



Friends of the Nation



Tax Compliance, Transparency and Accountability in Shama District

**Solomon Kusi Ampofo
Maame Efua Wilson**

JULY 20, 2023

Profile of Shama District

2



193.7 km²

Land area



- 117, 224 as at 2021 census
- 64.5% Urban and 35.5% Rural

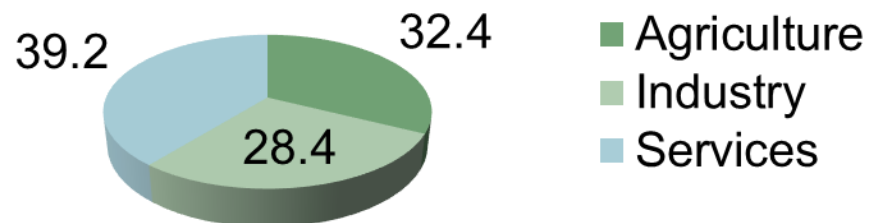
Population



6 million cedis (\$526,315.79)
▪ 30% are internally generated

Annual
budget

Main Economic Sectors by Employment





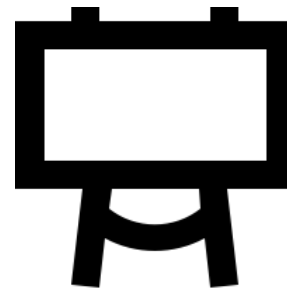
Friends of the Nation

The Digital Property Taxation Model in Shama

3



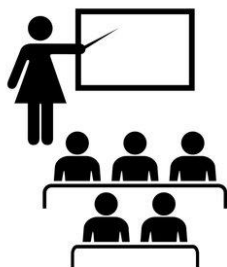
**Improving database for
effective revenue
collection**



**Strengthening Taxpayers'
trust through Social
Accountability**



**Increasing awareness
and stimulating tax
compliance**



**Building capacity for
improved digital
property taxation**



**Documentation and sharing of
best practices**



**Increasing awareness and
stimulating tax compliance**

Generating ideas for improved property taxation

5



Intervention: Tax dialogues to deepen public awareness and solicit ideas towards increased property taxation

Results:

Innovative ways to tax collection identified to increase revenue:

- Timely printing and distribution to rightful property owners. Property owners must be notified through phone or text message before bills are distributed. In the event a bill is given to someone else as result of unavailability of the actual taxpayer, the name and contact of such person must be sent to the actual taxpayer especially in the case property rate.
- Create data base on taxpayers especially property rate, temporal structure and business operating permit and making the data available to homeowners association for monitoring of members commitment to tax payment.

Community and mass media engagement

6

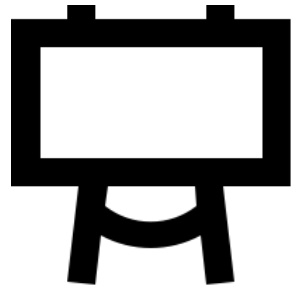


- Radio discussions
- Dawn to dusk broadcast
- Community Information Centres

Content



- Planning and budgeting cycles
- Sources of revenue
- Digital property taxation data collection
- Revenue collection pay points
- Accountability platforms on how taxes are used



Strengthening Taxpayers' trust through Social Accountability

Facilitating citizens' participation in planning and budgeting



Friends of the Nation

8



Engaging citizens to identify and understand their development challenges and capture them into District Development Plans and Budgets



