

UNIVERSITY FOR DEVELOPMENT STUDIES, TAMALE

**ASSESSMENT OF COMPOSITE BUDGETING IN DECENTRALISED  
PLANNING AND MANAGEMENT IN SELECTED DISTRICTS IN THE  
SAVANNAH AND NORTHERN REGIONS OF GHANA**

**BY**

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## Declaration

### Student

I hereby declare that this thesis is the result of my own original work and that no part of it has been presented for another degree in this University or elsewhere:

Candidate's Signature..... Date.....

Name: .....

### Supervisor

I hereby declare that the preparation and presentation of this thesis was supervised in accordance with the guidelines on supervision of thesis laid down by the University for Development Studies.

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Name: .....



## Abstract

Composite budgeting is an essential requirement for the effectiveness of decentralised governance. The study examined composite budgeting in North Gonja, Kumbungu and Sagnarigu Municipal Assemblies in the Savannah and Northern Regions of Ghana. A multiple case design involving interviews with thirty –six (36) participants using semi-structured interview guide was used for the study. Purposive sampling was used to select Municipal and Districts Coordinating Directors, Planning Officers, Budget Officers, Finance Officers, and Directors of Decentralized Departments of the MMDAs. The chairman of development sub-committee and chairman of executive sub-committee as well as chairman of finance and administrative sub-committee, unit committee members and traditional authorities as well as chief director, chief economic planning officer and chief budget analyst at RCC were also respondents of the study. The findings suggest that the composite budgeting process involving analysis of revenue and expenditure trends, projection of revenue and expenditure, preparation of annual composite budget; and monitoring of the implementation of the district annual composite budget were to a great extent, followed in all the selected districts. The composite budget process provided the assemblies with clear direction on how to proceed with the execution of projects and programmes, and enhanced stakeholder participation in the implementation of projects. The factors affecting composite budgeting at the MMDAs were: poor alignment of the composite budget to the annual action plan; low turnout of stakeholders in the composite budgeting process; late release of the guidelines by Ministry of Finance (MOF) and MLGRD; inadequate revenue generation due to inadequate staff. In conclusion, even though, guidelines on composite budgeting were largely adhered to, timing of the process was an issue and negatively affected the effectiveness of service delivery. The study recommends continuous and early engagement with stakeholders to resolve issues affecting the swift implementation of composite budgeting in the MMDAs.



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## **Dedication**

This work is dedicated to my parents Madam Samata Dokurugu and Abdulia Sulemana for pushing me high on this academic ladder.



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### List of Abbreviations

|        |  |
|--------|--|
| MMDA   | Metropolitan, Municipal, Districts Assembly              |
| MLGRD  | Ministry of Local Government and Rural Development       |
| MOF    | Ministry of Finance                                      |
| PFM    | Public Financial Management                              |
| UNDP   | United Nation Development Programme                      |
| GIZ    | Germany Technical Co-operation                           |
| MOFEP  | Ministry of Finance Expenditure Plan                     |
| MTDP   | Medium Term Development Plan                             |
| MTEF   | Medium Term Expenditure Framework                        |
| DAAP   | District Annual Action Plan                              |
| DACB   | District Annual Composite Budget                         |
| M &E   | Monitoring and evaluation                                |
| NDPC   | National Development Planning Commission                 |
| PBBS   | Performance Based Budgeting System                       |
| WB     | World Bank   |
| DA     | District Assembly  |
| DAs    | District Assemblies                                      |
| DACF   | District Assembly Common Fund                            |
| L. I   | Legislative Instruments                                  |
| DDF    | District Development Facility                            |
| IGF    | Internal Generated Funds                                 |
| FAR    | Financial Administrative Regulations                     |
| OECD   | Organisation of Economic Co-operation and Development    |
| FAA    | Financial Administrative Act                             |
| GIFMIS | Ghana Integrated Financial Management Information System |
| DFID   | Department for International Development                 |
| IDP    | Integrated Development Plan                              |



|        |  |
|--------|--|
| RCC    | Regional Coordinating Council          |
| RPCU   | Regional Planning Coordinating Units   |
| DMTDPs | District Medium Term Development Plans |
| DPCU   | District planning coordinating Unit    |
| UCs    | Urban Councils                         |
| CAPs   | Community Action Plans                 |
| ALPs   | Area Level Plans                       |
| PNDC   | Provisional National Defence Council   |
| MP     | Member of Parliament                   |
| MCE    | Municipal Chief Executive              |
| MCD    | Municipal Coordinating Director        |
| DCE    | District Chief Executive               |
| DCD    | District Coordinating Director         |
| DFO    | District Finance Officer               |
| DPO    | District Planning Officer              |
| DBA    | District Budget Analyst                |
| DIA    | District Internal Audit                |
| PO     | Procurement Officer                    |
| CHPS   | Community Health Planning Services     |
| NABCO  | Nation Builders Corps                  |



## CHAPTER ONE

### INTRODUCTION

#### 1.0 Background of the Study

Decentralization involves the transfer of authority and responsibility for public functions from a central government to subordinate governments (Ayee, 2008). It involves the transfer of fiscal, political and administrative powers to lower levels of governance (Duncan, 2007). The essence is to strengthen local democracy and improve service delivery at the local level. In the western world, decentralization is seen as a catalyst in the provision of cost-effective public services. In the case of developing countries like Ghana, decentralization is pursued to counter economic inefficiencies, macroeconomic instability and ineffective governance (Work, 2002; Ridvan, 2015). Generally, countries around the world consider decentralization as an important step towards the development of market economy and the strengthening of democracy.

In Ghana, there are three main types of decentralization systems namely: administrative, political and fiscal decentralization. It is important to note that though, different systems, their functions are intertwined to achieve the common goal of participatory governance and accountability. The focus of this study is on fiscal decentralization; specifically, the composite budgeting process. It has been acknowledged that fiscal decentralization is key to all forms of decentralization (Robit, 2001; Ridvan, 2015). Though local governments or administrative units possess the legal authority to impose taxes at the local level, the tax base is often so weak that the assemblies face challenges in carrying out development projects. In addressing the critical concerns of fiscal decentralization, Smoke (2001) argued



that assigned revenue has always been inadequate for the local expenditure requirements in most developing countries.

To effectively plan and implement projects to address the needs of local people, Ghana's Public Financial Management (PFM) system is designed as a legal and regulatory framework which clearly sets out budgeting and accountability structures. District Assemblies have the mandate to formulate plans and programmes and develop appropriate strategies for their execution. To achieve this mandate, Metropolitan, Municipal and District Assemblies (MMDAs) are required to prepare and approve their own budgets. MMDAs are also empowered to raise revenue through the imposition of levies, rates, fines and fees which should be used to support the planning and implementation of projects at the local level. Composite budgeting is a key aspect of the accountability process in decentralization (Local Government Act, 2016; Act 936).

It is argued that the challenge to effective governance and accountability among MMDAs is lack of proper planning and control of the financial management chains, which often leads to waste or misuse of public funds (UNDP, 2004; Wahezzaman, 2010; George, 2014; Addo, 2015). The aim of composite budgeting is to seek uniformity in planning, budgeting, financial reporting and auditing at the MMDAs (Kokor, 2004; Tettey, 2009; GIZ/MOFEP, 2010; Obeng, 2011; Ahmed, 2016).

From the foregoing, the goal of Composite Budget is to ensure that policies and programmes of the Assembly are implemented in an integrated manner using the budget as the tool (MOF, 2012; Addo, 2015). However, since the implementation of composite budgeting at MMDAs, it is unclear how it is being carried out as well as the factors





affecting its effectiveness at the MMDA level. The study therefore sought to assess the composite budgeting and implementation processes in North Gonja, Kumbungu and Sagnarigu assemblies as a contribution to the search for ways of making decentralised governance to work for the poor in the developing world.

## **1.2 Problem Statement**

To enhance socio-economic development in Ghana, MMDAs must have the capacity of generating, allocating and utilizing financial resources (Kokor & Kroes, 2004; Ahmed 2016). In this regard, Ghana's decentralization policy is geared towards increasing local revenue mobilization, restructuring the distribution of resources to meet local needs as well as empowering MMDAs to plan and implement projects through funds from the central government and those generated at the local level.

According to Obeng (2015), the implementation of Composite budgeting at the MMDAs has led to some achievements by these MMDAs in such areas as uniformity in planning, budgeting, financial reporting and auditing, participatory governance, autonomy in the planning and budgeting and prudent financial management. However, the process and factors that underpin the ability of composite budgeting to facilitate effectiveness in service delivery as well as financial transparency and accountability have largely not been explored.

Though many studies have been undertaken on some aspects of decentralization (see Grindle, 2004; Baker, 2006; UNDP, 2004; Akudugu, 2013; Waheduzzaman, 2010, Eligin, 2019), few studies have examined composite budgeting and implementation (Kokor, 2004;



Tetty 2009; Obeng, 2015). It thus becomes a prominent area to study, especially in the North Gonja and Kumbungu Districts and Sagnarigu Municipal Assembly.

### **1.3 Research Questions**

The main question that this study poses is: how is the composite budgeting and implementation carried out at MMDA level and what are the factors affecting the composite budgeting process?

The specific research questions are as follows;

1. How is the composite budgeting process conducted in the selected districts?
2. What are the effects of composite budgeting on service delivery?
3. What are the factors affecting the composite budgeting process?

### **1.4 Objectives of the Study**

The main objective of the study is to examine how composite budgeting and implementation are carried out and the factors affecting the composite budgeting at the MMDA level.

The specific objectives are to;

1. Explore the composite budgeting and implementation at the MMDA level.
2. Explore the effects of composite budgeting process on service delivery at the assembly level,
3. Explore the factors affecting the implementation of composite budgeting at the Assembly level.





### **1.5 Scope of the Study**

Geographically, the study covered the North Gonja, Kumbungu and Sagnarigu (municipal) districts in the Savana and Northern Regions of Ghana respectively. In terms of content, the study covered composite budgeting processes, benefits of composite budgeting to decentralised governance and factors affecting budgeting. The selected districts were chosen because they were created in the same year (2012) and started operationalization in 2013.

### **1.6 Justification of the Study**

The implementation of programmes and projects has become critical as Ghana searches for ways to maximize the use of its limited resources. According to Kokor (2004), there is steady growth in the number, variety, complexity and social importance of policy issues confronting government.

As such policy makers are increasingly on the lookout for credible evidence to support decisions and to evaluate the impact of resources utilized. This study provides information that would help inform the budgetary processes in Ghana and the allocation of public resources specifically in the selected districts in Northern Ghana. Similarly, the research would identify challenges confronting composite budgeting and implementation in the districts.

Therefore, the relevance of the study lies in the fact that it would;

- ✓ help to identify and understand the challenges in the preparation and implementation of composite budgeting in Ghana;

- ✓ help policy makers especially Ministry of Finance, Ministry of Local Government and Rural Development and the National Development Planning Commission with valuable data that would inform the processes involved in composite budgeting.
- ✓ enrich the debate towards strengthening local involvement in the preparation and implementation of the composite budget.
- ✓ contribute to the existing literature and body of knowledge and serve as the starting point for further research.

### **1.7 Organization of the Study**

The research report is presented in five (5) chapters. Chapter One provides a general introduction to the research, objectives and significance of the study. Chapter Two examines relevant existing literature on composite budgeting and implementation and its associated challenges with regard to fiscal decentralization. The research methodology is presented in Chapter Three. The chapter covers the research design, sample size, and data sources, data collection instruments, analysis and presentation. Chapter Four consists of the analysis, interpretation and discussions of the field data. Finally, Chapter Five presents a summary of the key findings of the study, conclusions and recommendations.



## CHAPTER TWO

### Composite Budgeting and the Decentralized Planning and Management System

#### 2.0 Theoretical Discussions

This section discusses theories that support composite budgeting and its processes.

#### 2.1 Budgetary Control Model

In reference to Robinson and Last (2009), a budgeting system is a tool used by the firm as a framework for their spending and revenue allocation. To ensure that the firm's resources are not wasted, the organization must be able to come out with an effective budgeting system. This is important as it ensures that the outputs produced and services delivered achieve the set objectives. According to this theory, a good budgeting system must be able to address the efficiency and effectiveness of the organization's expenditure. A good budget is determined by the level of income of the organization (Robinson, 2009).

The organization has to put proper controls that ensure that the budget is properly maintained and allocated. A firm that is able to run its operations efficiently can accrue more revenue for the organization. This is achieved through cutting costs in order to increase the quantity and quality of goods and service offered by the firm. However, if an organization has a lesser income they might have to find a way to fund their estimated budget by borrowing and tax restructuring (Robinson & Last, 2009). That is why the budget is mostly regarded as the control of expenditure. As the total amount of the annual expenditure; the organization must not exceed the allocation of budget.

In some countries for example, Malaysia the budgeting process is taken through a political process in parliament. Budget is important not only as political tools but also as a pledge





between the ruling organization and the public as their commitment to satisfying the needs and demands of the people. A budget can also be used as an indicator of the performance of the ruling government. It is a statement of whether they are competent in administering the organization of the national resources (Sawhill & Williamson, 2001; William, 2006). One of the models of the budgeting system is Performance Based Budgeting System. According to Robinson and Last (2009), performance-based budgeting system (PBBS) aims at improving the efficiency and effectiveness of public expenditure. Unlike other budgeting system, PBBS use the resources to ensure that it can help in achieving the expected results and outcome based on the targeted area or planning. In simple words, the PBBS is seen as managing for results (Robinson & Last, 2009). Compared to the traditional budgeting system which focuses on the amount of inputs, performance -based budgeting system focused more on the outcome. As the organization spending increases annually, it is important to understand the nature of spending of the organization which is contained in the budget. It is therefore, essential for the organization to understand its budgeting system and give priority to urgent matters that require attention. In order to discover the relationship between the budgeting system and the organizational performance, it is important for the firm to determine the patterns of expenditure of the organization and its performance (Phyrr, 1970; Kukula, 2015).

From the foregoing explanations, the strength of the theory of budgeting is that; a budget is a plan forecasted into the future financial performance and bench mark for management and risk control. Relating this theory to the study; the composite budgeting policy guideline suggests that MMDAs need to undergo budgetary processes prepared under four -year rolling MTDP, followed by Annual Action Plan and budgeting. The importance of



following these processes is to achieve uniformity in the planning and implementation of the composite budget. As the theory of budgeting conforms to the foregoing principles of composite budgeting processes, it however, highlights little about the integration of the various sectors plans and funding sources. This breaks one of the core objectives of the composite budgeting which intend to integrate the various funding sources as well as departments' expenditure onto a single budget window for each district. Therefore, in order to tighten up the weakness found by relating the theory of budgeting to the study; the accounting theory of budgetary control was used.

### **2.1.2 Accounting Theory in Budgetary Control**

Kaplan and Norton (1996) note that accounting theory aims at the provision of a coherent set of logical principles that form the general frame of reference for the evaluation and development of sound accounting practices and policy development. According to Otley and Pollanen (2000), the purpose of developing a theory of accounting is to establish a standard for judging the acceptability of accounting methods. Procedures that meet the standard should be employed in the practice of accounting. Horvath (2009) argues that the accounting methods that fail to meet the standard should be rejected. According to him, accounting theory helps in explaining and guiding management actions in identifying and locating information necessary to be used in budget preparation. The money measurement concept in accounting has contributed to a large extent in providing a yardstick for quantifying, converting and translating various inputs in relation to materials and machines required in the preparation of a budget (Horvath & Seiter, 2009).

The accounting theory in budget control has come up with different models of analysis for example, cost volume profit analysis and standard costing which serve as a standard setting



in budgeting. The theory has an important normative role in the evaluation of a budget and control procedures to be adopted. The theory has assisted in making predictions of the outcome of budget action in a given set of circumstance and the effect of any change in circumstances. Schick (2011) argues that accounting theory views a firm as a separate entity in which its activities are distinct from its owners. These principles serve as an impetus to the general philosophy of budget itself as a tool for effective management (Schick, 2011, Forster & Dater, 2010).

Budget as a tool for standard setting and performance measurement utilizes several accounting concepts to a large extent. Accounting theory has developed models in which standards can be set. Management accounting theory also provides several yardsticks known as variance analysis to be used for controls. Since budget is an instrument of a plan, it provides a framework of given feedback to management on the implementation of the budget. When implementing the accounting theory historical data is instrumental since this data serves as an input for making forecasts. The cost accounting theory developed by Wedgwood in the early 20th century which stress on cost identification, allocation and revenue maximization has provided a basic insight and blue print to budgeting and control in an organization. The matching concept in accounting also serves as reference issue in the budget analysis (Hopwood, 1976; Schwerpunktt, 2016)

Also, from the foregoing, the strength of the budgetary control model system is to control revenue and expenditure and to ensure that the services provided are effective and efficient enough to meet the objectives of the organization. This budgetary control model is related to the output of the conceptual framework among which MMDAs operationalize the composite budgeting. By this, MMDAs need to go through the budgeting processes which





seek to produce an onward implementation with the stated sources of revenue and expenditure to achieve local development. Though, the theory also did not spell out how the financial reporting and auditing could be consolidated to ensure proper accountability that could be an extended version for another study. Therefore, using the Accounting Theory in Budgetary Control to complement the Theory of Budgeting is to improve the efficiency and effectiveness of public expenditure, standard for judging the acceptability of accounting methods and provision of a coherent set of logical principles that form the general framework of references for evaluating development of sound accounting principles and policy development at the local level.

