

ADA EAST DISTRICT ASSEMBLY



**THE BUDGET SPEECH OF THE ADA EAST DISTRICT ASSEMBLY FOR
THE 2020 FINANCIAL YEAR**

**PRESENTED TO THE GENERAL ASSEMBLY ON WEDNESDAY, 25TH
SEPTEMBER, 2019**

ADA EAST DISTRICT ASSEMBLY 2020-2023 BUDGET STATEMENT

HONORABLE PRESIDING MEMBER, HON. MEMBERS OF THIS AUGUST HOUSE, THE DISTRICT CHIEF EXECUTIVE, DISTRICT CO-ORDINATING DIRECTOR, UNIT AND DEPARTMENTAL HEADS, COLLEGES LADIES AND GENTLEMEN, today the twenty fifth day of September 2019, on the authority of the **Hon. District Chief Executive, Hon. Sarah Dogbakie Pobee** (the Chairperson for the Executive Committee of the Assembly) and in keeping with the requirement under the guidelines for the approval of the District budget of this Assembly, may I respectfully present the budget statement of the Assembly for 2020-2023 fiscal year to this honorable house for approval.

Hon. Presiding member, this statement is an abridged version of the 2020 Budget statement. The details are in the main document submitted to the honorable members.

Honorable Presiding Member, We do not take lightly the significant of this moment and opportunity we are granted annually to determine how precious this District, -our people, our land, our natural resources and our treasury- should be stewarded for the total growth and human development.

Honorable Presiding Member, despite the challenges we approach this process with genuine humility and gratitude to a great God. We recognize that while current resources are insufficient to meet every need and every demand of our people, there are no limitations on our collective potentials, our will and our hope that the sacrifices we make and the seeds we sow today will achieve sustainable results that will put this District on an irreversible path of enviable, broad-based empowerment.

Hon. Presiding Member, the following are some of the challenges identified on the various revenue sources:

- **Rate**

Apathy of the populace in paying especial basic rate makes it unattractive and difficult to collect. The basic rate, which was 10 pesewas per head, makes it difficult to collect considering the cost of collection as compared to the low rate of 10 pesewas per head.

In terms of Property Rate, the lower ratable values of properties in the District due to non-valuation of properties have led to low property rate, making it difficult for rating.

- **Lands and Royalties**

Inadequate logistics for monitoring of structures without building permits is a major concern, which is affecting revenue inflow from that sector.

- **Licenses(Business Operating Permit)**

Low number of identified businesses in the District due to its rural nature.

- **Fines, Penalties**

The challenge with enforcement of by-laws and defaulters of rate payment in the District is a major issue to the Assembly. The Assembly needs to work closely with the District Magistrate Court in prosecuting offenders and defaulters.

- **Rent**

The poor state of the Kasseh market infrastructure and other rental properties of the Assembly make it difficult for the assembly to charge realistic rent thus the low revenue from that sector.

Hon. Presiding member, a major focus of this assembly in the last 21 months has been to strive and increase revenue mobilization, expenditure prioritization as well as supporting the Government flagship programmes in the District. In this regard, the Assembly has adopted the following strategies and measures to increase revenue generation.

REVENUE IMPROVEMENT STRATEGIES

- Update of revenue database
- Undertake house numbering under the Street naming and property addressing project
- Recruit, train and deploy 15 collectors to retrieve 2018 arrears and collect 2019 property rate bills.
- Print and distribute property rate bills for 2019
- Collect basic rate from both formal and informal sector workers

- Process development permits applications within 30 days from date of submission.
- Procure 1No. pickup for development control
- Resource the taskforce to identify defaulting businesses and collect BOP.
- Organize quarterly public education on revenue mobilization
- Engage Commission collectors
- Create interaction between management and the revenue commission collectors
- Undertake legal action against defaulters
- Prepare tenancy agreement for market stores tenants

REVENUE PERFORMANCE

Revenue mobilization has become a crucial aspect of the District management. This is because revenue or otherwise financial resources constitute the lifeblood of any organization. Even though past records as reminisced identify the District as very vibrant in terms of revenue mobilization, such success has not been consolidated strongly enough over the years. As a result, drastic efforts are being taken to ensure that the district reignite financial pooling. Under the 2018 year of review, it was observed that much needed to be done with respect to the generation of internal revenue.