Central government transfers and citizens' taxes



School



Market



Agriculture



Clinic



Potable water



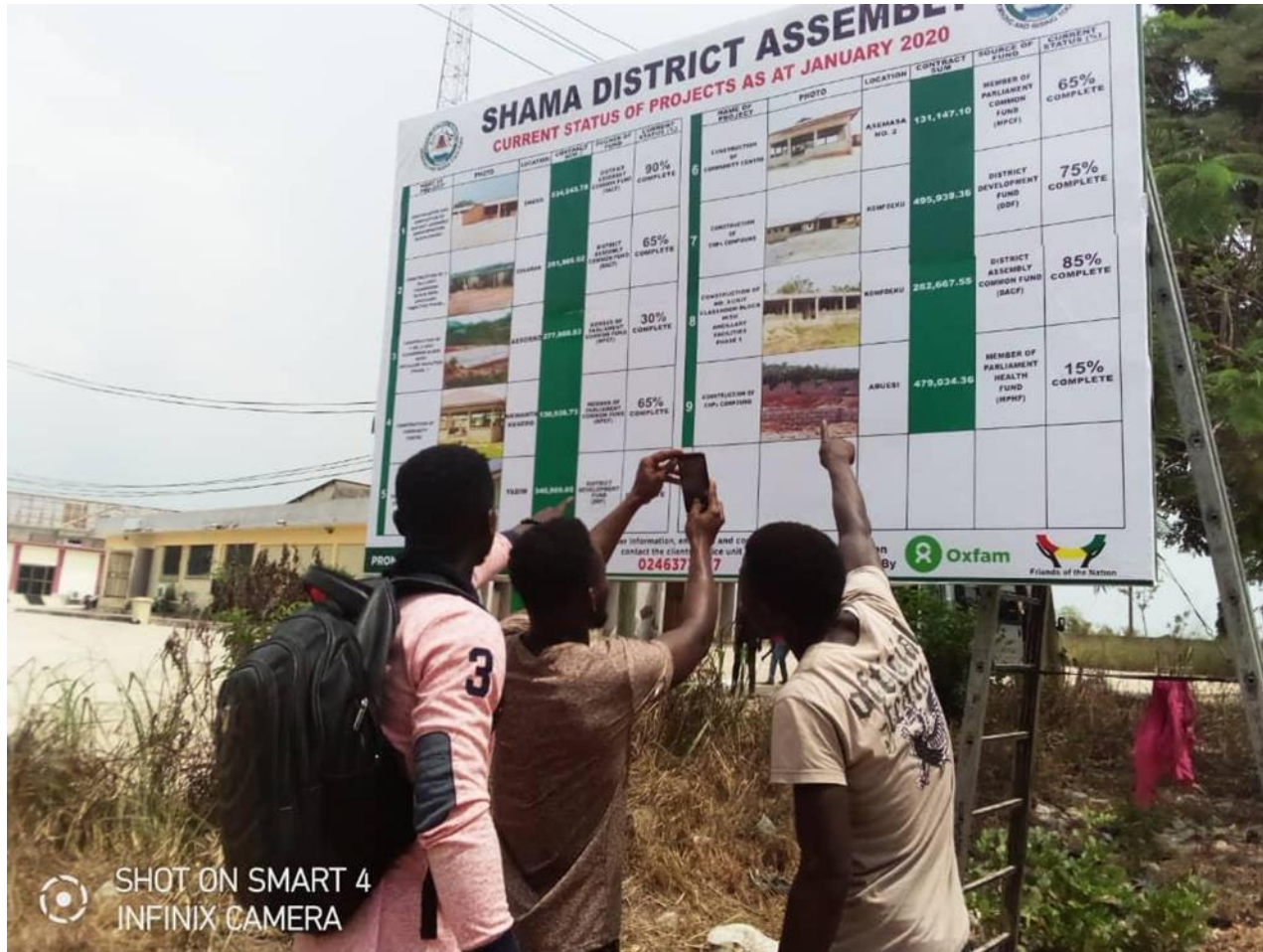
Waste collection

Citizens are aware of projects and their costs



Friends of the Nation

9



Dissemination of projects implemented by the Assembly with details of project cost

Details:

- Project name
- Picture
- Location
- Contract sum
- Source of funding
- Project status

District Authorities directly engage Citizens to Account on Plans & Budgets

10



- **Town Hall Meetings**
 - Platform for citizens for demand accountability for the implementation of District Development Plans and Budgets
 - Sensitisation on citizens' tax obligation
- **People's Forum**
 - Platform for District Chief Executive to account for his stewardship and deliver of the State of the District Address
 - Live broadcast on radio
 - Allows phone-ins during live broadcast
- **Assembly on Radio**
 - Weekly public engagement on a community radio station with a dedicated staff schedule

Citizens participate in the monitoring of the implementation of District Plans & Budgets



Friends of the Nation

11



- **Community groups (CEMAG), District Assembly officers and community members undertake field monitoring of projects**
- Ascertain status of the projects
- Interact with communities and contractors
- Identify challenges
- Prescribe recommendations for addressing the challenges



Friends of the Nation

District Authorities engage with Citizens on Procurement & Project Costing

12



Discussion focused on explaining to the public the procurement process and costing of projects.





Key milestones

Emerging results

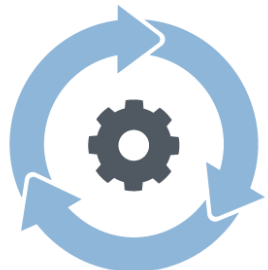
14



Increased resources



Enhanced legitimacy



Improved effectiveness

- **Internally Generated Revenues** increased from **GHS 1,338,579.14** in 2019 to **GHS 2,105,590.37** as at the end of 2022 through a gender-responsive tax collection system using the DLReV and Taxman Software.
- Over the period, property taxation increased from **GHS 390,332.20** in 2019 to **GHS 633,051.66** in 2022 reflecting an Average Annual increment of **15.3%**. Similarly, other sources including business operating permits increased from GHS 699,363.34 in 2019 to GHS 1,174,661.39 in 2022.