## **2.2.0 Theories of Decentralization**

### **2. 2.1 Sequential Theory of Decentralization**

According to Falleti (2004) the sequential theory of decentralization have three main characteristics, decentralization as a process, the territorial interests of bargaining actors and by incorporating policy feedback effects. He/she further explained that decentralization as a process is a set of policy reforms aimed at transferring responsibilities, resources, or authority from higher to lower levels of government. Also, decentralization is a set of state reforms. As such, decentralization does not include transfers of authority to non–state actors as in the case of privatization reforms. In general, the decentralization reforms analyzed followed the collapse of the developmental state and accompanied the move toward free–market economies characteristic of the twentieth century. Decentralization reforms may take place in authoritarian as well as democratic contexts. The classification of decentralization policies has been categorized into administrative, fiscal and political depending on the type of authority involved.



- a. Administrative decentralization comprises the set of policies that transfer the administration and delivery of social services such as education, health, social welfare, or housing to subnational governments. Administrative decentralization may entail the devolution of decision-making authority over these policies, but this is not a necessary condition.
- b. Fiscal decentralization refers to the set of policies designed to increase the revenues or fiscal autonomy of subnational governments. Fiscal decentralization policies can assume different institutional forms. An increase of transfers from the central government, the creation of new subnational taxes, and the delegation of tax authority that was previously national are all examples of fiscal decentralization
- c. Political decentralization is the set of constitutional amendments and electoral reforms designed to open new or activate existing but dormant or ineffective-spaces for the representation of subnational polities.

Each type of decentralization has its negative and positive effects. Administrative decentralization has either a positive or negative impact on the autonomy of subnational executives. Administrative decentralization improves local and state bureaucracies, fosters training of local officials, or facilitates learning through the practice of delivering new responsibilities, and consequently increases the organizational capacities of subnational governments. Nevertheless, if administrative decentralization takes place without the transfer of funds, this reform may decrease the autonomy of subnational officials, who will be more dependent on subsequent national fiscal transfers or subnational debt for the delivery of public social services. Similarly, fiscal decentralization can have either a positive or negative impact on the degree of autonomy of the subnational level. The result



will depend largely on the design of the fiscal decentralization policy implemented. Higher levels of automatic transfers increase the autonomy of subnational officials because they benefit from higher levels of resources without being responsible for the costs of collecting those revenues. On the contrary, the delegation of taxing authority to subnational units that lack the administrative capacity to collect new taxes can set serious constraints on the local budgets and increase the dependence of the local officials on the transfers from the center. Prosperous subnational units prefer to collect their own taxes, but poor states or municipalities are negatively affected every time the collection of taxes is decentralized and as a consequence, the horizontal redistribution of transfers from rich to poor subnational units is affected. Finally, political decentralization should always have a positive impact on the degree of autonomy of subnational officials from the center.

### **2.2.3 Fiscal Federalism Theories**

According to Schneider (2003), fiscal federalism theories focus on maximizing social welfare, which is portrayed as a combination of economic stability, allocative efficiency, and distributive equity. The precise combination and importance attached to each goal depends on the context, but the challenge of decentralization is essentially to locate resources at the level of government that optimizes social welfare (Musgrave, 1958; Michael, 2015).

It is important to determine the degree to which each level of government has fiscal impact (Oates, 1972: 17; Volindisaters, 2014). To what degree do the resources handled by each level of government have an impact on these outcomes? If resources have been ceded to subnational units, then central governments have, to one degree

or another, less fiscal impact. One of the ways in which fiscal impact is evident is in looking at collateral for credit. Governments that handle large amounts of resources, whether those resources are tied to expenditures or not, are able to draw on credit resources.

Central to any system of public finance, is the total amount of money that governments put into or take out of an economy as well as where governments put the money and where they take it from. Fiscal policy offers the best window into levels of fiscal decentralization.

Despite being easier to measure, fiscal instruments still present some methodological difficulties. Though the IMF has attempted to standardize its definition of decentralization, it remains extremely difficult to attain accurate measurement using self-reported statistics. What is measured as a local expenditure or revenue in one context may be scored as a nationally controlled resource in another.

Nevertheless, there are several advantages to focusing on revenues and expenditures. First, revenues and expenditures offer the best measures available without detailed study of each country. Second, by using both expenditures and revenues, we tap into the main aspects of fiscal decentralization. The key attribute of fiscal decentralization is the fiscal impact of subnational governments relative to the overall impact of government. This Schneider hypothesizes that subnational expenditures and revenues as a percentage of total expenditures and revenues provide useful measures of this concept. These indicators are related but not exactly the same, as empirical testing will show. Expenditures focus on the amount of government activity that



governments undertake and revenues focus on the quantity of resources that pass through them. The revenue side of fiscal decentralization is composed of all cash inflows to subnational governments, including taxes, loans, and grants.

### **2.2.3 Public Administration Theories**

Schneider (2003) said Public administration theories dealing with decentralization broadly focus on how modern bureaucracies are achieved, which have been defined as efficient, effective, and rational (Weber 1968: esp. 926-39, 956-89; Phillipe, 2014). There is significant debate about whether these attributes operate in tandem or if there are trade-offs. The combination likely depends on individual cases. Administrative arguments focus on the administrative effects of granting local jurisdictions autonomy from central control. This autonomy is constituted by general policymaking authority and personnel control, as well as control over public finances (Rondinelli 1984; Jalal, 2016).

The amount of administrative decentralization ranges in a continuum across studies in comparative international development systems, from those characterized by a low degree of autonomy, to those with a high degree of autonomy. Literature has categorized administrative decentralization generally using three terms, most commonly labeled deconcentration, delegation and devolution (Rondinelli 1990; Nicola, 2016). The current approach to decentralization views these categories as nothing more than points along a continuum of administrative autonomy.

Deconcentration involves the least amount of autonomy, delegation slightly more, and devolution the most.



#### **2.2. 4 Political Decentralization Theories**

According to Schneider (2003), Political science theories focus on mobilization, organization, articulation, participation, contestation, and aggregation of interests. All political systems perform these processes, and the way in which they occur depends on individual contexts. Decentralized political systems are those in which political actors and issues are significant at the local level and are at least partially independent from those at the national level (Fox and Aranda 1996, Veronica, 2017).

To have an impact on policy, interests in society must be mobilized, organized, and articulated through institutions that carry interests to the state (Berger 1983; Jarrety, 2016). Some systems of representation operate through civil society institutions, such as NGOs, social movements, or interest organizations. Other systems of representation, such as political parties, aim to bring interests directly into the official political apparatus through elections. Finally, some systems of representation bring interests into direct negotiation with the state bureaucracy, as in corporatist bargaining. All systems of representation are bound by institutions of the state itself, which sets the rules for representation and thus shapes what issues get politicized and how. Under politically decentralized systems, citizens form identities on the basis of local concerns, and organizations such as parties and social movements operate locally and compete over local issues and in local elections.

In this theory, elections are held to be the most obvious indicator of representation occurring at different levels. During the electoral process, the electorate votes, the votes are aggregated, and politicians take power. Local elections indicate that some portion of representative activity is being undertaken at the local level, forcing parties to





organize for local contests. Candidates must compete and make appeals to citizens in local jurisdictions. Citizens may organize and participate through non-electoral channels, but these are harder to characterize, and probably do not have as direct an impact on representation. Of course, the importance of local elections in the larger national picture can vary, but local elections at least increase the likelihood that some political functions will be decentralized. The existence of elections at the municipal level is hypothesized here as an indicator of political decentralization.

Though there are other political functions, electoral components are the most valid indicators of political decentralization as they tap into fundamental aspects of political authority. Elections address the issue of representation, which is the primary way interests gain access to legislative and executive power.

### **2.3.0 The Meaning of Decentralization**

The concept of decentralization has been a popular theme in development thinking and practice for at least two decades. The term attracted attention in the 1950s and 1960s when British and French colonial administrations prepared colonies for independence by devolving responsibilities for certain programmes to local authorities (Work, 2002). In the 1980s, decentralization came to the forefront of the development agenda alongside the renewed global emphasis on governance and human-centred approaches to human development (Work, 2002). Today, both developed and developing countries are pursuing decentralization policies for national gains.

According to Work (2008), the western world practices decentralization as an alternative to providing public services more cost-effectively, while developing countries, on the other



hand, pursue decentralization to counter economic inefficiencies, macroeconomic instability, and ineffective governance. The differences are that post-communist transition countries have embraced decentralization as a natural step in the shift to market economies and democracy while those of Latin America are decentralizing because of political pressure to do so. To African states, decentralization is viewed as a path to national unity (Work, 2002). These perspectives prelude that decentralization as a term is liable to different interpretation and its mode of implementation is determined by the peculiar conditions prevailing in a particular environment.

By definition, decentralization can be viewed in many ways. To an astute scholar in governance, Ayee (2008), decentralization is the transfer of authority and responsibility for public functions from a central government to subordinate governments. To Loughlin (2006), decentralization is the transfer of power from a central unit to the local level of administration that enables local governments to exercise four important functions, which enable local level departments to adapt programmes to meet their local needs, such as strengthening local autonomy and representation and grassroots participation. These definitions are broad in meaning and clearly spell out the duties and roles that decentralization prescribes to the decentralized departments. Notably, it is justified that decentralization can be viewed in three broad spectrums which are political, administrative and fiscal (Loughlin, 2006).

In Ghana, political decentralization took the form of creating district assemblies and sub-district structures such as the urban, town, area councils and unit committees which provided a platform at the local level for the people to deliberate, legislate and execute actions necessary for the development of their areas (Owusu et al., 2005).





Administrative decentralization also deals with the transfer of responsibility for the planning, financing and management of certain public functions from the central government and its agencies to field units of government agencies, subordinate units or levels of government (Rondinelli et al., 1989; Egbenya, 2009). Fiscal decentralization is the term used to describe the situation in which decisions about expenditures from revenues raised locally or transferred from central government are executed by the local authorities (Egbenya, 2009). In most developing countries, local government authorities are empowered to impose taxes as a form of decentralization. In addition to the above Smoke (2001) is of the view that decentralized departments have the mandate to complement its budget with internally generated funds (IGF).

Following the transition of centralized to decentralized governance, a total of twenty-two (22) government agencies have been decentralized administratively to the district level. In these districts, the district authorities perform functions previously done by the central government agency. Examples of these departments include Education, Agriculture, Health, Community Development and Social Welfare.

Administrative decentralization as indicated above comprises three major forms, namely; deconcentration, delegation and devolution (Egbenya, 2009). Deconcentration refers to the redistribution of decision making authority and financial management duties among the different levels of the central. Delegation is the situation in which central government transfers powers of decision making to semi-autonomous organizations. The bottom line between the latter and the former is the extent to which the function is transferred and its utmost power and autonomy to execute.

Devolution, on the other hand, is the transfer of responsibilities from central administration to municipalities to elect their own mayors and councils, raise their own revenues, and have independent authority to make investment decisions (Egbenya, 2009).

### **2.3.1 Fiscal Decentralization**

According to Kee (2003), fiscal decentralization was originated by 17<sup>th</sup> and 18<sup>th</sup> century philosophers such as Rousseau, Mill, de Tocqueville, Montesquieu and Madison. These philosophers defined fiscal decentralization as the ceding of the functions of revenue mobilization and expenditure by the central government to MMDAs or subnational and regional government. It comprises the financial aspect of devolution to regional and local government (Davey, 2003). The World Bank Institute's (2000) briefing note report on decentralization, outlined different types of fiscal decentralization such as: self- financing or cost recovery; cost-sharing or co-financing, which involve participants contributing to the production of goods and services; local units borrowing; intergovernmental transfers; and expansion of local revenues through property or sale tax or indirect charges. Smoke (2003) held a similar view of financial resources mobilization through decentralized system of governance. Tiebout (1956) observed that one of the positives of fiscal decentralization is diversity in public policy. According to him, it offers the citizens a greater choice in public service and tax options. On the other hand, Tanzi (1995) is less optimistic about fiscal decentralization as it may not result in optimal result. He further argues that insufficient information on tax payers, lack of political or power to implement local policies, technological change and increased mobility, lack good public expenditure management systems and corruption can hinder the effectiveness of the concept.





A good fiscal decentralization programme hinges on some necessary preconditions some of which are: an enabling environment, assigning appropriate functions and resources to local authorities and ensuring an appropriate and efficient transfer system to the local authorities (Smoke, 2001). Fiscal decentralization is an effective means of funding local development. However, making it a generic phenomenon can be dangerous to the system especially in developing countries.

#### **2.4 The Concept of Budgeting**

Over the past two decades, one word that has become common in all managers' vocabulary is "budgets". The budget is perhaps the most chosen course of action or in action by the management and staff across all sectors. Management at all levels within the public, private and the third sector have used the budget as their shield or excuse when confronted or challenged with any decision. Frederick (2001) defines a budget as a plan that is measurable and timely. Bruns and Waterhouse (1975) also define budget as financial plans that provide the basis for directing and evaluating the performance of individuals or segments of organizations. Merchant (1981) sees the budgeting system as a combination of information flows and administrative processes and procedures that are usually an integral part of the short-range planning and control system of an organization. Drury (2006), maintains that budget as a plan expressed in quantitative terms usually in monetary terms covering a specific period usually one year. In the business environment, it is referred to as an estimate of future costs and revenues. It is prepared and approved prior to the year of undertaking the project and may show income, expenditure and the capital to be employed. Additionally, it may be drawn up showing incremental effects of the former budgeted or actual figure, or be compiled by zero -based budgeting. Blocher (2002), argues

that budgets help to allocate resources, coordinate operations and provide a means for performance measurement.

MMDAs, like other organizations undertake various forms of policies, programmes and activities covering economic, social, and political. These activities have their financial components in the form of revenue and expenditure. MMDAs put these programmes/activities and their related financial implications into the form of a plan, called a budget (Oduro et al., 2006).

From the definitions of budget, three key components stand out. First, recognizing the planning aspect of a budget. The plan is regarded as the statement of intent or goal of the organization. The second aspect is the implementation of projects or programmes. This makes it possible to measure the plan. The third component is time. It gives the possibility to say if the plan is achieved. Thus, a budget is used in this study to mean a document that reflects the estimates of income and expenditure of a government, local authority or a firm for a particular period of time. Erasmus and Visser (2000) state that a budget serves as an implementation tool for long-term objectives and is critical for projects undertaken by all organizations or departments.

#### **2.4.1 Composite Budgeting**

In Ghana, the term ‘Composite Budget’ refers to an aggregation of projected revenues and expenditures of the departments and institutions of the MMDAs. Under section 92 (3) of the new Local Government Act of 2016, a budget for a district shall include the aggregate revenue and expenditure of all departments and organizations under the district assembly



and the District Coordinating Directorate, including the annual development plans and programmes of the departments and organizations under the assembly’.

As such, composite budgeting is a tool to effectively facilitate the coordination, harmonization of planning and budgeting at the district level. It is core to the implementation and achievement of fiscal decentralization. In order to achieve the objective, it was first piloted in 2003 in three (3) districts namely Dangme West, Dangme East and Akuapim North. Later, the pilot was extended to (25) districts in 2005 and in 2006/07 all districts in the country prepared their Composite Budgets. However, these budgets were not implemented. Therefore, in 2011, a policy decision was taken to enable Composite Budgets to be prepared and implemented by all MMDAs. Following such directive, composite budgets were first implemented by all MMDAs in 2012 and have since been in force (Obeng, 2015).

The argument has been that effective implementation of the composite budget system would not only ensure budget harmonization but also judicious use of resources (Kokor, 1998). Regrettably, since the implementation of the composite budget, many scholars and researchers, as well as local government practitioners, have written on fiscal decentralization with little or no emphasis on composite budgeting. In accounting, composite budgeting is the practice of putting together the budgets of subsidiary components of a group to determine or calculate the overall results for the group as a whole (Kokor, 1998). This has been appreciated and deemed necessary for Ghana's decentralization programme, especially to the newly decentralized, integrated and results-oriented development planning system which was being implemented (Kokor, 1998).





Composite budgeting in practice is putting together the budgets of the decentralized departments and the central administration to determine or calculate the overall budget for the district as a whole: with the view to minimizing duplication and ensuring cost - effectiveness, efficiency and economy of resources. In this study, a composite budget is defined as an aggregation of projected revenue and expenditure of MMDAs including decentralized departments. This according to Kokor (1998) would ensure the transfer of adequate financial resources and budget authority from Central Government to local governments with sufficient autonomy given to the local authorities to allocate and utilize these resources in the provision of socio-economic services at local communities.

## **2.5 Concept of Local Development**

Klasik (1997), perceived local development as the creation of new values in the surroundings. According to Klasik, knowledge, work and capital are very helpful in understanding the essence of this notion. Other authors, emphasizing the complexity of the idea and the variety of purposes and activities, make certain generalizations. Brol (1998: 9) has a far-fetched idea about local development. According to him, “We speak of local development when the harmonious and systematic activity of a local community, local government and other entities functioning in the commune strive to create a new and improved existing utilitarian value of that commune, to create favourable conditions for the local economy and assure spatial and ecological order”.

