of education was rated as a main challenge to the respondents with the second highest percentage (99.9%). Further, the researchers make an effect an effort to assess the effectiveness of the revenue mobilized effort as well as these of the revenue mobilization.

Table 7. Revenue mobilization effort in the District

| Questions | Responses | Percentage rate of responded (%) |
|----------------|-----------|----------------------------------|
| Very effective | 2 | 10 |
| Ineffective | 5 | 40 |
| Effective | 3 | 30 |
| Satisfactory | 4 | 20 |
| Total | 14 | 100 |

(Source: Field survey, 2016)

From table seven (7) above, 2 (two) respondents representing 10% indicated that, the revenue mobilization in the District is very effective. (Five) 5 respondents representing 40% also indicated that it to be ineffective. (Three) 3 respondents representing 30% the rated of revenue mobilization effort as effective whereas (four) 4 respondents representing 20% rated revenue mobilization effort as satisfactory.

Table 8. Respondent's assessment on Techiman North District Assembly revenue team

| Assessment | Responses | Percentage (%) |
|----------------|-----------|----------------|
| Very effective | 2 | 10 |
| Satisfactory | 5 | 20 |
| ineffective | 3 | 40 |
| Effective | 4 | 30 |
| Total | 14 | 100 |

(Source: Field survey, 2016)

From table eight (8), (two) 2 respondents representing 10% indicated that, the revenue mobilization team in the Techiman North District Assembly is very effective. (Five) 5 respondents representing 20% indicated that, the team work can be assessed as satisfactory. 3(three) respondents representing 40% of the responses indicated that revenue mobilization team in the District is ineffective, while 4 (four) respondents representing 30% also indicated that revenue mobilization team can be assessed as effective.

In what ways can internally generated funds be used to contribute to the physical development in Techiman North District Assembly?

Table 10. The percentage responses on ways the internally generated fund is been used in the physical development of the district

| Statement | SD | D | A | SA | Total |
|---|-----------|---------|-----------|---------|----------|
| 1. The Techiman North District Assembly fund have a lot of funds which is internally generated. | 11 (13.7) | 28 (35) | 35 (43.7) | 6 (7.5) | 80 (100) |

| | | | | | |
|--|--------------|--------------|--------------|--------------|-------------|
| 2. The quantum of revenue generated internally is enough to completely fund lots of projects. | 24 (30) | 21 (26.3) | 19 (23.7) | 16 (20) | 80 (100) |
| 3. I am satisfied with the projects over the years given the quantum of revenue collected. | 32 (40) | 18 (22.5) | 18 (22.5) | 12 (15) | 80 (100) |
| 4. Revenue collected over the years has had positive effects on the district. | 19 (23.7) | 29 (36.2) | 17 (21.2) | 15 (18.8) | 80 (100) |
| 5. Internally generated funds have been used to contribute to the development of the district. | 13 (16.2) | 28 (35) | 21 (26.2) | 18 (22.5) | 80 (100) |

(Source: Field survey, 2016) (Percentages are in parenthesis)

From Table 13, it can be seen that, the statement “The Techiman North District Assembly fund have a lot of funds which is internally generated”, 11 (13.7%) of the respondents strongly disagree, 28(35%) disagreed, 35(43.7%) agreed and 6(7.5%) strongly disagreed. It can be observed that 41(51.25%) of the total respondents of which is the majority established that the Techiman North District Assembly fund have a lot of funds which is internally generated. On the statement “The quantum of revenue generated internally is enough to completely fund lots of projects”, 24(30%) of respondent strongly disagreed, 21(26.3%) disagreed, 19(23.7%) agreed and 16(20%) strongly agreed. This shows that, most of the respondents totalling 45(58.25%) disagreed to the statement; the quantum of revenue generated internally is enough to completely fund lots of projects. Moreover, 32(40%) strongly disagreed, 18(22.5%) disagreed, 18(22.5%) agreed and 12(15%) strongly agreed with the statement item “I am satisfied with the projects over the years given the quantum of revenue collected” as a way the district assembly is using the internally generated fund in the physical development of the district. It clearly shows that majority of the respondent summing up to 50(62.5%) established that they are satisfied with the projects over the years given the quantum of revenue collected. As many as 48 of the total respondents representing 60% disagreed to the statement, “revenue collected over the years has had positive effects on the district” as in determining the usage of the internally generated fund in the physical development in the district. Lastly, the statement “internally generated funds have been used to contribute to the development of the district”, a slight majority totalling 41 of the respondents representing 51.25% disagreed to the statement as accessing the ways the internally generated fund is been used in the development of infrastructure in the district. In all, Table 10 shows that the majority of the respondent disagree that the internally generated funds are not being used to contribute to the physical development in Techiman North District Assembly as it is supposed to be.

