KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY

DEPARTMENT OF ACCOUNTING AND FINANCE

THE EFFECT OF INTERNAL CONTROL MECHANISMS ON REVENUE

MOBILISATION OF THE MMDAS IN GHANA

BY

JANET ADJOA KORANTENG

MSC. FINANCE

A THESIS SUBMITTED TO THE DEPARTMENT OF ACCOUNTING AND

FINANCE, KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY

IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE AWARD OF

MSC. FINANCE

AUGUST 2023

KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY

THE EFFECT OF INTERNAL CONTROL MECHANISMS ON REVENUE MOBILISATION OF THE MMDAS IN GHANA

BY

JANET ADJOA KORANTENG

PG8296221

AUGUST, 2023

DECLARATION

I hereby declare that this submission is my own work and that, to the best of my knowledge and belief, it contains no material previously published or written by another person or material that to a substantial extent has been accepted for the award of any other degree or diploma at Kwame Nkrumah University of Science and Technology, Kumasi or any other educational institution, except where due acknowledgement is made.

Janet Adjoa Koranteng (20848190)   ……………………   …………………..

(Name of Student and ID)   Signature   Date

Certified by:

Dr. Nicholas Addai Boamah   ………………………

……………………

(Name of Supervisor)   Signature   Date

Certified by:

Prof. K. O. Appiah   …………………   …………………...

(Head, Department of Accounting and Finance)   Signature   Date

ACKNOWLEDGEMENT

I take this opportunity to express my sincere gratitude to the God Almighty for the life, wisdom, and strength he bestowed on me leading to a successful completion of the work. I am equally grateful to my supervisor, Dr. Nicholas Addai Boamah whose patience, encouragement, and condor have helped me to complete this work. For Dr. Nicholas Addai Boamah, God richly bless you and may all your dreams come through for your time and dedication to my project work. I am also grateful to my wife and children, for their prayers and support, which keep spurring me on to this height.

DEDICATION

I dedicate my work to my husband and our son, who have been of immense help to me throughout

my studies. May God richly bless you.

ABSTRACT

This study investigates the effect of Internal Control Mechanisms (ICMs) on revenue mobilization within the Metropolitan, Municipal, and District Assemblies (MMDAs) of Ghana. Unlike previous research, this study examines the effectiveness of ICMs across different categories of MMDAs, offering a comprehensive understanding of their influence on revenue mobilization. Employing a mixed-methods approach, the research encompassed all MMDAs across Ghana's sixteen regions, targeting key revenue mobilization departments' employees. The study utilized various non-probabilistic sampling techniques to ensure a representative sample. The study found a strong positive relationship between the effectiveness of ICMs and revenue mobilization among MMDAs. It was also established that though respondents perceived District Assemblies to have more effective mechanisms, the overall sentiment was neutral, indicating a lack of clear opinions. Statistically, there were no significant mean differences between the various categories of MMDAs. The study concludes that reinforcing and ensuring the effectiveness of ICM components are pivotal for MMDAs to efficiently mobilize revenue for developmental activities. The study's implications emphasize the imperative of implementing robust internal control mechanisms across MMDAs, encompassing control environment, risk assessment, control activities, information and communication systems, and control monitoring. These mechanisms are instrumental in facilitating efficient revenue mobilization. The study recommends that MMDAs invest in strengthening these areas through capacity building, training programs, and regular system evaluation. And should as well foster knowledge sharing and collaboration to collectively enhance revenue mobilization mechanisms.

TABLE OF CONTENT

LIST OF TABLES

LIST OF FIGURES

x

CHAPTER ONE

1.1 Background

The local government system in Ghana was established on the assumption that government must develop the nation as a direct solution to the problems faced by the people which results from a shared responsibility of stakeholders; central government, local governments, parastatals, non-governmental organizations and the people (Adaletey et al., 2022). There are currently two levels of government in Ghana: the National Assembly and the Assemblies. The National Assembly is responsible for overseeing decentralized line ministries, while the Assemblies combine revenue powers with local government tasks (Diaboh, 2022). In a well-decentralized system, local governments have considerable powers to mobilize resources, through taxing authorities accompanied by strong tax regulations (Adamtey & Amoako, 2022; Borbor et al., 2021). Raising sufficient local revenues by local governments is important for a reason that decentralisation reforms have brought the delivery of public basic services such as health, water, sanitation and education to local governments (Adamtey et al., 2022).

This study asserts that MMDAs revenue mobilisation is influence by instituted internal control mechanisms. Internal control mechanisms comprise of the whole network of measures instituted in an organisation to provide meaningful and reasonable assurance that organisational objectives including revenue targets will be achieved to boost its financial performance. Generally, prior literature indicates that internal control mechanisms (ICM) have the potentials of enhancing institutional performance (Tariq & Essia, 2021). While Alabdullah (2019) indicates that good ICMs leads to improved institutional performance, Tariq and Essia (2021) mentions that literature reveals that poor ICMs results in bad performance of organisations. Internal control mechanisms are measures institute by an institution in order to ensure that the institution attains

its objectives, goals and missions. Researchers such as Anduuru (2015) is of the view that ICMs are processes designed and effected by those charged with governance, management, and other personnel to provide reasonable assurance about the achievement of an organisation's objectives with regard to reliability of the financial reporting, effectiveness and efficiency of operations and compliance with applicable laws and regulations. However, one must point out that, ICMs only provide meaningful and reasonable but not absolute assurance to an institution's management and board of directors that, the institution's objectives will be achieved. In most cases, the likelihood of achievement is affected by limitations inherent in the mechanism of controls (Canadian Institute of Chartered Accountants [CICA], 2015).

Overall, revenue mobilization performance refers to the degree to which revenue objectives are being or has been accomplished (Ahlulbaitulaah, 2017). The basic aim of every organisation is to manage its revenue mobilization tactics effectively, as an essential requirement for conducting business and providing basic needs for the people in order to boost their financial performance. This can be done by ensuring that ICMs of organisations are enhanced and standardised. According to Tariq and Essia (2021) ICMs are integral to the survival and performance of organisations. There are many benefits that an organisation may derive for implementing effective ICMs. These may include effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations (Musa, 2015).

Within the Ghanaian public sector, particularly within Metropolitan, Municipal and District Assemblies (MMDAs), the practice of ICMs is usually implemented poorly, ethical standards are weak, governance practices are poor, asset mismanagement is ineffective, and in most cases ICMs are perceived negatively by staff and clients (Amonoo, 2017; Saani, 2018). These organisations are known to have more facilities and equipment, and also have large number of

staff, a factor that has contributed to the urgent need for ICMs in these organisations for effective management and to ensure improve revenue mobilization leading to high financial performance.

According to National Development Planning Commission (NDPC, 2018), MMDAs are responsible for the governance system at the local level under the decentralisation agenda of the country. They are in charge of policy implementation of the government. Quite apart from creating job for the people, they are responsible for improving people's standard of living at the local level. This includes the provision of schools, hospitals, markets, sports stadiums, utilities, and sanitation (NDPC, 2018). Also, the Local Government Service (LGS, 2019) indicates that MMDAs are to plan, initiate, co-ordinate, manage and execute policies in respect of all matters affecting the people within their areas in order to promote local economic development. Furthermore, MMDAs are assigned with functional responsibility for policy formulation within the context of national sectoral policies, local level integrated development planning through sectoral coordination, revenue mobilisation and implementation of development policies and programmes (LGS, 2019; NDPC, 2018).

The operations of MMDAs cover almost all corners of the local authority areas in Ghana. They have large and complex internal governance and management structures which as a result require effective ICMs to ensure that there is accountability, good governance, improve revenue mobilisation, and appropriate financial management in the assemblies. Largely, MMDAs have been concentrating on the availability, accessibility and cost efficiency in the utilisation of their finances (LGS, 2019). Little attention has been paid to the great role played by ICMs in the area of revenue mobilisation within the assemblies. The very thing that can help increase their revenue.

Most public organisations, particularly MMDAs in Ghana have operated in disregard of effective ICMs leading to the mass failure and poor revenue performance of these organisations (Ahlulbaitulaah, 2017; LGS, 2019; NDPC, 2018; Saani, 2018). Most of the challenges MMDAs face are as a result of poor ICMs put in place which culminate to low level of revenue mobilisation. Therefore, it is appropriate for the financial activities of MMDAs to be properly standardised through implementation of effective ICMs by responsible management bodies in order to boost revenue performance of the assemblies. Even though, MMDAs in Ghana have ICMs in place, there are few studies that have looked at the effects of the assemblies' ICMs on revenue mobilisation. Therefore, this study contributes to the existing literature by empirically investigating ICMs and revenue mobilisation across a number of MMDAs in Ghana.

1.2 Problem of Statement

Available studies conducted in Ghana on the effect of ICMS on revenue mobilisation of MMDAs are few. Among them include a study by Attah-Botchwey (2018), which examines the impact of Accra Metropolitan Assembly's ICS on revenue mobilization. This study however, only focuses on one Assembly out of 273 MMDAs. Similarly, Alhassan (2018) explores the effect of ICS on tax mobilization in the Kintampo Municipal Assembly in the country. This study was also narrowed down to a single MMDAs and also focuses on only tax revenue mobilization, ignoring the mobilization of non-tax revenue of the assembly including license, market tolls, and fines among others. Ayamga & Bagina (2019) who conduct a study in northern part of Ghana on the impact of ICSs on the financial achievement of the Municipal Assembly of the Kassena Nankana East in the Upper East Region was also on a single MMDAs. All these study sample size represented only 0.4 percent of MMDAs in Ghana. This breach the recommendation by Cohen,

Manion and Morrison (2018) who posit that it is appropriate to sample around five to fifteen percent of an accessible population for a study.

Meanwhile, the work load and financial backbone of MMDAs require appropriate and effective ICMs to ensure high revenue mobilisation, smooth financial operation and high financial management. The reality is that most public organisations in Ghana do not have effective internal controls (Ahlulbaitulaah, 2017). The yearly Auditor's General Report (AGR) on MMDAs constantly emphasis revenue leakage due to internal control weakens across MMDAs within the country. For example, the Auditor's General Report (2022) mentioned that nineteen MMDAs failed to account for 250 General Counterfoil Receipts (GCR) booklets of face value GHC190,000.00 due to internal control weakens. The report also indicates an amount of GHC459,532.45 as unearned salaries paid to people who vacated post. And cash irregularities amounting to GH¢11,070,451.39 reported at 204 Assemblies among others. The Auditor's General Report (AGR) emphasise that such money should be recovered and that MMDAs should strengthen their internal controls. Similar issues have been report in the others yearly reports as well. Generally, many of the MMDAs in Ghana have ineffective internal controls in place. MMDAs that have effective internal controls look down upon them due to their poor corporate culture. As a result, such organisations fail to get benefits that accrue from having effective ICMs. Almost all managers (Chief Executives) of MMDAs are people who are politically appointed and may lack revenue mobilisation skills. Therefore, in order to ensure efficiency, transparency, effectiveness and responsibility in assemblies' revenue performance, there is the need for the implementation of meaningful internal controls mechanisms.

To bridge this identified lacuna in literature, the current study make use of 12 MMDAs to assess the effects of ICMs on revenue mobilization. This represents 5.8% of the total number of MMDAs in the country. Revenue mobilization of MMDAs is possible affected by the

geographical location of the MMDAs, the language, the educational level, the culture, and beliefs of the people living in a particular MMDA. For this reason, it may not be accurate to generalize prior studies conducted in a single MMDA to another MMDA in the country due to differences that exist among them. It is against this background that, this study explores the influence of ICMs on revenue mobilisation of 12 MMDAS in Ghana in order to contribute to the limited literature.

1.3 Research Questions

Based on the specific objectives of the study, the following research questions were formulated:

1. How effective is the ICMs of MMDAs in Ghana for revenue mobilisation?

2. What is the difference between MMDAs with regard to the effectiveness of their ICMs on revenue mobilisation?

3. What is the effect of ICMs on revenue mobilisation of MMDAs in Ghana?

1.4 Objectives of the Study

Based on the purpose of the study, the following specific objectives were formulated to guide the argument of the study. These objectives are to:

1. Examine the effectiveness of MMDAs ICMs for revenue mobilisation.

2. Assess the difference between MMDAs with regard to the effectiveness of their ICMs on revenue mobilisation.

3. Determine the effect of ICMs on revenue mobilisation of MMDAs in Ghana.

1.5 Methodology Overview

The study adopts the quantitative approach because this approach ensures greater objectivity and accuracy of results, and also help the researcher to generalise the results for the whole population

under study (Larini & Barthes, 2018). In addition, it also helps the researcher to analyse the data with ease (Mukherjee, Sinha & Chattopadhyay, 2018). In relation to design, the descriptive cross sectional survey design is used. Since the study seek to gather and analyse information on existing ICMs and revenue mobilisation of MMDAs in Ghana, it is appropriate to use the descriptive cross sectional survey design. In such design, the researcher draws a sample from the population of interest and generalisations are made, taking into consideration their responses. Gravetter and Forzano (2018) explains that a descriptive cross sectional survey design typically involves measuring a variable or a set of variables as they exist naturally in one short period rather than longitudinal.

The study institutions constitute all MMDAs in Ghana. There are two hundred and sixty MMDAs in Ghana which include 6 metropolitan districts, 109 municipal districts, and 145 ordinary districts. Specifically, 12 MMDAs are selected from the three zones in Ghana: Northern zone, Middle zone and Southern zone. The accessible population include management, account/audit/finance, and administrative/ technical staff of the 12 MMDAs in the four zones. These groups of staff are considered because they are more exposed to ICMs and revenue mobilisation of the assemblies and they understand better the dynamics of ICMs adopted by MMDAs in Ghana.

The sample size of the study represents 5.8 percent of the population of MMDAs. This is in line with the recommendation of Cohen, Manion and Morrison (2018) who posit that it is appropriate to sample five to fifteen percent of the accessible population in a cross-sectional survey study. Multi-stage sampling technique that makes use of purposive and simple random sampling techniques were used to select the respondents respectively. Questionnaire to be answered by the respondents was the instrument that was used to collect the data. A period of seven weeks was

used to collect the data. The data collection procedure was carried out in three stages. The first stage had to do with the collection of lists of respondents from the organisations. The second stage involve the distribution of the questionnaires while the third stage focus on retrieving the questionnaires that will be administered.

The data is analysed using statistical tools such as frequency count, percentage, mean, standard deviation, Pearson product moment correlation and regression analysis. Ethical issues that catered for in this study include right to privacy, voluntary participation, no harm to participants, anonymity and confidentiality, deception and scientific misconduct.