For Bagdzinski (1994), local development involves four planes: economic, social, political and cultural. In the economic perspective, development consists of mainly development of enterprise, both private and those created by the local authorities, as well as by institutions of local government and local communities. Jewtuchowicz (1996) connects

transformations on a local scale with changes in an economy that can adapt to variable conditions. It is the idea of an economy capable of rapid adaptation and management of systems that are complex and diverse with regard to culture, society, technology, as well as taste and changing needs and products satisfying those needs. Local development is equal to bringing about changes in the economic units of the local arrangement.

Wojtasiewicz (1996), on the other hand, has isolated two necessary factors determining the existence of local development. There must be “a distinct social and territorial structure possessing a set of economic, spatial and cultural characteristic to it, expressing its own needs and hierarchy of values” In other words, a local arrangement, when positive qualitative transformations and quantitative increase come to existence within this arrangement, we can speak of local growth”. This concept coincides with the theory of Waldziński (1999), who links development with qualitative changes taking place, within a given territorial unit (Sekula, 2002).

## **2.6 The Effects of Composite Budgeting on Decentralized Planning System**

The literature on decentralized planning and service delivery generally falls into two distinct categories: opportunities for enhanced popular participation and increased accountability of local authorities, or on new forms of service delivery involving a plurality of actors. Notwithstanding, there is no systematic or comparative evidence on whether increased participation in decentralized local governance generates better ‘outputs’ in terms of improvements in the provision of health, education, potable water and sanitation services for poor and marginalized people (Robinson, 2003).

Governments in Latin America, Africa and to a lesser extent, Asia, have had experiences of decentralized service delivery over the past two decades. The result indicates there were



transfers of power and resources to lower tiers of government. This was done, through a combination of measures centering on deconcentration to state agencies operating under central line departments, and devolution to elected local authorities (Robinson, 2003).

Forero and Salazar (1991) indicated that Colombia was one of the Latin American countries on which some data on the impact of decentralized planning on service delivery was available. In Colombia, it was observed that in response to growing social protests over the declining quality of public services the Colombian government devolved responsibility for public services to elected municipalities. The result showed sharply increased intergovernmental transfers and revenue raising powers in the late 1980s. Subsequently, the local government assumed responsibility for the provision of services in education, health, water, sanitation, roads and agricultural extension. In Africa, a study reaffirms that, majority of individuals surveyed in a sample of sixteen (16) municipalities believed that municipal governments played a central role in the provision of education, water and roads. An overwhelming majority reported there was greater trust in local than national government and that many individuals prefer the municipal government to be in charge of overall service provision (Oduroo, 1997).

Again in Africa, Uganda is one African country that has pursued a potentially far-reaching decentralization experiment since the late 1980s. This is because they had an increased availability of resources for national social service programmes, especially education, health and water infrastructure channeled through local councils. Surprisingly, the evidence suggests that decentralization has not been able to arrest the deterioration in agricultural services and provision of educational infrastructure. However, there were improvements in social services and that was attributed to increases in central conditional





funding rather than the very limited scope which decentralized institutions provided for local decision making' (Francis and James, 2003).

In Asia, the evidence is very limited, because decentralization experiments in the countries of the region were more recent in origin, while in most South Asian countries services have only been devolved to a limited extent. Yet drawing on few survey data from (33,000) households in (17,000) villages, Mahal (2000) found that decentralization of public service delivery in primary health care and education services has a positive correlation with reduced child mortality and increased school enrolment. This signals a good practice though there is no long -lasting effect of practising decentralization.

### **2.7 Decentralized Governance and Composite Budgeting in Ghana**

In Ghana, by the decentralization regulations, district assemblies are expected to create enabling environments that promote public-private partnership and establishes the private sector as the engine of growth and development at the local level. This can be accomplished through activities that cover investment promotion, removal of obstacles to private sector development, provision of services, and the preparation and implementation of private sector-friendly economic development programmes. According to Ahwoi (2000), measures already taken included the setting aside of 20% of the DACF share as revolving fund to promote private sector development, and through mechanisms such as "contractorising" and "franchising" of services. The question asked is, could this 20% of DACF enable district assemblies to achieve their mandate if there is little internally generated funds? This, together with the implementation of composite budgeting in development planning and implementation process is the sought of exploration the study is interested in.





In Ghana, the delivery of municipal services should be timely, efficient and effective as much as possible. Basic education, primary health care, environmental hygiene, municipal transport, waste management, market management, lorry parks administration and settlement planning are all responsibilities of DAs within the sector of municipal services delivery. It is in this connection that the establishment of Departments of District Assemblies is critical. The decentralization policy, therefore, requires that all national - level departments that are responsible for the provision of these services should be decentralized and operate as departments of the DAs. This is the rationale for the enactment of L.I. 1961 of 2009 which began the process of converting district level departments responsible for the provision of municipal services into Departments of the DAs (Ghana Ministry of Local Government and Rural Development, 2010).

In the aspect of decentralization, the totality of the financial resources made available to the DAs comprising the DACF, DDF, budgetary allocations (budgets of decentralized departments as well as transfers for payment of DA staff) and the IGFs and other miscellaneous transfers must be sufficient to cover the totality of the cost of providing development and municipal services within the district (German Technical Co-operation and Ministry of Finance and Economic Planning, 2010).

In this regard, the framework developed by the Ministry of Finance (MOF) for the implementation of the composite budgeting system to achieve the objective of the “District Budget” is critical. The decentralization policy envisages the privatization of certain functions of the DAs and for those functions to be performed jointly by the DAs and the private sector. Initiatives by the DAs in the areas of waste management, revenue mobilization, market management and the provision of abattoir services have proved

successful. Therefore, what is required is to provide an appropriate framework within which such initiatives may be undertaken so that they can properly be coordinated and harmonized (Ghana Ministry of Local Government and Rural Development, 2010).

The Local governments have several functions to carry out, as such as their finances need to be efficiently managed and judiciously utilized. According to Edosa (2003), financial management is about efficiency in financial matters. It is also about the effective use of available financial resources as well as financial alertness. In corporate finance perspective, efficient financial management is necessary for the successful execution of projects and delivery of quality services at the local level. Thus, it is said that efficiency in financial management in any organization is always achieved through organizational determination to pursue excellent performance. This may entail self-discipline on the part of the top, middle, and low -level managers in the organization (Edosa, 2003). Therefore, for planning and budgeting in MMDAs to achieve results, there is the need to explore how efficient the practice has been in selected districts.

## **2.8 Description of Conceptual Framework**

The heart of the conceptual framework in Figure 1 has to do with the interconnected dynamic interaction of national policy guide lines and the MMDAs contextual factors to produce MMDAs Budgetary processes. The contextual factors include, the local administrative capacity context, complexities of the local political context, local financial management and public participation context influence the budgetary processes, which further produces an output (composite budget) and implementation of the composite budget and monitoring and evaluation and subsequently produces outcomes in terms of provision and maintenance of local public services for local development. The development expected





by MMDAs at the local level also include social development, economic development, environment, infrastructure and human development and governance, corruption and public accountability and the use of these facilities to satisfy human wants.

However, in this conceptual framework, it must be noted that, there are a number of factors that MMDAs are confronted with in the preparation of composite budgets for their assemblies. Some of the key elements that the assemblies have to contend with are the internal ability of local governments to put resources together to achieve organizational goals; having the local administrative human resources capacity with the technical and administrative skill and incentives to manage resources. From the foregoing, the performance of an organization depends partly on the quality and productivity of its human resource which is very critical to public policy implementation as in composite budgeting. With regards to the composite budgeting process and implementation, technocrats are needed in local government departments for example; coordinating directors, accounts and audit personnel as well as the availability of engineers, planners, budget officers, unit committees and traditional authorities. These human resources are necessary to influence the performance of local governments in public service delivery at the local level.

Surprisingly in developing countries like Ghana, one factor that affect projects and programmes implementation is frequent change of government. Though planning is mostly top-down, at the local government level, projects or programme are usually abandoned due to change of government (United Nation Public Administration, 2007). For instance, in Ghana, the affordable housing project/plan was discontinued when there was a change in government in 2012. Also, political instability prevents local authorities from implementing their plans and retards growth.



Therefore, for prudent financial management, the composite budget policy guideline is to ensure effective resource mobilization, allocation, and utilization aimed at achieving the purpose for which it's mobilized. The objective of financial management is to develop a mechanism for planning and allocating public resources to the achievement of government objectives, the systems of spending and accounting for the use of those resources, and the results achieved.

In achieving the foregoing objective of prudent financial management in the local government service, the 1992 Constitution and the Local Government Act (Act 462) of 1993 now (Act 936) of 2016 enjoins that DAs must have sound financial bases, with adequate and reliable sources of revenue to enable them perform their functions and responsibilities. According to OECD (2013), the only means by which local governments can improve upon their services at the local level is through effective composite budget planning and implementation. Thus, the processes must embrace participation of all key-actors such as those at the central administration, regional coordinating council, district assemblies, decentralized departments, non-governmental organizations (NGOs) and the private sector as well as unit committees and traditional authorities for a collective development approach.

According to Berke et al. (2006), there is a direct correlation between the attitude of the political elite towards planning and its implementation. The indication is that if at any given time there is a disjuncture between the community aspirations and underlying goals of government plan it can thwart the whole process of implementation. Therefore, awareness creation and collective participation in decision making is critical for the smooth implementation of every plan. Burby (2003) contends that knowledge and awareness of



target groups help address most public-policy issues relating to local development. For example, when there is enhanced local participation and involvement of all stakeholders at local level, the process can help educate the citizens on the likely roles that they can play to ensure that projects in their communities are implemented and sustained. It could also represent an opportunity to understand community problems better.

Therefore, though the MMDAs contextual factors, the composite budget guideline proposes a procedure that should be followed to execute and implement projects and programmes across all the District Assemblies in Ghana. These process include the following;

- (a) District Medium-Term Development Plans (DMTDP). The process of preparing DMTDPs generally entails: constitution of a plan preparation team, performance review of the previous plan, data collection, collation and analysis with stakeholders, including traditional authorities, communities, sub structures and decentralized departments, public hearings to present the current situation and ascertain development priorities, Draft MTDP, Second public hearings to review development proposals and strategies; Submission of draft plan to RCC and NDPC for vetting, Review of draft DMTDP based on comments from RCC and NDPC; Approval of DMTDP by General Assembly; and Submission of copies of approved DMTDP to RCC.
- (b) Preparation of the Annual Action Plan. This should be done within the logical planning frame work which include; projects and activities, implementation time schedule; detailed cost estimates, sources of financing the projects and implementing agencies and organization. The preparation of the Annual Action Plan is done through the preparation of community action plans (CAPs).



(c) Linking the Composite Budget with the Plan. The budget is to be considered as allocating financial resources by the DPCU for the implementation of the DMTDP and the Annual Action Plan (AAP). This is expected to be done through the composite budgeting process for the achievement of the objective of the plan. The Community Action Plans (CAPs) formed the basis for the preparation of the composite budget. This is to ensure that the annual budget of the MMDA is linked to the annual action plan and by extension the DMTDP of the district assemblies. A composite budgeting process is a system of rules governing the decision making that leads to a budget, from its formulation, through its legislative approval, to its execution.

Consequently, the MMDAs Budgetary processes leads to the composite budget. A composite budget can either be categorized into effective and ineffective composite budget. An effective composite budgeting process is capable of producing the expected or intended results while an ineffective composite budgeting process may not produce the intended results.

As enshrined in the guideline, composite budget implementation can be achieved smoothly if there is timely and adequate release of funds. Thus, district assembly's plan needs to be prepared on quarterly bases indicating which activities will be implemented each quarter and the plans should be converted into composite budgets. Also to achieve effective composite budgeting, there is the need to reduce political interference among MMDAs. The involvement of the decentralized departments and citizenry into the approval process helped to enhanced the smooth approval of the composite budget among MMDAs.

By all means implementation, monitoring and evaluation are critical. This should involve a continuous process or activities undertaken to assess whether planned programmes and



projects have been implemented considering the location, time quality of work and delivery of resources. There should also be periodic review of activities undertaken to assess the impacts of the projects and programmes implemented to ascertain the achievements of the goals and objectives/targets set for the completion of such programmes and projects. It must be noted that these two sets of activities are supposed to be done concurrently, and they should be an integral part of the planning process to ensure the smooth implementation of the composite budget at the regional, district and community levels. The purpose is to ensure free flow of information among all stakeholders involved in the implementation processes and the ultimate achievement of expected results.

Therefore, in the framework, it is expected that when the composite budgeting processes are duly followed, it should lead to developments at the local level such as the following:

**Economic development:** there should be improved standards of living, reduced rate of poverty, improvement in science and technology and improvement in the health sector. These should counter the negative economic development characterized by slow growth, the rapid depreciation of the cedi, rising and erratic rates of inflation, increasing Government budget deficits, and high- interest rates, amidst growth in trade deficits and pervasive unemployment.

**Social development:** There should be a gradual gaining of skills, relationships and attitudes that enable people in the communities to interact with each other without hindrance. This is because education is a key aspect of development and the vehicle through which knowledge, skills, attitudes, values and characters are acquired to build the human capital necessary for socio-economic development. Hence, district assemblies would need to prioritize education policies in their plans for accelerated development.



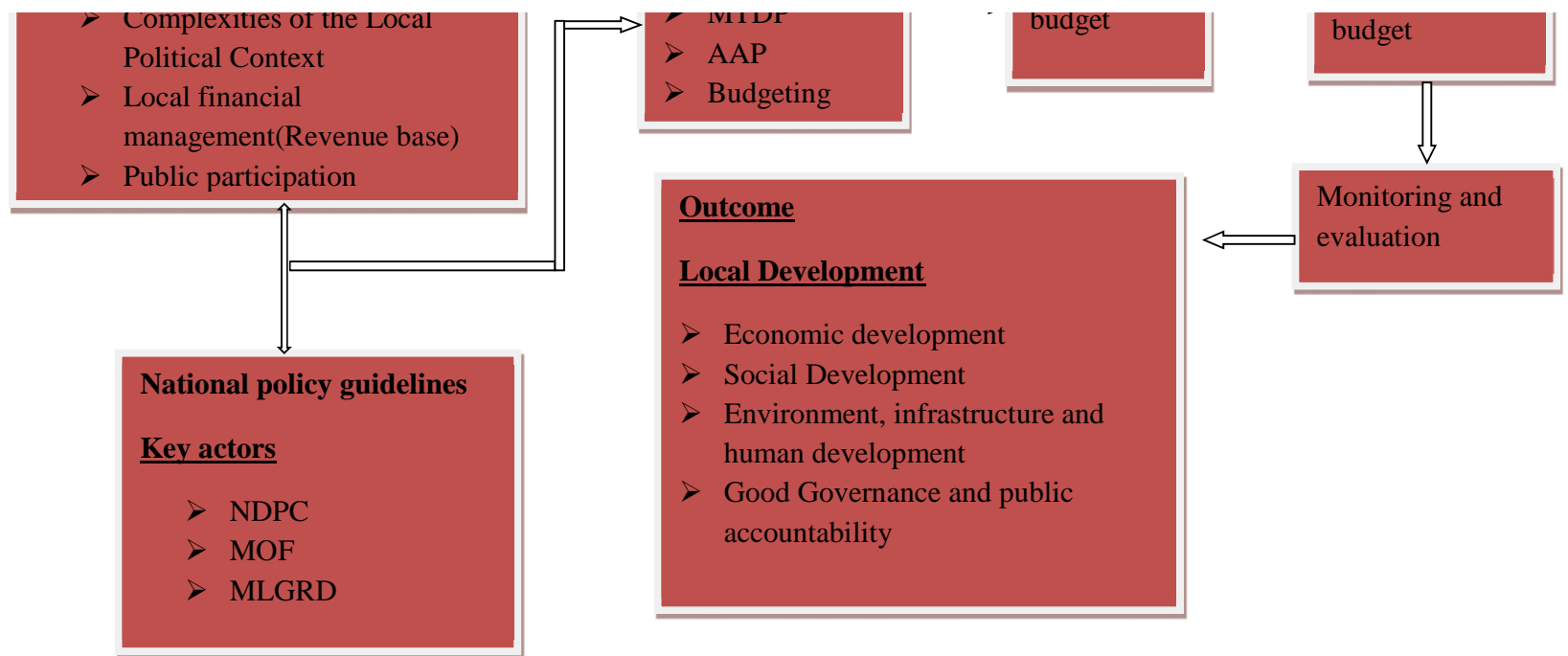
Because failure to do so would mean the presence of negative social development of communities characterized by poor skills, poor relationship and attitudes that would not enable a person to interact well in society to improve development.

**Environment, infrastructure and human settlements:** effective composite budget process should lead to positive environment, infrastructure and human settlements. This would mean there would be well-managed roads, transportation, storm drains and development control to enhance local development.

