



GOVERNANCE AND ECONOMIC MANAGEMENT ASSISTANCE PROGRAM GEMAP

Implemented by: IBI International

GEMAP Assists the Monrovia City Corporation in Improving Revenue Collection

Tax Revenue to Triple at MCC with GEMAP Assistance

Signboards are quick and visible ways for the MCC to raise tax revenue. USAID GEMAP completed the first recent physical census of signboards in Monrovia in December 2009. An audit of the 2009 invoices showed far less than what might reasonably be expected based on this census. Only 71 signboards were actually invoiced, out of 98 listed by the MCC, and the 2009 invoices showed a total of only \$32,152 charged, with unknown actual collections, while the list supplied by the MCC shows a projected invoice total of \$103,918, representing a serious shortfall of \$71,765. The actual multiple of revenues is estimated at triple. Furthermore, significant shortcomings were observed in the tax roll produced by the MCC: several large and well known businesses were conspicuously absent from the 2009 list. USAID GEMAP observed that the list of small and medium taxpayers obtained from the Ministry of Finance shows 4,160 entries, 418 more than the proposed MCC 2010 tax roll. There is no effective matching of invoices with funds received, nor is there any list of accounts in arrears.

To address some of these issues, USAID GEMAP designed and produced new invoices for building permits, as well as signboard and advertising fees, replacing the one inadequate general purpose invoice now used by the Monrovia City Corporation with something that captures the necessary information required, and reduces the threat from both leakage and rent seeking behavior. The arrival of USAID GEMAP funded equipment and software to automate financial management systems led to further cost reductions and revenue increases.

In response to a request from the Mayor of Monrovia, USAID GEMAP fielded a short-term financial advisor to implement recommendations arising from an assessment conducted by USAID GEMAP at the Monrovia City Corporation (MCC). The advisor reviewed and laid out the way forward to enhance internal controls, institute financial management systems, lead the automation of manual accounting processes, improve tax revenue administration, and build staff capacity in executing all these functions effectively through on-the job and regular training.

USAID GEMAP short-term technical advisors focused on instituting systematic controls concentrating on revenue. The efforts resulted in the potential impact of tripling the institution's revenue collections. Financial management systems have been automated with the institution of QuickBooks, and considerable staff training has taken place.