1.6 Significance of the Study

Government of Ghana, through the ministry of Local Government and Rural Development and other public organisations have establish policies, plans, procedures, laws and regulations which have a significant effect to the day to day running of these organisations. It is therefore, the duty of management to ensure that their respective organisations comply with the said rules and regulations to safeguard government chest, prevent fraud, corruption, and above all improve their revenue mobilisation. Internal control systems are expected to add value to the operations of these organisations and help reduce administrative cost (Ahlulbaitulaah, 2017). This study would help MMDAs and other public organisations to appreciate and know the role of ICMs and their relevant in achieving meaningful controls mechanisms in these organisations which has a direct influence on the organisations' financial performance through effective revenue mobilisation.

This study will be significant for several reasons. First, ICMs influence on revenue mobilisation leading to improve financial performance. It is hoped that findings of the study would advance the understanding of how MMDAs can adequately leverage ICMs to improve their revenue

mobilisation. Second, findings of the study, if implemented, are also expected to be of immense benefits to the management of MMDAs with regard to ICMs decisions and implementation that boost the financial performance of the assemblies.

Furthermore, the study will enrich the researcher's knowledge on ICMs and revenue mobilisation of the assemblies. The study results will be useful to management, board of governors, and all stakeholders of public organisations. Specifically, they will use findings from the study to redesign policies aimed at improving on the levels of their respective organisations' financial performance through effective revenue mobilisation. Finally, findings from the research would serve as a source of information and or add to the scanty literature available for other researchers who would have the interest to study ICMs and activities that affect revenue mobilisation of MMDAs.

1.7 Limitations of the Study

Among the limitations envisioned for this study is the accessibility of required data. The target MMDAs are spread over the country. This implies that data collection will be time demanding, for this reason questionnaires for the study will be administer early and series of follow ups made to ensure that enough data is collected for the study.

In addition, cost of executing the project will be high as the research intend to collect data from twelve MMDAs. The major expenditure will be transportation to the various MMDAs for administering and collection of questionnaires. It will be the case since the research intends to cover some MMDAs in the southern, middle, and northern zones of the country.

Finally, the total number of MMDAs in the country is about 260. The number is high and so, it will be impossible to collect data from all the MMDAs. Therefore, the study will only focus on twelve selected MMDAs.

1.8 Organisation of Chapter

The study will be divided into five chapters. The first chapter will serve as a general introduction to the study. The second chapter would include a literature review which will cover a review on relevant theories, concepts, empirical studies and conceptual framework of the study. The study's methodological approach will be presented in the third chapter. The data analysis will be presented in the fourth chapter, and the summary of findings, conclusions, and recommendations will be presented in the fifth chapter.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This component of the research is dedicated to a review of the literature pertinent to the matter. It helped the researcher with an amount of appreciation of the problem, uncover study lacunae, and, most crucially, come out with applicable methodologies such as research design and questions to elicit replies from research participants. The section examined many ideas that underpin ICMs and financial performance of government agencies, particularly MMDAs. Relevant concepts, as well as related empirical investigations, have been evaluated in order to obtain an amount of understanding of the current concept under investigation. This aided the researcher in gaining knowledge through direct and indirect examination, as well as prior researchers' or studies' experience. The study's conceptual framework is presented before the end of this section.

2.2 Conceptual Review

The researcher reviewed concepts such as ICMs effectiveness, control environment, information and communications, risk assessment, monitoring of controls, control activities, internal controls and performance of MMDAs, and public financial management and accountability in order to attain a wider understanding of the field of study.

2.2.1 Internal financial control systems effectiveness

Internal control mechanism is a notion that encapsulates the integrity, ethical ideals, and all actions that assure stability in the grip for optimality in any entity (Francis & Imiete, 2018; Mary et al., 2014). ICS is a structure for managing an organization's strength, weakness, threat, and

11

opportunities in order to achieve the intended operational results (Adegboyegun et al., 2020). It is a series of policies, activities, strategies, and efforts by management, and all employees to guarantee that the organization's goals and objectives are met efficiently (Mahadeen et al., 2016). Usually, efforts employed by firms to help improve upon their operational performance are mostly linked to ICSs components, which is why, especially in a highly flexible organizational environment, the ICSs mirrors the feasibility of a business operations (Masadeh et al., 2015). If MMDAs are to operate well, they must be able to create and maintain effective ICMs, just like any other organisation.

The reality is that ICMs provide high operational responsibility, the construction of goal-oriented procedures, and the pattern of operation of MMDAs, among other things (El-Masri et al., 2015). Hence Provasi & Riva (2015), orates that ICM is a logical process which depend solely not on random events, but is a systemic process that is implemented according to set objectives of an organization for the optimal attainment of goals, effectiveness, proficiency, and absolute operational compliance. Internal control is said to consist of five primary elements which include: the risk assessment, control environment, information and communication, control activities, and monitoring activities (COSO, 2013 cited in degboyegun et al., 2020). It depicts MMDAs working design in terms of rules and processes in order to achieve a preferred level of operational adeptness and efficacy, financial report dependability, and zealous conformity. The control environment is an ICM constituent that sets the tone for all other ICM components (Adegboyegun et al., 2020). The reality is that, it is the element which undoubted stimulate people's cognizance in an organization, ICM is the basis around which a complete ICS is built. The following is a more in-depth look at the main components of ICM as outlined by COSO (2013).

2.2.2 Control environment

The control environment is concerned with topics such as organizational layout, practices and policies design, managerial basic philosophy and style, and so on (COSO, 2013). The control environment in this case comprises of management philosophies, organizational organogram of operations, processes, and rules to be conform to, by personnel in assigning responsibilities and authorities (Türedi, et al., 2015). Trustworthiness and vow to maintaining moral values, management's work, authority and responsibility, style and philosophy, business structure, human resource rules and practices, and management's responsibilities for ICMs regulation are among the principles that regulates environment suitable for COSO Internal Control layout (COSO, 2013).

2.2.3 Risk assessment

Risk assessment is basically the action of management which involve identifying and managing risk that has a link with the accomplishment of goals of an organization. This component reflects an entity's ability to correctly identify and analyze risks, with the goal of reducing the detected risk to the point where it is clear that the risk will not deter operations (Adegboyegun et al., 2020). Essentially, risk assessment encompasses the definition of appropriate objectives, active risk discovery and analysis, scam assessment, and key change analysis (Provasi & Riva, 2015). The following are the risk assessment principles, according to COSO (2013): Setting Objectives / Goals Identification of potential hazards, an examination of the risk level, Identifying and evaluating changes in risks that has the possibility of affecting ICMs, as well as assessing the risk of cheating in attaining goals.

2.2.4 Control activities

The strategies and measures that determine an entity's operating guidelines are depicted in control activities. Control activities are explained by an organization's governing policy and carried out according to a predetermine procedure (Adegboyegun et al., 2020). Control activities include activities such as an interplay of mechanisms aimed at risk extenuation, identifying and repairing of obstruct behavior and errors that can possibly impede the achievement of corporate goals (Provasi & Riva, 2015). They are activities carried out at all stages of an organization's operation which are backed by rules and regulations (KPMG, 2013).

Control activities at many of Ghana's MMDAs illustrate the policies and processes that determine an entity's operational parameters. Control activities are explained by an organization's governing policy and carried out according to a predetermine procedure (Adegboyegun et al., 2020). Control actions are the rules and mechanisms that guarantee the execution of management's choices and directives. The MMDAs' control operations occur at all levels and include verifications, approvals, reconciliations, and endorsements, as well as segregation of duties and resources, and performance appraisals (Ayamga & Bagina, 2019). Control activities, for example, are an interaction of mechanisms which gear at risk discovery, reduction, and obstruct behaviors and errors correction so as to ensure that goals achievement of organizations is not impeded (Provasi & Riva, 2015).

Generally, control activities are policies and actions which are designed and implemented to give remedy to an anticipated or current risks in order to aid the accomplishment of the objectives of an organization (Karakaya, 2016). Reviewing of applications performance or productivity and efficiency, authorization, data processing, inventory counting or physical controls, and separation of duties are examples of control activities in organizations like MMDAs.

2.2.5 Information and communication

Information and communication, as element of ICM, refers to net of systems and processes that enable fast capturing and transferring of information in a timely and usable manner for actors in an organization to make essential and precise decisions (COSO, 2013). It guarantees that both internal source and external source of information is circulated and disseminated appropriately in an organization to possibly assist the rest of ICM mechanisms (Adegboyegun et al., 2020). The information transmission component can also be used to generate reports that can be a guide to management for execution of their control role (Karakaya, 2016). The following information and communication concepts are appropriate for the COSO Internal Control structure (COSO, 2013): information acquisition, creation, and assessment, intra-organizational information communication procedures, and external organization information communication processes.

2.2.6 Monitoring of controls

Monitoring activities are types of evaluations executed throughout various levels of operational activities to ensure that each component of the ICM is present and working (Adegboyegun et al., 2020). Monitoring is the stage in which the controls arrangement's effective and productive progress in internal processes, as well as the organization's impact on value-added activities, are monitored and observed (Yilmaz & Karakaya, 2020). The entire procedure can be examined at this point, and possible interventions can be taken. Monitoring activities are made of continuing evaluation, particular evaluation, or a blend of the two at the end of the day.

Monitoring activities consist of the evaluation of controls and also the communication of control failures on a timely basis to individuals in charge of corrective action (COSO, 2013). This has a substantial impact on the performance of MMDAs and, as a result, on the mandate's achievement. The key concepts of monitoring in the COSO model, according to Yilmaz &

Karakaya (2020), are: evaluations and dissemination of flaws, and identification and application of continuing and one-time appraisal actions in connection with internal controls.

The interconnection of internal control components is depicted in the diagram below.

Figure 2.1 Illustration of relationships of the components of ICM
Source: Adegboyegun et al., (2020)

2.2.7 Internal controls and performance of MMDAs

ICMs, including internal audits among others, are put in place to help improve upon the reliability or dependability of financial performance by ensuring good organizational accountability to members (Ayamga & Bagina, 2019). MMDAs are public institutions that operate with funds provided by taxpayers. In order to achieve excellent financial performance, it is required of them to judiciously use the funds by creating and implementing proper ICMs capable of minimizing fraud, theft, and resource wastage. The reality is that public demand for checks and balances on how tax payers' money is spent in running public administrations, particularly local government, is growing, and hence employing effective ICMs is the way to go if local governments, and government agencies in general, are to gain and maintain public continue support. The purpose of ICM is much wider, and consist of controls of problems at the organizational level in connection with lower revenue generation, which examines the association amid fraud and weakness, independent appraisal provision of management

performance quality, management of earnings or ICM restatement, in the course of the execution of duties leading to improve revenue generation (Ayamga & Bagina, 2019). On this basis, Fadzil (2005) asserts that a successful ICM is inextricably linked to an organization's ability to reach its revenue targets.

The motivation of this research is to investigate how MMDAs handle ICS leaving to improve performance. Effective ICM for revenue generation is known to include: a frequent appraisal of the reliability and integrity of operations, appraisal of instated controls for safeguarding organizational assets, an appraisal of compliance of management instated procedures and policies by employees, compliance with other laws applicable, as well as the appraisal of the efficiency and effectiveness of management towards the accomplishment of their organizational objectives (Ayamga & Bagina, 2019). MMDAs all around the country have their own ICMs that govern how procurements are done and resources solicited, among other things. The internal audit unit is represented on the various Boards of Survey of the MMDAs in the country; nevertheless, the main concern is how effective these ICMs are, and whether bottlenecks within them are addressed at various levels for seamless operation and greater performance.

2.2.8 Public Financial Management and Accountability

When it comes to public financial management difficulties, the Auditor-General is the first point of call. The provision in the Financial Regulation Act 2004 (Legislative Instrument 1802) as well as the provision in that of the Financial Regulation Act of 2003 and that of worldwide accounting standards empowered the Auditor General with authority to subject all public institutions including the MMDAs to a rigorous inspection and audit (Oppong et al., 2016). Several provisions have been put in place to safeguard the public purges against unscrupulous financial

17

behavior, with the aim of ensuring that public financial management is sound and free from malpractices that can make public sector institutions ineffective and hence stagnant their growth. The operationalization of the "Ghana Integrated Financial Management System (GIFMIS)" in the year 2009, is a unique project which was started and implemented by the Ghana government through the Controller and Accountant General, under the Ministry of Finance, with the solid backing of the European Commission, British Government, World Bank, and DFID, which is a classical instance of Public financial initiative of strong financial control (Akotia, 2016). By default, the Controller and Accountant General is in charge of overseeing the implementation of any type of financial reform, although under the supervision of the Ministry of Finance and Economic Planning, and the Auditor General.

Several financial control strategies have been implemented in the country over time, all with the goal of rescuing and permanently mitigating the irregularities engulfing the financial systems of the country. One clear example is the Enterprise Resource Planning (ERP) implemented to help regularized the financial situation in the country under the watch of the Controller and Deputy Controller. The ERP is jointly managed for control and oversight by three governmental organisations that are proponents of transparency and reform (Haruna & Kannae, 2016). All governmental entities in Ghana are require to use International Public Sector Accounting Standards for financial reporting as of 2016 (IPSAS). This means that public institutions, especially MMDAs, are expected to move away from cash-based accounting toward accrual-based accounting, as stipulated by IPSAS. The good news is that IPSAS have an in-built ICMs for safeguarding the public purse and for increase performance and accountability. Following the implementation and continuous revision of regulations and that of the Public Financial Management Law, Ghana has been applauded by the World Bank director of the country for putting in place strong legislative framework to fortify management of the public finance.

The reality is that a proper implementation of these and other control measures at the various MMDAs levels would aid the nation in avoiding unnecessary public debt and malpractices in the public sector. Following is an unfolded evidences after GIFMIS implementation, of malpractices in the public sector across the numerous ministries in the country. The financial records show a complete neglect and hence a total breakdown of the Public Financial Administrative Regulations (FAR), resulting in a huge malpractice as spelt out below: GhȻ3,067,185.70, approximate to USD$724,256.00 at an exchange rate of 4.00Ghc, was found not to be lodged into the Consolidated Fund as of December, 2016. (Appiah & Abdulai, 2017; Edmonds et al., 2017).

Building a strong financial compliance framework is a crucial step toward formulating an efficient public institution capable of providing basic public services to residents. Internal financial reporting systems must be upgraded, significant budget information must be published to the public in a timely manner, public involvement in the processes of government budget should be encouraged, and the auditor general's ability to carry out his or her duties must be strengthened. In recent times the term "accountability" is often used to refer to the act of being accountable most especially within the practices of the public administration. It is simply about the demand of people in authority or who have been entrusted with resources or responsibility to explain how they were used for the achievement of intended purpose (Doussy & Doussy, 2014). The presence of accounting and budgeting systems that accurately capture commercial activities on a timely base is one indicator of financial accountability.

