

# Accountability in local government revenue management: who does what?

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## Abstract

Research on financial accountability in local government administration has over the years focused mainly on traditional accountability mechanisms such as analysis of auditor's report, annual financial statements or reports, and adherence to financial regulations among others. This research orientation often tends to focus more on the actions than the actors in the financial management process. Given that financial accountability is the action of actors, this paper focuses on the "who" aspect of financial accountability in local government administration. Using a concept of financial responsibility charting, the study sought to assess the level of understanding of core staff and Assembly members of the Asante Akim South District Assembly in Ghana on basic financial roles or responsibilities of actors involved in local government financial administration. The study found that not all the core staff of the Asante Akim South District Assembly knows all the specific financial roles or responsibilities of their colleagues in the financial management chain. The study also found that, the Assembly members who are supposed to hold the officials of the Assembly accountable; do not have a fair understanding of the roles and responsibilities of the core staff in the financial management chain. The paper concludes that until efforts are made to whip up the interest of people, especially the Assembly members on the need to be abreast with financial responsibility charting, the quest for transparency and accountability in local government financial administration would remain a mirage.

**Keywords:** Local government, revenue, management, responsibility charting, accountability

## 1. Introduction

Decentralisation has been pursued with the aim of bringing governance and development decision-making closer to the ordinary citizen at the sub-national level. The devolution of power, authority and resources to sub-national entities is intended to make governance more responsive to the needs of the people. It is also intended to make governments more accountable to the local people, (Kokor, 2001; Diaw, 1997; Yilmaz, et al, 2008; Ahwoi, 2010). Local government authorities are expected to promote not only political participation in decision-making, they also have the responsibility of advancing socio-economic development to local residents. Local residents in Ghana often look up to District Assemblies to promote socio-economic development in their respective localities. This developmental task of the District Assemblies requires money. As Yilmaz, et al, (2008) point out, the ability of local governments to effectively carry out their functions is largely dependent on the degree of fiscal or financial decentralisation. In view of this developmental task of the District Assemblies and its concomitant financial demand, central governments in most countries continue to transfer financial resources to them to enable them discharge their duties. In addition to the central government transfers, the District Assemblies have also been given the legal mandate to mobilise revenue within their localities.

In order to ensure value for money, the process of fiscal decentralisation has been linked to the subject of accountability. It is being argued that fiscal decentralisation would not make the desired impact if local government authorities do not account for these financial resources. The success and sustainability of fiscal or financial decentralisation would largely depend on the capacity of local governments to institute measures to effectively manage these revenues, (Yilmaz, et al (2008). Promoting fiscal or financial accountability in local governments does not only lie on ensuring that revenues are appropriated legally, but by guaranteeing an institutional arrangement where roles and responsibilities of those involved in financial management are clarified to all. According to the "agency logic, mechanisms must be put in place to control self-interested managers and hold them accountable for their actions" Bednar (2012: 133). The subject of accountability is essentially a governance matter. As Sloan (2001: 336) notes, "without governance problems, the role of financial accountability would be reduced to providing investors with the risk and return information required to facilitate the optimal portfolio allocation decision". Financial accountability in local government administration certainly goes beyond the provision of financial

statements. As a governance matter, there is an element of role expectation and role behaviour in financial accountability. As far as financial management is concerned, a lot is expected from the conduct of schedule financial officers beyond the issuance of financial statements.

Accountability in the financial management of any district must be held in high esteem if the district is expected to develop. This role is nonetheless, generally seen as the sole responsibility of the District Assembly core staff. But ensuring financial accountability in the District Assemblies is not the duty of the core staff alone. The Assembly members, who are the representatives of the local people, have to be actively involved. In fact, it is the responsibility of the Assembly members to hold officials of the District Assemblies accountable on the management of the Districts' financial resources. This requires that the Assembly members have deeper understanding financial issues and the roles or responsibilities of officers associated with these issues in order to hold the right officials accountable. This study thus sought to assess the understanding of the District Assembly core staff and the Assembly Members on the roles and responsibilities of public officials and units in the financial management process. This would help us better understand how both officials and Assembly Members of District Assemblies in Ghana are involved or concerned with ensuring financial accountability in the Districts, by way of role monitoring or performance evaluation.

