

SUAMAN DISTRICT ASSEMBLY

REVENUE IMPROVEMENT ACTION PLAN (RIAP)

2022

Outline of the Presentation

- ❖ Introduction
- ❖ Revenue Improvement Action Plan (RIAP)
- ❖ Objective and Expectation of RIAP
- ❖ Sources of Revenues of a District Assembly
- ❖ Trend of Revenue Performance and Projections of Revenues of a District Assembly
- ❖ SWOT Analysis
- ❖ Strategies for Revenue Mobilization
- ❖ Templates (RIAP, Monitoring, Reporting)
- ❖ Tools to Aid in IGF Mobilization
- ❖ Stakeholders to be Engaged
- ❖ Conclusion



Background

There are growing demand and agitations on Suaman District Assembly to provide basic infrastructure and deliver an improved services in the District to bridge the gap in service delivery as well as improve the well-being of the people.

It is has therefore become imperative to develop the capacities of Suaman District Assembly to raise adequate local revenues from a range of sources as a complement to other resources and as well maintaining the fiscal balance.



MINISTRY
OF
FINANCE

Background Cont'd.

Suaman District Assembly has revenue potentials when harnessed well could turn the economic fortunes of the District around. However, these potentials have not been or partially tapped in addition to inefficiencies recorded in the revenue landscape.

This has had a toll on service delivery, brought about mistrust between the citizens and local government officials and increased the reliance on Central Government transfers.



MINISTRY
OF
FINANCE

Introduction

To mitigate the gap in revenue mobilization and collection, there is the need to roll out comprehensive and complementarity strategies that will strengthen capacities of Suaman District Assemblies to improve the revenue base and performance, reduce the reliance on central government transfers which are currently dwindling and erratic in disbursement.

One of such strategies has been identified as the Revenue Improvement Action Plan (RIAP).



MINISTRY
OF
FINANCE

Revenue Improvement Action Plan (RIAP)

The Revenue Improvement Action Plan (RIAP) is a strategy introduced to guide the path to an improved and sustained growth in revenue mobilization and collection.

The RIAP addresses structural, administrative and systemic inefficiencies and outlines concrete strategies to mitigate the effect of the inefficiencies in the revenue landscape.

The RIAP when properly administered will improve revenue mobilization and ensure that the rate payer accrues benefits from the payment of levies imposed.



MINISTRY
OF
FINANCE

Objective of Preparing a RIAP

The main objective of developing a Revenue Improvement Action Plan (RIAP) is to support Suaman District Assembly's efforts at improving mobilization and management of locally generated revenues by outlining practical suggestions on potential interventions, activities, timelines and resources required to implement the interventions.



MINISTRY
OF
FINANCE

Expectation of Preparing a RIAP

To stimulate positive responses to influence and increase local revenue mobilization and collection to meet the demand for service delivery that are not adequately covered by central government transfers as well as create the needed awareness for prompt and voluntary payment of levies.



MINISTRY
OF
FINANCE

Sources of Revenue of Suaman District Assembly

To better appreciate and formulate strategies that will help improve revenue mobilization and management, it is critical to identify the types of revenue items available to the Suaman District Assembly and establish the growth trajectory and levels of performance of each, to the total revenue performance of the District Assembly.

This could help in assessing the viability or otherwise of the interventions modelled for implementation.



MINISTRY
OF
FINANCE

Sources of Revenue of Suaman District Assembly.

Section 124 (3) of Act 2016, Act 936 provides for IGF of a District Assembly as follows:

- (a) Licenses (Section 137 to 140 backed by Schedules 8 and 9);
- (b) Fees and Miscellaneous charges (Section 141 and detailed in Schedule 11);
- (c) taxes (Section 142 and detailed in Schedule 12);
- (d) investment income (Section 143); and
- (e) rates (Sections 144 to 169).
- (f) Lands (