Budget can be seen as one way of articulating organizational priorities in financial terms, detailing how revenue and expenditure will be plan and manage (Government of Quebec, 2018). Financial accountability ensures efficiency in the management of the administration of public finances in public organizations by ascertaining whether there is enough transparency in how

deployed finance or resources were managed or used. Financial accountability aims at assuring interested parties of good usage of their resources and also that the used of the resources is backed by quality decision on the deployment of the limited resources including space, time, staff, money and equipment among others. The fact that public organizations, such as MMDAs, are funded internally and externally, especially through periodic grant or allocation from central government, and therefore have an inbuilt responsibility to render accounts on the disbursement or usage of such funds in the service of the general public (Aramide & Bashir, 2015). Financial report preparation is one of the roles of stewardship which is one of the ways of accounting to stakeholders for the usage of economic resources. Therefore, in the case where such reports are inaccurately prepared or there is a failure on the parts of management to prepare necessary financial reports, such act could impede the understanding of performance of the organization, and could be as a result of low level of training or inadequate training, or non-compliance with required guidelines (Office of the Auditor General, 2011).

Financial accountability in Uganda has two dimensions: public audit, which entails of the Auditor General scrutinizing spending, and accountability at the parliamentary level, which refers to the situation whereby elected body has the power to hold government accountable of its intentions and actions. While through financial bills, funds are allocated to a ruling government, judicious use of such funds for its real purpose is ensured through legislative accountability. Generally, the ineffectiveness of financial accountability can be attributed to, unwelcoming culture, constitutional, and political environment (Hedger & Blick, 2008). Beyond tracking financial flows, improving financial accountability necessitates a better knowledge of the institutional dynamics that influence how these resources flow and are then put to use (Terpstra, Carvalho, & Wilkinson, 2013). As a result, MMDAs should go all out to design and execute essential ICMs if they want to standard out and achieve high performance.

2.3 Theoretical Review

Among significant theories spotted as core to the study and which have been reviewed to form the backbone of the study include contingency theory, system theory, control theory, agency theory, stewardship theory, and reliability theory which have been respectively presented.

2.3.1 Contingency theory

Contingency theories, according to Sahabi et al. (2017) are embodiments of sociological functionalist theories of organizational outline, which are fundamental approaches to organizational research. Contingency theory also focuses on the interactive constituent of an organization, which describe how contingent issues such as technology, culture, and the peripheral environment influence the design and functioning of an organization (Sahabi et al., 2017). The contingency hypothesis postulates that no single form of organization's outline applies same to all organizations. Rather, the type of technology, the volatility of environment, organization size, the information system, the characteristics of the outline of the organization, all play a role in its performance. The contingency theory effectively describes the link between the efficiency of ICM policies and firm's performance, such as consistency, in many circumstances (Sahabi et al., 2017). For this study, the theory enables the researcher establish the link between the ICMs and the revenue mobilisation function of the MMDAs. Simply said, the type and use of control systems is influenced by the setting in which the organization operate. This is important to the research since it helps the researcher comprehend and establish the connotation between ICMs and MMDA performance in Ghana.

2.3.2 System theory

Researchers have been contending with the components and systems in the form of their constituents and dynamism since Aristotle's argues that knowledge is mainly obtain through the

comprehension of the whole phenomenon rather than the separate parts (Aristotle's Holism) (Mele et al., 2010). During the last century, this historic endeavour morphed into what is now known as "systems theory" (Meadows, 2008). A system therefore is viewed as an entity that is a coherent whole (Ng, Maull, & Yip, 2009), with an apparent boundary surrounding it that permit element of both internal and external in nature to be differentiated, as well as output and input relating to, and evolving from the entity. As a result, the theory is a framework that examines a phenomenon from the perspective of a whole and not a summation of its constituent parts (Mele et al., 2010). In order to apprehend the outcome, structure, and functions of an organization, the focus should be on the interactions and connections between pieces. A conversation between reductionism and holism is implied by this viewpoint. Natural systems, information systems, scientific systems, economic systems, and social systems, are all examples of systems.

One of the distinguishing features of system theory is that they emerged concurrently athwart numerous disciplines and from learners' researches within the perspective of system theory in order to build on the concepts and knowledge which have been previously development. With the attention on the part to the whole (Jackson, 2003) leads to systems thinking, which views practical reality as interaction and integration of unit of occurrences in which unique qualities of the individual portions blur. The link between pieces and causes of events through their association, on the other, becomes so much imperative leading to a rational connection of element of a system gearing towards a collective goal (Golinelli, 2010). According to the systemic perspective, it is impossible to comprehend a phenomenon completely by fragmenting it down into simple elements and hence changing it; however, in this approach a holistic view is given to the phenomenon and hence highlighting on its functionalities in general. As though it is possible to begin by analyzing the fundamental constituents of an event, we must view it from a holistic point order to properly appreciate it in its entirety: a holistic perspective (Mele et al.,

2010). The Theory enable the researcher to assess how the subsystems or the units of the MMDAs contribute to the holistic performance of revenue mobilisation of MMDAs. Units such as the audit units which aid in control monitoring among others could contribute to the strengthening of the internal controls leading to an improved revenue mobilisation for MMDAs. In order to complement this idea, the study examined all of the systems in place in the various MMDAs around the country as wholes. The reality is that MMDA's operations in Ghana are carried out via systems including; budgeting, budget approval, expenditure, and auditing, among other things which are been studied.

2.3.3 Control theory

Control theory is a combine discipline of Mathematics and engineering that had to do with a system behavior with components and inputs, according to Alhassan (2018). When it is that a number of variables outcomes of a system follow a setting pattern within a period of time, a manager can possibly manipulate the system's inputs in order to achieve an intended effect on the system's outcome (Alhassan, 2018). The goal of a control theory, according to Mwachiro (2013), is to provide managers with options for corrective action that could make a system stable by ensuring that the outcome of the system remains consistent to the standard or around it without wavering. In Ghana, the MMDCEs are in charge of the numerous MMDAs. It is expected that they manage the staff and other resources at their disposal while working with effective ICMs to achieve good results.

Internal control is defined as the design and implementation of processes of an organization by an organizational management which sought to give an amount of guarantee of the attainment of the firm's objectives in terms of financial reporting dependability, efficiency and effectiveness of operations, and compliance to necessary laws and regulations (MohdSanusi et al., 2015).

Setting targets, budgets, strategies, and other expectations among Ghana's MMDAs establishes control criteria. Control exists to keep a state of things or a performance within the bounds of what is expected, acceptable, or accepted. Internal control is a type of control that is embed within a process (Alhassan, 2018). It involves a number of interconnected components, including the control environment, which influences employee behavior, information and communication, and regulatory activities (policies and procedures). The study uses the theory to investigate how MMDA management uses ICMs effectively to manipulate resources entrusted to their care for good performance. Effective controls can help improve revenue mobilisation of MMDAs and hence curtail or reduce revenue leakage at various MMDAs within the country.

2.3.4 Agency theory

It is a non-compelled relationship between parties involving two or more individuals or entities in which one party is authorized and given the power to act on the behalf and for the other party, called the principal, by expressed or implied consent (Alhassan, 2018). The Agency theory was first published in 1976 by Meckling and Jensen. Agency involve a voluntary relationship or contractual agreement whereby one or a number of persons denoted as principal(s) who employ a person or a number of persons known as agent(s) to take certain decisions and execute task(s) on their behalf (Muhunyo, 2018). As the organization grows, stockholders are unable to properly supervise it, so they hired professional managers with specific knowledge of organizational operations to take control. The agent (manager) agrees to carry out specific tasks for the principal(s) or inventor(s), and the inventor(s) agrees to compensate him in returns. With reference to the theory of agency, an organisation is made up of a series of contractual relations between the provider of resources and the managers also known as the agents who are charged with the responsibility of managing and using the provided economic resources (Muhunyo,

2018). As in the event of a "power of attorney" arrangement, the agent can thereby effects or conducts the principal's legal matters with others.

Internal control is part of the several strategies employed in organisations whether private or public to handle the agency issue by minimizing agency related expenses, which has a bearing on the overall achievement of the partnership intentions as well as the interest of the principal (Payne, 2003). Internal control, according to Ndungu (2013), increases the transmission of new attitudinal information to the principal(s) of the agent's which goes a long way to minimizes information gap between them, and as well lessens risks such as the risk of getting low income and that of investment risk. According to the theory, there is a linkage of bonds between the owner(s) of resources, and the managers, also referred to as agents, who control and make use of the economic resources. The theory stipulates that agents have much information than their owners, and this information lopsidedness affects the capacity of the principal(s) to assess as to whether their interest are being undermined or appropriately served by the agents (e.g. MMDCEs, staff, etc.) operating at the various MMDAs or whether they are rather serving their own or the populace's interests.

However, organisations are also described as institutions with good organogram for better contractual maintenance, and hence have the ability to exert control over their agents' dishonest behavior. According to Alhassan (2018), the theory proposes that a lack of information about the agent's connection, interests, or work performance could be detrimental and a moral hazard. Moral hazard and adverse selection have two effects on the agent's output: a lack of knowledge about what should be done and a failure to complete the task assigned to them (Alhassan, 2018). According to the theory the problem can be manage with a drafted comprehensive treaty to ensure that the interests of both the principal and the agent are mutually attained in a way that depicts a balance (Muhunyo, 2018). Internal control improves the transmission of further

information about the behavior of the agent (MMDAs staffs) to the principle (shareholders) and, in this case government can reduce information lopsidedness and lower stakeholder risk of low return. In the context of this study, the researcher assesses how revenue mobilisation staff actions affect the achievement of the government goal of taking care of the welfare of the citizens.

2.3.5 Stewardship Theory

The stewardship theory posits that the steward desire to maximizes returns on shareholders' wealth, because by so doing their satisfaction is reached through organizational performance (Davis, Schoorman, & Donaldson,1997). Unlike agency theory, stewardship theory emphasizes that top management position is a steward position of which their aims are integrated into objectives of the organization in such a way that when the goals of the organisations are achieved their aims are as well achieved which counselled out individualistic perspective (Muhunyo, 2018). The stewardship theory holds that stewards drive their satisfaction from the attainment of the goals of their organization. While agency theory posits that employees care much above their individual interest at the expense of the objectives of their organizations, Donaldson and Davis (1991) contended that stewardship theory emphasizes the necessity of frameworks that empower the steward and provide maximum autonomy based on trust. It emphasizes the importance of employees or executives acting more independently in order to optimize shareholder returns.

As a result of the foregoing, stewardship theory, in contrast to agency theory, is a complete antithesis and ignore the need for control mechanisms to possible reduce agency costs, such as employing the functions of ICMs (Muhunyo, 2018). Nonetheless, Donaldson and Davis (1991) point out that combining both of these theories rather than separating them improves returns, implying that management need to strike a balance as far as organizational performance is concern. The steward theory is equally adopted for the study for a fact that MMDAs management

acts as stewards of government and for the affairs of Ghanaian citizens, the tax payers, on whose behalf MMDA personnel act. As stewards it is postulated that revenue mobilisation staff will act in the interest of the government and for that matter the general public leading to increase in revenue mobilisation through compliance to revenue mobilisation ICMs at the various MMDAs.

2.4 Empirical review on ICMs effectiveness differences of MMDAs

This section of the study summarizes various studies conducted both locally and internationally which are related to ICMs and revenue mobilisation of the various MMDAs in Ghana. Under this sector scholar works executed internationally in Turkey, and Uganda in Africa have been reviewed. In addition, studies conducted locally by scholars on; Accra Metropolitan Assembly in Greater Accra Region, Cape Coast Metropolitan Assembly in the Central Region, Kintampo Municipal Assembly in the Bono East Region, five MMDAs within the Volta region, and hence Kassena Nankana East Municipal Assembly in the Upper East Region have equally been reviewed. The reviewed covers their objectives, methodology used throughout their studies, and hence the outcome of those studies. The empirical studies reviewed are those which topics and content relate directly to this study. This review explores the differences that exist between these MMDAs with respect to the findings of these studies in the area of ICMs implementation and performance. The review is conducted in line with the research objectives under subheadings including effectiveness of MMDAs ICMs, and effects of ICMs on MMDAs revenue mobilization.

2.4.1 Effectiveness of MMDAs ICMS

This part of the empirical review focus on the research objective which sought to assess the effectiveness of ICMs on MMDAs revenue mobilisation within Ghana. The focus of this objective is to assess how effective the ICMs of MMDAs when it comes to revenue mobilisation.

Among the studies that carried out locally is one by Attah-Botchwey (2018), which looks into the Accra Metropolitan Assembly's ICM and its impact on revenue mobilization. The study used a purposive technique to collect primary data from 100 randomly selected employees whose roles were within the assembly's ICMs procedures and revenue activities. The study established that the ICM within the assembly has four components: information and communication, risk assessment, monitoring, and control activities. It was determined that these elements resulted in prompt income mobilization. However, the study discovered failures such as poor risk assessment, diversion of Assembly funds, inadequate education and knowledge about the Assembly's mission, and a shortage of resources, equipment and administrative assistance, all of which tend to limit the system's vibrancy and prompt revenue mobilization.

To begin with, Yilmaz & Karakaya (2020) conduct research in Turkey on municipal ICM compliance action plans based on the COSO Model. The study made used of 16 out of 30 municipalities that disclosed internal compliance action plans, accounting for 53% of the total. The research's scope encompasses a detailed analysis of the measures performed in compliance with the report's 1264 recommendations. Municipalities prepared ICM compliance plans of actions with benchmark material as stipulated in regulations and necessary laws as well as with sub-constituents according to plan. According to Yilmaz & Karakaya (2020), these measures are interoperable across municipalities and meet internal control norms.

2.4.2 Effect of ICMS on MMDAs revenue mobilisation

The third objective of the study sought to establish the relationship that exist between the ICMS of MMDAs and their revenue mobilisation function. Following are a number of empirical review of prior literature on the relationship between the two variables.

Eton et al., (2018), among several studies conducted in the African diaspora, look at the function of ICMs in the area of aiding good accountability of funds in Uganda. The research selected 113 respondents from districts in western Uganda that were slightly larger in size and had larger government programs/projects, such as Fort Portal, Mbarara, Kasese, Kabale, & Kanungu, using a purposive and simple random selection technique. The study discovered that the link between ICSs and financial performance at local authority level appears poor, and that ICMs' real influence to the district's financial operations is low. However, the study found that the internal control mechanism was insufficient in accounting for local government personnel deficits and the late delivery of financial reports. For example, withholding tax deductions were unaccounted for, despite the fact that they were deducted by the finance Unit and that information proving their payment to the Revenue Authority of Uganda were missing. It was suggested that local government employees in Uganda who failed to remit withholding taxes or misappropriated it should be coerced to pay back the monies or be as well reprimanded promptly.