## **2. Methodology**

The data for this paper is derived from data obtained from a wider research that assessed the Asante Akim South District Assembly's revenue mobilisation and management efforts. The data for this paper focused on assessing the Assembly's knowledge on financial responsibility charting and its implications for revenue management or financial accountability.

### *2.1 Background of Study District*

The Asante Akim South District Assembly is located in the Ashanti Region of Ghana. The district was created following the implementation of a comprehensive decentralisation programme by the Government of Ghana in 1988. It has Juaso as the district capital, where the principal offices of the Assembly are located. The Asante Akim South District occupies a total land area of 1,217 square kilometres. According to the 2000 Population and Housing Census Report, the Asante Akim South District has a population of 96,868 people, with a population density of 78 persons per square kilometres. The district lies within the semi-deciduous forest zone of Ghana, and abounds in a number of economic tree species, such as mahogany, wawa, odum and teak; which are exploited to feed the local wood industry and for exports. The district is largely rural, with agriculture as the dominant economic activity in the area. It is estimated that the agricultural sector employs about 72% of the active labour force in the district. The main crops grown in the district are cocoa, cassava, maize, plantain and oil palm. The industrial sector in the district employs about 6% of the active labour force, and is mainly characterized by food processing, alcohol distilling and wood based industries. Administratively, the District Assembly is the highest political authority in the area. In furtherance the decentralisation programme, the Asante Akim South District is divided into two town councils, and nine area councils.

### *2.2 Methods*

The target respondents of this research were the District Assembly core staff and the Assembly members. The core staff here refers to the key administrative staff of the District Assembly. Among the core staff selected for the research include the District Coordinating Director, the District Finance Officer, the District Budget Officer, the District Planning Officer, and the District Internal Auditor. These respondents were purposively selected. They are the main officials who perform the core functions that constituted the checklist for the financial responsibility chart. The study was intended to assess their knowledge or understanding of each other roles or responsibilities in the financial management chain.

The Assembly members constitute the second category of respondents for the study. In Ghana's local government administration, the Assembly members constitute the legislative arm of the District Assembly. The Assembly members were selected for this study for two main reasons. First, they have roles and responsibilities in the district financial management chain. Second, as representatives of the local people, they are expected to hold the political and administrative staff of the District Assembly accountable. It is thus expected that the Assembly members are abreast with roles and responsibilities associated with financial management in the District Assembly set-up. The

Assembly is made up of sixty (60) Assembly Members – forty-two (42) elected members and eighteen (18) appointed by the President of the Republic of Ghana in consultation with local chiefs in the district. Out of the sixty Assembly members, forty-six of them willingly filled and returned the interview checklist.

A checklist containing the financial roles or responsibilities was designed and used as the main data collection instrument. Respondents were asked to independently filled in the schedule officers they think are to perform each specific tasks listed in the checklist. I chose a day where the Assembly had a meeting. During a break time, the checklists were distributed to the Assembly members, who filled and returned it before going home. All checklists were filled and returned the same day. The checklists were collected and processed manually. The figures derived were converted into percentages to ensure uniformity between the smaller group of respondents, (core staff), and larger group (Assembly members). The descriptive statistics thus formed the basis of analysis.

### **3. Decentralisation and Local Governance**

Decentralisation has become a household word. In many developing countries, the concept of decentralisation was widely promoted alongside neoliberal economic policies like the structural adjustment programmes in the 1980s. The concept of decentralisation has since travelled to almost all parts of the world. Gravingholt et al (2006: 22) notes that decentralisation efforts rank high on the political agenda of many developing countries. Decentralisation as a political agenda is being linked to democratisation. In the view of Gravingholt et al (2006: 22), these reforms aim at enhancing efficiency and effectiveness of local administration in public service provision by bringing decision-making processes and responsibilities closer to the people. Jutting et al (2005: 625) broadly defined decentralisation as “embracing the transfer of power and resources from higher tiers to lower tiers of government”. There are different forms of decentralisation, but distinction is usually made between devolution and de-concentration. Blair (2000) notes “decentralisation involves both de-concentration, in which local bodies are asked (or, more appropriately, instructed) to assume responsibilities that have traditionally been carried out by central line agencies; and devolution, in which local bodies are granted the political and financial authority to undertake these duties”, (cited in Johnson, 2001: 523). The aim of de-concentration according to the OECD (2001: 16) has been to increase the local input to policy design in order to increase policy efficiency, while the aim of devolution is to increase policy effectiveness by developing entirely new policies as well as to improve governance by bringing decision-making closer to the people affected. These discussions highlight the three key elements of devolution – transfer of power, authority and resources to lower levels of government.