Governance, corruption and public accountability: effective composite budget process should translate into good governance and positive public accountability with the introduction of systems and structures to improve transparency and accountability in the management of public funds. People in communities should be able to understand systems such as the Public Financial Management Act, 2016 (Act 921), Public Procurement Act, 2016 (Act 914) and Internal Audit Agency Act, 2003 (Act 658). Community people at the local level should be able to hold public officials accountable against these instruments to ensure financial integrity in the governance process.

Hence, the framework within which the policy of decentralization operates which features composite budget processes is graphically represented in Figure 1 below:





**Figure 1: Framework Examining the Processes of Composite Budgeting in Decentralized Planning System and Management in Ghana**

**Source: Authors Own Construct, December, 2018**



## **2.9.0 Empirical Review of Practices of Budgeting in Africa**

This section offers an understanding of how budgeting has been approached and practiced in Uganda, South Africa and Ghana for comparison.

### **2.9.1 Participatory Local Budgeting and Planning in Uganda**

DFID (2002) study on participatory local budgeting and planning in Uganda sought to analyze the effects of participatory budgeting in districts in Uganda. The study established the contribution of participatory budgeting using a cross-sectional research design, in which both quantitative and qualitative approaches were adopted. The study found stakeholders' consultation as the most important contribution of participatory budgeting. However, it was undermined by the absence of clear rules and procedures that govern budget consultative meetings. Uganda's Local Government Act requires that budget conferences be held and be open to the public at each level of the local council from village to ward, division, district and municipality. The municipal and division conferences result in spending proposals for ensuring fiscal year and a three-year rolling plan. At the village level, all adults are councilors. Therefore, the annual budget conference is an annual meeting of the citizenry. The executive committee members of each village attend ward meetings. The division budget conference includes the chairpersons of village and wards, division councilors and stakeholders. The municipal and district conferences include the leadership of local stakeholders, business groups, nongovernmental organizations, and community organizations. A review of the process in seven Ugandan municipalities showed that the actual level of representation and participation varies across jurisdictions. Some villages fail to conduct their annual meeting and in others, representation is less than comprehensive. (DFID, 2002: 5).



The conferences are intended to solicit the views of stakeholders and individuals though; actual participation is quite limited. Discussions at the division, municipal, and district levels are “mostly driven by technocrats, conducted in English and couched in formal, budget language, which may not be conducive for the participation of ordinary citizens, let alone the poor. Better educated people, also often exert disproportionate influence” (DFID, 2002: 5).

Nonetheless, the process undertaken by the Jinja Municipal Council resulted in proposals for inclusion in the municipal budget while others are referred to the division level and central government. It also provided a forum for direct accountability through discussion of the achievements and shortcomings of municipal administration and service delivery. The mayor of Entebbe has also used the municipal conference to conduct budget outreach meetings in each of the city’s villages. (DFID, 2002: 5).

### **2.9.2 Local Budgeting in South Africa**

PAIR Institute of South Africa (2002) study public sector governance and accountability in South Africa is one of the studies that provided theoretical insight to the study. Using a case study methodology to gather information from public sector institutions, the study showed that governments have a very important role to play in promoting well- functioning local budgeting systems. Specifically, governments can help through providing a stable political and macro-economic environment, fiscal discipline and good governance. Public sector institutions can also improve local budgeting system through strict adherence to the guides and regular capacity building for public sector institutions engaged in budget formulation, execution and monitoring and evaluation. Detailed summary of the study South Africa’s fiscal decentralization is presented in the subsequent paragraphs.





South Africa has the most sophisticated and formalized approach to intergovernmental relations in Africa. South African budgeting process require that local governments encourage the involvement and consultation of communities and community organizations in municipal budget decision making. To this end, the local governments have established ward committees to promote public participation in municipal governance. These committees assist the democratically elected ward representative to the city council in reflecting community interests. Their charge includes input into the preparation of the municipal budget and service provision; implementation and review of systems of performance management; performance monitoring; information dissemination; and preparation, implementation, and review of Integrated Development Planning (IDP) (Department for International Development, 2000a). The IDP process is also the basis for the coordination of cooperative governance between spheres” at the micro terrains of service delivery” (PAIR Institute of South Africa 2002: 11).

The IDP is a strategic plan incorporating both short-term and medium-term objectives. It is intended to serve as a guide to local government budgeting service delivery, and management and it supersedes all other municipal plans. As provinces assist in plan creation, monitor plan content and local performance relevant to required and desired actions, and ensure that regional and national priorities are reflected in plan development and performance. The formal plan development and approval process ensures coordination between spheres and seeks to ensure policy and budgetary conformity across spheres (PAIR Institute of South Africa 2002:13).

In South Africa, the national government can intervene if provinces do not fulfill an executive obligation. Intervention is focused on interregional uniformity, norms, standards,

and national policy. The Intergovernmental Fiscal Relations Act of 1997 guides intergovernmental fiscal relations. It provides a consultation process and regulatory budgeting and it established the Budget Council and Budget Forum. IDP is the primary vehicle for coordinating; spending in any portion of the republic is “traceable in municipal integrated planning framework” (PAIR Institute of South Africa 2002: 13). The Division of Revenue Act 1998 also establishes a system for monitoring spending and allocation of resources across spheres. This integration and cooperation increases uniformity in policy, while limiting local discretion in areas of broad priority.

### **2.9.3 Local Budgeting in Ghana**

Richard, Redeemer and Kwadwo (2013) examined budgeting and budgetary control practices of public sector institutions in Ghana. Secondary data collection method and document analysis technique were used. It emerged that the budget process of Ghana is quite effective when measurement criteria such as budget transparency, budget participation and budget oversight are analyzed and compared with the world-wide average scores. However, institutions responsible for the budget formulation, execution, and evaluation/monitoring, and auditing must be strengthened to assume full responsibility over their mandates if effective and efficient budgeting and budgetary controls in the public sector is to be assured.



## CHAPTER THREE

### RESEARCH METHODOLOGY

#### 3.0 Introduction

This third chapter of the report describes the research design, sources of the data and the methods that were employed in collecting the data. It also briefly describes the sampling size and techniques adopted and tools of data analysis.

#### 3.1 Study Context

The study was conducted in three selected MMDAs in the then Northern Region of Ghana. The Ministry of Local Government, Rural Development and Environment, and the Ministry of Finance and Economic Planning have put together guidelines for the preparation of composite budgets for use by all Metropolitan, Municipal and District Assemblies (MMDAs) who are the lead agencies in the planning and implementation of programmes towards development. For the purposes of comparing the differences and similarities of the processes, procedures and guidelines of its implementation, three districts in Ghana, namely; Sagnarigu Municipal and Kumbungu; and North Gonja districts in the Northern and Savannah Regions respectively were selected.

In Ghana, District Assemblies constitute the main territorial, political, administrative and planning authorities at the district level. In terms of structure each district assembly has under its supervision and control units or departments and organizations which are decentralized central government sector ministries and agencies operating at the district level. These units oversee the act of organizing and directing the technical aspect of the implementation at the district assemblies. The budget of each district is, therefore, to



include the aggregate revenue and expenditure of all these units under the district assembly to ensure that their activities are well integrated, coordinated and mutually reinforcing for the achievement of the overall development goal of the district.

The selection of the districts was based on the fact that they were among the districts created in the year 2012 and trained on composite budgeting and implementation. Also, the districts were chosen because they were strategically located close to each other and to the researcher. In addition, Sagnarigu Municipal Assembly is located close to Tamale hence has huge internally generated revenue capacity. Kumbugu district is strategically located close to the White Volta that has huge internally generated revenue capacity through sand wining while North Gonja district is also strategically located closer to the White Volta that has huge internally generated capacity through sand wining and smock weaving businesses. Again, the districts have a lot of land properties and very high level of administrative and economic activities for the mobilization of local revenue for development. Also, the structures, processes, responsibilities, and resources as well as the locations of these districts made it possible for these districts to be selected for the training of the preparation and implementation of composite budgeting in 2013.

The selection of these districts was to provide a multiple perspective of the respondents on how composite budgeting and implementation process were done in the districts.







First, the selected districts were created with Legislative Instruments in the first half of 2012. The Sagnarigu Municipality is one of the six newly created assemblies in the Northern Region of Ghana. It was created out of the Tamale Metropolitan Assembly by legislative instrument 2066. The Sagnarigu Municipality was inaugurated as a functional entity on the 24th of June, 2012. It has the mission of mobilizing physical and financial resources towards the provision of quality socio-economic services in a safe and lawful environment that will enhance the quality of life of the citizens of the Sagnarigu Municipal Assembly.

The Sagnarigu Municipality Assembly is the highest political and administrative authority in the Municipality. The assembly is made up of 35 members comprising, 23 elected members from 23 electoral areas, 11 Government Appointees including the Municipal Chief Executive and one Member of Parliament. The assembly operates through sub-committees, the Executive committee and the General Assembly. The assembly is supported in the discharge of its duties by technical/professional staff, headed by the Municipal Coordinating Director and other line staff of the Central Administration as well as Decentralized Departments. There are three Zonal Councils, namely, Choggu, Kanvili and Kalipohini. These have been made operational since 2012 and assist in the mobilization of revenue, and community members for self-help projects; monitoring of development projects/programmes and dissemination of assembly and Government policies among others. The lower units, namely the unit committees are however not fully operational.

The Sagnarigu Municipality has a population of 148, 099 comprising 74,886 males representing 50.5% and 73,213 females representing 49.5%. Total number of households

stands at 23,447 with an average size of 6.3 persons in a household. The rural population of the Municipal Assembly is roughly 54,549 whilst urban population stands at 93,550.

The Sagnarigu Municipal is inhabited by many ethnic groups; the dominant group, however, is the native Dagomba people. Other ethnic groups include Nanumbas, Gonjas, Mamprusi, Bimoba, Dagartis, Wala, Frafra, Akans, Ewes and other northern ethnic groups. Traditionally, the Municipality comprises three (3) paramountcies-consisting of Sagnarigu, Gukpeg and Nanton.

The Kumbungu District Assembly (KDA) is one of the new districts created in 2012. It was carved out of the then Tolon-Kumbungu District by legislative instrument 2006. It is located in the Northern Region and has its capital at Kumbungu.

The District is made up of one constituency, five Area councils, 115 communities, 24 electoral areas, 110 Unit committee members, 34 Assembly Members: 24 Elected, 11 Appointed, one MP, and the D.C.E. Out of the total, 35 are Males and two are Females.

The Assembly operates through sub-committees, the Executive Committee and the General Assembly. The Assembly is supported in the discharge of its duties by technical/professional staff, headed by the District Coordinating Director and other line staff of the central Administration as well as Decentralized Departments. The District has a population of 81,194; 49.7% males and 50.3% females making up the population. The indigenous people are Dagombas; however, one can find other tribes like Gonjas and Ewes who engage in fishing activities along the White Volta. Dagombas constitute about 95 percent of the district's population.





Islam and Traditional Religions are the predominant religions of the people. There are however pockets of Christians across the district. There are a number of festivals in the area. The major ones are Bugum (fire) and Damba festivals which are celebrated annually.

The North Gonja District Assembly (NGD) was also created in 2012. It was carved out of the West Gonja District. North Gonja District Assembly was established by Local Government (North Gonja District Assembly) (Establishment instrument 2012) (L.I. 2065). It is located in the Northern Region and has its capital at Daboya.

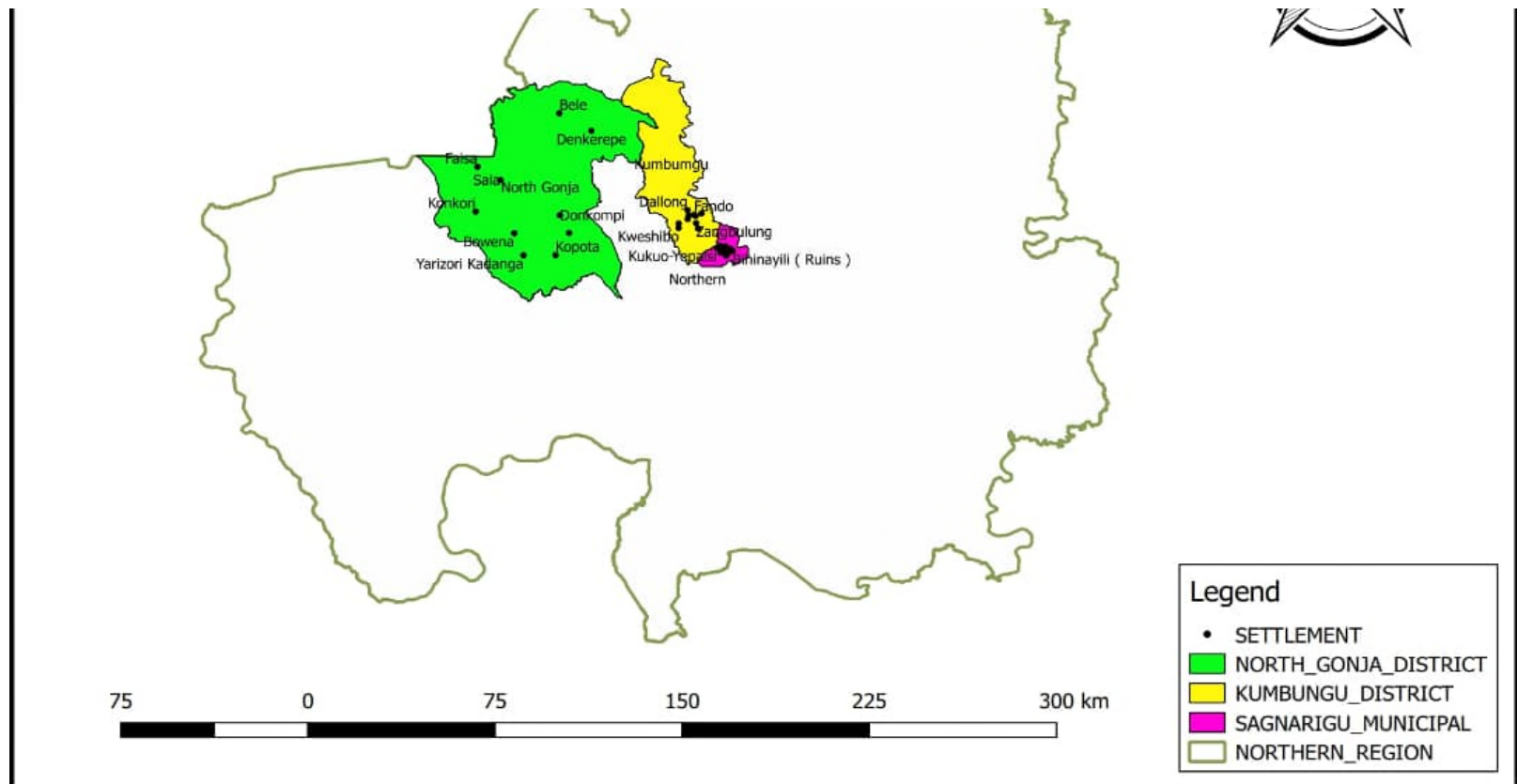
The North Gonja District Assembly has a total of 23 assembly members comprising 15 elected members, seven Government appointees, one Member of Parliament, and the District Chief Executive (DCE). The DCE is the executive head of the district, while the District Coordinating Director (Administrative head) and his/her technical team constitute the technocrats and advisers of the DCE. The district has three Area Councils (Daboya, Lingbinsi and Mankarigu), 15 Electoral Areas and 15 Unit Committees. Like the two other assemblies, the Assembly operates through sub-committees, the Executive committee and the General Assembly and is supported in the discharge of its duties by technical/professional staff, headed by the Municipal Coordinating Director and other line staff of the central Administration as well as Decentralized Departments.

The population of North Gonja District stands at 43,547 representing 1.8 percent of the region's total population. Males constitute 49.6 percent and females represent 50.4 percent. Eighty-five percent of the population is rural. The age dependency ratio for the District is 107. The age dependency ratio for males is higher (113.9) than that of females (100.6)

Traditionally, the Wasipe-wura is the overlord of the Wasipe traditional area with Daboya as both the traditional and administrative capital. The Wasipe traditional area is one of the five major divisional areas in the Gonja Kingdom (the other divisional areas are Kpembu, Bole, Kusawgu and Tulwe) The Wasipe-wura has 80 sub-chiefs, including Yazori-wura, Gbengben-wura, Mun-wura, Garima-wura who serve as Council of Elders and advise the overlord. There are also queen mothers in the chieftaincy set up such as Bru-wurche who is senior to the overlord (Wasipe-wura), Sey-wurche, and Nyankpani-wurche who help in the traditional administration of the area.

The District is predominantly inhabited by the Gonja but there are also the Tampilma, Mamprusi, Hanga, Dagomba and Fulani. The people of the District celebrate a number of festivals, namely; Damba festival, Jintigi (Fire festival), Eidul-Fitri and Eidul-Adha. The main religious groups in the district are Islam, Traditional African Religion and Christianity. Below in Figure 2, is a Map showing the location of the selected districts in the Northern Region of Ghana.