Similarly, Nuhu (2018) conducted a study in the Central Region of Ghana on the impact of internal audit on the efficiency of administration of funds at the Metropolitan Assembly of Cape Coast. The lottery method of simple random selection procedure was employed to choose 100 responders out of a total of 123. Following a test of the questionnaire for the study using Cronbach alpha which proved reliability to be 0.851, the instrument was adopted for gathering of data. The financial performance of the assembly was noted to be significantly influenced by determinants of internal audit (internal controls, independence of internal audit, internal audit standards, and professional competence). It was suggested that the various MMDAs should make sure that internal auditors continue to update themselves with new trends and technologies in order to keep their skills sharp. They should also make sure that their independency,

professionalism, and qualification is strengthen and kept up-to-date, so that they are not influence by Chief Executives whatsoever, but rather be part of the management team.

Alhassan (2018) explored the effect of ICM on tax mobilization in the Kintampo Municipal Assembly in Ghana. To gather primary data from a population of 63 participants, the researcher used quantitative techniques and Questionnaires. Internal control was found to have a substantial impact on income mobilization in Kintampo Municipal Assembly. Internal controls did function, albeit with glitches, and was established to have a substantial connection to revenue collection in Kintampo Municipal Assembly. Major operational areas that were in one way or the other related to revenue assemblage were recommended to be covered by defined policies and made known to key employees.

Ayamga & Bagina (2019) conduct research in northern part of Ghana on the impact of ICMs on the financial achievement of the Municipal Assembly of the Kassena Nankana East in the Upper East Region. The research, which employed a case study and cross-sectional approach, obtained primary data from Assembly staff through face-to-face interactions. Sixty (60) respondents were chosen using a purposive sampling technique, and data was collected and analyzed using central tendency, frequencies, and percentages. The study's findings revealed that there was a close link between the Kassena Nankana East Municipal Assembly's ICM and its financial performance. The results showed that MMDAs that invested in effective ICM performed better.

Consequently, a study executed across many MMDAs so far is one which was conducted by Agordotse (2019) on the consequence of Internal Audit on MMDAs Corporate Government. As a case study, five (5) MMDAs in the Volta Region were chosen. Five (5) respondents were picked from all of the chosen MMDAs, including; the Finance Officer, Audit Committee member, Budget Officer, Chief Executive, and Administrator. The Internal Audit staffs in the

MMDAs were found to be highly qualified in terms of education, but lacked sufficient personnel in terms of numbers. Furthermore, the study discovered that good corporate governance of MMDAs was influenced by efficient Internal Audit methods. Since experience and qualification were substantial factors of Internal Audit efficiency, it was recommended that in-service training from time to time be conducted at the various MMDAs to aid shaped staff experience.

2.5 Conceptual Framework

The study's conceptual framework is built around the concepts and variables gotten from the brief theoretical and empirical reviews. The conceptual framework's purpose is to clarify the association amid ICMs and MMDAs financial performance in Ghana.

The control environment, information and communication systems, risk assessment, monitoring of controls, and control activities are the five elements of ICMs closely explored in this study. These accepted ICM components or dimensions are similar to those propose by Douglas (2011) and Saani (2018). In addition, control factor is introduced in the study to see how it affect the ICMs and financial performance of MMDAs. According to Saani (2018), most employees of Ghanaian public enterprises have an unfavorable perception of corporation's control systems. This issue, if not addressed effectively, can stymie an organization's financial progress. The study's conceptual framework is presented as follows.

Independent Variables
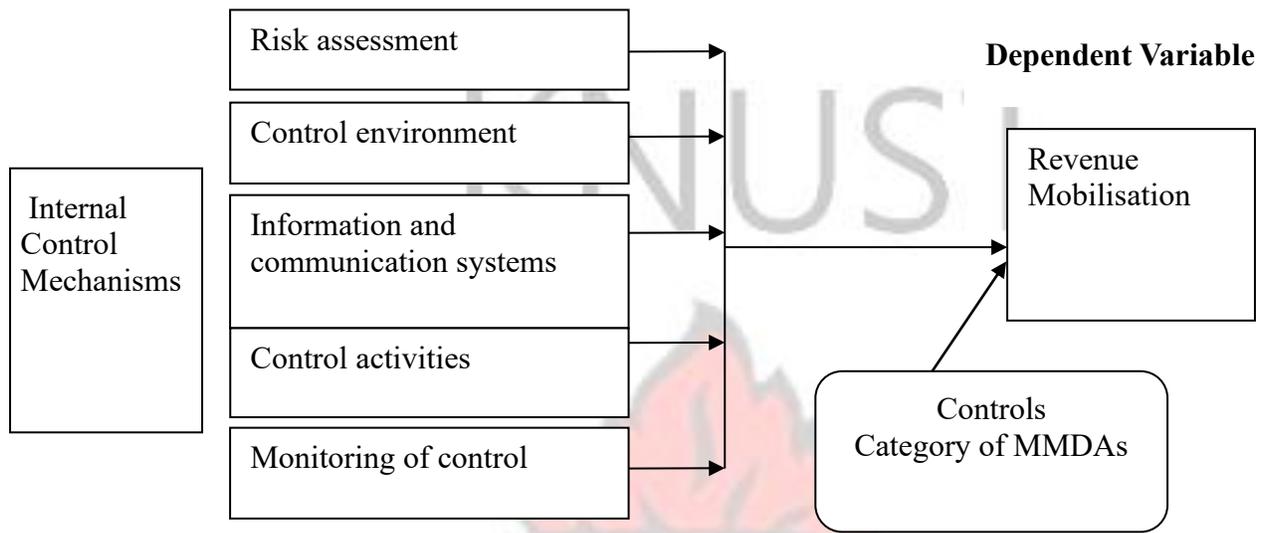
Figure 2.2 Influence of ICM on Revenue Mobilisation of MMDAs in Ghana

Source: Adapted from Douglas (2011) and Saani (2018)

Many researchers have viewed the challenge in different ways. The researcher believes that when MMDAs use various types of ICMs to enable employees to think favourably about the control systems, it gives them a sense of belonging to the assemblies' operations. When this occurs, there is a critical mass of employees who will have a good perception of the control systems, which could result in a considerable rise in the long-term financial performance of MMDAs. As a result, MMDAs must cultivate the type of environment and implement ICMs that will influence employees' perceptions of the MMDAs' control systems.

MMDAs must also expose staff to control systems that are in sync with the environment, activities, and system monitoring dimensions. These are anticipated to improve employees' perceptions of control systems, which will boost the assemblies' financial performance. It's worth noting that employees' attitudes toward ICMs and the financial performance of assemblies can be influenced by their gender, years of experience, and the type of assembly they work for, such as metropolis, municipal, or district.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

This chapter presents the research design, sample and sampling procedure, research instrument, study population, validity and reliability, data processing and analysis, data collection procedure, and variable description and measurement.

3.2 Research Design

This research is based on a case study. Case studies allow for a thorough comprehension of an occurrence in a specific arena since it allow for an in-depth exploration of any phenomena that pertains to that discipline (Attah-Botchwey, 2018).

The research used both quantitative and qualitative approach. According to Ivankova & Stick (2007), neither qualitative nor quantitative methods are sufficient to provide the answers needed for a study; hence, the motivation for the adoption of the hybrid method. To support this, Molina-Azorin (2012) suggested that doing research using both quantitative and qualitative (Mixed method) methods will result in a better comprehension of the research questions and a stronger extrapolation on the data.

3.3 Population

Employees from priority departments of all the MMDAs in the country were used for this study. Staff from the Accounts Department, Internal Audit Unit, Budget Unit, Department Heads, and members of the Finance Committee made up the population. The aforementioned persons were chosen because they have an important role in performing, monitoring, assessing, and supporting internal audit services on revenue mobilisation within the MMDAs.

3.4 Sample and Sampling Procedure

To collect a sample for the study, the researcher used three non-probabilistic sampling methods (Quota sampling, Purposive sampling, and Convenience sampling). In this study, quota sampling technique was applied, of which the country was classify into three zones; southern zone, middle zone, and northern zone for the purpose of the data collection. The decision to zone the country and for that matter the MMDAs was reached because the researchers wanted to come out with evidence that would be a good representation of the entire population. Eventually 12 MMDAs were selected from the three zones in Ghana: Northern zone, Middle zone and Southern zone. The zoning of the country was done in reference to how University of Cape Coast zone the country for its distance learning study centers. The Northern zone covers Upper East, Savannah, Upper West, North East, and Northern regions. That of the middle zone comprises of Bono, Ahafo, Bono East, Ashanti, and Eastern regions. The southern also consist of Western, Greater Accra, Central, Western North, Oti, and Volta Regions (University of Cape Coast, 2022).

The fact that the study's subject matter is about ICMs and revenue mobilisation, the purposive sampling technique was deemed appropriate. It was found fitting to sampled people who had some experience with MMDAs ICMs and revenue mobilisation. And hence, only permanent workers in the categories of Budget Officers, Internal Auditors, Finance Officers, and Revenue Collectors were included in the sample using the purposive sampling method. This was grounded on the postulation that they were deeply connected with financial intermediation and administration, and also on matters of compliance or analysis of internal controls at the Assemblies, and could respond to issues relevant to the study. Purposive sampling, according to Trochim (2006), can be highly effective in instances when the researcher needs to achieve a specified sample rapidly.

Following that, the convenience sampling technique was used to select 216 participants from these zones, not only for a reason that they were accessible, but for another reason that they were ready to take part in the study when the researcher called on them.

3.5 Data Collection Instrument

The study's primary data collection method is questionnaire, which was used to explore the influence of ICMs on revenue mobilisation. The questionnaire used in the study was obtained from Mohammed (2018) and Musya (2014) and was altered to fit the study's aims. Questionnaires were used to gather data from Internal Auditor, Revenue Staff, Finance Officer, sub-district management, Budget Officer, and Finance and Administration Subcommittee. The questionnaires created and delivered, employed a scale ranging from 1 least agreed to 5 strongly agreed for them to provide response. Part of the questionnaires for this study were self-distributed, while others were emailed to people in the target group who were well-versed in the issue. Two hundred and sixteen questionnaires were prepared and distributed to respondents in order to analyze the connection between ICMs and revenue mobilisation of the selected MMDAs. Section A of the questionnaire contains background characteristics of respondents (items such as age, educational level, sex, experience, and management level), Section B contains questions on ICM effectiveness (twenty-five items), Section C contains questions on MMDAs differences on the basis of ICM effectiveness (ten items), and Section D contains the nexus between MMDAs revenue mobilisation and ICMs (Also consist of ten items).

The following is how the responses to the research questionnaire were coded on a five-point scale: Strongly Agree (5 points), Agree (4 points), Not Sure (3 points), Disagree (2 points), and Strongly Disagree (1 point). One (1) is the lowest and five (5) is the highest on this scale. On a five-point of likert scale, the remaining replies were coded as follows: Very Effective (5points),

Effective (4points), Neutral (3points), Less Effective (2points), and Totally Ineffective (1points), with one (1) being the least effective and five (5) being the most effective.

3.6 Validity and reliability

Pallant (2013) defined reliability as the extent to which a research instrument is free of random error or produces consistent results when repeated measurements are conducted. The questionnaires were carefully read through to be sure they are free from errors and ambiguity. The researcher discussed the final questionnaire with his supervisor and a number of experts in the field for further input and suggestions for improvement, which ultimately improved the results. The goal is to make sure the questionnaire is up to par.

Furthermore, any flaws discovered were addressed prior to the administration of the final questionnaires. Following that, all responders were given a certain amount of time to complete and return the questionnaire to the researcher. The researcher carefully examined the opinions gathered at this point. The questionnaire designed were with the aim of answering the research questions with pragmatic evidence. Adding to that, Cronbach Alpha was used to determine the extent to which the items on the scale measure each fundamental construct (Pallant, 2013), while preserving the criterion that the consistency reliability of each individual items is either 0.7 or more, for validity.

3.7 Data Collection Procedures

The researcher sent the questionnaires to the MMDAs, some in person and others by mail. The researcher pays a visit to several of the MMDAs with the help of field assistant to allocate questionnaires to the participants and set aside a week for collection. Some of the questionnaires were also emailed to some of the MMDAs, with follow-up calls and emails persuading them to

respond. The researcher took advantage of the MMDA's attention to assess relationship between their ICMs and revenue mobilisation. The entire data collection process took two weeks. Questionnaires were given to various people in managerial and operational roles who had knowledge and experience of ICMs and revenue mobilisation. The questionnaire was the major tool for gathering data for the study, with a scale ranging from 1 least agree to 5 strongly agree, and 1 for totally ineffective to 5 for most effective ICMs. This was done to allow responders to voice out their own opinions.

3.8 Data processing and analysis

The researcher revised the suitable statistical analytical tools available namely; inferential statistic, descriptive statistic, and test statistics prior to the data analysis. Using the SPSS version 24 software tool, the data was sorted, coded, edited, and inputted into the software. The responses were checked for accuracy before being given numerical values that represented the many aspects that were being measured. The connection between ICMs and MMDA revenue mobilisation was investigated using a Chi-square correlation analysis. The differences between the effectiveness of revenue mobilisation mechanisms of MMDAs was also investigated using paired sample t-test. The descriptives statistics computed for the variables for the study include means and percentages among others.

3.9 Measurement of Variables

The measurement parameters of the variables were identified in this stage of the study, allowing the researcher to specify the specific data required for the study. Control environment, control activities, risk assessment, information and communication, monitoring of controls, and revenue mobilisation target achievement were the variables examined in this study.

Table 3.1: Study Variables Measurement

Variables	Measurements
Revenue mobilisation	Control Environment, Control activities, Risk assessment, Monitoring of controls, and Information and communication, revenue mobilisation targets.
Control Environment	Internal control commitment, accounting and revenue mobilisation management mechanisms, organizational structure, and the presence of error correction mechanisms are all examples of management commitment to improving ICMs.
Risk assessment	Clear risk assessment objectives, risk appraisal of new revenue programs or activities, availability of qualified personnel and resources, and appropriate mobilisation technology availability.
Control activities	Mobilisation evaluation, physical security, data processing, segregation of duties, independent inspections, authorisation processes, job rotation, and sufficient documentation etc.
Monitoring of controls	Regular reviews of policies, rules and regulations, the presence of follow-up mechanisms, and regular management actions on serious errors, failures, and weaknesses.
Information and communication	Upstream communication, Information requirements, information control, management communication, and introduction of appropriate systems etc.

Source: Gamage et al. (2014)

3.10 Study Area/institutions

The target area of study captures all the MMDAs in the sixteen regions across Ghana. The study focus is subdivided into physical characteristics and demographic characteristics. The physical characteristic includes the physical locations of all the districts, while that of the demographic characteristics is about the population data of each district such as births, death, income, or the occurrence of disease, which depict the changing structure of the population of human.