Trend of Revenue Performance and Projections

S/N	Revenue Item	Baseline				Previous Year (s)				Budget Year				Medium Term Targets		
		Proj. 2019	Actual 2019	Total Rev. 2019	2020 % Growth	Proj. 2020	Actual 2020	Total Rev. 2020	2021 % Growth	Proj. 2021	Actual 2021	Total Rev. 2021	2021 % Growth as at August	2022	2023	2024
1	Licences	53,950.00	51,271.44	51,271.44	95.03	80,000.00	100,479.81	100,479.81	126.00	105,000.00	69,691.00	69,691.00	66.37	93,500.00	98,175.00	103,053.75
2	Fees	26,050.00	32,246.00	32,246.00	123.7	48,400.00	58,901.00	58,901.00	121.70	51,730.00	55,157.00	55,157.00	106.62	48,230.00	50,641.15	53,173.21
3	Lands	70,000.00	11,278.00	11,278.00	16.11	71,000.00	25,180.00	25,180.00	35.46	102,700.00	63,528.00	63,528.00	61.86	25,800.00	27,090.00	28,444.50
4	Fines	300.00	132.00	132.00	44.00	1,200.00	447.00	447.00	37.25	700.00	700.00	700.00	100.00	700.00	735.00	771.75
5	Investment Income	20,000.00	700.00	700.00	3.50	5,000	-	-		200.00	3,062.00	3,062.00	1,531	5,200.00	5,460.00	5,733.00
6	Rates	66,000.00	32,660.00	32,660.00	49.48	31,700.00	12,956.70	12,956.70	40.87	31,700.00	13,530.00	13,530.00	42.68	31,700.00	33,285.00	34,949.25
	Total	241,000.00	129,144.44	129,144.44	53.59	237,300.00	197,964.51	197,964.51	83.42	292,030.00	205,668.00	205,668.00	70.43	205,130.00	215,386.15	226,125.46



MINISTRY
OF
FINANCE

Strengths for Revenue Mobilization

The following are some of the issues identified to support an improved revenue mobilization:

- Revenue mobilization at the Suaman District Assembly are governed and supported by legal and regulatory framework and Guidelines e.g. Act 936, Fee Fixing Guidelines;
- Willingness of the Citizens to pay the rates imposed and even adjusted rates provided it is tied to service delivery;
- Gazette Bye-laws and Fee Fixing Resolution to enforce compliance;



Strengths for Revenue Mobilization Cont'd.

- Support of the Courts to prosecute defaulters;
- Improvements in revenue mobilization tied to rewards as in the case of DPAT;
- Automation and digitization of processes e.g. e-billing, e-payments;
- Stakeholder engagement on fixing of levies;
- Availability of Human Resource to support revenue collection;
- Electronic Management Systems to support collection e.g. POS; etc.



Weaknesses with Revenue Mobilization

Local revenue collection operations are plagued with numerous inefficiencies, some of these have been identified as follows:

- Non availability or inadequate database on rateable items;
- Non adherence to guidelines for managing outsourcing arrangements to private companies and individuals;
- Use of manual systems for recording revenue receipts;
- Cash payments, limited supervision and performance criteria as well as monitoring of revenue collectors;



Weaknesses with Revenue Mobilization Cont'd.

- Limited political will to deal with defaulters and Interference in setting rates;
- High illiteracy among revenue collectors;
- Capacity issues despite high potentials;
- Limited use of technology in the compilation of data;
- Lack of appropriate revenue management system for bill distribution, collection, monitoring and enforcement;
- Limited-involvement of citizens prior to fixing fees; and
- Reluctance of rate payers to honour obligations due to poor service delivery.



Specific Challenges Identified with Rateable Items

Revenue Items	Challenges
Fees	Unwillingness of market women to pay tolls due to poor service delivery
	Relatively low rates charged
Fines	Poor enforcement of bye-laws
	Non-Gazette of bye-laws
Licenses	Inadequate database on all businesses
	Ineffective distribution of bills due to business location
	Wrong categorization of business
	Poor Enforcement of bye-laws
Rates	Improper identification of some properties due to poor street and house identification
	High cost of valuation
	Excessive Delays in the Revaluation of Properties
	Inadequate Valuation Roll to charge realistic Rate
	Relatively low rates, unattractive to collect in the case of basic rate



Specific Challenges Identified with Rateable Items Cont'd.

Revenue Items	Challenges
Rent	<p>Lack of renovation of Assembly properties</p> <p>Limited number of structures to rent out</p> <p>Unwillingness of tenants in Assembly stores and houses to honor their rent obligation</p> <p>Relatively low rates , unattractive to collect</p>
Cross Cutting Issues	<p>Inadequate database on ratebles and rate payers</p> <p>Lack of Software for Billing and Tracking of Payment</p> <p>Low Public Education/Sensitization on the Payment of Property Rate</p>
Lands	<p>Delay in the release of Stool Lands Revenue</p>



Opportunities/Threats for Revenue Mobilization

Opportunities

- Automation and digitization of processes
- Human Resource and Capacity Development

Threats

- Political interference;
- No evidence of service delivery;
- Lack of accountability to the rate payers;
- Non-involvement of Traditional Leaders
- Risks



Major Strategies for Revenue Mobilization

- Intensify public education on the need to make good on Citizens' civic responsibility of paying levies;
- Transparency and accountability in the use of revenues are the necessary conditions to improve revenue mobilization;
- Adoption and strengthening the use of technology to promote efficiency and effectiveness and reduce human interface i.e. E-billing, E-reminders and E-payments;
- Develop vibrant local economies to creation of jobs as envisaged under Local Economic Development (LED);



Major Strategies for Revenue Mobilization Cont'd.