*Figure 2: Map of Study Areas*

Source: Author Own Construct, 2019



### **3.2 Research Design**

The research design focusses on organizing the research activities, including the methods of data collection and analyses that are most likely to achieve the research aims (Creswell, 2009). From this perspective, the study adopted a multiple case design to explore and investigate into how composite budgeting, planning and implementation processes of MMDAs is done and how financial policies affect its processes in the selected districts in Northern Region. This is to aid in uncovering how the planning and implementation of composite budgeting affect the internal efficiency and effectiveness of MMDAs. According to Creswell (2013) a multiple-case design explores a real-life multiple bounded system through detailed, in-depth data collection involving multiple sources of information. The major benefit of using a multiple-case design was to get multiple perspectives of how composite budgeting planning and implementation process among the districts. Also, using a multiple-case design provided a wider exploration of the research question and theoretical evolution to enable the researcher to understand the differences and similarities of how composite budgeting planning and implementation process were done in the various districts.

### **3.3 Sampling Design**

The purposive Sampling technique was applied in the selection of districts for the study. The three District Assemblies of the study were selected out of the twenty-eight (28) districts in the Northern Region of Ghana which were trained on composite budgeting in the year 2013. Since composite budgeting involves the central administration of the Districts Assemblies and the decentralized departments in the districts, the heads of department and members of the DPCU in each of the districts which were involved in the

training for the implementation of composite budgeting were interviewed to solicit their views. Purposive sampling technique was very significant for this study because the data collection method focused primarily on people who have enormous experience and insights into composite budgeting and implementation in the selected districts. Also, this design is appropriate as the study places special emphasis on the control of certain specific variables.

Purposive sampling technique was adopted for this research. This approach allows the researcher to use judgment in selecting the respondents with a specific purpose in mind. It was appropriate for the study, it sought to identify particular types of cases for in-depth investigation with a less aim of generalizing than gaining a deeper understanding of the phenomenon (Neuman, 2007).

Purposive sampling was used because the principal persons involved in the budgetary processes of the district assemblies was known and identified. Purposive sampling, therefore, enabled the researcher to identify the principal respondents with the requisite knowledge on the budgetary processes. The list of respondents is shown in Table 1.



*Table 1: List of Respondents Targeted and Interviewed*

| <b>Department</b>  | <b>No. of Participants</b> |
|--|----------------------------|
| Coordinating Directors   | 3                          |
| Planning Officers  | 3                          |
| Budget Officers  | 3                          |
| Finance Officers   | 3                          |
| Community Development and Social Welfare Officer                         | 3                          |
| Traditional Authorities  | 3                          |
| District Health Service Director   | 3                          |
| District Education Director  | 3                          |
| Department of Agriculture Directors                                      | 3                          |
| Unit committee members   | 3                          |
| <b>Chairman</b> of Finance and Administration                            | 3                          |
| Chief Director, Chief Budget Analyst and Chief Economic Planning Officer | 3                          |
| <b>Total</b>   | <b>36</b>                  |

**Source: Author's Construct, 2018**

### **3.4 Target Population**

The target population of this research was all key heads of department and key members of DPCU who have a role to play in the composite budgeting process. These were Districts and Municipal Coordinating Directors, Planning Officers, Budget Officers, Finance Officers, Works Engineers and directors of the decentralized departments of the MMDAs. The chairman of development sub-committee and chairman of executive sub-committee as well as chairman of finance and administrative sub-committee and Chief Director, Chief Budget Analyst and Chief Economic Planning Officer were also part of the target population.





### **3.5 Sampling Unit or Unit of Analysis**

The sampling unit is the individual staff member comprising the key staff of the assembly and key heads of department with responsibility in composite budgeting. A total of 36 informants from the various aforementioned staff were interviewed.

### **3.6 Methods and Tools of Data Collection**

An Interview guide was used to explore the planning process and implementation of the composite budget since 2012 in the selected districts. The conduct of the interview took place in the offices and homes of the respondents to enable the researcher and assistant to solicit from the various respondents their views and experiences in relation to the subject. The researcher and assistant had face to face interaction with respondents and this enabled them to probe by asking follow up questions to seek clarification. Secondly, it enabled the researcher and assistant to cross -examine the responses given by each of the respondents in order to avoid biases and ensure accuracy. Thirdly, respondents were able to provide responses to the questions based on their peculiar experiences concerning the issues involved in composite budgeting processes within their areas of jurisdiction. Also, responses were recorded and transcribed.

The officers at the Districts Administration answered questions on composite budgeting processes, the factors affecting the implementation of the composite budgeting as well as its implication and measures to help improve the processes at the assemblies' level. The assembly members, traditional authorities and unit committee members responded to questions on their role and involvement in these processes. The decentralized departments responded to questions on their understanding of the composite budget, their role in the



preparation and implementation of the composite budget. The Regional Coordinating Council responded to questions on the achievements, challenges and recommendations on the preparation and implementation of the composite budget among MMDAs.

The interview guide was used as a means of guiding the researcher in asking the key and relevant questions that can tease out the needed information from respondents.

### **3.7 Data Type and Source**

The study combined both primary and secondary data. The sources for the secondary data were published and unpublished reports on topics related to composite budget preparation policies, manuals and guidelines, staffing situation, qualifications, experience, revenue capacity, work of NGOs and general literacy level of the population in the districts.

The primary data, on the other hand, were gathered through the use of an interview guide. The sources of the primary data were from interviews with some key heads of department, key members of DPCU, some traditional authorities and some unit committee members who have a role to play in the composite budgeting process in Sagnarigu Municipal, Kumbungu and North Gonja District.

### **3.8 Methods and Tools of Data Analysis**

With regard to data analysis, the study employed content analysis to generate meaning from the raw data generated from the field. Qualitative content analysis according to Patton (2002) is aimed at interpreting volume of text data by identifying the important themes and patterns through the researcher's careful examination and constant comparison. This technique was chosen as an analytical tool due to its ability to make reasonable inferences





in interpreting the data. The qualitative content analysis technique was adopted and applied through three approaches; data description, data analysis and data interpretation. The first step was to develop thorough descriptions of the phenomenon under study. The description provided the content of action, the intentions of the actor and the process in which action is embedded. However, the ultimate goal of analysis will be not just to describe the data but to interpret, explain and understand the meanings attached to the phenomenon. The adoption of these three techniques in the analysis and the constant comparison with the literature helped achieve the objectives of the study. Also, descriptive analysis was adopted to analyze the information derived and perceptions from the key informant's interviews.

### **3.9 Ethical Consideration**

It was important to observe some ethical principles in order to ensure that the interests of the respondents were protected. In furtherance of this, an introductory letter was sent to the district assemblies with copies to each participant to seek clearance and the permission to conduct the research. Also, the introductory section of the interview guide explained the purpose of the study to participants. The researcher took time to carefully explain to the respondents the purpose and objectives of the study as well as the potential risk or benefits inherent in the study. Opportunities were created for the respondents to ask questions about the study at any stage of the interviews.

The researcher assured respondents of anonymity and confidentiality of information that was collected. Scheduled lists of respondents were well coordinated and the research assistants helped to interview the respondents directly.

### **3.10 Validity and Reliability**

With regards to the validity of the research, the researcher examined information from the respondents using the interview guide which was structured in accordance with the research questions. The data gathering instrument was given to the thesis supervisor for his inputs on the validity of the tools. With regards to the research reliability, the researcher ensured that the information sought from the respondents were consistent among the various sampling units.



## CHAPTER FOUR

### RESULTS AND DISCUSSIONS

#### 4.0 Introduction

This chapter presents the results, findings and discussion. Based on the qualitative nature of the study, the results have been presented in a narrative form.

#### 4.1 Demographic Characteristics of Respondents

This section presents the demographic characteristics of respondents who participated in the research process. The study centered on soliciting responses from respondents at the Regional Coordinating Council, Central Administration, Assembly Members, and Decentralized departments such as Ghana Health Service (GHS), Ghana Education Service (GES), Department of Agriculture and Community Development and Social Welfare.

*Table 2: Regional Coordinating Council Socio-Demographic Characteristics*

| GENDER | AGE | MARITAL STATUS | QUALIFICATION                        | POSITION                        |
|--------|-----|----------------|--------------------------------------|---------------------------------|
| Male   | 50  | Married        | MPhil in Development Policy          | Chief Budget Analyst            |
| Male   | 59  | Married        | MSc. Development Policy and Planning | Chief Economic Planning Officer |
| Male   | 58  | Married        | MSc. Public Administration           | Chief Director                  |

**Source: Field Data, January, 2019**

As shown in Table 2, three (3) informants were interviewed from the Regional Coordinating Council. From the results, all were males, married and their age ranged from 50-59 years old. With regard to their educational qualifications, all were masters' holders



in varied fields of discipline that suit the position each person occupied. For example, the Chief Budget Analyst had MPhil in Development Policy; while the Chief Economic Planning Officer had MSc. in Development Policy and Planning; and the Chief Director had MSc. in Public Administration. The foregoing bio data of the respondents shows that, they were knowledgeable and experienced in their respective offices to contribute significantly to answering the research questions.

*Table 3: Central Administration Respondents Socio-Demographic Characteristics*

| <b>GENDER</b> | <b>AGE</b> | <b>MARITAL STATUS</b> | <b>QUALIFICATION</b>                                 | <b>POSITION</b>                 |
|---------------|------------|-----------------------|--|---------------------------------|
| Male          | 44         | Married               | MSc. Development Planning                            | Municipal Planning Officer      |
| Male          | 54         | Married               | Master's in Public Administration                    | Municipal Coordinating Director |
| Male          | 43         | Married               | MPhil Development Studies                            | Municipal Budget Officer        |
| Male          | 53         | Married               | MA Business Administration                           | District Coordinating Director  |
| Male          | 43         | Married               | MSc Business Management                              | District Budget Officer         |
| Female        | 50         | Married               | B.Sc. in Business Communication                      | District Finance Officer        |
| Male          | 47         | Married               | MSc. Development Policy and Planning                 | District Planning Officer       |
| Male          | 50         | Married               | Chartered Administration and MA Local Administration | District Coordinating Director  |
| Male          | 46         | Married               | B.Sc. in Business Communication                      | District Budget Officer         |
| Male          | 46         | Married               | B.Sc. in Human Resource Management                   | Municipal Finance Officer       |
| Male          | 47         | Married               | MSc. Development Policy and Planning                 | District Planning Officer       |
| Male          | 57         | Married               | BSc. Business Communication                          | Finance Officer                 |

**Source: Field Data, January, 2019**



Also from the Central Administration respondents, out of the twelve (12) respondents interviewed, eleven (11) were males and one (1) female. All the respondents were married. Their ages ranged from 43-57 years old. Eight out of the twelve respondents had masters' degrees whilst the remaining were first degree holders in varied fields of discipline.

*Table 4: Assembly Members, Unit Committee members and Traditional Authorities Socio-Demographic Characteristics*

| GENDER | AGE | MARITAL STATUS | QUALIFICATION                      | POSITION                |
|--------|-----|----------------|------------------------------------|-------------------------|
| Male   | 40  | Married        | B.Sc. in Construction Management   | F & A Chairman          |
| Male   | 75  | Married        | Elementary School                  | Traditional Authority   |
| Male   | 68  | Married        | Tertiary                           | Traditional Authority   |
| Male   | 39  | Married        | B.Sc. in Human Resource Management | Unit Committee Member   |
| Male   | 46  | Married        | Diploma in Basic Education         | Unit Committee Member   |
| Male   | 64  | Married        | Tertiary                           | F & A Chairman          |
| Male   | 49  | Married        | HND Accountancy                    | F & A Chairman          |
| Male   | 48  | Married        | WASSCE                             | Unit Committee Member   |
| Male   | 71  | Married        | Tertiary                           | Traditional Authorities |

**Source: Field Data, January, 2019**

Table 4, demonstrates the composition of the Assembly Members, Unit Committees Members and Traditional Authorities who participated in the research. They were people who occupied various positions ranging from Finance & Administration (F&A) Chairman (3), Traditional Authority (3) and Unit Committee Members (3). Participants were all married and their ages ranged from 39 –75 years. Out of the nine participants, seven had



tertiary education qualification (That is First degree, HND or Diploma) and holders of WASSCE and Elementary School certificate.

*Table 5: Decentralized Department Socio-Demographic Characteristics*

| <b>GENDER</b> | <b>AGE</b> | <b>MARITAL STATUS</b> | <b>QUALIFICATION</b>                                | <b>POSITION</b>                       |
|---------------|------------|-----------------------|---|---------------------------------------|
| Male          | 47         | Married               | B. A. Accounting                                    | GES Director                          |
| Female        | 36         | Married               | MSc. Executive Public Administration                | Community development/social welfare  |
| Male          | 58         | Married               | BSc .Agriculture Technology                         | Department of Agric.                  |
| Male          | 45         | Married               | MSc. Fellowship                                     | Ghana Health Service                  |
| Male          | 55         | Married               | Diploma in Community Development                    | Community development /social welfare |
| Female        | 50         | Married               | MSc. International Health                           | Ghana Health Service                  |
| Male          | 58         | Married               | Master's in Education Management and Administration | Ghana education service               |
| Male          | 51         | Married               | MSc, Social Science and Technology                  | Department of Agric.                  |
| Male          | 59         | Married               | BSc. in Physics                                     | Ghana Education Service               |
| Male          | 43         | Married               | MPhil. in Community Health and Development          | Ghana Health Service                  |
| Male          | 35         | Married               | BSc. Agriculture Technology                         | Community Development /Social Welfare |
| Male          | 42         | Married               | BSc. Agriculture Technology                         | Department of Agric.                  |

**Source: Field Data, January, 2019**





From Table 5, twelve (12) participants were interviewed with all of them being Directors of the decentralized departments, specifically directors of, Ghana Education Service (3), Ghana Health Service (3), Community Development/Social Welfare (3) and Department of Agriculture (3).

#### **4.2 Respondents Understanding of Composite Budgeting**

In order to find out, whether respondents understand what a composite budget' is, their views were sought.

Quotations from respondents for each of the categories are presented to illustrate their understanding of a composite budget. Central Administration informants stated their understanding of the composite budget in the following ways:

“The composite budget brings the budgets of various departments together and thus is a reflection of the needs and aspirations of the people” (Planning Officer; January, 2019; Sagnarigu)

“...it is an integration of the departmental budgets into the district assembly budget” (Budget Officer; January, 2019; Daboya)

“...it is the aggregation of all the departmental budgets of the year” (Finance Officer; January, 2019; Kumbungu).

Among decentralized department's participants, composite budget was understood as follows:



“It is a comprehensive budget that entails budgets for decentralized department of the district assembly prepared every year” (GES Director; January, 2019; Sagnarigu).

“Usually, it captures the various activities to be carried out which is put together and approved by the assembly before spending’s are made” (Social Welfare Officer; January, 2019; Daboya).

The perspective of the regional coordinating council is that, composite budgeting is “*the aggregation of budgets of departments and that of central administration put together*”. The Assembly Members explained composite budget to mean “*the budget prepared by the assembly and the decentralized departments indicating their revenue and expenditure with guidelines from the Ministry of Finance (MOF) and the Ministry of Local Government and Rural Development (MLGRD)*”. Unfortunately, with regard to the Traditional Authorities and Unit Committee Members, they had little knowledge about what a composite budget was all about, except to say that “*it was the revenue and expenditure of the assembly*”.

From the foregoing explanations it could be concluded that respondents from the RCC, central administration, and assembly members demonstrated in-depth knowledge and understanding of the composite budget whilst the traditional authorities and unit committee members had little knowledge. As such, the definitions put forward by the majority of participants expressed were not far different from what is spelt out in Section 92 of Act 462 now Act 936, which states that, a Composite Budget is an integrated district budget that synthesizes and harmonizes expenditure and revenue estimates of the programmes of all the departments of the DA, as distinct from sectoral budgeting (Kokor, 1998).