3.10.1 Demographic Characteristics

The population census of the country in 2010 was 24,658,823 and which has increased to 30.8million with reference to the outcome of the 2021 population and housing census report (Ghana Statistical service, 2021). Summation of the total number of people in each region within the various MMDAs for the 2010 census is as follows: Ashanti (4,780,380), Ahafo (484,210),

Bono (922,617), Bono East (904,156), Eastern (2,633,154), Central (2,201,863), Greater Accra (4,010,054), North East (465,005), Northern (1,544,946), Oti (636,889), Savannah (469,510), Upper West (702,110), Upper East (1,046,545), Volta (1,481,363), Western (1,664,586), and Western North (711,435).

3.10.2 Physical Characteristics

Article 4(2) of the 1992 Constitution simply orates that: "Parliament may by law make provision for the redrawing of the boundaries of districts or for reconstituting the districts". Subsequent to that, the Local Government Act of 2004 (Act 462) was passed by Parliament which obviously spelt out the criteria and procedure for demarcating districts among others (Bening, 2012). Currently there are two hundred and sixty MMDAs in Ghana including 6 metropolitan districts, 109 municipal districts, and 145 ordinary districts. The MMDAs in the country are categorized according to the population of the demarcated area as outlined below. Districts are administrative units with population within the range of 75,000 and 95,000, Municipalities have population within 95,000 and 150,000, and that of Metropolitans have a population more than 150,000 inhabitants. However, in some instance the land size of the area is taken into consideration.
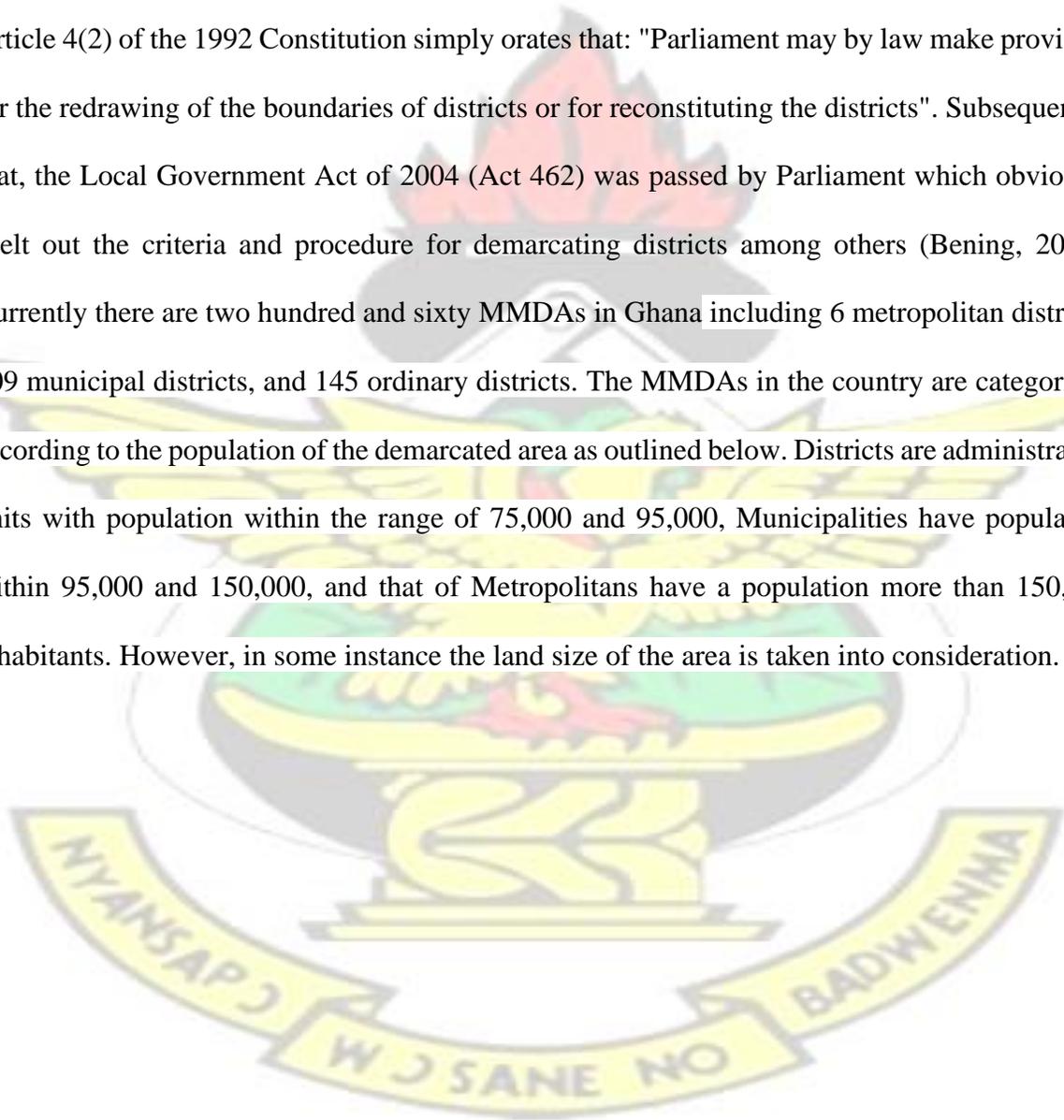
CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND DISCUSSION OF FINDINGS

4.1 INTRODUCTION

The chapter deals with the presentation of results, analysis, and discussion of data gathered. To begin with, summary statistics of the study's variables and respondents' background characteristics are provided in order to determine their descriptive statistics. The study made use of frequencies and percentages to established the effectiveness of revenue mobilisation mechanisms of MMDAs. The study also established the differences between MMDAs ICMs and revenue mobilisation effectiveness using pair sample t-test. Eventually, the study established the effect of ICMs on revenue mobilisation of MMDAs using Chi-square among others with collected data from MMDAs staff within the northern zone, middle zone, and southern zone of the country.

4.2 Demographic characteristics of respondents

The responses for the study were obtained from MMDAs staff within the northern zone, middle zone, and southern zone of the country from a number of districts, municipals, and metropolitans across each zone. The demographic characteristics of the respondents covered include gender, sex, age, and length of service. This study also classifies respondents according to district, municipal and metropolitan Assemblies across the zones of the country. Following is the demographic characteristics of the respondents inline with the category of MMDAs, and the zones in which they are located. The purpose is to enable the research establish the effectiveness of ICMs within the districts, municipals, and metropolitans, across the northern zone, middle zone, and southern of the country. This enabled the researcher determined whether there were

any differences in the effectiveness of ICMs of different MMDAs for revenue mobilisation within the country.

Table 4.1: Demographic Characteristics of respondents from MMDAs

Variables	Categories	Related items responses	
		Freq.	%
Gender	Male	142	65.7
	Female	74	34.3
Qualification	Diploma or less	16	7.4
	Bachelor's degree	111	51.4
	Master's degree	83	38.4
	Doctoral degree	6	2.8
Age	21 – 30	37	17.1
	31 – 40	108	50.0
	41 – 50	62	28.7
	Above 50	9	4.2
Length of services	Less than one year	15	6.4
	1 – 3 years	32	13.7
	4 – 6 years	131	56.0
	Above 6years	36	15.4

The illustration in table 4.2 above shows that majority of MMDAs staff who responded to the questionnaire across the northern zone, middle zone, and the southern zone of the country were males, which constituted about 65.7% of the total respondents. That of the female respondents constituted about 34.3%. This implies that most MMDAs staff who occupied positions in the Account Departments, Internal Audit Units, Budget Units, and the Finance Committee units were males. The study also indicated that a bachelor's degree was the dominant qualification of the staff, which also constituted about 51.4% of all the respondents. This was followed by masters' degrees, representing 38.4%, staff with diploma or qualification less than diploma constituted 7.4% and eventually those with doctoral qualification were made up of about 2.8%. It is obvious that MMDAs have staff with mixed qualifications. Also, with the upgrade of Polytechnics to Technical University and the fact that colleges are all currently running degree

programs, it is obvious that diploma qualification is fading out of the industries, hence the possible reason for this outcome.

The age outcome of the study respondents reflected an economically active population, with 50% of them falling within the age category of 31– 40 years, and 28.7% within the age class of 41–50 years. Following that is respondents whose ages fall within the age class of 21- 30 years also constituting 17.1%. This implies that MMDAs in Ghana have the opportunity to enjoy the services of their staff for a long time prior to retirement. The oldest respondents whose ages were above 50 years formed the least proportion of the total respondents of the study representing about 4.2%.

The study also reflected a good employees' retention rate for the MMDAs as majority (56%) of the respondents had worked with their MMDA within 4 – 6 years, together with above 15.4% more of them working for even more than 6 years. This was followed by 13.7% of the respondents who also worked for 1–3 years, and hence 6.4% for those recruited in less than a year.

Table 4.2: Characteristics of MMDAs

Variables	Categories	Related items responses	
		Freq.	%
MMDAs Category	District	69	31.9
	Municipal	131	60.6
	Metropolitan	16	7.4
MMDAs in each zone	Northern zone	51	23.6
	Middle zone	94	43.5
	Southern zone	71	32.9

The illustration on table 4.3 also indicates that, majority (60.6%) of the respondents for the study were people who work with municipal Assemblies. Next higher percentage of the respondents for the study were obtained from the staff of District Assemblies, which constituted 31.9%.

Respondents from Metropolitan Assemblies were the least as it constituted only 7.4% of the overall respondents. It could be said that, since metropolitan Assemblies in the country were the least, it could possibly be the reason why few responses were obtained from this category of assemblies.

Table 4.3: Reliability test of research instrument

Scale	Cronbach Alpha
Control environment	0.909
Risk assessment	0.901
Control activities	0.906
Information and communication systems	0.920
Monitoring of controls	0.900
MMDAs differences	0.917
Revenue mobilisation	0.863

The rule governing the using of questionnaire is that the Cronbach alpha of each scale of a questionnaire should be at least 0.7 to be regarded as valid and reliable. The scales of a questionnaire that meet this requirement are regarded as a reliably measure for each construct being measured. For the purpose of this study, the scale with the least Cronbach alpha is the scale for measuring the effectiveness of MMDAs revenue mobilisation with 0.863 Cronbach alpha. The scale with the highest Cronbach alpha is the one for measuring the effectiveness of MMDAs information and communication systems with Cronbach alpha of 0.920. In between, the rest of the scales have Cronbach alpha as follows; 0.900, 0.901, 0.906, 0.909, and 0.917, which measures the effectiveness of monitoring of controls, risk assessments, control activities, control environment, and the differences in the effectiveness of MMDAS ICMs for revenue mobilisation respectively.

4.3 Effectiveness of MMDAs Internal Control Mechanisms

In other to establish the effectiveness of internal control mechanisms of MMDAs across the three zones of the country. The research questionnaire included questions on whether MMDAs ICMs has been performing as intended in the past three years, and as to whether ICMs for cash management has been adequate enough to prevent cash leakage. The study also sought to establish whether in the past three years, budget has been strictly complied with as a control mechanism for expenses and performance management, and also as to whether punitive measures has been applied as a deterrent to internal control override within the past three years. Also, the study ascertains whether internal controls has been updated within the past three years. Consequently, the average results of respondents across the three zones of the country from all categories of the MMDAs as illustrated on figure 4.1 below depicts that the ICMs of MMDAs were effective (40.3%). Adding to that, about 4.2% of the respondents emphasised that ICMs of their MMDAs were very effective. On the overall, it could be said that only 44.5% of respondents in their opinion indicated that MMDAs ICMs were effective.

While above 36.1% of the respondents remained neutral and never took a position on the effectiveness of ICMs of MMDAs, about 16.2% of the respondents indicated that MMDAs ICMs were less effective. Adding to that, about 3.2% of the respondents emphasised that MMDAs ICMs were completely ineffective. This finding is in congruence with the findings of Tariq and Essia (2021), Amonoo (2017) and Saani (2018) whose studies indicate that the practice of ICMs is poorly implemented, ethical standards are weak, governance practices are poor, asset mismanagement is ineffective, and that in most cases ICMs are perceived negatively by staff and clients of many public institutions across many jurisdictions. Similarly, Ahlulbaitulaah (2017) and NDPC (2018) in their study result indicate that most public organisations, particularly MMDAs have operated in disregard of effective ICMs leading to the mass failure of these

44

organisations. Figure 4.1 is an illustration of the opinions of the respondents concerning the effectiveness of the MMDAs revenue mobilisation ICMs.
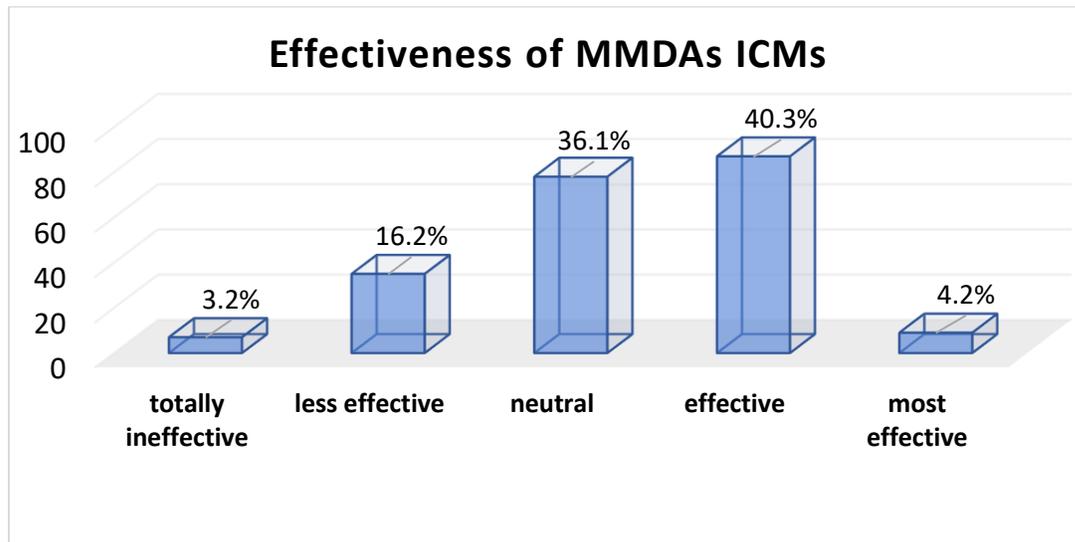
Figure 4.1: effectiveness of the ICMs of MMDAs

4.3 Effectiveness of Revenue Mobilisation Mechanisms among MMDAs

In other to establish the effectiveness of revenue mobilisation mechanism of MMDAs across the three zones of the country. The research questionnaire included questions on whether MMDAs were able to meet their revenue mobilisation targets in the past three years, and as to whether cash were recorded immediately upon receipt. The study also sought to establish whether favourable budget variances have been recorded in recent times following the implementation of strict ICMs, and also as to whether cash leakage within the revenue mobilisation cycle has been reduced over the past three years. Consequently, the study sought responses on whether the MMDA of a respondent in recent times has been rated higher than its peers in the area of revenue mobilisation due to the implementation of appropriate internal control mechanisms. Regression analysis was performance for the collected data and the results illustrated on table 4.4 and table 4.5 below.