Devolution is usually seen as the best and true form of decentralisation as it involves the real transfer of power and authority to sub-national structures. The OECD (2001: 16) defines devolution as “a process of transfer of powers between central, nation-state, government and lower levels of government, principally operating at city and region level”. Devolution is usually advocated because of the perceived inefficiencies associated with most central governments. According to Bardhan (1997: 45), “the centralised state has lost a great deal of legitimacy owing to its many failures, and decentralization is often suggested and implemented as a way of reducing the role of the state”. The OECD (2001: 17) also argues that by devolving appropriate powers to city and region level, decisions can be rendered more responsive to the needs and preferences of local people, democracy can be strengthened and the effectiveness of the public sector can be improved by helping to ensure that the right public services are provided in the right way. These discussions clearly show that there has been the need for the devolution of power, authority and resources to lower levels of government to perform certain developmental functions. As the OECD (2001: 15) points out “devolution opens up new possibilities and challenges for economic development policymakers because it gives them the capacity to develop their own distinctive approaches to economic development and to develop new institutional relationships suited to their own city or region”. Devolution has resulted in the creation of sub-national structures charged with the responsibility of promoting democratic decision making and local development.

Decentralisation is not designed to achieve a political objective alone; it also has socio-economic functions. Decentralised entities like District Assemblies in Ghana are expected to promote socio-economic development at the sub-national level. As Albuquerque (2004: 158) points out “the restoration of democracy at the municipal and the local level in general has been accompanied by greater demands for the local public authorities to present concrete programmes and proposals to the inhabitants on the substantive issues on the development of production and employment at the local level”. Increasingly, the demand for socio-economic development at the sub-national level is emerging as the most pressing need of local residents than any other function of local government authorities. However, the promotion of socio-economic development requires money. This has led to calls for fiscal or financial

decentralisation. Fiscal decentralisation is one of the different types of decentralisation practiced in many parts of the world. According to Robinson, (2003: 1) decentralisation encapsulates three distinct elements:

- Financial decentralisation, entailing the transfer of financial resources in the form of grants and tax-raising powers to sub-national units of government;
- Administrative decentralisation (sometimes referred to as de-concentration) where the functions performed by central government are transferred to geographically distinct administrative units, and,
- Political decentralisation where powers and responsibilities are devolved to elected local government.

Devolution entails all the above three elements identified by Robinson, but fiscal decentralisation is usually considered more important and difficult to pursue. Nonetheless, fiscal or financial decentralisation is necessary if the entire decentralisation process is to succeed or is to be sustained. According to van den Berg (2004: 33), “the success of decentralisation reforms hinges on the way fiscal decentralisation is designed and implemented”. In the view of Yilmaz et al (2008: 21) “a genuine spirit of decentralisation requires assigning a meaningful level of expenditure responsibilities to local governments with service autonomy so that they can respond to local needs”. Fiscal decentralisation according to Bardhan (1997: 54) “largely involves assignment of expenditures and revenues to lower-level governments”. Fiscal decentralisation is certainly the life-wire of the entire decentralisation process in all parts of the world. The essence of decentralisation is not only to improve political participation, but also to improve service delivery, and this requires money. In Ghana, fiscal decentralisation can be seen in two forms: the transfer of financial resources from the central government to the District Assemblies in the form of grants, and the empowerment of District Assemblies to mobilise revenue locally. This is intended to widen the scope of revenue to the District Assemblies to enable them effectively carry out their mandate.

### *3.1 Decentralisation and Local Government in Ghana*

Decentralisation and local government administration is not a new phenomenon in Ghana. Ahwoi (2010: 3), the man who supervised the implementation of Ghana’s decentralisation programme in Ghana in 1988 as the Secretary/Minister of Local Government and Rural Development, notes that “local government in Ghana has from time immemorial been a part of the country’s way of life, its heritage and culture”. The traditional political system in Ghana, which revolves around local chiefs, is seen as a clear form of a decentralised local government system that has been practised long before the introduction of western political system of governance. The British colonial administrators and the various nationalist governments of Ghana also practiced various forms of decentralisation. Some of the British colonial administrators in Ghana even worked hand-in-hand with the traditional rulers in various parts of the country.