### **4.3 The Composite Budgeting Process as Observed in Selected District Assemblies**

In the implementation of fiscal decentralization, it is required that MMDAs) prepare and approve their own budgets. As already stated from the background of this study, for composite budgeting to result in economic efficiency, accountability and translate to effective grassroots' governance, it must undergo various processes. This section presents views of respondents' understanding of the composite budgeting process in the selected districts.





|         |  |  |  |
|---------|--|--|--|
| process | <p>contains government prioritized budget ceilings for the preparation of the composite budget.</p> <ul style="list-style-type: none"><li>✓ The budget committee meets and deliberates on the guidelines.</li><li>✓ The departments prepare their various departmental budgets using the ceilings</li><li>✓ The budgets are collated by the budget officer and submitted to the budget committee</li><li>✓ The budget committee meets to ensure the budget is in line with the Annual Action Plan as well as the DMTDP</li><li>✓ Stakeholder's involvement in budget hearing and review in the district.</li><li>✓ Regional review meeting</li></ul> | <p>contains government prioritized budget ceilings for the preparation of the composite budget.</p> <ul style="list-style-type: none"><li>✓ The budget committee meets and deliberates on the guidelines.</li><li>✓ The departments prepare their various departmental budgets using the ceilings</li><li>✓ The budgets are collated by the budget officer and submitted to the budget committee</li><li>✓ The budget committee meets to ensure the budget is in line with the Annual Action Plan as well as the DMTDP</li></ul> | <p>contains government prioritized budget ceilings for the preparation of the composite budget.</p> <ul style="list-style-type: none"><li>✓ The budget committee meets and deliberates on the guidelines.</li><li>✓ The departments prepare their various departmental budgets using the ceilings</li><li>✓ The budgets are collated by the budget officer and submitted to the budget committee</li><li>✓ The budget committee meets to ensure the budget is in line with the Annual Action Plan as well as the DMTDP</li></ul> |
|---------|--|--|--|



- |   |   |   |
|---|---|---|
| ✓ The executive committee meets and discusses the budget before submitting it to the general Assembly | budget hearing committee  | discuss comments from the Regional budget hearing committee   |
| ✓ The general assembly meets to discuss and approve the budget.                                       | ✓ The finance and administration committee meets to discuss the budget                                | ✓ The finance and administration committee meets to discuss the budget                                |
| ✓ Copies of the budget are submitted to the MOF, MLGRD through the RCC.                               | ✓ The executive committee meets and discusses the budget before submitting it to the general Assembly | ✓ The executive committee meets and discusses the budget before submitting it to the general Assembly |
|   | ✓ The general assembly meets to discuss and approve the budget.                                       | ✓ The general assembly meets to discuss and approve the budget.                                       |
|   | ✓ Copies of the budget are submitted to the MOF, MLGRD through the RCC                                | ✓ Copies of the budget are submitted to the MOF, MLGRD through the RCC                                |

---

Source: Field Transcript, 2019

The foregone processes were the steps spelt out by the Municipal/District Coordinating Directors, budget analyst and planning officers at all districts as practical processes they followed in order to prepare and implement the composite budget. There were no variations among the districts with regards to the processes followed in preparing composite budget. This implies that the guidelines were strictly followed by the districts in the preparation of the budgets.

#### **4.4 Stakeholders Involvement in the Processes of Composite Budgeting**

In order to find out whether stakeholders such as the RCC, central administration, decentralized departments, assembly members, unit committees and traditional authorities' involvement in the processes of composite budgeting, their views were explored on their expected and actual roles. These have been summarized and presented in Table 8.





|                           |  |   |
|---------------------------|--|---|
|                           | in the District MTEF Budget  | District MTEP budget were prepared.   |
|                           | ✓ Review current and past year revenue and expenditure performance   | ✓ Records on past year revenue and expenditure performances were reviewed                       |
|                           | ✓ Review fees in consultations with ratepayers and secures approval  | ✓ Fee fixing resolution documents were prepared   |
|                           | ✓ Review medium term Plan and revise annual action plans   | ✓ Review meetings based on the previous annual action plans were held                           |
|                           | ✓ Organize departmental hearings to determine ceilings   | ✓ Departmental ceilings were organized  |
|                           | ✓ Implementation of departmental work plans in accordance with approved budget                                       | ✓ Records of departmental work plans in accordance with the approved composite budget were seen |
|                           | ✓ Preparation and review of financial reports , inspection of books and accounts and Physical inspection of projects | ✓ Financial reports and physical projects inspections of projects were prepared                 |
| Decentralized departments | ✓ Prepare departmental budgets and meet quarterly to review budgets and plans  | ✓ Departmental action plans and budgets were prepared and quarterly meetings held regularly     |

|                            |  |  |
|----------------------------|--|--|
| Civil Society Organization | ✓ Incorporate their inputs during the public hearing of the budget | ✓ Unit committee members were not involved<br>✓ Traditional authorities and civil society organization were involved in the budgets hearings |
|----------------------------|--|--|

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**Source: Field Transcript, 2019**







#### **4.4.1 Decentralized Departments Involvement in the Processes of Composite**

##### **Budgeting**

At the level of decentralized departments; eleven respondents admitted that they played active roles in the preparation of the composite budgets whilst one respondent admitted that he or she did not play active role in the preparation of the composite budgets. Also, nine respondents said they were involved in the budget committees' meetings as and when the assemblies called them for a meeting' to either discuss the budget or approve the composite budget. Though the guidelines indicated the number of times (4 times) they should meet in a year, unfortunately, that usually did not happen, rather the assemblies invite them as and when they think was appropriate and necessary. As to what the assembly invited them for, respondents from the departments indicated that "every year the assemblies invite them to either discuss the budget preparation process or give approval to the budget twice every year. Though the guideline indicated 4 times (i.e. once in each quarter), most often the Assemblies budget committees meet twice in a year, because of funding inadequacy to host participants to discuss concerns.

Complementing the foregoing statistics, the following are some of their explanations;

"Decentralized departments involved in quarterly and review meetings, because the guidelines direct MMDAs to hold quarterly meetings for the preparation of the composite budget" (GES Director; January, 2019; Sagnarigu).

*"At these meetings departments are called to discuss previous fee fixing resolutions to pave way for the preparation of new fee fixing resolution every year" (Agric Director; January, 2019; Daboya).*

*“Also, departmental budgets are discussed after they are submitted to the assemblies and we agree on the activities or projects to be captured into the composite budget” (GHS Director; January, 2019; Kumbungu).*

*“In addition, district budgets hearings are organized for our inputs before the general house approve the composite budget” (Social Welfare Officer, January, 2019; Sagnarigu).*

In the preparation of the budgets, the decentralized departments are to be given the opportunity to make presentations of their departmental budgets to the assemblies on certain specific activities or projects they intend to implement every year for thorough discussion and subsequent approval of the departmental budgets to be integrated into the districts composite budget.

Such presentations served as an opportunity for departments to advise the DCE, DCD on matters relating to the departments. Hence, in their budget presentations, departments have the free will to highlight the important aspect of activities or projects that need attention to help the departments achieve their objectives. Decentralized departments were not excited at the level of adherence to this important provision in the budget preparation process. The following statements express their views on this aspect of the budget preparation process.

*“the assembly only writes to us [decentralized departments] asking us to submit budget for the department for incorporation into the composite budget every year and does not allow departments to thoroughly participate throughout the composite budget preparation processes, which is not supposed*



*to be the case as specified in the guideline on composite budget preparation”*

(Community Dev’t Officer; January, 2019; Daboya).

As part of decentralized departments’ role in the processes of composite budgeting and implementation at district level, it was firmly discovered that; they played the role as a joint monitoring team who monitors projects or programmes of the assemblies. In the document review, the MOF guidelines spell out how monitoring of the implementation of the composite activities or projects are supposed to be carried out to ensure value for money. This, the narration was; “before the monitoring is conducted a letter is written to departments concerned with a scheduled date and specific activities or projects and locations where the monitoring team goes to do the actual monitoring with regard to the status of implementation, challenges identified and possible recommendations to help improve the status of the activities or projects”. (GHS director, January, 2019, Sagnarigu).

Also, it was said that the departments were involved in the award of contracts to contractors since they were part of the tender committee at the district assemblies. This was scripted as; “...any time there is availability of funds for the construction of a physical project which is associated with a specific department, the department concerned will be invited to be part of the tender committee to open the tender documents and possible award of such project. For example, construction of class rooms, CHPS compounds, boreholes among others”. (GES Director, January, 2019, Kumbungu). Thus, as and when funds are released by the central government, decentralized departments helped the assemblies to implement their activities and give feedback to the assemblies for possible implementation of the funded activities out of the composite budget. A participant had this to say on their involvement “...departments are the implementing partners for the composite budget



*activities or projects, and they do so by writing reports to cover the activities implemented by each sector and possible challenges and way forward”.(GES Director, January, 2019, Daboya).*

Departments also indicated that they write memos to the district assemblies for the approval of the assemblies for certain specific programmes or projects to be implemented to enhance the development of each sector in the district. In the assemblies’ system before monies are spent, a memo is written to the DCE, through the DCD for approval before a warrant is generated for the payment by the finance officers to the departments concerned. Thus any time the districts assemblies are to construct physical project, they consult the concerned departments.

#### **4.4.2 Assembly Members Involvement in the Processes of Composite Budgeting**

With regard to how assembly members were involved in the processes of composite budgeting, participants were asked which committee or group they belonged to in the assembly. It was realized that, apart from the assemblymen who formed part of the financial & administration (F&A) committee group and the chairperson belonging to Budget Committees of the assemblies; the others; that is the traditional authorities and unit committee members did not belong to any committee of the assemblies.

When the Assembly members were asked whether the assemblies involved them in the preparation of composite budgeting; five out of nine responded that their plans and budgets are not presented to FA for consideration. Those who said that their plans and budgets were presented to FA for consideration’ alluded to the fact that; “they were part of the budget committee and they were involved in the fee fixing resolution at the assemblies as well as the preparation of the composite budget. That is, they participated in the discussion of the





fee fixing resolution to agree on fixed amounts to charge each item and discussions at districts budget hearing to come out with effective composite budget to enhance the development of the district assemblies. For those who responded in the negative, they lamented that “it was only the budget officers who prepared the budget and called them for the review of the budget. At that meeting their inputs were limited because they were not involved from the beginning. This makes them unable to make meaningful contribution, if any. Eight of the participants bemoaned that the district assemblies do not formally request assembly members to submit projects for the attention of the Budget Committee.

As to whether the annual action plan and budget presented by the budget committee is often submitted to the F&A sub-committee for consideration, three of the assemblymen confirmed to the assertion and they were the F & A Chairpersons while the others who were traditional authorities and unit committees responded in the negative and said they had ‘no idea’ because they do not get directly involved in the day to day running of the assemblies. The F&A Chairpersons said the plans and budgets are usually presented to the F & A sub-committee for consideration. They all indicated that the “budget officers will usually collate the various decentralized departments budgets and consensus reached on the fee fixing resolutions. Further, that is submitted to the F & A committees for discussion to reach agreements on what to forward to executive committee for further discussion. Finally, they are sent to the general house of the assemblies for the approval of the composite budget every year”.

#### **4.4.3 Public Involvement in the Processes of Composite Budgeting**

As part of the laid down guidelines, there is supposed to be public hearing of departmental and assemblies’ budget. Information gathered from the central administration participants



suggest that the stakeholders who participate in the fee fixing resolution include; the budget committee, private sector (market owners, traders, cattle owners, vehicle owners, and traditional authorities), finance and administration sub-committee, the executive committee, the general assembly as well as the regional coordinating council. The study revealed that, public hearings were held twice in a year instead of the quarterly meetings due to financial challenges confronting the assemblies. As expressed by a participant, *“most MMDAs organized public hearing on mid-year to assess the performance of the budget and around fourth quarter to incorporate people’s inputs into the next budget before they are approved”* (District Budget Officer, January, 2019, Kumbugu). With regard to the participation by citizens at the community level, a view by a participant below resonates with many of the participants:

“The citizens are the direct beneficiaries of the activities or projects captured in the composite budget, hence their involvement is key and they also monitor the activities or projects implemented in their various localities to enhance developments. For example, a CHPS Compound was monitored by the people of Gbrima community in Sagnarigu Municipal Assembly and it was identified that the toilet caved in at the time it was not yet handed over. This was brought to the attention of the Assembly and the contractor was notified to correct the defect which he did” (Municipal Planning Officer, January, 2019; Sagnarigu).

From the foregoing revelations, it could be deduced that in the selected district, the MMDAs followed the guideline as stated in the document review regarding the processes of composite budgeting. This is because the key players such as decentralized departments,

the central administration, the regional coordinating council and assemblymen all indicated their active participation in the preparation and implementation and monitoring of projects. Thus, the expectation is that the foregoing positive complements regarding the processes of composite budgeting should translate into satisfying the needs of local development at the grassroots level.

#### **4.5 The Effects of the Composite Budgeting Process on Service Delivery**

The essence of implementing composite budgeting was to enable MMDAs channel resources to positively affect service delivery at the local grassroots' level through participatory development. In this section, the views of the respondents were sought about the effects of composite budgeting process in the selected districts. Table 11 contains a summary of responses from various participants.





|                        |  |  |  |  |  |
|------------------------|--|--|--|--|--|
| Sagnarigu<br>Municipal | <ul style="list-style-type: none"> <li>✓ It helps to bring departments budgets together</li> <li>✓ Ceilings are used to guide budgets preparation</li> <li>✓ The composite budget can easily be tracked since the activities are coded with the corresponding budget up to the point of its expenditure</li> </ul> | <ul style="list-style-type: none"> <li>✓ Plan ahead of time</li> <li>✓ It ensues judicious use of resources</li> <li>✓ It helps track the expenditure of the assembly</li> <li>✓ It helps to stick to planned activities during implementation</li> <li>✓ The programme based budgeting is tied to the objectives of the projects resulting in proper accountability.</li> </ul> | <ul style="list-style-type: none"> <li>✓ Plan ahead of time</li> <li>✓ Ensure good quality of projects provided to the communities</li> <li>✓ Departments budgets were well integrated into the composite budget</li> <li>✓ Involved in the monitoring of programmes and projects in the Municipality</li> </ul> | <ul style="list-style-type: none"> <li>✓ Ensure that their electoral areas aspiration and needs are incorporated into the budgets</li> <li>✓ Involved in the monitoring of projects to ensure quality of projects are met</li> </ul> | <ul style="list-style-type: none"> <li>✓ Daily monitoring of programmes and projects in our communities</li> <li>✓ Report observation to the Assembly and contractors to ensure quality</li> </ul> |
|------------------------|--|--|--|--|--|





|                   |  |   |  |  |  |
|-------------------|--|---|--|--|--|
|                   | <p>preparation</p> <p>✓ The composite budget can easily be tracked since the activities are coded with the corresponding budget up to the point of its expenditure</p> | <p>assembly</p> <p>✓ It helps to stick to planned activities during implementation</p> <p>✓ The programme based budgeting is tied to the objectives of the projects resulting in proper accountability.</p> | <p>budgets were well integrated into the composite budget</p> <p>✓ Involved in the monitoring of programmes and projects in the Municipality</p> | <p>the budgets</p> <p>✓ Involved in the monitoring of projects to ensure quality of projects are met</p> | <p>✓ Report observation to the Assembly and contractors to ensure quality</p> <p>✓</p> |
| Kumbungu District | <p>✓ It helps to bring departments budgets together</p>  | <p>✓ Plan ahead of time</p> <p>✓ It ensues judicious use of resources</p>   | <p>✓ Plan ahead of time</p> <p>✓ Ensure good quality of projects provided to the communities</p>   | <p>✓ Requested list of needs and aspiration of their electoral areas</p>                                 | <p>✓ Daily monitoring of programmes and projects in our communities</p>                |

|   |   |  |
|---|---|--|
| tracked since the activities are coded with the corresponding budget up to the point of its expenditure | ✓ during implementation The programme based budgeting is tied to the objectives of the projects resulting in proper accountability. | monitoring of programmes and projects in the Municipality ✓ Offers opportunity for departments to know what other departments were doing |
|---|---|--|

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Source: Field Transcript, 2019





In this section, views were explored on the effects of composite budgeting process on service delivery in the selected districts. *The results from the interview points to the fact that composite budgeting has helped to bring departments budgets together.* For instance, a participant noted that “ before the introduction of composite budgeting system, departments were preparing separate budgets but the introduction of the composite budgeting system has helped to bring departments budget into a single budget for smooth implementation and to avoid duplication of projects and programmes” (Chief Budget Analyst, January, 2019, RCC)

Also, another participant noted that “resources were scarce and the introduction of the composite budget and implementation has brought judicious use of resources” (District Budget Analyst, January, 2019, Kumbungu).

It was further said by another participant that, “...*through the composite budgeting process, district assemblies have been able to prioritize the needs and aspiration of the communities and captured them into the district annual budget for quality provision of projects*” (Municipal Planning Officer, January, 2019, Sagnarigu).

On the part of decentralized department’s informants, they lamented that, though composite budgeting over the years had significant positive impact in the areas of educational projects, health projects, water and sanitation, food security and welfare of the citizenries, there were also shortfalls due to ‘budget cut’ by the MMDAs when releasing fund for projects and programmes execution. It was found that, though some infrastructural projects have been built through composite budget, it took so many years (i.e. approximately 5 – 10 years) before completion, because funds were not released timely to the assemblies to pay contractors. Some of the illustrations put forward were:



*“...after the approval of the composite budget with the associated activities and costed budget, if there is budget cut, it affects interventions rendered to the people within the districts. Example, as at last year 2018, GES budgeted ten activities to be implemented but only five (5) activities budgeted funds were released, this actually affected the remaining five activities which budgets were not released ” (GES Director, January, 2019, Sagnarigu).*

*“Also, delay in the release of the funds affects the implementation of departmental activities. This is because many departmental activities are time bound activities and if monies are not released early it affects the operation of the departments. Example, most Agriculture activities such as maize cultivation, soya beans and rice cultivation activities are time bound activities. Last year, the assembly released funds for farmers’ education on best farming methods late and that affected the intervention” (MOFA Director, January, 2019, Kumbungu).*

*“...the impact is very poor in health, as said in Daboya for example, the assembly only supports the Ring Project which is only limited to nutrition and neglect other critical health sector interventions” (GHS Director, January, 2019, Daboya).*

Notwithstanding the foregoing narratives, there were other positive sentiments shared by decentralized departments’ informants. Some of such benefits of composite budgeting on departments service delivery include the following:



*“...composite budget system gives the assemblies and the departments the opportunity to plan ahead to ensure that the composite budget guidelines are implemented to meet the objectives of the MMDAs. The guidelines outlined how the composite budget planning process should go and how the implementation monitoring and evaluation should be carried out.*

It offers the opportunity for various departments to know what other departments are doing with regards to their interventions. The composite budget captured activities in various thematic areas such as social development, economic development, environment, infrastructure and human settlements and governance, corruption and public accountability.