- Service delivery should be clearly linked to the revenue sources required to finance them;
- Enforcing the General Benefit Principle i.e. services should be financed by their beneficiary;
- Build trust with rate payers by undertaking regular social accountability to inform them of how funds collected are utilized and the challenges being faced by the Assembly with non or delay in payment;
- Set aside funds to support community mobilization and initiatives;



Major Strategies for Revenue Mobilization Cont'd.

- Broaden the revenue base while ensuring the existing payers pay on time;
- Help establish credible database on economic activities;
- Internal Accountability in Revenue Collection - External and internal audits focus more on the expenditure side than on revenue performance, thus, revenues forgiven, missed, or lost often remain hidden; and
- Strengthen and delegate the collection of selected revenue items to the Sub-Structures.



Other Strategies for Revenue Mobilization

- Approval and gazette of Bye-laws and Fee Fixing Resolution;
- Conduct valuation of all properties;
- Incentives to Improve Revenue Collection i.e. creating more revenue collection post/point;
- Participation, inclusiveness and empowerment of citizens;
- Provide adequate logistics and incentives for revenue collectors;
- Review Outsourcing Contracts/Guidelines for managing outsourcing arrangements;



Other Strategies for Revenue Mobilization Cont'd.

- Sensitization campaigns to update the citizenry of their civic responsibilities;
- Community/Ratepayer stakeholder consultation prior to fixing fee; and
- Accounting records and other financial reports should be produced, maintained and disseminated in line with existing legislations.



MINISTRY
OF
FINANCE

Action Plan to be Adopted- Suaman district Assembly

Revenue Item	Strategies/Activities	Objectives	Expected Output /Outcome	Implementation Period				Logistics Required	Estimated Cost	Responsible Officer	Fund Source
				1st Qtr	2nd Qtr	3rd Qtr	4th Qtr				
Rate	1. Public education on rate payment using Radio, Information Van, Churches and Mosques etc.	1. Rate Payer sensitization on the need to pay revenue						Information Van	1,000.00	DBA,DIA,REV.SUPT,DEO	IGF
	2. Organize training programme for Revenue Collectors and area council members	2. Aids in building the capacity of Revenue collectors and area council members to improve IGR						Copies of the Fee Fixing , Refreshment and Sitting allowance	400.00	DFO,DBA	
	3.Development of Jingles on tax compliance and payment	3. Jingles for educating the public on tax compliance issues ready to be played on radio						Pendrive, Information Van, Fuel.	1,000.00	DCD, PM	



Action Plan to be Adopted

Revenue Item	Strategies/Activities	Objectives	Expected Output /Outcome	Implementation Period				Logistics Required	Estimated Cost	Responsible Officer	Fund Source
				1 st Qtr	2 nd Qtr	3 rd Qtr	4 th Qtr				
	4. Liase with community addressing centers to constantly play the jingles							Pendrives	500.00	DCD, NCCE, DIO	
	5. Hold Budget and F&A committee meeting on reviewing and categorization of Revenue items in Fee-Fixing	5. To ensure that realistic rates are set						Refreshment, lunch & allowance	500.00	DCD,DFO,DBA	
	6. Organize quarterly Budget committee meeting to discuss performance, and other issues relating to Budgetary control and Revenue Improvement	6.To ensure management is informed about the Financial position of the Assembly with measures taken to rectify them						Funds	500.00	DCD, DBA, DFO	



Action Plan to be Adopted

Revenue Item	Strategies/Activities	Objectives	Expected Output /Outcome	Implementation Period				Logistics Required	Estimated Cost	Responsible Officer	Fund Source
				1 st Qtr	2 nd Qtr	3 rd Qtr	4 th Qtr				
	7.Organize F&A sub committee meeting to discuss Financial performances and Administrative issues							Funds	5,000.00	DCD, DBA, DFO	
Licenses	1. Formation of monitoring team to mornitor revenue activities.	1. Review and update existing Data on ratable items						Fuel, Vehicle	10,000.00	STAT. OFFICER, DBA, DPO, REV. SUPT.	CF/IGF
	2.Organize Revenue orientation for staff of Revenue, Works, and Env. Health Dept./Units.	2.To educate them on the Assembly Fee-Fixing and how to use it.							1,500.00	DFO, DBO, DBA	



Action Plan to be Adopted

Revenue Item	Strategies/Activities	Objectives	Expected Output /Outcome	Implementation Period				Logistics Required	Estimated Cost	Responsible Officer	Fund Source
				1 st Qtr	2 nd Qtr	3 rd Qtr	4 th Qtr				
Fees and Fines	1. Formation of Revenue Mobilization Task Force	1. Engage and train extra 10 commission collectors									
	2. Sensitized identified groups on fees and payment	2. Hold stakeholders discussions on Fee Fixed and difficulties faced where possible									
	3. Publication of income Expenditure on the Notice board weekly/monthly	3. To ensure transparency and accountability to the general public.						Copies of the Fee Fixing , Refreshment	3,000.00	DBA,DFO,D PO,DIA,HR	IGF