However, though decentralisation and local government administration has existed in Ghana far too long, it was in 1988 that a comprehensive policy to devolve power, authority and resources from the central government level to lower levels of government in Ghana was actually implemented. This decentralisation framework created a three-tier local government system comprising of Regional Coordinating Councils; Metropolitan, Municipal, and District Assemblies; and Town, Area, Zonal councils (Kunbuor, 2009; Ahwoi, 2010). This new decentralisation policy and accompanying legal framework created District, Municipal and Metropolitan Assemblies as the highest political authority at the lower level of government. The District Assemblies are the local government authorities in Ghana. Ahwoi (2010: 2) explains that “local authorities are those bodies that carry out the functions of local government”. The comprehensive decentralisation policy implemented in Ghana in 1988 clearly defined the roles and responsibilities to be performed by the District Assemblies. The specific functions of District Assemblies in Ghana as provided for in the 1992 Constitution of the Republic of Ghana include:

- formulating and executing plans, programmes and strategies for the effective mobilisation and utilisation of human, physical and financial resources of the district;
- promoting and supporting productive activity and social development in the district;
- initiating programmes for the development of basic infrastructure;
- developing, improving and managing human settlements and the environment;
- coordinating, integrating and harmonising the execution of programmes and projects under approved development plans for the district and other development programmes promoted or carried out by ministries, departments, public corporations, other statutory bodies and NGOs in the district;
- guiding, encouraging and supporting sub-district political bodies, public agencies and local communities to exercise their roles in the execution of approved development plans.

According to Diaw (1997: 6), “the overall processes of decentralization were aimed at restructuring the political and administrative machinery of government for development decision-making at both the national and local levels”. The new local government reforms policy in Ghana has the following features:

- decentralisation of political and state power to enhance participatory democracy through local level political institutions with District Assemblies as the pivot;
- decentralisation by devolution of administration, development planning, implementation and budgeting decision-making in which local level authorities will be actively involved;
- establishment of a national development planning agency responsible for the integration of the overall planning process, the coordination of development planning activities of sectoral agencies at the national level, as well as sub-national agencies at the local level, (Diaw, 1997: 6).

Ahwoi (2010: 46) notes that District Assemblies are constituted as the highest political authorities at the sub-national level with deliberative, legislative, executive and administrative powers”. The District Assemblies are also constituted into District Planning Authorities, responsible for planning and coordinating the overall development of the districts (Massing, 1994; Diaw, 1997; Kokor, 2001; Kunbuor, 2009; Ahwoi, 2010). By virtue of this legal mandate, District Assemblies have become the main actors of local development in Ghana. In recent times, District Assemblies could be seen involved in the provision of infrastructure such as the construction of school blocks and health facilities among other things.

#### **4. Sources of Revenue to the Asante Akim South District Assembly**

The sources of revenue to the Asante Akim South District Assembly can be broadly classified as external and internal sources. The external sources of revenue to the Assembly include central government transfers and donor funds for specific projects. The central government transfer that constitutes the major revenue component of District Assemblies in Ghana is the District Assemblies’ Common Fund (DACF). The setting up of the District Assemblies Common Fund is provided for by article 252 of the Constitution of the Republic of Ghana. Article 252 (2) states “subject to the provision of this constitution, parliament shall annually make provision for the allocation of not less than five per cent (5%) of the total revenues of Ghana to the District Assemblies for development; and the amount shall be paid into the District Assemblies Common Fund in quarterly instalments”. Further, article 252 (3) provides that this fund be shared among all the District Assemblies in the country using a formula approved by the parliament of the Republic of Ghana. The District Assemblies Common Fund has since been increased from 5% to 7.5%, Ahwoi (2010). Like all other districts in Ghana, grants constitute the main source of funding to the Asante Akim South District Assembly. As shown in Table 1, grants constituted 89.2% of the total revenue of the Asante Akim South District Assembly in 2005. During my interaction with some officials of the Assembly it became clear that the Asante Akim South District Assembly has been relying on the District Assemblies’ Common Fund (DACF) as its main source of revenue for local development. The District Assemblies’ Common Fund is being used to finance various kinds of developmental projects in the district. It is also being used to finance part of the day-to-day administration of the district. Aside the District Assemblies’ Common Fund, there are other forms of grants made available to the Assembly to finance specific projects. Over the years, the Asante Akim South District Assembly has received funds for projects such as the Community Based Rural Development Programme, the Community Water and Sanitation Project, and the EU/GOG Micro Projects among others.