Hon. Presiding member, measures were put in place and more scientific approach to revenue mobilization was adopted as well as all the activities bordering the generation of revenue streamlined to enhance efficiency, effectiveness and professionalism.

Hon. Presiding member, with this, the District was observed to have performed satisfactory under the period. What is been done currently is to identify some other important avenues where the Assembly could invest to make enough money as Internal Generated Funds. Suffice it to say that, human resource capacity and capabilities towards revenue mobilization has been identified as very poor.

FINANCIAL PERFORMANCE-REVENUE

ITEM	2017		2018		2019		% Perf. at Aug,2019
	Budget GHs	Actual GHs	Budget GHs	Actual GHs	Budget GHs	Actual GHs	
Property Rate	99,790.00	102,354.96	102,490.00	95,974.62	341,151.40	87,868.84	25.76
Fees	338,766.20	155,138.60	407,481.10	733,780.70	268,100.00	161,639.50	60.30
Fines	21,819.14	24,627.58	19,786.14	32,196.50	1,200.00	17,526.00	1,460.50
Licenses	137,866.00	69,376.43	108,646.00	58,321.53	76,073.00	47,970.00	63.10
Land	273,900.00	153,971.00	133,505.00	126,027.80	196,571.00	120,316.00	61.23
Rent	33,300.00	37,336.10	34,100.00	1,716.00	83,415.00	37,622.80	45.10
Miscellaneous	10,867.00	194.08	4,200.00	0.00	4,200.00	2,110.00	50.24
Total	916,308.34	542,998.75	810,204.24	1,048,017.15	970,710.40	475,053.14	49.00

Hon. Presiding Member the above presents an analysis of Internal Generated Revenue of the District. Within the period of 2018, Internal Generated Revenue recorded a total increment of 129.35 per cent over the 2017 value. The appreciation in the value was basically due to the internal arrangements in the Building Permit sector of the District economy which saw a drastic increment in the Fees and Fines generated.

In 2018, over 472.98 per cent has been recorded as an increment of the previous revenue collected under Fees and Fines. This figure again, has served as a cover up for rates which performed very poorly, seeing a decrease of 32.34 percent of the previous year's revenue.

Unimaginably however, total revenue generated under Lands in 2018 (Development permits, temporal structure permit, etc) has seen a drastic improvement, recording over 700 percent of previous year's collected revenue and rose steadily in the two quarters of the 2018, scoring 6.2 percent of the 2017 value. It can also be deduced that, revenue mobilization in the first two quarters of 2018 has improved steadily.

Hon. Presiding Member, within the period under review a total amount of GH¢ **1,449,960.90** was spent. This is **14.61%** of total expected expenditure for the period. This clearly shows that the Assembly spent less than generated for the year under review.

Hon. Presiding Member, it's interesting to note that the Assembly's share of the common fund for the period under review was **GH¢ 3,322,569.77**, by the end of the third quarter **GH¢ 318,397.53 (9.58%)** had been released to the Assembly. Hon. Presiding Member, Honorable members of this august house, colleagues heads of departments; ladies and gentlemen it is now obvious from the foregoing that the

assembly was not in the position to execute all its projects and programmes that were earmarked for the year under review. This situation can be bettered by radically improving on our own internally revenue mobilization. In this regard, we will need the co-operation of all Honorable members, heads of departments and staff of the assembly in order to revitalize the Revenue mobilization machinery of the Assembly.