Table 4.4: Regression model summary on ICM effectiveness and revenue mobilisation

Model	R	R Square	Adjusted R Square	Std. Error	R Square Change	F Change	df1	df2	Sig. F Change
1	.955ᵃ	0.912	0.912	1.28507	0.912	2229.331	1	214	0.000

The study conducted a regression analysis to investigate the effectiveness of internal control mechanisms (ICMs) on revenue mobilisation in MMDAs in Ghana. The results demonstrated a strong relationship between the predictor and the dependent variable, indicating a high degree of fit for the model. The overall model was highly significant ($F(1, 214) = 2229.331$, $p < .001$), explaining 91.2% of the variance in revenue mobilisation. The adjusted R-squared value of 0.912 indicated that 91.2% of the variance in revenue mobilisation was accounted for by the ICM effectiveness, even after adjusting for the number of predictors and sample size. The correlation coefficient (R) was 0.955, suggesting a robust positive association between the effectiveness of internal control mechanisms and revenue mobilisation. This implies that an increase in ICM effectiveness is likely to lead to an increase in revenue mobilisation among MMDAs in Ghana.

Table 4.5: Regression coefficients for ICM effectiveness and revenue mobilisation

Model		Sum of Squares	Mean Square	Coefficients		T	Sig.	VIF
				B	**SE**			
1	(Constant)			0.996	0.332	3.002	0.003	
	Effectiveness of revenue mobilization			4.633	0.098	47.216	0.000	1.000
	Regression	3681.555	3681.555					
	Residual	353.403	1.651					
	Total	4034.958						

The regression analysis examines the effectiveness of internal control mechanism (ICM) on revenue mobilization of MMDAs in Ghana. The results indicated a significant relationship between the predictor and the dependent variable. The regression model explained a substantial amount of variance in revenue mobilization, as evidenced by the high F-value (F = 3681.555, p < .001). The effectiveness of revenue mobilization had a positive and significant effect on the dependent variable (β = 4.633, p < .001), suggesting that as the effectiveness of internal control mechanisms increased, revenue mobilization also increased. The constant term had a value of 0.996 (SE = 0.332) and a t-value of 3.002 (p = 0.003), indicating its significance in the model. The effectiveness of revenue mobilization had a coefficient of 4.633 (SE = 0.098) and a high t-value of 47.216 (p < .001), further supporting its significance. The variance inflation factor (VIF) for the predictor was 1, indicating no issue of multicollinearity. In conclusion, the findings suggest that the effectiveness of internal control mechanisms significantly contributes to effective revenue mobilization of MMDAs in Ghana. MMDAs should focus on improving their internal control mechanisms to enhance revenue generation.

As though Ahlulbaitulaah (2017) and NDPC (2018) in their study result established that most public organisations, particularly MMDAs have operated in disregard of effective ICMs leading to mass failure and poor revenue performance of these organisations. This finding is rather in support of the findings of Ayamga & Bagina (2019) and Alhassan (2018) who rather established that MMDAs revenue mobilisation is effective.

4.4 Differences in effectiveness of MMDAs revenue mobilisation Mechanisms

This study is the first research that examines the differences in effectiveness of revenue mobilisation of MMDAs in respect of their categories. The illustrations on table 4.6 and table 4.7 represent how different the effectiveness of the revenue mobilisation mechanisms is among

the different categories of MMDAs located in the northern zone, middle zone, and southern zone of the country. The first table give information on the descriptive statistics and the latter is a t-test analysis of the mean differences between the effectiveness of revenue mobilisation mechanisms among the various categories of MMDAs.

Table 4.6: Descriptive statistics for categories of MMDAs

MMDAs Category	Mean	N	Std. Deviation	Std. Error Mean
District	3.50	16	0.816	0.204
Municipal	3.23	69	0.877	0.106
Metropolitan	3.25	16	1.342	0.335

In this part of the study, the respondents indicated whether the revenue mobilisation mechanisms of their Assemblies were completely ineffective, less effective, neutral, effective, or very effective. Their responses were scored as 1, 2, 3, 4, and 5 respectively. As illustrated on table 4.6 above, the average response from District Assemblies across the country on the effectiveness of MMDAs revenue mobilisation mechanisms is 3.5 implying that respondents were of the opinion that such mechanisms were quite effective in their Assemblies. The scenario for that of the Municipal Assemblies (3.23) and that of the Metropolitan Assemblies (3.25) was unclear as the average responses in respect of the effectiveness of their ICMs was almost neutral. Generally, many of the respondents were unwilling to take a clear stand as they choose to remain neutral in their responses. It could be said that, respondents consider the issue to be sensitive and hence the possible reason why they could not indicate their position. It could however not be said that the respondents did not have an idea about the subject matter as the sample respondents were people who roles include revenue mobilisation, internal control design, implementation, and assessment, and other related issues.

Table 4.7: Paired Samples Test on differences in ICMs effectiveness of revenue mobilisation

MMDAs Category Paired		Mean	Std. Deviation	Std. Error Mean	t	df	Sig. (2-tailed)
Pair 1	District – Municipal	0.07	1.29	0.16	0.47	68	0.64
Pair 2	District - Metropolitan	0.25	1.69	0.42	0.59	15	0.56
Pair 3	Municipal - Metropolitan	0.06	1.39	0.35	0.18	15	0.86

In other to establish whether there is any difference in the effectiveness of revenue mobilization mechanisms of the different MMDAs in the country. The mean of respondents' opinion on the effectiveness of MMDAs revenue mobilization mechanisms for District Assemblies, Municipal Assemblies, and Metropolitan Assemblies were compared using the paired sample t-test. The mean differences recorded were 0.07, 0.25, and 0.06 for the comparison between the means of responses from District and municipal Assemblies, District and Metropolitan Assemblies, and that of Municipal and Metropolitan Assemblies respectively. The deviation was however very large (1.29, 1.69, and 1.39 respectively). The chi-square test of significant is insignificant for all the mean differences recorded. This implies that there is no statistically significant mean difference between the effectively of the revenue mobilization mechanisms of the various categories of MMDAs, no matter which ever part of the country they were located. This signifies that the mean differences (0.07, 0.25, and 0.06) recorded in table 4.5 existed by chances and hence were without any statistical backing. Being the first study to examines the differences in effectiveness of revenue mobilisation of MMDAs in respect of their categories. The study contributes to literature as it established that there is no statistically significant difference between effectiveness of revenue mobilisation of MMDAs in respect of their categories. This

implies that whether an assembly is a District Assembly, Municipal Assembly, or Metropolitan Assembly, there is no statistically significant difference when it comes to their effectiveness in revenue mobilisation.

4.5 ICMS Effects on MMDAs Revenue Mobilisation

The study eventually assessed the relationship between MMDAs ICMs effectiveness and the revenue mobilisation of MMDAs across the northern, middle, and southern parts of the country. Descriptives statistics of the variables has been discussed first followed by correlation analysis on the relationship between the variables.

Table 4.8: Descriptive Statistics of variables of ICMs verses revenue mobilization

Variables	Mean	Std. Deviation	N
revenue mobilization effectiveness	3.26	0.89	216
Control Environment	3.37	1.10	216
Risk Assessment	3.26	0.95	216
Control Activities	3.24	1.02	216
Information systems	3.35	1.02	216
Monitoring of controls	3.24	0.94	216

As indicated early, respondents were made to choose responses with a score range of 1 to 5. The average scores of respondents for the effectiveness of MMDAs revenue mobilization, control environment, risk assessment, control activities, information systems, and controls monitory as illustrated on table 4.8 above are 3.26, 3.37, 3.26, 3.24, 3.35, and 3.24 respectively. The average responses indicate that respondents were quite neutral as far as the effectiveness of each of the variables is concern. The reality is that many of the respondents were undecided on the issue of the effectiveness of the element of controls mechanisms and the effectiveness of revenue mobilization of MMDAs.

4.5.1 Correlation between ICMs and revenue mobilisation effectiveness of MMDAs

The illustration on table 4.9 is the correlation of internal control mechanisms and the revenue mobilisation effectiveness variables. This enabled the researcher to establish whether there is any relationship between the variables. The analysis enables the researcher to established whether there is a relationship between the components of control mechanisms and effective revenue mobilisation of MMDAs across the three zones of the country.

Table 4.9: Correlation of components of control mechanisms and revenue mobilisation

Variables	1	2	3	4	5	6
Control Environment (1)	1					
Risk Assessment (2)	.841**	1				
Control Activities (3)	.863**	.872**	1			
Information and communication systems (4)	.844**	.833**	.873**	1		
Monitoring of controls (5)	.843**	.796**	.870**	.886**	1	
Revenue Mobilization (6)	.721**	.704**	.730**	.787**	.736**	1

**. Correlation is significant at the 0.01 level (2-tailed).

The illustration in table 4.9 above shows that there is a statistically significant positive correlation (r = 0.841, 0.00<0.05) between effective risk assessment and the control environment effectiveness of MMDAs. This implies that an increase in the control environment effective leads to an improvement in the effectiveness of risk assessment among MMDAs. Similarly, a statistically positive correlation was recorded for effective control activities and effective control environment (r = 0.863, 0.00<0.05), effective control activities and effective risk assessment (r = 0.872, 0.00<0.05). The study also, established statistically positive correlation between effective information and communication systems and effective control environment (r = 0.844, 0.00<0.05), effective information communication systems and effective risk assessment (r = 0.833, 0.00<0.05), effective information and communication systems and effective control activities (r = 0.873, 0.00<0.05). Also, a statistically positive correlation was established between effective monitory of controls and effective control environment (r = 0.843, 0.00<0.05), effective

monitory of controls and effective risk assessment (r = 0.796, 0.00<0.05), effective monitory of controls and effective control activities (r = 0.870, 0.00<0.05), effective monitory of controls and effective information communication systems (r = 0.886, 0.00<0.05).

Overall, it was established that, an increase in the effectiveness of either of the components of the ICMs result in a proportionate increase in the effectiveness of the other components which eventually lead to an increase in the effectiveness of revenue mobilization of MMDAs across the three zones of the country. This implies that, for MMDAs to effectively mobilized revenue for their developmental activities, a focus should be given to strengthening the components of internal controls and ensuring that they are very effective. This is in line with the system theory, which asserts that the performance of an organization depends on the performance of the subsystems of the organisation. It is the effectiveness of the subsystems or the components which will automatically translate into effective revenue mobilization and an achievement of the financial objective of each MMDA. The finding of the study is in agreement with the findings of Muchoki (2020), Ayamga & Bagina (2019), Nuhu (2018), and Alhassan (2018) studies finding of which Internal control was found to have a substantial impact on income mobilization. These studies also emphasized that there was a close link between ICM and financial performance. They indicated that MMDAs that invested in effective ICM performed better.

Table 4.10: Regression model summary for ICMs effect on MMDAs revenue mobilization

Model	R	R Square	Adjusted R Square	Std. Error	R Square Change	F Change	df1	df2	Sig. F Change
1	.141[a]	0.020	0.015	0.48894	0.020	4.312	1	214	0.039
2	.690[b]	0.477	0.462	0.36147	0.457	36.508	5	209	0.000

Two models have examined to determine the effect of Internal Control Mechanisms (ICMs) on revenue mobilization of MMDAs in Ghana. The dependent variable in both models is revenue mobilization. Model 1 included only one predictor variable, which was the MMDAs Category (control variable). The model yielded a statistically significant result, $F(1, 214) = 4.312$, $p = 0.039$. The predictor variable accounted for 2% of the variance in revenue mobilization, with an R-squared value of 0.02. The adjusted R-squared value was 0.015. Model 2 expanded on Model 1 by including additional predictor variables: Control Environment, Risk Assessment, Monitoring of Controls, Control Activities, and Information and Communication Systems. The overall model significantly improved, $F(5, 209) = 36.508$, $p < 0.001$. The predictors in Model 2 accounted for 47.7% of the variance in revenue mobilization, with an R-squared value of 0.477. The adjusted R-squared value was 0.462.

Table 4.11: Regression coefficients for ICMs effect on MMDAs revenue mobilization

Model		Sum of Squares	Mean Square	Coefficients	Std. Error	T	Sig.
1	(Constant)			3.7	0.106	34.759	0
	MMDAs Category			0.12	0.058	2.077	0.039
2	(Constant)			0.446	0.289	1.544	0.124
	MMDAs Category			0.087	0.043	2.036	0.043
	Control Environment			-0.007	0.046	-0.144	0.885
	Risk Assessment			0.343	0.047	7.377	0
	Control Activities			0.175	0.044	4.021	0
	Information and communication systems			0.296	0.061	4.856	0
	Monitoring of controls			0.027	0.025	1.101	0.272
	Regression	1.031	1.031				
	Residual	51.159	0.239				
	Total	52.19					
	Regression	24.882	4.147				
	Residual	27.308	0.131				
	Total	52.19					

The two models examined to determine the effect of Internal Control Mechanisms (ICMs) on revenue mobilization of MMDAs in Ghana is discussed as follows. The dependent variable in both models was revenue mobilization. Model 1 included one predictor variable, MMDAs Categories (control variable). The regression analysis revealed that the MMDAs Category significantly predicted revenue mobilization, as indicated by the coefficient estimate ($B = 0.12$, $SE = 0.058$, $t = 2.077$, $p = 0.039$). The constant term also significantly influenced revenue mobilization ($B = 3.7$, $SE = 0.106$, $t = 34.759$, $p < 0.001$). Model 1 accounted for 24.882 units of the sum of squares in the regression, with a significant residual sum of squares of 27.308.

Model 2 expanded on Model 1 by adding several additional predictor variables: Control Environment, Risk Assessment, Monitoring of Controls, Control Activities, and Information and Communication Systems. The regression analysis showed that three of these variables significantly predicted revenue mobilization. Risk Assessment had a substantial positive effect ($B = 0.343$, $SE = 0.047$, $t = 7.377$, $p < 0.001$), while Control Activities ($B = 0.175$, $SE = 0.044$, $t = 4.021$, $p < 0.001$) and Information and Communication Systems ($B = 0.296$, $SE = 0.061$, $t = 4.856$, $p < 0.001$) also had positive effects. The remaining variables, Control Environment and Monitoring of Controls, did not significantly predict revenue mobilization. Model 2 accounted for 1.031 units of the sum of squares in the regression, with a significant residual sum of squares of 27.308.