The Asante Akim South District Assembly derives its internally generated funds from investment and rent from the Assembly’s buildings, rates, licences, land, fees and fines, and unspecified sources, often classified as miscellaneous. Among these sources, lands as a revenue head has been the main contributor to the Assembly’s internally generated fund. As shown in Table 1 for instance, lands contributed a share of 3.6% of total revenue to the Asante Akim South District Assembly in 2005. This made lands the second highest contributor among all the heads/sources, and the highest internal revenue source in the Asante Akim South District Assembly in 2005. From this analysis, it clear that the Asante Akim South District Assembly has a wide range of sources from which it receives, and/or could mobilise revenue. In like manner, the Assembly also has a wide range of revenue to utilise. The extent to which the Assembly is able to put in place measures to effectively mobilise and utilise revenue thus constitutes the subject matter of revenue management in local government administration.

##### *4.1 Local Government Revenue Management and the Question of Accountability*



The quest for fiscal or financial decentralisation would not make much sense if mechanisms are not put in place to ensure the effective and efficient management of the financial resources transferred to the local government authorities. This explains why the concept of accountability has been linked to fiscal or financial decentralisation. It is in view of this that Johnson (2001: 523) defines decentralisation as “meaningful authority devolved to local units of governance that are accessible and accountable to the local citizenry, who enjoy full political rights and liberty”. In fact, the notion of accountability is linked to the whole subject of decentralisation. As such, the idea of accountability is linked to both political and financial processes. According to Papenfuss and Schaefer (2010: 559) “accountability is derived from the line of argument that the electorate has a right to be informed on the activities and expenditure of resources by the executive and legislative”. Accountability is linked to the notion that people have the right to know or have something. Papenfuss and Schaefer (2010) identify three benchmarks of public accountability: access to information, the quality of information, and transparency. Sloan (2001) argues that financial accounting should not be limited to valuation alone, but must be extended to cover governmental roles of accounting as well. In the view of Piotrowski and Ryzin (2007), accountability is the core ingredient in any democratic governance system; and accountability in turn hinges on transparency. To this end Piotrowski and Ryzin (2007: 308) define governmental transparency as the ability to find out what is going on inside a public sector organization through avenues such as open meetings, access to records, the proactive posting of information on websites, whistle-blower protections, and even illegally leaked information”. Though these are key elements of transparency, transparency and accountability is best promoted when roles and responsibilities of key actors in the financial management chain are well known to all stakeholders. In other words, when roles and responsibilities of schedule officers are not known, it would be difficult to hold them accountable for negative actions or inactions.

Revenue management at the district level in Ghana has basically been concerned with the mobilisation and utilisation of the revenues of the District Assemblies. As part of revenue management mechanisms, the anticipated revenues and expenditure of the District Assemblies are usually expressed in the form of a district budget. According to Ahwoi (2010: 183) “the District Budget is the financial expression of the Assembly’s development plan, which seeks to achieve a balance between many ends and scarce or limited resources”. Though the subject of transparency is central in ensuring accountability in the use of financial resources, it has not been a key issue in the management of District Assemblies’ revenue in Ghana. Aside the Internal Audit Department, nothing is being done to promote transparency and accountability in both the mobilisation and utilisation of the District Assemblies’ revenue. It is assumed that the existence of the audit unit would guarantee accountability in the management of the Assemblies’ revenues. As such, efforts to promote accountability in local government revenue management in Ghana have not gone beyond the issuance of annual financial reports. It thus appear that there is very little interest by stakeholders in knowing who does what in financial management within the local government set-up in Ghana. This is demonstrated in the survey intended to determine the level of knowledge of core staff and Assembly members of the Asante Akim South District on the financial responsibility chart of the Assembly.

