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COMPUTERIZED BUSINESS PREMISES REVENUE MANAGEMENT SYSTEM: (A CASE STUDY OF ETINAN LOCAL GOVERNMENT AREA)

Mbaba, Regina Christopher

Department of Business Admisnration, Akwa Ibom State Polytechnic, Ikot Osurua, Ikot-Ekpene, Nigeria

Corresponding Email: reginambaba@gmail.com

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ABSTRACT

Today more and more people are relying on information technology to perform their operation more efficiently. Computers are put to more use as tools of commerce, and education and they can no longer be looked at as luxury items. Etinan Local Government Council is a Local Government body that provides services for the people of the Local Government Area. It is in the process of establishing information technology department in an effort to computerize its operations and service delivery to the public. It is better at this time for the revenue department to come up with a computerized system that can be incorporated in the main system as part of improving operations and service delivery. The system study found that the entire system (manual) was very slow, prone to errors and hard to quickly generate integrated reports for fast decision – makings. This project has developed an automated alternatives to revenue management. The system records revenue collections made for Etinan Local Government area for different resources and divisions, generates periodical (monthly, quarterly and manual) revenue collection reports per resource and division and tracks the performance of different resources and divisions in terms of revenue collections to assist management in decision-making and as well salvage or eliminate the problems that associated with the manual system, inefficiently, labour, costs of business materials such as paper and loss of files and as well store information, retrieve and printing of daily revenue invoices for effective management.

INTRODUCTION

Revenue according to the Oxford Advance Learners Dictionary (7th Edition) is the money a government receives from taxes or that an organization receives from its business. Tax can simply be seen as a compulsory transfer or payment (or occasionally of goods and services) from private individuals, institutions or groups to government to provide infrastructure such as schools, capitals, good roads, portable water, electricity and sometimes pay its external debts. People pay tax according to their income (P.A.Y.E) pay as you earn, and business organization like banks and other small scale business outfit pay according to their profit. Government in this regard adopts a system that will enable her collect revenue or tax as due. Therefore, revenue management system is a system that specifies the modalities or method in which taxes and other levies are collected and managed.

Specifically Local Government Council is still using the manual method or system in its revenue collection from different source which includes property tax, trading license, street packing, taxi/Bus Pack Fees, Value Added Tax (VAT) and licenses etc.

1.1 BACKGROUND OF THE STUDY

Revenue collection has been the challenge of every growing city, is one of the greatest challenges facing Etinan Local Government Council today. Etinan Local Government internally generated revenue accounted for only 5.21%, 3.25%, 2.72% from the year 2010, 2011 and 2012 respectively. This is some extent has affected the council mitts effort to providing the much-needed infrastructure.

In its efforts to contend with the problem the council has evolve a plan to change from the manual revenue collection system to a computerized revenue management system. It is hope that this system will enable the chairman of the council to really access information on the total revenue collected.

This will also, make for efficient management of resources through the presentation of management such information that will facilitate efficient opportune planning and control.

1.2 STATEMENT OF THE PROBLEM

Currently, Etinan. L.G.A is still using a manual system for collecting and managing their revenue. The system is very slow, prone to errors and hard to quickly generate integrated reports for fast decision making. This formed the motivation for this study to provide an automated alternative to the current manual system used in revenue management.

1.3 AIMS AND OBJECTIVES OF THE STUDY

The objective of this project was to develop and implement a Computerized Revenue Management System for Revenue Collection and Management for Etinan Local Government Area.

1) To design and develop a computerize business premises revenue management system in Etinan Local Government Area.

2) To identify the weaknesses in the current processes used to manage revenue in Etinan Local Government Area.

3.) To design and develop a system that would;

a) Improve the efficiency and effectiveness of revenue collection by E.L.G.A with less time wasting and less errors.

b) To provide automated report generation on the revenue collections per resource, division, and the entire E.L.G.A for easy planning and decision making.

4) To provide security of account and record of revenue collected.

5) To store, retrieve and provide convenience in the printing of daily invoices of revenue in E.L.G.A.

1.4 SIGNIFICANCE OF THE STUDY

The project was able to contribute to increasing awareness about the importance of automation management of revenue. The awareness was backed by a software application developed based on the E.L.G.A environment but customizable for use by other revenue management enties both government and non-government. Some of this significance includes:

1) It will serve as a resource’s material for future academic research.