Overall, the results indicate that the inclusion of the control variable and the study variables; Risk Assessment, Control Activities, and Information and Communication Systems in the model significantly enhanced its predictive power. These variables demonstrated a positive influence on revenue mobilization for the MMDAs in Ghana. However, the Control Environment and Monitoring of Controls did not have a significant effect.

The finding of this study is in congruent with the findings of Njagi and Mwangi (2020) who conducted a study on the effect of internal controls on the effectiveness of revenue mobilisation of five hospitals within the County of Kiambu and established a strongly relationship. Similarly, Muchoki (2020) who study examines the effects of internal controls on revenue mobilisation at the National Transport and Safety Authority in Nairobi established a significant effect. It can therefore be inferred that MMDAs that lack effective internal controls mechanisms will surely record poor revenue performance. And hence, it is recommended that MMDAs should design and implement good internal controls mechanisms for revenue mobilization in order to generate funds for the developmental needs of their respective assemblies. This finding is in line with the system theory which postulates that, the overall performance of an organization depends on the performance of the interrelated systems and subsystems within it. In the perspective of this study, the overall performance of the internal controls of the various MMDAs will depend largely on the performance of the internal controls of the various units including the revenue mobilization unit, the finance unit, among others.
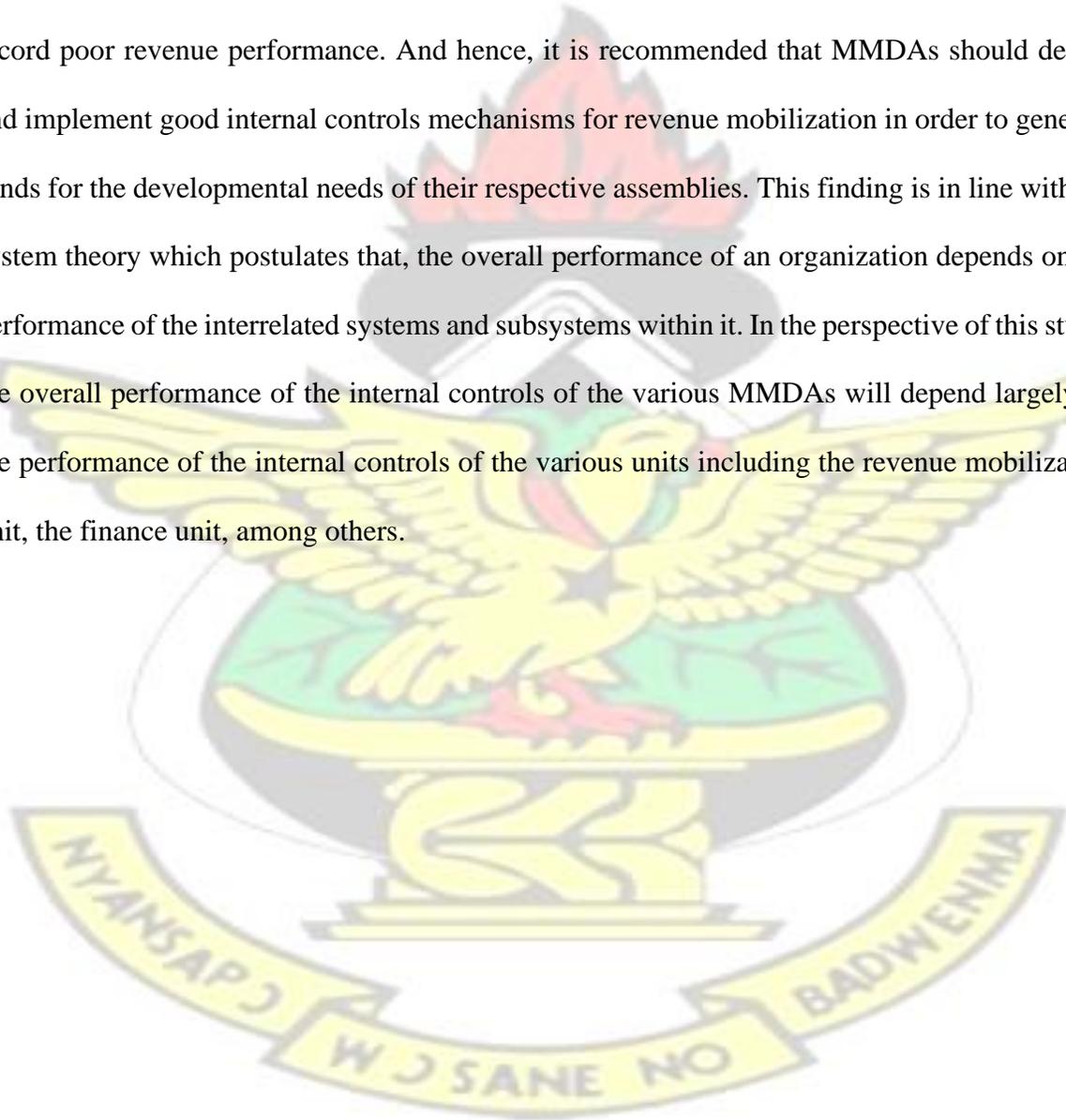
CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

5.1 Introduction

The study aimed to investigate the effect of internal control mechanisms (ICMs) on revenue mobilization of the MMDAs in Ghana. The study revealed that the findings of previous studies did not specifically examine the differences in the effectiveness of MMDAs in respect of their categories. This chapter covered summary of relevant findings of the study, based on which conclusion is drawn and from which recommendations emanated.

5.2 Summary of Findings

The study had three main objectives of which the first examine the effectiveness of ICMs on revenue mobilization, the second assess the differences in ICM effectiveness among MMDAs, and the third determine the overall effect of ICMs on revenue mobilization. To achieve these objectives, a case study approach was adopted, combining quantitative and qualitative methods. The study focused on all MMDAs in the sixteen regions of Ghana as the population, considering both physical and demographic characteristics. The target subjects of the population included employees from priority departments involved in revenue mobilization within the MMDAs. The researchers used a combination of non-probabilistic sampling techniques, including quota sampling, purposive sampling, and convenience sampling. The country was divided into three zones (Northern, Middle, and Southern) to ensure a representative sample. Twelve MMDAs were selected from the three zones, and the participants were chosen using purposive and convenience sampling methods. The majority of the respondents were male with bachelor degrees. The analysis of the variables of the study proceeds with a reliability test of the research

instrument, which indicates that the scales used in the questionnaire are reliable for measuring the constructs. Following are the findings of the study conducted in order of the above stated research objectives.

5.2.1 I CMs effectiveness and revenue mobilization

The study examines the differences in the effectiveness of revenue mobilization mechanisms among different categories of MMDAs, namely District, Municipal, and Metropolitan Assemblies. The effectiveness of revenue mobilization mechanisms among MMDAs is assessed through regression analysis. The results show a strong positive relationship between the effectiveness of internal control mechanisms and revenue mobilization. The regression model significantly explains the variance in revenue mobilization, suggesting that an increase in the effectiveness of ICMs leads to higher revenue mobilization among MMDAs in Ghana.

5.2.2 Differences in effectiveness of ICMS of the respective MMDAs

The study further examines the differences in the effectiveness of revenue mobilization mechanisms among District, Municipal, and Metropolitan Assemblies. To address the research objective sample t-test analysis has been executed to determine if there are any means differences between the revenue mobilization effectiveness of District Assemblies, Municipal Assemblies, and Metropolitan Assemblies. The findings indicate that respondents perceived the revenue mobilization mechanisms of District Assemblies to be more effective compared to Municipal and Metropolitan Assemblies. However, the average responses were mostly neutral, indicating a lack of clear opinions from the respondents. The paired sample t-test results reveal no statistically significant mean differences between the effectiveness of revenue mobilization mechanisms among the different categories of MMDAs.

5.2.3 Effect of ICMs on revenue mobilisation of MMDAs

Consequently, the study assesses the relationship between the effectiveness of Internal Control Mechanisms (ICMs) and the revenue mobilization of Metropolitan, Municipal, and District Assemblies (MMDAs) in different regions of the country. Descriptive statistics were used to analyze the variables, followed by correlation analysis to examine the relationship between the variables, and ended with regression analysis. The results showed that there was a positive correlation between the components of control mechanisms and the effectiveness of revenue mobilization. An increase in the effectiveness of one component leads to an increase in the effectiveness of the other components, ultimately resulting in an improvement revenue mobilization.

5.3 Conclusion

The study concluded that strengthening the components of internal controls mechanisms and ensuring their effectiveness is crucial for MMDAs to effectively mobilize revenue for their development activities. The positive correlation between the components of control mechanisms and revenue mobilization implies that improving internal controls will directly contribute to achieving the financial objectives of MMDAs. The study suggests that MMDAs should consider the differences in the effectiveness of revenue mobilization mechanisms among District, Municipal, and Metropolitan Assemblies. While District Assemblies were perceived to have more effective mechanisms, further research is needed to understand the underlying reasons for these differences. MMDAs can learn from each other's experiences and best practices to improve their revenue mobilization efforts.

5.3 Implications and Recommendations

The study's findings have several implications for MMDAs in Ghana. Firstly, it highlights the importance of implementing effective internal control mechanisms to enhance revenue mobilization. MMDAs should prioritize the development and implementation of control environment, risk assessment, control activities, information and communication systems, and monitoring of controls. These mechanisms play a crucial role in ensuring efficient revenue mobilization. The study's implications suggest that MMDAs need to prioritize the design and implementation of robust internal control mechanisms to enhance revenue mobilization. By focusing on improving control environment, risk assessment, control activities, information and communication systems, and monitoring of controls, MMDAs can increase their effectiveness in generating funds for their developmental needs. Based on the findings, the study provides the following recommendations for MMDAs in Ghana. MMDAs should invest in strengthening their control environment, risk assessment processes, control activities, information and communication systems, and monitoring of controls. This can be achieved through capacity building, training programs, and regular evaluation and improvement of internal control systems. In addition, MMDAs should promote knowledge sharing and collaboration among different categories of assemblies. By sharing experiences, best practices, and lessons learned, MMDAs can collectively improve their revenue mobilization mechanisms. To gain a deeper understanding of the differences in the effectiveness of revenue mobilization mechanisms among different categories of MMDAs, further research is recommended. This research can explore the specific factors influencing the effectiveness of mechanisms in each category and identify strategies for improvement. By implementing these recommendations, MMDAs can enhance their revenue mobilization efforts, leading to improved financial performance and better allocation of resources for developmental needs.

REFERENCES

Adegboyegun, A. E., Ademola, A. O., Ben-Caleb, E., & Oladutire, O. E. (2020). Internal Control Systems and Operating Performance: Evidence from Small and Medium Enterprises (SMEs) in Ondo State. *Asian Economic and Financial Review.* May 2020.

Agordotse, F. (2019). *Corporate Governance and Internal Audit: A Case Study of Mmdas in Volta Region of Ghana.* University of Ghana http://ugspace.ug.edu.gh.

Ahlulbaitulaah, M. M. (2017). *An examination of public organisations audits' role in improving financial performance of local authorities in Ghana.* Unpublished master's thesis, College of Humanities and Legal Studies, School of Business, University of Cape Coast, Cape Coast.

Akotia, P. (2016). *Audit and Accountability in the Government of Ghana: A Records Management Perspective.* Integrity in Government through Records Management: Essays in Honour of Anne Thurston, 127-137.

Alhassan, M. (2018). *Effect of Internal Control on Revenue Collection in Kintampo Municipal Assembly.* University of Cape Coast https://erl.ucc.edu.gh/jspui

Amonoo, J. A. (2017). *Financial control systems and performance of local government authorities: The case of Tamale metropolitan assembly.* Unpublished master's thesis, Department of Business Studies, College of Distance Education, University of Cape Coast, Cape Coast.

Anduuru, N. V. (2015). *The accounting system and its related internal financial control system.* Nairobi: Essential Management Consultancy Services Ltd.

Appiah, D., & Abdulai, A. G. (2017). Competitive clientelism and the politics of core public sector reform in Ghana.

Aramide, S. F., Bashir, M. M. (2015). The effectiveness of internal control system and financial accountability at local government level in Nigeria. *Internal Journal of research in Business Management.* 2015; 3(8):1-6.

Attah-Botchwey, E. (2018). Internal Control as a Tool for Efficient Management of Revenue Mobilization at the Metropolitan, Municipal and District Assemblies in Ghana. A Case Study of Accra Metropolitan Assembly. *American International Journal of Contemporary Research.* ISSN 2162-139X (Print), 2162-142X.

Ayamga, N. B, & Bagina, W. R. (2019). The Effect of Internal Control Systems on Financial Performance in the Kassena Nankana Municipality, Upper East Region. *Asian Journal of Economics, Business and Accounting* 10(1): 1-13, 2019; Article no. AJEBA.47232 ISSN: 2456-639X

Bening, B. R. (2012). The Creation of Districts and Constituencies in Ghana: Some Pertinent Issues in the Current Dispensation. *Ghana Journal of Geography* Vol 4. 2012

Block, J. H., Miller, D., & Wagner, D. (2014). Bayesian methods in family business research. *Journal of Family Business Strategy*, 5(1), 97-104.

Canadian Institute of Chartered Accountants (CICA, 2015). *Guidance on control*. Toronto, Ontario, Canada: CICA.

Colbert, J. L., & Bowen, P. L. (2012). A comparison of internal financial controls: SAC, COSO and SAS 55/78. *IS Audit and Control Journal, 20*(1), 26-35.

COSO. (2013). *Internal control integrated framework.* Access address: https://www.coso.org/documents/COSO%20McNallyTransition%20Articl eFinal%20C OSO%20Version%20Proof_5-31-13.pdf, (06 September, 2022).

Dineshkumar, S., & Kogulacumar, P. (2013). Internal financial control system and its impact on the performance of the Sri Lanka Telecom limited in Jaffna district. *International Journal of Advanced Computer Technology, 2*(6), 56-63.

Douglas, N. K. (2011). *Internal financial control and its contributions to organisational efficiency and effectiveness: A case study of ECOBANK Ghana Limited*. Unpublished master's thesis, Kwame Nkrumah University of Science and Technology, Kumasi.

Doussy, F., Doussy, E. (2014). Financial statements and the discharging of financial accountability of ordinary public schools in South Africa. *Journal of Governance and Regulation*, 2014, 3(4).

Edmonds, C. T., Edmonds, J. E., Vermeer, B. Y., & Vermeer, T. E. (2017). Does timeliness of financial information matter in the governmental sector? *Journal of Accounting and Public Policy*, 36(2), 163-176.

El-Masri, M., Orozco, J., Tarhini, A., & Tarhini, T. (2015). *The impact of IS-business alignment practices on organizational choice of IS-business alignment strategies.* Paper presented at the 19th Pacific Asia Conference on Information Systems (PACIS 2015), Paper 215, Singapore, 6-9 July 2015.