It gives departments the opportunity to lobby to ensure that certain key programmes or projects are given attention by the district assemblies and other stakeholders who matter in the district's development.

It gives departments the opportunity to be part of the composite budget system in the district assemblies. The district assemblies cannot produce a comprehensive composite budget to cover the entire districts without the decentralized department's involvement. The decentralized departments budgets and inputs are key since they are the implementers of the composite budget system in the districts.

Departmental plans are adhered to in the implementation of the composite budget. All the departments' activities and budgets are costed in the budget and strictly followed to deliver services to the beneficiaries. The plans intend to improve infrastructure of schools, health facilities among others



On the part of Assembly members, informants were asked how composite budgeting process had helped to meet the needs of their people. Out of the nine informants, six respondents agreed that the assemblies' budget over the past years of implementing composite budget met the needs of their electoral areas. Some of the views shared were as follows:

*“...the assembly members are always asked to submit list of projects we want to be implemented in various electoral areas for the assembly to incorporate into their plans and budgets every year to enhance the electoral areas developments...this we always do and there have been positive results. Some of the projects identified include; construction of schools, construction of CHPS compound, provision of electricity, drilling and installation of boreholes, re-graveling of roads, etc. These have been implemented because during the preparation of the community action plans, the assembly members were involved in the process and highlighted what projects they want the assemblies to implement in each electoral areas” (Assembly member, January, 2019, Sagnarigu).*

On the other hand, those who 'disagreed, believed the assemblies' budgets did not cover the needs and aspirations of their electoral areas. They cited lack of development projects in their electoral areas as reasons for their disagreement with the benefits of composite budgeting.

That notwithstanding, some other positive sentiments shared included:

- composite budgeting process has helped departments to execute their planned activities;
- it gives the assemblies the direction as to where to provide a project or programme;
- it enhances participation in the district as well as at the community levels; and lastly,
- it shows transparency in implementing the composite budget.

Appendix 1 show evidence of project pictures and locations gathered from the field.

#### **4.6 Factors Affecting the Composite Budgeting Process**

The composite budgeting process was said to have impacted positively on service delivery within the selected districts. This is however not without challenges. Table 13, presents primary data from the interviews granted. Secondary information was also picked from the assemblies desk for comparative discourse on the factors affecting the composite budget process in the selected district assemblies





**Central  
administration**

- |   |  |   |  |   |  |
|---|--|---|--|---|--|
| <ul style="list-style-type: none"><li>✓ Difficulties in getting information from the decentralise departments</li><li>✓ In-adequate capacity of staff</li><li>✓ Un-timely preparation of the Annual Actions Plans</li><li>✓ Difficulties in internet connectivity</li></ul> | <ul style="list-style-type: none"><li>✓ Inadequate logistics</li><li>✓ Inadequate funds</li><li>✓ Untimely release of funds</li><li>✓ Inadequate revenue generation</li><li>✓ Some directive from Central government to implements projects that are not captured in the budget</li><li>✓ Frequent change of government</li><li>✓ Local political interference</li><li>✓ Inadequate adherence to Monitoring and Evaluation</li></ul> | <ul style="list-style-type: none"><li>✓ Difficulties in getting information from the decentralise departments</li><li>✓ In-adequate capacity of staff</li><li>✓ Un-timely preparation of the Annual Actions Plans</li><li>✓ Difficulties in internet connectivity</li></ul> | <ul style="list-style-type: none"><li>✓ Inadequate logistics</li><li>✓ Inadequate funds</li><li>✓ Untimely release of funds</li><li>✓ Inadequate revenue generation</li><li>✓ Some directive from Central government to implements projects that are not captured in the budget</li><li>✓ Frequent change of government</li><li>✓ Local political interference</li><li>✓ Inadequate adherence to Monitoring and Evaluation</li></ul> | <ul style="list-style-type: none"><li>✓ Difficulties in getting information from the decentralise departments</li><li>✓ In-adequate capacity of staff</li><li>✓ Un-timely preparation of the Annual Actions Plans</li><li>✓ Difficulties in internet connectivity</li></ul> | <ul style="list-style-type: none"><li>✓ Inadequate logistics</li><li>✓ Inadequate funds</li><li>✓ Untimely release of funds</li><li>✓ Inadequate revenue generation</li><li>✓ Some directive from Central government to implements projects that are not captured in the budget</li><li>✓ Frequent change of government</li><li>✓ Local political interference</li><li>✓ Inadequate adherence to Monitoring and Evaluation</li></ul> |
|---|--|---|--|---|--|



|                               |  |  |  |
|-------------------------------|--|--|--|
|                               | notices to prepare their departmental plans and budgets and submit to the district assemblies                                | notices to prepare their departmental plans and budgets and submit to the district assemblies                                | notices to prepare their departmental plans and budgets and submit to the district assemblies                                |
|                               | ✓ Assembly's projects or programmes are always given attention as <b>compared</b> to the department's activities or projects | ✓ Assembly's projects or programmes are always given attention as <b>compared</b> to the department's activities or projects | ✓ Assembly's projects or programmes are always given attention as <b>compared</b> to the department's activities or projects |
|                               | ✓ Untimely releases of the funds   | ✓ Untimely releases of the funds   | ✓ Untimely releases of the funds   |
|                               | ✓ Bureaucracy  | ✓ Bureaucracy  | ✓ Bureaucracy  |
| Assembly men/ Unit committees | ✓ Low involvement on the part of unit committees and traditional authorities   | ✓ Low involvement on the part of unit committees and traditional authorities   | ✓ Low involvement on the part of unit committees and traditional authorities   |

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Source: Field Transcript, 2019





From the interviews, respondents had mixed reactions to factors affecting composite budgeting process. Respondents from the RCC believed that the MMDAs did not have full complement of staff to prepare and implement composite budget. Respondents from the central administration do not think staffing is an issue affecting composite budgeting at the district level but rather logistical capacity to effectively and efficiently carry out composite budgeting and activities. They backed their responses by arguing that “there were sufficient numbers of officers in all fields and ranks with the requisite skills and knowledge, though some of them still required capacity building training for them to be effective in carrying out composite budgeting properly. They acknowledged some permanent officers and recently the Nation Builders Corp (NaBCo) trainees posted to the assemblies were given capacity building training in varied fields. Attesting to the kind of capacity building training staff members at the central administration were given, below are some extracts from different respondents who shared their opinions:

“...early this year, some staff of the assembly including myself were taken through programme based budgeting training. This is the type of budget that harmonizes the department’s budgets together and avoids duplication of department’s activities. Example, if Ghana education services budget captured purchase of stationary and Department of Agriculture budget captured same, the programme based budget will put all in one programme instead of separating them as individual activities” (Municipal Budget Officer January, 2019, Sagnarigu).

“...as part of the assembly capacity building training for staff, colleagues staff members and myself were taken through budget preparation training around May – June, 2018. This usually happens to guide planning officers and budget officers on



how to use the composite budget guideline issued to prepare the district's composite budget...the training is usually organized by the Regional Coordinating Council or Ministry of Finance to build the capacity of staff before the commencement of the budget preparation" (District Budget Officer, January, 2019, Daboya).

"...I was taken through financial reporting and auditing training last year, somewhere August, 2018. This was targeted to build capacity of staff on how to do proper reporting and auditing with regards to the use of the composite budget and in consonance with Public Sector Financial Administration and International Financial Reporting Standards...organized by the MOF" (District Budget Officer , January, 2019, Kumbungu).

"I was also taken through citizen's participation training. The purpose was to build the capacity of staff for them to know the importance of involvement of citizens in plans and budget preparation. This helped us do our own plans and budgets involving the community people since the activities or projects captured in the plans and budgets are to their benefits" (District Planning Officer, January, 2019, Daboya).

"Also, I was taken through identification of potential human resource to be involved in preparation of the composite budget. The purpose was to build the capacity of MMDAs staff to know how to identify and select appropriate human resource to assist in preparation of the composite budget for effective delivery" (District Budget Officer, January, 2019, Kumbungu).

"I took part in participatory planning and budgeting training. The purpose was to build capacity of staff on the importance of the involvement of stakeholders in planning and

budgeting to meet the objectives of effective composite budget” (Municipal Planning Officer, January, 2019, Sagnarigu)

“I also took part in social accountability and reporting training. The purpose was to build the capacity of social workers at assemblies to release the importance of holding public accountability forums with the people. This will help community people know better how funds released to finance the composite budget were used to enhance developments of the districts” (District Finance Officer, January, 2019, Kumbungu).

On logistics, it was found that each district was equipped with some logistics such as computers, printers, scanners, flip charts, markers, projectors, vehicles and motorbikes to be used to prepare composite budget but they were inadequate. Also, in all the districts, they bemoaned the inadequate money for fuel which affect movement to communities to pick information and hold meetings with them. In general terms, participants from the central administration bemoaned the following as challenges affecting composite budget processes in the assemblies:

- ✓ Inadequate logistics. Every year there are funds budgeted for the preparation of the composite budget in the approved budget but when it is time for the preparation of the budget all the needed funds will not be released to execute the process of the budget. Also, even sometimes logistics such as fuel and vehicles to move to communities, area and zonal councils to pick their needs and aspiration are being challenged.
- ✓ .Late release of funds: Untimely release of funds is also challenging. Sometimes the monies that will be released from the central government does not normally



come at the time that they are expected. Example, the first quarter funds sometimes is received from the second quarter or third quarter of every year.

- ✓ Poor alignment of the composite budget to the annual action plan. There were situations where the activities in the budget were not in the annual action plans of the districts. This was deemed not to be good practice, as the activities in the costed budget should be in the annual action plans of the district assemblies.
- ✓ Lack of understanding on the required process by some heads of departments and some other stakeholders. Most of the heads of department do not have adequate knowledge on how the process of the composite budget works. That is by the use of the ceilings to come out with their budgets which is supposed to be incorporated into the district's budget.
- ✓ Low turnout of stakeholders in the planning and composite budgeting process. Most often the stakeholders do not attach seriousness to the assemblies planning and budgeting process because they feel that every year the assemblies take their needs and aspirations but nothing comes out of those plans and budgets.
- ✓ MLGRD ceilings restrict the districts ceilings. Most often the MLGRD guidelines direct the districts to come out with their ceilings but mostly there are situations where the MLGRD guidelines will restrict the districts guidelines not to charge above certain items in the guidelines. For example, in Kumbugu District Assembly the district budget analyst revealed that in 2016 guidelines the MLGRD said Telecommunication Company tour should be charged GH¢120 and the district budget committee charged it GHC1100 per year, hence there was no way the budget committee could charge something more than what was approved by the MLGRD.





- ✓ Late release of the guidelines by MOF and MLGRD. The guidelines are supposed to be issued in March every year to enable the RCC to organize workshops for planning officers and budget officers towards the preparation of the Annual Action Plans as well as the composite budget. However, most often it is normally released in April or May which sometimes affects the districts. Instead of finishing it latest by 30<sup>th</sup> September every year it is normally extended to October, November, or December each year.
- ✓ Inadequate revenue generation. There are various sources of funding such as (central government transfers-DACF, DDF; IGF; Donor and grants) that are used to finance the composite budget. Unfortunately, the internally generated funds which is one of the sources of funding is often very limited. Most often the assemblies do not generate enough revenue to implement the composite budget successfully. For example, as pertaining to Kumbungu and North Gonja Districts where respondents indicated that the IGF generated is not adequate to embark on infrastructure projects due to poor revenue mobilization, low economic activities, unwillingness of the people to pay taxes and political interference.
- ✓ Directive from Central government to implements projects that are not captured in the budget. There are times the central government will release the district assembly common fund and task the assemblies to use those monies to do specific projects which are not part of the District's Annual Action Plans as well as the composite budget.
- ✓ Frequent change of government and lack of continuity of projects affect the implementation of the composite budget. Every year the districts do annual budget

review to assess their achievements and roll over the projects which they were not able to implement. When there is a change of government, the new government normally puts such projects aside to concentrate on their own prioritized projects which sometimes affect the implementation of the composite budget.

- ✓ Local political interference. pressuring officers to deviate from the plans and budgets
- ✓ Change of needs at the time of preparation and the time of implementation of the budget
- ✓ Inadequate funds resulting not completing projects on time.
- ✓ Inadequate adherence to monitoring and evaluation. All successive composite budgets have monitoring and evaluation components. However, most often the budget and planning officers do not get these monies to do effective Monitoring and Evaluation on the programmes and projects implemented.



## CHAPTER FIVE

### SUMMARY, CONCLUSION AND RECOMMENDATION

#### 5.0 Introduction

Chapter five summarises the research findings, the conclusion drawn and recommendations made based on the findings.

#### 5.1 Summary of Findings

This section presents the summary of the research findings in respect of the specific objectives stated in Chapter One.

##### 5.1.1 The Composite Budgeting Processes at the Assemblies

The study sought to find out the processes involved in the composite budgeting at the MMDA level. Findings from the study revealed that the process followed by the MMDAs were in line with the guidelines issued by NDPC, MOF and MLGRD. There were also no variations in the application of the guidelines across the districts. However, the

Traditional Authorities and Unit Committee members were not adequately integrated into the process.

##### 5.1.2 The Effects of the Composite Budgeting Process on Service Delivery at the Assembly Level.

Regarding the effects of the composite budgeting, the findings revealed that, decentralised departments had seen positive improvement in the quality of infrastructure projects. It helped departments and communities to execute their planned activities and thus there has been increased educational projects, health projects, water and sanitation, food security and welfare of the citizenries. It also offered the assemblies the direction as to where to provide





what projects or programmes; enhanced citizen participation in the districts as well as at the community levels; and lastly, it enhanced transparency in implementing projects.

### **5.1.3 Factors Affecting the Implementation of Composite Budget at the Assembly Level**

It emerged that in all the selected districts, the staff strength in some key positions were woefully inadequate to support effective administration.

The challenging factors identified which affected the smooth implementation were enormous and include: inadequate logistics, late release of funds, poor alignment of the composite budget to the annual action plan, lack of understanding on the required process by some heads of department and some other stakeholder, low turnout of stakeholders in the planning and composite budgeting, the MLGRD ceilings restricted with the districts ceilings, late release of the guidelines by MOF and MLGRD, inadequate revenue generation, some directive from Central Government to implement projects that were not captured in the budget, lack of continuity of projects affecting the implementation of the composite budget, local political interference pressuring officers to deviate from the plans and budgets, change of needs at the time of preparation and the time of implementation of the budget and inadequate adherence to monitoring and evaluation. The foregoing among others were mentioned as factors that impacted negatively on the smooth implementation of composite budgeting.

### **5.2 Conclusion**

With regards to the composite budgeting process it was noticed that the processes as stated in the Local Government Guideline and MMDAs composite budget guidelines, procedures were followed. With regards to whether the processes were accorded and executed within



the scheduled timelines as stipulated in the guideline, it emerged that all districts failed to meet the timelines

On the effects of composite budgeting on service delivery at selected districts, the findings suggest composite budgeting improved both quality of physical and non-physical programmes and projects.

In a nutshell, there were numerous factors that challenged the smooth implementation of composite budgeting which made MMDAs unable to meet the needs of communities and decentralised departments. These include; inadequate logistics for revenue mobilization, public education and sensitization on issues, late release of funds from central government to implement projects or service delivery, poor alignment of the composite budget with the annual action plan, lack of understanding on the required process by some heads of departments and some other stakeholders, low turnout of stakeholders in the planning and composite budgeting meetings, MLGRD ceilings restricted the districts ceilings affecting implementation and / or execution of projects and programmes among others.

The results found MMDAs contextual factors such as local administrative capacity context; complexities of the local political context; local financial management; civil society involvement were not well enhanced to fit well with what is stated in the national policy guidelines by key actors as in the NDPC; MOF (i.e. composite budget manual); and MLGRD reports.



### 5.3 Recommendations

Based on the analysis in the foregoing chapter, the researcher recommends the following for MMDAs to improve upon the composite budget process and implementation to influence service delivery positively. These include;

1. District Assemblies in consultation with the MOF should ensure that the action plans prepared based on the needs and aspiration of the people are properly aligned with the composite budget to improve the budgeting processes at the assemblies' level.
2. The MLGRD in consultation with MOF should build the capacity of the departments who are part of the composite budgeting process. This can be achieved through regular capacity building training for departmental heads to gain adequate knowledge and improve the effectiveness of the composite budgeting processes at the district assemblies. This is because most heads of departments complained that they do not have much knowledge on how the process is carried out up to the implementation stage. Thus, if their capacities are enhanced it will help to enhance the effectiveness of the process.
3. The district Assemblies should actively involve stakeholders such as the traditional authorities and Unit Committees in the composite budgeting process to contribute and ensure the effective processes are done in the district assemblies. For instance, chiefs and Unit Committee Members complained they have not been involved in the preparation of composite budgeting, thus they are unable to contribute to ensure that their needs are met.
4. The MOF should always issue the guidelines in first quarter to district assemblies to help them start the preparation of the composite budget early. This is because, the



district assemblies complained that they received the composite budget guidelines late hence it affected the process. Thus, it is suggested that if the guidelines are issued early with adequate resources and logistics; it will help them prepare the composite budget smoothly without any hindrance. This will aid districts prepare and approve their budgets latest by September of every year, which the guide lines recommend.