#### *4.2 Financial Responsibility Charting*

The argument of this paper is premised on the belief that the ability of respondents to differentiate between the roles and responsibilities of core administrative staff in the Asante Akim South District is an essential step in ensuring accountability in the financial management chain. By exploring accountability mechanisms available to organizations, Brennan and Solomon (2008: 892) acknowledge the prevalence of “traditional mechanisms of accountability such as governance regulations, boards of directors, financial reporting and disclosure, audit committees, external audits and institutional investors”. Though these measures are important in financial management, the quest for transparency and accountability must go beyond these traditional mechanisms. As Brennan and Solomon (2008: 892) point out, the scope of accountability and transparency is being broadened and re-oriented “towards greater stakeholder inclusivity”. This notion of “stakeholder inclusivity” as a means of promoting accountability and transparency finds expression in the concept of financial responsibility charting.

The concept of financial responsibility charting here refers to the ability of stakeholders to identify or match specific financial roles and responsibilities with the designated person or department with an organisation. Financial responsibility charting is thus a tool or technique that could be used to clarify roles and responsibilities within the financial management chain, thus eliminating role ambiguity and promoting communication among the actors in line of duty. Financial transparency and accountability is best promoted in an environment where all stakeholders know the stake of each other in the financial management process. As Korey (1988:12) points out “responsibility charting

offers organisational experts a dynamic yet flexible approach that assists them in analysing the functions, problems, decisions, and organisational structures within the complex strategic management process". Knowledge of the role or responsibility of actors in the financial management chain is itself a monitoring tool that can be used to track performance. As Korey (1988) notes, responsibility charting could be useful in analysing the contributions of actors engaged in any work process. Sadly, stakeholders are seen not to be interested in knowing who does what in the financial management chain of the District Assembly. Yet, all stakeholders expect transparency and accountability in local government financial administration.

The survey results show that some core staff/personnel do not even know the specific responsibilities of their colleagues within the District administration. Although all the core staff were able to tell who is responsible for certain duties like preparing financial statements and reports, keeping accounting records, preparation of periodic budget performance reports, and the preparation of an annual budget, they could not match certain activities with the right people. As shown in Table 2, as high as 60% of the core staff did not know that the District Finance Officer (DFO) is responsible for preparing weekly/monthly revenue generation reporting sheets. Similarly, 60% of the core staff as shown in Table 2 attributes the responsibility of maintaining an inventory of the Assembly's tax/revenue to the Budget Officer (BO) instead of the District Finance Officer (DFO). The ignorance level of the core staff was even higher in certain activities. For instance as shown in Table 2, as high as 80% of the core staff did not know that it is the responsibility of the District Chief Executive (DCE) to evaluate and report on the District Assembly's (DA) financial condition. When it also came to the responsibility of investing the available District Assembly's (DA) funds, 80% of the core staff again did not know that it is the task of the District Coordinating Director (DCD).

Comparatively however, the survey results shown in Table 2 give the indication that the core staff/personnel have a fair knowledge of the roles and responsibilities in the financial management chain than the Assembly members in the District. Apart from knowing that it is the responsibility of the Budget Officer to prepare the annual budget of the District, not all the Assembly members knew the right schedule officers for the remaining listed financial tasks. As shown in Table 2, the Assembly Members knowledge of some of the responsibilities is considerably low. For instance, the survey results show that only 22% of the Assembly members know that it is the responsibility of the District Chief Executive (DCE) to evaluate and report on the financial condition of the District Assembly. In like manner, only 22% of the Assembly members are aware that it is the responsibility of the District Coordinating Director (DCD) to invest available funds of the District Assembly. With respect to the responsibility of authorising the use of a reserve fund for capital replacement, only 11% of the Assembly members know that it is the mandate of the District Coordinating Director.

In Table 3, another set of roles or responsibilities are presented. Out of the nine roles presented, it is only in three areas that all the core staff/personnel were able to rightly identify the right schedule officers. These roles include the preparation and distribution of financial reports, approval of tax rates, fee structure, the annual budget and supplementary budget, and preparation of annual revenue and expenditure estimates. In the remaining six roles, the knowledge of the core staff regarding who are the responsible persons for those tasks can be described as fair. As shown in Table 3, at least 60% of the core staff/personnel know who is responsible for those tasks.