OUTLOOK FOR 2020

REVENUE PROJECTIONS FOR 2020

Hon. Presiding Member, Honorable members of the house, the total Revenue expected for the 2020 is **GH¢ 9,811,981.63**. Out of this amount, **GH¢999,831.71** is expected to come from internally generated source namely; Rates, Fees and Fines, Business Operating Permit, Rents, Investment income and Miscellaneous Revenue. The remaining **GH¢ 8,812,149.92** is expected to come from Grants in the form of Central Government Salaries, District Assembly's Common Fund, MP's Common Fund and other Donor Sources.

Hon. Members of this august house, this budget has been prepared with the adoption of the national objectives link with Sustainable Development Goals (SDGs) to enable us track our financial performance in order to ensure progress on these important targets that affect the lives of our people.

ADOPTED POLICY OBJECTIVES FOR 2020 LINK TO SUSTAINABLE DEVELOPMENT GOALS (SDGs)

FOCUS AREA	POLICY OBJECTIVE	SDGS	SDG TARGET
Local Governance and Decentralization	Boost revenue mobilization, eliminate tax abuses and improve efficiency	SDG1 – Decent work and economic growth	*Strengthen resource mobilization *Achieve full and productive employment decent work for all
	To enhance good governance by strengthening the structures of the assembly.	SDG16- Peace and justice strong institutions.	Develop effective, accountable and transparent institutions at all levels.
Health	Ensure sustainable equitable and easily accessible healthcare services	SDG3- Good health and well being	Achieve universal health coverage and access to quality health care service

Education, Sports Development	Promote sustainable and efficient management of education service delivery.	SDG 4- Quality education	*Ensure free and equitable education for all by 2030 *Ensure early childhood development, care and pre-primary education *Ensure free and quality education for all by 2030.
Agriculture	Promote sustainable environmental management for agriculture development	SDG2 – Zero hunger	End hunger and ensure access to sufficient food
Physical Planning	To promote effective private sector participation in the development of the District.	SDG 17- Partnership for the goals	Ensure inclusive rural development and capacity for settlement planning.
Transport Infrastructure: Road, Rail, Water And Air Transport	To promote effective private sector participation in the development of the District.	SDG 17- Partnership for the goals	SDG 17- Partnership for the goals
Water And Environmental Sanitation And Hygiene	Improve access to sanitation	SDG6- Clean water and sanitation	*Sanitation for all and no open defecation by 2030. *Achieve access to adequate and equitable sanitation and hygiene
Social Welfare	An effective and efficient social protection system.	SDG10- Reduce Inequalities	*Ensure that PWDs enjoy all benefits of Ghanaian citizens. *Pursue livelihood opportunities.
Disaster management	Enhance disaster preparedness for effective response	SDG13- Climate change action	Improve education towards climate change mitigation

Honourable Presiding Member, the new MTEF Composite Budget Activate has two (2) main expenditure items, unlike the old version.

These are:

1. **Personal Emolument (Salaries)**
2. **Goods, Service, Assets and Liabilities.**

It is clear that, apart from Personal Emolument, the other three items have been fused into one i.e. Administration, Services and Investment are now known as Goods, Services, Assets and Liabilities.

Personal Emolument.

1. Central Administration

The total strength of Central Administration Assembly is Eighty-five (85). Out of this number, twenty-eight (28) of them are staff paid by the Assembly; that is from the assembly's own generated revenue (IGF). The remaining fifty-seven (57) are staff on Central Government payroll i.e. paid by the Controller and Accountant General Department.

Honourable Presiding Member, the total budget for Assembly's paid staff is **GH¢ 243,497.56** (This amount will come from IGF as has been indicated before). The total estimated budget for Controller and Accountant General paid staff is **GH¢2,736,965.22** (This amount is to come from the consolidated fund). This brings to a total of **GH¢ 2,980,462.78** to be spent on salaries.