Improvements in the delivery of social services

Increased trust between the Citizenry and the Assembly – many people feel they have a say and an eye on the Assembly's activities, because it listens and responds to their concerns.

Challenges



- Numerous demands due to high awareness against inadequate resources
- Abuse of knowledge and empowerment by some citizens
- Increasing population due to influx of people and businesses
- Still poor road conditions/mix (major road to capital in bad shape)
- Still not able to fully collect data on all properties due to inadequate revenue staff coupled with inadequate capacity
- Late release of funds from central government
- New Government policy for Ghana Revenue Authority to co-collect and share property taxes

Lessons learnt



Friends of the Nation

16

- Committed Successive Political Leadership proves very crucial in sustaining social accountability actions
- Working collaboratively with sub-national government to change policies and practices to improve transparency and accountability builds trust and yield better service delivery
- A better-informed citizenry are more active, and they drive social accountability
- Accounting to the people with the right information stimulates better respond to discharge their tax obligations

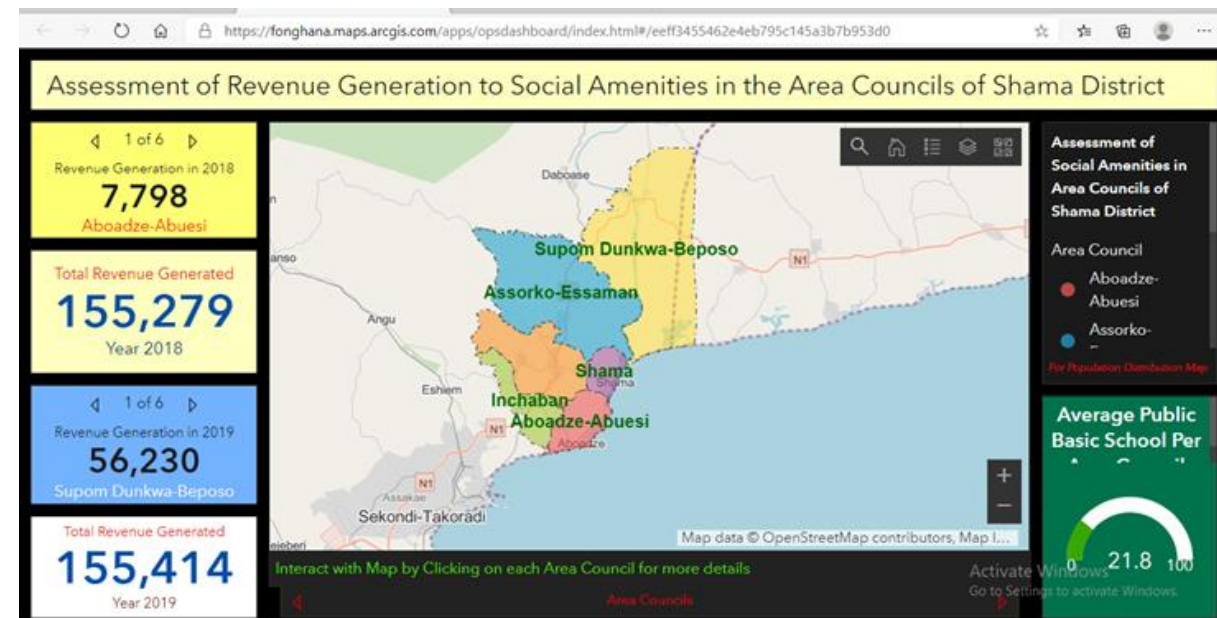




Friends of the Nation

Sustainability actions

- Training and involvement of market queens in revenue mobilisation
- Using geo-spatial evidence to influence pro-poor spending
- Development of the Shama Model toolkits to be used a case-study in academic institutions
- Gazetting of the Shama Model in Bye-law



Conclusion



Friends of the Nation



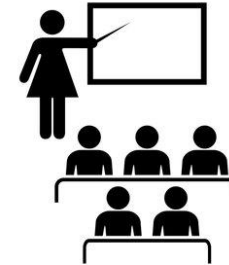
An effective property
taxation system
should be built on.....



Committed successive
political leadership



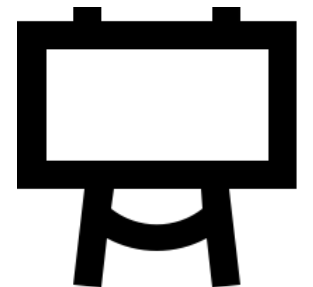
Effective revenue
collection software
and comprehensive
database



Competent and
committed personnel



Rigorous awareness
raising



Public accountability