DISCUSSIONS OF FINDINGS

This section of the chapter seeks to summarize the findings obtained from the tables presented above. The findings are based on the research questions as stated in chapter one of this research.

The sources of internally generated funds in Techiman North District Assembly

It was found that with the exception of income tax, all the respondents strongly agree that property tax; licenses, royalty,

fees and fines are the source of funds to the Techiman North District Assembly. Majority of respondents agreed that income tax is not source of IGF. The IGF comprise of rates (basic rate, property rate, special rate, fees), permits and licenses, levies, royalties, rent, penalties and fines (Sackey-Addy, 2000). Mogues, Benin and Cudjoe (2009) also mention revenues from licenses and property taxes as comprising District revenues.

Challenges that impede revenue mobilizations in the district

Revenue collectors said that they encounter problems during revenue mobilization. The main hindrances they encounter during revenue collection is that, people do not see the pertinence of paying these levies. This is because people were reluctant to pay any money to the district due to inadequate information regarding the utilization of the resources within the assembly. In addition, some pay and do not see any activity or project being embarked on by the assembly using these funds hence their refusal to pay any longer. Moreover, the respondents said tax collectors have inadequate logistics to collect revenue and there is low morale among them owing to low incentives given.

Ways IGF mobilization could be used to improve the district

It was disclosed that majority of the respondents strongly agreed that mobilized revenue should be used to construct roads, setting of social amenities, improving the agric sector and building schools. Also, respondents were asked to determine the significance of paying taxes to the District Assembly. Two most common answers given by respondents were that taxes serve as source of revenue to the Assembly, and tax money is used for development, others also said they pay taxes because it was compulsory. Again the study found that respondents had perceptions of how District mobilized revenue should be used. For citizens, the money should be used to construct roads, for setting of social amenities, improving the Agricultural sector, and building schools. And just as stated by Michael, (2013) the public seeks benefit from District Assembly with regard to revenues mobilized. It makes sense for the public to demand accountability from public authority. This calls for prudent financial administration. The respondents' ideas of benefit of taxes suggest the District Assemblies cannot expect to demand citizens to pay taxes without meeting public needs in the respective jurisdictions.

Conclusion and Recommendations

From the study the following key findings are summarized below:

The sources of internally generated funds from Techiman North District Assembly include; rates, lands, (excluding stool lands), fees and fines, licenses, rents, investments. Also, some challenges faced in the generation of internally generated funds were; tax system not being fair, reluctance of tax payers in paying their taxes, interference of assembly members, asking for reduction in taxes, lack of education of tax payers on essence of paying tax, lack of logistics for tax collection, many entry points to the market, lack of capacity building for tax collectors, language barrier and many entry points to the market. With the third objective which focuses on how

internally generated funds could be used to contribute to the development in Techiman North District Assembly. It was found out that mobilized revenue is used to construct roads, setting of social amenities, improving the agric sector and building schools. It was concluded that Techiman North District Assembly was exhausting the mandatory sources of internally generated funds. The awareness level of respondents on the taxes charge by the Techiman North District Assembly was low. Respondents had a regular attitude of paying their taxes. Generation of internally generated funds is faced with a lot of challenges which needs to be addressed immediately. Construction of roads, provision of social amenities, improving the agric sector and building schools were priorities of Techiman North District Assembly. From the study it is recommended that the Techiman North District Assembly should keep up with the type of taxes they are collecting from citizens but they should try to sensitize tax payers on the various types of taxes they charge, Techiman North District Assembly should keep up with their methods of collection as that would give tax payers a good attitude towards tax payment. Also, The Techiman North District Assembly should however not just put in place measures but implement those measures so as to address the current challenges that the assembly is facing as the prospects of internally generated funds are great

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