Administration Expenditure

Honourable Presiding Member, sub-items under this heading are expenses made to enable the Assembly run. They included expenses like electricity charges, water charges. Telecommunication charges, postal charges, sanitation expenses, travel allowance, etc.

The estimated budget for Administration is **GH¢ 728,633.00**

Honourable Presiding Member, Honourable members, colleague heads of department, ladies and gentlemen, it must be stated that the total amount of money to be spent on Administration, will wholly come from IGF, so if we are not ready to generate enough revenue on our own, the running of the Assembly will come to a grinding half.

Service Expenditure

Honourable Presiding Member, service expenses are those expenses which are not for the running of the Assembly nor is it for physical investment. These included on expenses on data collection, valuation of properties, organization of workshops, monitoring projects, training of revenue collectors and other staff of the Assembly and cost of revenue generation.

The others are organization of Assembly and sub-committee meetings and other meetings of the Assembly, Environmental sanitation within the District, etc.

The total estimated budget needed for service activities in the district is **GH¢ 2,896,199.01**. Out of this amount **GH¢ 1,396,812.00** is supposed to come from IGF. **GH¢ 1,499,387.01** is coming from the District Assembly's Common Fund. This is about **51.77%** of total Services Expenditures estimates.

Investment Expenditures

Honourable Presiding Member, Investment Expenditure includes expenditure that results in the establishment of physical structures or acquisition of physical assets or items. This year the total amount of money envisaged to be spent on Investment is **GHs 3,952,496.62**. Out of this amount **GH¢ 3,463,577.00** is coming from District Assembly's Common Fund, **GH¢ 360,858.00** is estimated to come from DANIDA, **GH¢229,961.29** is estimated to come from IGF.

Honourable Presiding Member, these are projects earmarked for 2020. The details are in the main document.

- Procure Solar Streetlights
- Rehabilitation of Streetlights in the District by the MP
- Procure Office Furniture for the new Office Complex
- Procure 1No. Motor Bike for Records Unit (Registry)
- Provision of Physical Infrastructure in the District by the Member of Parliament
- Procure 8No. Laptops and Printers for Official use
- Procure 1No. Pick-Ups for Official use
- Provide supports to Self-help Projects
- Valuation of Properties in the District for Rating
- Train and equip youth in the District in various skill by the MP
- Construction of 1No. 3-Unit Kindergarten Classroom Block, Office and Store and ancillary facilities at Kasseh Islamic

- Construction of 1No. 3-Unit Kindergarten Classroom Block, Office and Store and ancillary facilities at Faithkope
- Complete the Rehabilitation of 1No. 9-Unit Classroom Block, Office and Stores at Peditorkope
- Procure furniture for schools in the District
- Construction of 2No. 3-Unit Classroom Block, Office and Store and at Amlakpo and Elavanyo
- Construction of 1No. Junior High School Classroom Block, Office and Store at Ada Foah D/A
- Construction of 1No. CHPS compound at AsigbeKope
- Construction of 1No. CHPS compound at Togbloku
- Procurement of Furniture and Equipment for the CHPS compound
- Rehabilitation of recovery ward at Ada Foah Health Centre
- Construction of 3No. Market sheds, fence wall and Drainage system at Ada Foah Market
- Construction of 3No. open Market sheds at Kasseh Market
- Construction of a Culvert at Ayigbo-Azizanya Road
- Planting of 8,500 Mangrove at Obane
- Construction of a Mechanized Borehole at Gbanavie
- Complete the Construction of the District Assembly Complex
- Renovation of Office Bungalows
- Construction of a Divisional and District Police Headquarters
- Construction of a Mechanized Borehole facility for the new Assembly Office Complex
- Etc.

Honourable Presiding Member, Honourable members, colleague Heads of department, ladies and gentlemen; this is the end of my presentation. Your questions are welcomed.

Thank you very much for your patience.



Presentation of the 2020 Budget by the District Budget Officer



Assembly Members and Departmental Heads