



Revenue Mobilization in Sub-Saharan Africa

**Reforms to enhance governance in tax
policy and revenue administration:
Ghana's experience**

Pre-1986: civil service

- Ghana has glamorous history of organizational reforms impacting on governance
- Originally, revenue admin. in core civil service
 - Revenue Division within Ministry of Finance and Economic Planning [MOFEP]
 - Two Departments, reasonably self-accounting:
 - Income Tax Department [ITD]
 - Customs and Excise Department [CED]
- Governance: MOFEP [with Dept Heads]; Office of Head of Civil Service [OHSC] & Public Services Commission [PSC]

1986-98: autonomy & corporate era

- Autonomy without a revenue authority [RA]
- ITD & CED removed from Civil Service [1986]
 - Internal Revenue Service [IRS]; Customs, Excise & Preventive Service [CEPS]; VAT Service [VATS]—1998
- **Corporate** features in revenue administration
- Apex: National Revenue Secretariat [NRS]
 - Policy or operational and civil or public service?
- Management and supervision
 - 3 separate Boards for IRS, CEPS and VATS
 - With **private sector** participation

1998-2009: shift to RA structure

- Revenue Agencies' Governing Board [RAGB]
 - NRS abolished and replaced with RAGB Secretariat
 - Executive Secretary [Ex. Sec.] but not a CG
 - IRS, CEPS & VAT Boards merged [still private sector]
 - Ex. Sec. & Commissioners as Executive Directors
- Structure retained Tax-Type organization
- Segmentation : Large Taxpayer Office [LTO]
- Tax Policy Unit (TPU) set up firmly in MOFEP

2009 to date: RA & CS era

- Ghana Revenue Authority [GRA] finally
 - GRA is apex body; 1 Board [GC is Exec. member]
 - Domestic Tax Division [DTD]: merged IRS/VATS
 - Customs Division [replaced CEPS]
 - Management Support Services Division
 - **Segmentation** and **functional** administration
- Growing influence of **legislature** [1992], **international bodies** & **civil society**
 - Civil Society especially with PFM & oil/gas issues
 - Transparency & banishing natural resource “curse”

Some selected issues

- Clear delineation of policy, management, supervisory & operations roles
- Corporate-style management
 - Are RA's living up to the task and challenge?
 - Continued role for private sector?
- Segmentation/functional administration
 - A necessary tool for local office governance
- Parallel [civil society & int. bodies'] reporting & governance structures [e.g., EITI, TI etc]
 - Protecting public or parochial interests?
 - Demands on fiscal institutions

Some selected issues

- PFM & revenue administration autonomy
 - Impact of Budget & financial accounting reforms
 - Re-emergence of Fiscal Committees/Councils [also the result of Global Crisis]
- Parliament [esp. Finance & Public Accounts C'ttees]
 - Will Parliament cede its ultimate public accountability role and responsibility?
 - Note recent debate on Ghana's Petroleum Revenue Management Bill
- Should stakeholders insist on "own" governance & accountability mechanisms?
 - Merits of "Country Systems" Agenda [Aid Effectiveness]