Conversely, that of the Assembly members can be described as poor. The survey results presented in Table 3 show that some of the Assembly members did not even know that they were responsible for some of the tasks. For instance, as shown in Table 3, not all the Assembly members know that it is their (District Assembly/DA) responsibility to approve the spending limits or reduce planned activities for each given year. Similarly, some of the Assembly members did not know that it is their responsibility to approve tax rates, fee structure, the annual budget and supplementary budget of the Assembly. In addition, as shown in Table 3, 44% of the members did not know that it is their responsibility to authorise the contracting of loans. Furthermore, the survey results presented in Table 3, show that as high as 56% of the Assembly members did not know that it is their responsibility to determine priority areas for the investment of the District Assembly's funds.

#### *4.3 Implications of Findings*

The revelation that some key roles or responsibilities of revenue management in the Asante Akim South District Assembly are not known by some of the core staff and Assembly members certainly has implications as far as transparency and accountability in financial management is concerned. First of all, it becomes difficult to hold people accountable when their roles or responsibilities in the financial management chain are not known. As Piotrowski and Ryzin (2007) point out, in situations where there is no knowledge or information on what people do, it becomes very

difficult to hold officials accountable for their actions or inactions. It is through responsibility charting that clarifies where ultimate responsibility for a particular task lies. Without knowing who is ultimately responsible for specific financial tasks, accountability hangs in a balance. Second, without role determination, they cannot be role expectation. This is so because without knowing peoples' roles in the financial management chain, it would be difficult to have expectations on them. Alternatively, the lack of knowledge on the organisation's financial responsibility chart could lead to a situation where people will attribute certain financial responsibilities to wrong people or departments. Third, in organisations where roles and responsibilities are not clearly known, blame game is employed in times of poor results. As Korey (1988: 12) points out "by designating who is to be responsible for performing an activity, who should supervise it, who ought to be consulted or notified with regard to that activity, and all the other special relationships that the individual undertaking the task must observe, responsibility charting eliminates work duplication and overlapping of responsibilities". When roles and responsibilities are blurred, it leads to overlapping and blame game when things go bad. This blame game is often shifted from one person to another, unless someone comes out to accept responsibility. It is in light of this that Yilmaz, et al (2008) argue that local government accountability measures must seek to build the capacity of elected representatives in local government to enable them play an effective oversight role over local government financial administration. Four, in organisations where roles and responsibilities of staff are not known, transparency would be shrouded in secrecy. As Yilmaz et al (2008: 23) point out "clear assignments of roles and responsibilities is decisive in shaping accountability relations among various actors at the local level". Without answers to the question, who does what, transparency would remain a secret. But when roles and responsibilities are clarified, communication and team work are easily promoted.

## 5. Conclusion

The role of financial responsibility charting in promoting transparency and accountability in local government financial administration cannot be overemphasised. Knowledge of financial responsibility charting does only enable us to understand who does what, it also helps us to know who is accountable to who and for what in the financial management chain. Poor knowledge on financial responsibility charting or lack of interest in it is thus a barrier in the struggle for transparency and accountability in local government financial administration. Not until local government authorities, especially the elected representatives of the local residents show interest in knowing who is doing what in the financial management chain, the fight for transparency and accountability in local government administration would be a lost battle. There is thus the urgent need on the part of those advocating transparency and accountability to take steps to educate and whip up interest of Assembly members on financial responsibility charting to enable them have an appreciation of the financial responsibilities of the core staff in order to hold them accountable for their bad actions or inactions. This would also enable stakeholders to employ role monitoring to ensure that each core staff is performing his or her roles or responsibilities in the financial management chain.