MINISTRY
OF
FINANCE

Action Plan to be Adopted

Revenue Item	Strategies/Activities	Objectives	Expected Output /Outcome	Implementation Period				Logistics Required	Estimated Cost	Responsible Officer	Fund Source
				1 st Qtr	2 nd Qtr	3 rd Qtr	4 th Qtr				
	1. Setting of individual target of Collectors	1. Generation and distribution of Bills						A4 sheet, Vehicle & Fund	1,000.00	DBA,DFO	IGF
	2. Organize orientation for the three area council on Revenue mobilization and quarterly review of area council performance	2.Enhance the collection capacity of the area council so as to meet the targets.						, Funds	2,000.00	DFO, DBA	
Lands & Royalties		3. Valuation of properties in the district						Funds	10,000.00	REV. SUPT. DBA	CF/IGF



Revenue Improvement Action Plan to be Adopted

Revenue Item	Strategies/Activities	Objectives	Expected Output /Outcome	Implementation Period				Logistics Required	Estimated Cost	Responsible Officer	Fund Source
				1 st Qtr	2 nd Qtr	3 rd Qtr	4 th Qtr				
RENTS	Regular checks on Stool Lands secretariat	Motivate Revenue Collectors						Allowance/Commission	5,000.00	DCE, DCD	IGF
Miscellaneous	Identification of new Revenue items	Carry out Revenue Mobilization mob-up exercise						Fuel, Vehicle	1,200.00	STAT. OFFICER, DBA,DPO, REV. SUPT	IGF
TOTAL									42,600.00		



Monitoring Plan

Revenue Item	Activities	Outputs	Progress with Intervention	Officers Responsible	Remarks
Rents	Regular checks on Stool Lands secretariat			DCE,DCD	
Miscellaneous	Identification of new Revenue items			STAT. OFFICER,DBA,D PO, REV. SUPT	
Fees and Fines	Formation of Revenue Mobilization Task Force			DBA,DFO,DPO,D IA,HR	
Licenses	Formation of monitoring team to monitor revenue activities.				
Rate	Public education on rate payment using Radio, Information Van, Churches and Mosques etc			DBA,DIA,REV.S UPT,DEO	



MINISTRY
OF
FINANCE

Reporting Template

Revenue Item	Activities	Estimated Cost of Implementation	Expected Returns (Amount)	Actual Returns (Amount)	Variance	Implementation Challenges	Mitigating Strategies	Remarks
Rate	Public education on rate payment using Radio, Information Van, Churches and Mosques etc	37,400.00	37,400.00	9,173.00	(28,227.00)		Liasing with GRA to do actual collection	
Rent	Regular checks on Stool Lands secretariat	16,500.00	16,500.00	6,510.00	(9,990.00)			
Licenses	Formation of monitoring team to monitor revenue activities.	176,998.60	176,998.60	95,206.70	(81,793.90)			
Fees and Fines	Formation of Revenue Mobilization Task Force	68,730.70	68,730.70	57,588.00	(11,115.70)		Follow ups on rate payers and ensuring payment of arrears	
Miscellaneous	Identification of new Revenue items	10,200.00	10,200.00	-				
Lands	Valuation of properties in the district	67,800.00	67,800.00	52,904.00	(14,896.00)			



MINISTRY
OF
FINANCE

Tools to Aid in IGF Mobilization

In addition to the laws (Local Governance Act, 2016 (Act 936), PFM Act, 2016 (Act 921), PFM Regulations 2019 (L.I 2378)) and policy strategies, the following tools can also aid in our quest for an improved revenue mobilization:

- Fee Fixing Guidelines
- Internally Generated Fund Strategy and Reference Guide
- Flexibility in Fee Fixing
- Establishment of Goals



MINISTRY
OF
FINANCE

Stakeholders to be Engaged

Internal Stakeholders

- DCE
- DCD
- Finance and Administration Sub Committee
- Budget Committee
- Heads of Departments and Units
- Revenue Head
- Internal Auditor



MINISTRY
OF
FINANCE

Stakeholders to be Engaged Cont'd.

External Stakeholders

- Traditional Authorities
- Religious Bodies
- Media
- Civil Society Organizations and Faith Based Organizations
- Development Partners
- Organized Groups (Market women, Artisans, Farmers, PWDs etc.)
- Citizens



MINISTRY
OF
FINANCE

Conclusion

It is our expectation that when the proposed strategies are adopted and the templates considered for implementation, it will improve the revenue mobilization drive of the Suaman District Assembly, and reduce the inefficiencies and improve service delivery in the District.



MINISTRY
OF
FINANCE