5. Finally, the MLGR should allow the districts to use their own budget ceilings without restricting the districts to their ceilings. This will help the districts prepare the composite budget to ensure that it is aligned with local needs and priorities.



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**APPENDICE**

**APPENDIX I**

**PHYSICAL PROJECTS**

**KUMBUNGU DISTRICT ASSEMBLY**

Construction of 1no.3 Unit Classroom Block With Office, Store and Other Ancillary at Nyerizegu



Construction of 1no.3 Unit Classroom Block With Office, Store and Other Ancillary at Singa



Construction of 1No.CHPS Compound at Gizaa-Gundaa





Construction of 1No.CHPS Compound at Jagbo



**SAGNARIGU MUNICIPAL ASSEMBLY**

Gbruma Chps Compound



Nyanshegu Chps Compound



Constructed borehole with hand pump at Damankuyilli



6-Unit Class Classroom Block With Ancillary Facilities At Damankunyilli



Ongoing 3-Unit Class Room Block With Office And Store And Two Open Urinals At St. Charles Lwanga R/C Primary Malshegu



## **NORTH GONJA DISTRICT**

Construction of class room block at Yazori



Construction of CHPS at Kuporto



Borehole drilling at Kuportu



Support for PWDs at Daboya



Furniture for schools at Daboya



Source: Field Study, January, 2019



**APPENDIX 2**

*Table 10: District Assemblies Human Resource Capacity as in Selected Departments/Units*

| S/N                                  | Departments/Units                          | Number existing | Required number (Local Government Service, 2012) | Gap | Remarks  |
|--------------------------------------|--|-----------------|--|-----|----------|
| <b>NORTH GONJA DISTRICT ASSEMBLY</b> |  |                 |  |     |          |
| 1                                    | Administration                             | 4               | 4  | 0   | Balanced |
| 2                                    | Development Planning                       | 5               | 4  | 1   | Positive |
| 3                                    | Budget and rating department               | 2               | 4  | -2  | Negative |
| 4                                    | Internal audit unit                        | 2               | 3  | -1  | Negative |
| 5                                    | Works department                           | 4               | 7  | -3  | Negative |
| 6                                    | Community development /social welfare unit | 4               | 3  | -1  | Negative |
| 7                                    | Finance department                         | 3               | 6  | -3  | Negative |
| 8                                    | Procurement/supply-store keeper            | 1               | 2  | -1  | Negative |
| 9                                    | Environmental                              | 12              | 8  | 4   | Positive |
| 10                                   | Physical planning department               | 0               | 5  | -5  | Negative |
| 11                                   | Human resource                             | 1               | 4  | -3  | Negative |
| 12                                   | Records                                    | 1               | 2  | -1  | Negative |
| 13                                   | Statistics                                 | 0               | 2  | -2  | Negative |
| 14                                   | Revenue                                    | 1               | 13   | -11 | Negative |
| 15                                   | Management information officer             | 0               | 5  | -5  | Negative |
| <b>KUMBUNGU DISTRICT ASSEMBLY</b>    |  |                 |  |     |          |
| 1                                    | Administration                             | 4               | 4  | 0   | Balanced |
| 2                                    | Development Planning                       | 4               | 4  | 0   | Balanced |
| 3                                    | Budget and rating department               | 3               | 4  | -1  | Negative |
| 4                                    | Internal audit unit                        | 2               | 3  | -1  | Negative |
| 5                                    | Works department                           | 2               | 7  | -5  | Negative |







|    |  |   |    |     |          |
|----|--|---|----|-----|----------|
| 6  | Community development /social welfare unit | 5 | 3  | 2   | Positive |
| 7  | Finance department                         | 4 | 6  | -2  | Negative |
| 8  | Procurement/supply-store keeper            | 1 | 2  | -1  | Negative |
| 9  | Environmental                              | 5 | 8  | -3  | Negative |
| 10 | Physical planning department               | 0 | 5  | -5  | Negative |
| 11 | Human resource                             | 2 | 4  | -2  | Negative |
| 12 | Records                                    | 1 | 2  | -1  | Negative |
| 13 | Statistics                                 | 0 | 2  | -2  | Negative |
| 14 | Revenue                                    | 2 | 13 | -11 | Negative |
| 15 | Management information officer             | 0 | 5  | -5  | Negative |

**SAGNARIGU MUNICIPAL ASSEMBLY**

|    |  |   |    |     |          |
|----|--|---|----|-----|----------|
| 1  | Administration                             | 4 | 5  | -1  | Negative |
| 2  | Development Planning                       | 5 | 5  | 0   | Balanced |
| 3  | Budget and rating department               | 4 | 5  | -1  | Negative |
| 4  | Internal audit unit                        | 3 | 4  | -1  | Negative |
| 5  | Works department                           | 4 | 11 | -7  | Negative |
| 6  | Community development /social welfare unit | 4 | 3  | -1  | Negative |
| 7  | Finance department                         | 7 | 9  | -2  | Negative |
| 8  | Procurement/supply-store keeper            | 3 | 3  | 0   | Balanced |
| 9  | Environmental                              | 6 | 10 | -4  | Negative |
| 10 | Physical planning department               | 1 | 6  | -5  | Negative |
| 11 | Human resource                             | 2 | 2  | 0   | Balanced |
| 12 | Records                                    | 2 | 6  | -4  | Negative |
| 13 | Statistics                                 | 3 | 3  | 0   | Balanced |
| 14 | Revenue                                    | 3 | 18 | -15 | Negative |
| 15 | Management information officer             | 1 | 5  | -4  | Negative |

*Source: Local Government Service Scheme of Work, 2012 and Document Review in Selected Districts, 2019*

APPENDIX 3

UNIVERSITY FOR DEVELOPMENT STUDIES, WA

DEPARTMENT OF GOVERNANCE AND DEVELOPMENT MANAGEMENT

MPHIL. DEVELOPMENT MANAGEMENT

INFORMED CONSENT FORM

Investigator: Sulemana Tahidu

Good morning/afternoon/evening. I am an Mphil student undertaking an academic research on “assessment of the process of composite budgeting in decentralized planning and management in the selected Districts in Northern Region of Ghana”. I would like to ask you a number of questions on the phenomenon being studied and will appreciate if you will permit me your time. The information you will provide will be used solely for academic purposes and your confidentiality is guaranteed. Hope your consent is solicited?

Yes [ ]      No [ ]

Thank You

**Interview guide for Central Administration staff**

**Demographic Questions**

DATE OF INTERVIEW.....Start Time      .....End Time.....

POSITION IN THE MA/DA..... QUALIFICATION.....

AGE..... MARITAL STATUS.....

SEX OF RESPONDENT [M]      [F]

NAME OF ASSEMBLY.....



Type of MMDA.....

Land size of MMDA.....

Population of MMDA.....

Does the MMDA secretariat have a full complement of staff? [Yes] [No]

.....

**Section A: Knowledge of composite budget processes and practices**

1. What is your understanding of the composite budget?

.....  
.....  
.....  
.....

2. Is there a Guideline for the preparation of Composite Budget? [Yes] [No]

4. If 'Yes' has your District complied with this Guideline? Yes] [No]

5. If 'No' why?.....

.....  
.....  
.....





6. What are the steps involved in the preparation of composite budget?

.....  
.....  
.....  
.....

7. Are there laid down procedures in the Local Governance Act, 2016 Act 936, followed for adopting the Assembly budget? [Yes] [No]

If Yes, how is it done?

.....  
.....  
.....  
.....

8. If No, why is it not followed?

.....  
.....

9. Do you have a functional Budget Committee in place? [Yes] [No]

10. How many times does the budget committee meet in a year?

.....  
.....



11. Does the Assembly prepare fee fixing resolution? [Yes] [No]

12. If yes, how is it done?

.....  
.....  
.....

13. If No, why?.....

.....  
.....

14. Mention the stakeholders involved in coming out with the fee fixing resolution?

.....  
.....  
.....

15. How many times do you organize public hearing on the budget in year?

.....  
.....  
.....  
.....



16. What time does your assembly approve your composite budge?

.....  
.....  
.....

17. How would you assess the process of composite budgeting in your Assembly?

.....  
.....  
.....  
.....

**SECTION B: Public Participation in Preparation of Composite Budget?**

1. What is your understanding of participatory budgeting?

.....  
.....  
.....

2. Is your budget preparation processes participatory? [Yes] [No]

3. If yes, explain .....

.....  
.....



4. If No, explain.....

.....  
.....  
.....  
.....

5. Do you have a functional DPCU? [Yes] [No]

6. If yes, how many times do they meet in a year?

.....  
.....  
.....  
.....

7. If No, why.....

.....  
.....  
.....  
.....

8. Does the Assembly involve citizens in the preparation of the composite budget?

[Yes] [No]

9. If yes, how?

.....  
.....



.....  
.....

**10.** Does your Assembly budget cover the needs of your electoral area in the last four years?

[Yes] [No]

11. If No, Give reasons.....

.....  
.....  
.....

11. Has your electoral area benefited from the Assembly's composite budget in the last four years? [Yes] [No]

12. If yes, Give reason

.....  
.....

13. If No, Give reason.....

.....  
.....  
.....  
.....



**SECTION C: Capacity for MPCU/DPCU and budget committee for delivery of services**

1. Do you think the Assembly have the human resources and logistical capacity to effectively and efficiently carry out composite budgeting? [Yes] [No]

2. If yes give reasons.....

.....

.....

.....

.....

.....

.....

3. If No, give reasons.....

.....

.....

.....

.....

.....

.....

4 In the past four years have you received any capacity building training in preparation of composite budget? [Yes] [No]



5. If yes, list the type of training received

.....

.....

.....

.....

.....

6. Does the Assembly have the needed logistical support for the preparation of the composite budget [Yes] [No]

7. Explain your answer.....

.....

.....

.....

**SECTION D: Factors hindering implementation of decentralized planning and composite budgeting**

1. What are the challenges affecting composite budget process in your assembly?

.....

.....

.....





2. In your estimation what do you think are the factors hindering effective implementation of composite budget at the Assembly?

.....  
.....  
.....  
.....  
.....

**SECTION F: Revenue mobilization and composite budget implementation**

1. What are the main sources of funding or revenue for the implementation of the composite budget activities?

.....  
.....  
.....  
.....  
.....  
.....

2. In order of priority, state which of the above main sources of funding or revenue provides the District Assembly the highest revenue:

1<sup>st</sup> .....

2<sup>nd</sup> .....

3<sup>rd</sup> .....

4<sup>th</sup> .....

5<sup>th</sup> .....

3. Does the Assembly generate more revenue for the implementation of the composite budget?[Yes] [No]

Give reasons for your choice:

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.....  
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4. What are the challenges confronting revenue mobilisation in your District?

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5. What are the strategies the Assembly can do to help improve revenue generation?

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**SECTION G: Impact of composite budget on service delivery**

1. Does the composite budget help in proper accountability? [Yes] [No]

Give reasons for your choice.....

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2. Does the composite budget help to minimize duplication of resources at Assembly level?

[Yes] [No]

Give reasons for your choice.....

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3. Does the composite budget help in the bottom up approach to accelerate development?

[Yes] [No]

Give reasons for your choice.....

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4. Does composite budgeting enhance development at the local level? [Yes] [No]

Give reasons for your choice.....

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**SECTION H: Monitoring and Evaluation**

1. Does your assembly monitor the implementation of the composite budget? Yes b) No

2. If yes, how .....

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3. What are the challenges affecting the monitoring and evaluation of the composite budget?

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4. How can these challenges be improve to ensure a successful evaluation of Composite Budget Implementation?

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**SECTION I: Challenges of composite budget preparation and implementation**

1. What are the challenges with Composite Budget preparation in your assembly?

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2. What are the challenges with implementation of Composite Budget in your assembly?

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**SECTION J. RECOMMENDATION**

1. In your opinion what can be done to improve composite budgeting processes at the Assembly?

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2. In your opinion what can be done to improve on the composite budget implementation?

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3. In your opinion what can be done to mitigate factors affecting the implementation of composite budgeting at the assembly?

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4. In your opinion what can be done to enhance the smooth implementation of the composite budget system?

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**THANK YOU**

**END OF INTERVIEW**



**UNIVERSITY FOR DEVELOPMENT STUDIES, WA**

**DEPARTMENT OF GOVERNANCE AND DEVELOPMENT MANAGEMENT**

**MPHIL. DEVELOPMENT MANAGEMENT**

**INFORMED CONSENT FORM**

Investigator: Sulemana Tahidu

Good morning/afternoon/evening. I am an Mphil student undertaking an academic research on “assessment of the process of composite budgeting in decentralized planning and management in the selected Districts in Northern Region of Ghana”. I would like to ask you a number of questions on the phenomenon being studied and will appreciate if you will permit me your time. The information you will provide will be used solely for academic purposes and your confidentiality is guaranteed. Hope your consent is solicited?

Yes [ ]      No [ ]

Thank You

**Interview guide for key staff at RCC**

**Demographic Questions**

DATE OF INTERVIEW.....Start Time      .....End Time      .....

Position at RCC.....      QUALIFICATION.....

AGE.....      MARITAL STATUS.....

SEX OF RESPONDENT    [M]      [F]





1. What is your understanding of the composite budget?

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2. Is there a Guideline for the preparation of Composite Budget? [Yes] [No]

3. If 'Yes' HOW are the MMDAs following the guide lines in preparing the composite budget?

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4. If 'No' why?

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5. In your opinion what are the achievements of composite budget among MMDAs?

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6. In your opinion what are the challenges of preparation of composite among MMDAs?

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7. In your opinion what are the challenges of implementation of composite budget among MMDAs?

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8. In your opinion what are the recommendations to improve smooth preparation of composite budget among MMDAs?

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9. In your opinion what are the recommendations to improve smooth implementation of composite budget among MMDAs?

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**THANK YOU.**

**END OF INTERVIEW.**



**UNIVERSITY FOR DEVELOPMENT STUDIES, WA**

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Yes [ ]      No [ ]

Thank You

**Interview guide for decentralize departments**

**Demographic Questions**

DATE OF INTERVIEW.....Start Time.....End Time.....

Name of department..... QUALIFICATION.....

AGE..... MARITAL STATUS.....

SEX OF RESPONDENT [M] [F]





1. What is your understanding of the composite budget?

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2. Is your department a member of the budget committee? [Yes] [No]

3. How often do you participate in the budget committee meeting?

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4. Does your department take part in the preparation of the composite budget?

[Yes] [No]

5. If Yes, What is your department's role in the preparation of the composite budget?

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6. What role does your department play in the implementation of the composite budget?

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7. How does the implementation of the composite budget affect the operations of your department?

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8. How will you rate the release of funds to your department for your activities?

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9. Mention advantages of the composite budget system to your department.

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10. Mention challenges of the composite budget system to your department

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11. Mention recommendations that will enhance smooth implementation of the composite budget.

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**THANK YOU**

**END OF INTERVIEW**

**UNIVERSITY FOR DEVELOPMENT STUDIES, WA**

**DEPARTMENT OF GOVERNANCE AND DEVELOPMENT MANAGEMENT**

**MPHIL. DEVELOPMENT MANAGEMENT**

**INFORMED CONSENT FORM**

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Yes [ ]      No [ ]

Thank You

**Interview guide for Assembly members, unit committee members and traditional authorities**

**Demographic Questions**

DATE OF INTERVIEW.....Start Time.....End Time.....

Position..... QUALIFICATION.....

AGE..... MARITAL STATUS.....

SEX OF RESPONDENT [M] [F]





1. What is your understanding of composite budget?

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Which subcommittee do you belong to in the Assembly?

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Does the Assembly involve you in the preparation of the composite budget? [Yes] [No]

4, If yes, how? .....

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5. Have you been formally requested to submit projects for the attention of the Budget Committee?[Yes] [No]

If Yes, how often.....

.....  
.....

6. Is the annual action plan and budget presented by the budget committee to the FA Sub-committee for consideration? [Yes] [No]

7. Does your Assembly's budget cover the needs of your electoral area in the last four years? [Yes] [No]

If yes, Give reason.....

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If No, Give reason.....

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8. Has your electoral area benefited from the Assembly's composite budget in the last four years? [Yes] [No]

If yes, Give reason .....

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If No, Give reason.....

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9. Do you involve citizens of your electoral area in the preparation of the composite budget? [Yes] [No]

If no, why?

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10. Does composite budget enhance local participation in decision making? [Yes] [No]

Give reasons.....

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11. Does composite budgeting enhance economic growth and development at the local level? [Yes] [No]

Give reasons.....

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12. Mention advantages of the composite budget to your assembly or community

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13. Mention challenges of composite budget to your assembly or community

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14. Mention recommendations which can enhance the smooth implementation of the composite budget.

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**THANK YOU**

**END OF INTERVIEW**