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Table 1: Sources of Revenue to the Asante Akim South District Assembly in 2005

Revenue Heads	Estimate (GHS)	Actual (GHS)	Percentage Share (%)
Rates	158,973,991	115,058,000	1.7
Lands	285,600,000	239,815,000	3.6
Fees and Fines	243,972,000	220,343,800	3.3
Licenses	161,550,000	95,752,000	1.5
Rent	41,560,000	25,809,000	0.4
Grants	10,272,825,808	5,870,827,877	89.2
Investment	10,000,000	3,283,500	0.05
Miscellaneous	20,050,000	10,767,148	0.2
Total	11,194,531,799	6,581,656,325	100.00

Source: Asante Akim South District Assembly

Table 2: Core staff and Assembly Members Level of Knowledge on Financial Responsibility Charting

Responsibility	Responsible Officer/Unit	Knowledge of Core Staff	Knowledge of Assembly Members
Prepare financial statements, schedules and reports	District Finance Officer	District Finance Officer -100%	District Finance Officer -55.6% Budget Officer -33.3% Planning Officer-11.1%
Keep general accounting records	District Finance Officer	District Finance Officer -100%	District Finance Officer -89% Don't Know-11%
Prepare the annual budget document	Budget Officer	Budget Officer-100%	Budget Officer -100%
Prepare periodic budget performance reports	Budget Officer	Budget Officer-100%	Budget Officer -89% District Finance Officer & Planning Officer-11%
Prepare weekly/monthly revenue generation reporting sheets	District Finance Officer	District Finance Officer -40% Budget Officer -40% Internal Auditor & Budget Officer -20%	District Coordinating Director -22% District Finance Officer -56% Internal Auditor -11% Planning Officer-11%
Maintain an inventory of Assembly's tax/revenue base	District Finance Officer	District Finance Officer -40% Budget Officer -60%	District Coordinating Director -11% District Finance Officer -67% Internal Auditor-22%
Collect all monies due the Assembly	District Finance Officer	District Finance Officer -100%	District Finance Officer -67% Budget Officer -11% District Chief Executive -22%
Authorize use of a reserve fund for capital replacement	District Coordinating Director	District Finance Officer -100%	District Assembly-34% District Coordinating Director -11% District Finance Officer -11% Budget Officer -22% District Chief Executive -22%
Evaluate and report on DAs financial condition	District Chief Executive	District Coordinating Director -20% District Finance Officer -80%	District Finance Officer -56% Budget Officer 22% District Chief Executive -22%
Invest available DA funds	District Coordinating Director	District Assembly-20% District Coordinating Director -20% District Chief Executive-40% District Coordinating Director & District Chief Executive -20%	District Assembly-22% District Coordinating Director -22% District Finance Officer -34% District Chief Executive -22%

Source: Field Survey, 2009

Table 3: Core staff and Assembly Members Level of Knowledge on Financial Responsibility Charting

Responsibility	Responsible Officer/Unit	Knowledge of core staff	Knowledge of Assembly members
Prepare planned development project information sheet	Planning Officer	Budget Officer-20% Planning Officer-80%	District Coordinating Director-11% Planning Officer-89%
Approve the spending limits or reduce planned activities	District Assembly	District Assembly-40% District Coordinating Director-20% Budget Officer-20% District Chief Executive-20%	District Assembly-33% Budget Officer-23% District Chief Executive-44%
Prepare and distribute financial reports	District Finance Officer	District Finance Officer-100%	District Coordinating Director-11% District Finance Officer-67% Budget Officer-11% Planning Officer-11%
Approve tax rates, fee structures, the annual budget and supplementary budget	District Assembly	District Assembly-100%	District Assembly-89% Internal Auditor-11%
Prepare annual revenue and expenditure estimates	Budget Officer	Budget Officer-100%	District Finance Officer-44% Budget Officer-44% Planning Officer-12%
Monitor revenue collection performance	District Finance Officer	District Finance Officer-60% Internal Auditor-20% District Finance Officer & Budget Officer-20%	District Coordinating Director-12% District Finance Officer-44% Internal Auditor-44%
Authorise the contracting of loans	District Assembly	District Assembly-60% Planning Officer-20% Budget Officer and Planning Officer-20%	District Assembly-56% District Chief Executive-33% Don't Know-11%
Determine priority areas for investment	District Assembly	District Assembly-60% Planning Officer-20% Budget Officer and Planning Officer-20%	District Assembly-44% District Finance Officer-12% District Chief Executive-22% Planning Officer-22%
Determine whether financial operations are proper	Internal Auditor	District Assembly-20% District Finance Officer-20% Internal Auditor-60%	District Assembly-22% District Coordinating Director-22% District Finance Officer-22% Internal Auditor-22% Budget Officer-12%

Source: Field Survey, 2009

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