Eton, M., Murezi, C., Mwosi, F., & Ogwel, B. P. (2018). Internal control systems and financial accountability in Uganda: A case of selected districts in western Uganda. *International Journal of Commerce and Management Research* ISSN: 2455-1627.

Fadzil, H. F. (2005). Internal auditing practices and internal control system in Malaysian listed company. *Managerial Auditing Journal*. 2005;20.

Francis, S., & Imiete, B. U. (2018). Internal control system as a mechanism for effective fund management of universities in Bayelsa State, Nigeria. *Global Journal of Social Sciences, 17*(1), 77-91.

Gamage, C. T., Lock, K. L., & Fernando, A. A. J. (2014). A proposed research framework: Effectiveness of internal control system in state commercial banks in Sri Lanka. *International Journal of Scientific Research and Innovative Technology,* 1(5).

Gavrilov, L. A., & Gavrilova, N. S. (2001). The reliability theory of aging and longevity. *Journal of theoretical Biology*, 213(4), 527-545.

Golinelli, G.M. (2010). *Viable Systems Approach* (VSA). Governing Business Dynamics. Padova: Kluwer (Cedam).

Government of Quebec. (2018). *Budget Documents: Public Financial Accountability.* Government of Quebec, 2018.

Haruna, P. F., & Kannae, L. A. (2016). *Implementing Good Governance Reform in Ghana: Issues and Experiences with Local Governance1.* Public Administration in Africa: Performance and Challenges, 135.

Jackson, M. (2003). *Systems Thinking: Creative Holism for Managers, Chichester*: John Wiley & Sons, Ltd.

Jensen, M. C., & Meckling, W. H. (1976). Theory of the firm: Managerial behavior, agency costs and ownership structure. *Journal of financial economics, 3(4), 305-360.*

Karakaya, G. (2016). *Çalışan hileleri ve iç kontrol ilişkisi*. Vergi Sorunları Dergisi , 330 (6), 159-172.

KPMG. (2013). *COSO internal control – integrated framework* (2013). Retrieved from: https://home.kpmg/content/dam/kpmg/pdf/2016/05/2750-New-COSO-2013- Framework- WHITEPAPER-V4.pdf. Accessed on 6[Th] September, 2022.

Local Government Service (LGS, 2019). *Annual report: Monitoring and evaluation.* Unpublished report, LGS, Accra – Ghana.

Mahadeen, B., Al-Dmour, R., Obeidat, B. Y., & Tarhini, A. (2016). Examining the effect of the organization‟s internal control system on organizational effectiveness: A Jordanian empirical study. *International Journal of Business Administration*, 7(6), 22-41.

Mary, M., Albert, O., & Byaruhanga, J. (2014). Effects of internal control systems on financial performance of sugarcane out grower companies in Kenya. IOSR *Journal of Business and Management*, 16(12), 2319-7668.

Masadeh, R., Al-Dmour, R. H., & Tarhini, A. (2015). Knowledge management strategies as intermediary variables between its business strategic alignment and firm performance. *European Scientific Journal*, 11(7), 344-368.

Meadows, D.H. (2008). *Thinking in Systems:* A Primer, Chelsea Green Publishing, December,2008.

Mele, C., Pels, J., & Polese, F. (2010). *A Brief Review of Systems Theories and Their Managerial Applications*. Service Science 2(1/2), pp. 126 – 135.

Mohd –Sanusi, Z., Mohamed, N., Omar, N., & Mohd –Nassir, M. D. (2015). Effect of Internal control, fraud motives and experience in assessing   likelihood of fraud risk. *Journal lf Economics, Business and Management*. 2015; 3(2):194 -200.

Muhunyo, B. (2018). *Effect of Internal Control Systems on Financial Performance of Public Institutions of Higher Learning in Nairobi City County, Kenya.* Master of Business Administration (Finance Option) Of Kenyatta University

Musa, A. (2015). Impact of risk based audit on financial performance of commercial banks in Indonesia. *Asian Review of Business Research, 13*(1), 26-37.

Musya, F. M. (2014). *The effect of internal controls on revenue collection by county governments in Kenya.*

Mwachiro, D. B. (2013). *Effects of internal controls on revenue collection: a case of Kenya Revenue Authority.* Unpublished MBA research project, University of Nairobi, Kenya.

National Development Planning Commission (NDPC, 2018). *Annual progress report on monitoring and evaluation: Health sector*. Unpublished quarterly report, NDPC, Accra.

Ndungu, H. (2013). *The effect of internal controls on revenue generation: A case study of the University of Nairobi Enterprise and Services Limited.* (Master's dissertation, University of Nairobi, Kenya). http://chss.uonbi.ac.ke/sites/default/files/chss. Accessed on 06/09/2022

Ng, Irene C. L., Maull, R., & Yip, N. (2009). Outcome-based Contracts as a driver for Systems thinking and Service-Dominant Logic in Service Science: Evidence from the defence industry. *European Management Journal*, Vol. 27, 377-387

Ohlson, J. A. (1995). *Earnings, book values, and dividends in equity valuation.* Contemporary accounting research, 11(2), 661-687.

Ondieki, N. M. (2013). *Effect of internal audit on financial performance of commercial banks in Kenya*. Unpublished master's thesis, University of Nairobi, Nairobi.

Oppong, S., Arora, R., Sachs, P., & Seidu, M. (2016). *Appraisal of corporate governance in a lower middle income country: The case of Ghana.* Accounting, 2(1), 37-44.

Pallant, J. (2013). *SPSS survival manual.* McGraw-Hill Et education (UK).

Provasi, R., & Riva, P. (2015). The updated COSO report 2013. *Journal of Modern Accounting and Auditing,* 11(10), 487- 498.Available at: https://doi.org/10.17265/1548-6583/2015.10.001.

Public Account Committee, Parliament of Ghana. (2019). *Recommendations on auditor general's report for 2016/2017: Final draft*. Unpublished report, Government of Ghana, Accra.

Saani, A. J. (2018). Influence of internal financial control on public corporations' financial performance in Ashaiman Municipality. *International Journal of Business and Social Science, 8*(17) [Special Issue], 64-69.

Sahabi, I., Diibuzie, G., & Abubakari, M. (2017). The Impact of Internal Control Systems on Financial Performance: The Case of Health Institutions in Upper West Region of Ghana. *International Journal of Academic Research in Business and Social Sciences* 2017, Vol. 7, No. 4 ISSN: 2222- 6990.

Stratton, W. O. (2007). Internal Control and Accounting Systems: The Reliability Approach to Internal Control Evaluation. *Journal of the Decision Sciences Institute*, 12(1), 51-67.

Trochim, W. M. K. (2006). *Research Methods Knowledge Base United States Agency for International Development* (USAID) (2003). Decentralization in Ghana: an Assessment. (Mimeo).

Türedi, H., Koban, A. O., ve Karakaya, G. (2015). COSO iç kontrol (ABD) modeli ile İngiliz (TURNBULL) ve Kanada (CoCo) modellerinin karşılaştırılması. Sayıştay Dergisi, 99(1), 95-119.

UNICEF, (2016). *District League Table 2016 Calling for Central Government to Better Target District Support.* http://iamawareghana.com/assets/uploads/DLT%20Documents/DLT16/ Accessed on 6[Th] September, 2022.

Woods, M. (2009). A contingency theory perspective on the risk management control system within Birmingham City Council. *Management Accounting Research,* 20, 69-81

Yao, P. L., Yusheng, K., & Bah, M. B. F. (2017). A Critical Examination of Internal Control Systems in the Public Sector, A Tool for Alleviating Financial Irregularities: Evidence

from Ghana. *Research Journal of Finance and Accounting*. ISSN 2222-1697. Vol.8, No.22, 2017.

Yilmaz, O. K., & Karakaya, g. (2020). A Research on the Internal Control Compliance Action Plans Created by the Municipalities in Turkey in Accordance with Coso Model. *Araştirma Makalesi/Research Article*. DOI: 10.21076/vizyoner.719677.

QUESTIONNAIRE FOR RESPONDENTS

KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY
DEPARTMENT OF ACCOUNTING AND FINANCE

*Dear respondent, this questionnaire is aimed at collecting data that will enable the researcher to examine **internal control mechanisms and revenue mobilisation of Metropolitan, Municipal and District Assemblies (MMDAs) in Ghana.** Answers provided will be treated with utmost sincerity and held for only academic purposes. Many thanks in advance for your profound contribution towards this study.*

SECTION A: Background Characteristics of Respondents

Please Tick your appropriate Choice

1. Gender of respondent: Male [   ]   Female [   ]

2. Age category (Years): 21-30 [   ] 31 – 40 [   ]   41 – 50 [   ]   Above 50 [   ]

3. Highest academic qualification:

    Diploma or less [   ]   Bachelor's degree [   ]   Master's degree [   ]

    Doctoral degree [   ]   Any other, please specify ………………………

4. Length of service in the Assembly:

    Less than one year [   ] 1 – 3 years [   ]   4 – 6 years [   ]   Above 6 years [   ]

5. Category of Assembly:

    Metropolitan [   ]   Municipal [   ]   District [   ]

SECTION B: Internal Control Mechanisms (ICMs)

In this section the researcher seeks to establish respondents view on ICMs at MMDAs.

Please tick [ ] against the one which applies to your choice of response where one (1) represents the strongest disagreement to the issues while five (5) represents the strongest agreement to the issues.

Statements on control environment	1	2	3	4	5
1. Management decisions for revenue mobilisation are made collectively and not controlled by one dominant individual.					
2. Codes of conduct or ethics policies exist for revenue mobilisation in the assembly.					
3. Mobilisation policies regarding the importance of internal control mechanisms and appropriate conduct are communicated to all staff.					
4. Audit or other control mechanisms exist to periodically test for compliance with codes of conduct or policies governing mobilisation.					
5. Management periodically reviews policies and procedures to ensure that proper controls are in place for revenue mobilisation.					
Statements on risk assessment	1	2	3	4	5
1. The assembly has clear objectives regarding mobilisation and these have been communicated so as to provide effective direction to employees on risk assessment and control issues.					
2. Management appropriately evaluates risk regarding mobilisation when planning for new program or activity.					
3. There are sufficient staff members who are competent and knowledgeable to manage the assembly's mobilisation activities and these have been provided with adequate resources.					
4. Technology issues regarding mobilisation are considered and appropriately addressed.					
5. Significant internal and external operational, financial, compliance and other risks of mobilisation are identified & assessed on an on-going basis.					
Statements on control activities	1	2	3	4	5
1. Policies and procedures exist to ensure critical decisions on mobilisation are made with appropriate approval.					
2. Processes exist for independent verification of mobilisation activities (to ensure integrity).					
3. There is a mechanism in place to ensure that mobilisation duties are rotated periodically.					

	1	2	3	4	5
4. Processes are in place to ensure that mobilisation policies overrides are minimal and exceptions are reported to management.					
5. People in the Assembly have mobilisation knowledge, skill and tools to support them in their duties in order to effectively manage risk and achieve assembly objectives.					
Statements on information and communication systems	**1**	**2**	**3**	**4**	**5**
1. There are effective reporting procedures in communicating issues that affect revenue mobilisation.					
2. There are established channels of communication for individuals to report suspected breaches of revenue mobilisation laws or regulations.					
3. All staff understand their revenue mobilisation roles in the assembly.					
4. Management of the assembly ensures that revenue mobilisation targets are well documented and communicated to staff.					
5. In this assembly, there is right and timely mobilisation information and feedback.					
Statements on monitoring of control	**1**	**2**	**3**	**4**	**5**
1. There are on-going processes within the assembly's overall operations and these are handled by senior management to monitor the effective application of the mobilisation policies, processes and activities relating to internal control and risk management					
2. There are processes to monitor the assembly's ability to re-evaluate risks and adjust revenue mobilisation controls in response to changes in its objectives, and external environment.					
3. There are effective follow-up procedures to ensure that appropriate change or action occurs in response to changes in revenue mobilisation risks and control assessments.					
4. Reports on significant failings or weaknesses in revenue mobilisation mechanisms are reported to management on a timely basis.					
5. In this assembly, there is effective internal monitoring mechanisms for revenue mobilisation.					

SECTION C: Revenue mobilisation

In this section the researcher seeks to establish the level of performance of the assembly's revenue mobilisation. Please tick [ ] against the one which applies to your choice of response where one (1) represents less effectiveness to the issues while five (5) represents the most effectiveness to the issues.

Statements on MMDAs difference due to ICMs effectiveness	1	2	3	4	5
1. How effective is your MMDA mobilisation strategies as compared to other MMDAs					
2. How effective is your MMDA mobilisation expenditure managed as compared to other MMDAs					
3. How effective is your MMDA mobilisation risk assessment controls as compared to other MMDAs					
4. How regular is your MMDA mobilisation target met as compared to other MMDAs					
5. How effective is the management of human resource who are in-charge of mobilisation in your MMDA as compared to other MMDAs					
6. How effective is the controls for approval of mobilisation contracts in your MMDA as compared to other MMDAs					
7. How effective is your MMDA revenue mobilisation controls as compared to other assemblies					
8. How effective is the adoption of IPSAS and its inbuilt revenue mobilisation ICMs at your assembly as compared to other MMDAS					
9. How effective is revenue mobilisation controls incorporated in your adopted technology as compared to other MMDAs					
10. How effective is GIFMIS inbuilt revenue mobilisation controls implementation at your assembly as compared to other MMDAs					

SECTION D: Revenue mobilisation

In this section the researcher seeks to establish the effectiveness of assemblies' mechanisms of revenue mobilisation. Please tick [ ] against the one which applies to your choice of response where one (1) represents the strongest disagreement to the issues while five (5) represents the strongest agreement to the issues.

Statements on the Revenue Mobilisation	1	2	3	4	5
1. Revenue mobilisation cost of the assembly has been reduced drastically for the past three years due to ICMs implementation.					
2. Revenue collection meets targets for the last 3 (three) years					
3. Cash mobilised are recorded immediately upon receipt in the cash register or cash receipt book					
4. Revenue mobilisation targets set by your Assembly are realistic and achievable					
5. There has been improvement in revenue mobilised each year for the last 3 (three) years					
6. Daily cash mobilised balance with receipts					
7. The assembly has been recording favourable budget variance for revenue mobilisation following strict compliances to ICMs					
8. In this assembly, there is a mechanism in place to ensure increase in employee skills which has result in improved revenue mobilisation					
9. The rate of cash leakage at your Assembly within the cycle of mobilisation has been reducing in the past three years.					
10. Of late my assembly has been rated higher above some of its peers for revenue mobilisation due to the adoption of appropriate ICMs					

THANK YOU