2) It also helps the employees and management to appreciate the existence of revenue collection system in a business organization.

3) This study is going to be of paramount significance in that it will help to bridge the gap between manual revenue collection system and that of computerized one.

4) The computerization of revenue collection system is a business organization that has made us to realize the disadvantages of operation of manual revenue collection system.

5) Ensuring adherence of organizational policy in regards to the revenue collection system.

6) This study aimed of examining and analyzing the … for a revenue collection system in a business organization as regards its inevitable calculation to the fast and accurate records of customers.

7) It will bring increase revenue to Etinan Local Government Council for its development programs.

1.5 SCOPE AND DELIMITATION OF THE STUDY

There is no successful research work without limitations. Given the fact at revenue is a very wide subject, the scope of this study is based on their available materials and resources the researcher could get most especially on the accounting aspect it is impossible to study all the companies and the business organization that centres on revenue system in the cities, the researcher only cases Etinan Local Government. Also, the staff refused to release some confidential details that could have assisted the researcher for security reasons.

1.6 LIMITATION OF THE STUDY

While carrying out this research study, some constraints were encountered which include:

1) Unwillingness by revenue staff to volunteer information
2) Lack of revenue materials
3) Political influence in the organization
4) Time constraint

1.7 DEFINITION OF TERMS

REVENUE: Is the money a government receives from business.

COMPUTER: Is an electronic device that operates under a set of instruction that is stored in the memory unit.

COMPUTERIZATION: It is a process of changing from manual to a computer base system.

DATA: Simply means the raw fact or information.

HARDWARE: The machinery and electronic part of a computer system that we see, feel or touch.

SOFTWARE: Is a program, used to operate a computer or application or this is often used not only, programs but also any documentation associated with computers such as manuals, compilers, assembles etc.

INFORMATION: This is a data that is useful in decision-making.

RECORDS: This is the act of keeping books for future used.

MANUAL SYSTEM: This refers to as storing of information on a paper in a file locally in the offices.

DATABASE: This is a centralized collection of data as well as programs required to manage the data.

DATABASE MANAGEMENT SYSTEM (DBMS): Is a software that control the structure of database and access to the data DBMS.

COLLECTION: It is a process of bringing things or information together from different people or place.

PROCESS: Is the series of things that are done in order to achieve a particular result.

EVALUATION: An opinion of the amount value or quality of something after thinking about it carefully.

ACCURACY: Is the ability to do something skillfully without making mistake or errors.

VISUAL BASIC (VB): Is an ideal programming language for developing sophisticated professional application for Microsoft windows.

INTERNET: Interconnection of several network all over the world.

CHAPTER TWO

2.0 INTRODUCTION

This chapter attempts a review of related literature and examines the concepts of database system and information access, benefits of database management system in Etinan Local Government Area, advantages of revenues collection system and the importance of management information system (MIS) will be examined here.

2.1 LITERATURE REVIEW

Revenue plays a vital role on the economy of any nation and it is through which the development of any country is accelerated.

The constitution of the Federal Republic of Nigeria (1979) as amended (1988 and 1995) provided that the federal government shall have exclusive legislature power over such revenue matters as: taxation of incomes, profit and capital gains, value added tax (VAT), customer and excise duties, stam duties similarly, various agencies are involved in the revenue policy administration in the country. This agency includes Federal Board of Inland Revenue (FBIR), Federal Inland Revenue Service (FIRS), State Board of Inland Revenue (SBIR), State Inland Revenue Services (SIRS), and tax collection agent in local government area.

According to companies’ income tax act 1961 (and 1979 amendments), the duty of the board is to raise and to collect tax and account for all taxes collected in the manner prescribed. However, the system for revenue collection has not resolved the problems of revenue generation in the country and Etinan local government in particular. It is also argued that the government in particular it is also urged that the machinery and procedures followed in the implementing the policy is in adequate and hence accounting for the consistent to low yields and some taxes and inter-group inequalities (Anoa, 1988).

There is abundant evidence to show the existence of large sale tax evasion on arising from weak tax administration in the country. Such tax evasion taxes the form of income under declaration, refusal to complete tax return form and fraud. All this arose as a result of the system revenue collection which as a matter of fact encourages dishonesty and corruption.

2.2 DATABASE SYSTEM AND INFORMATION ACCESS

Database system is a structure that can solve information.

Database system is a collection of interrelated data and a set of programs that allows the user to access and modify this data. A major purpose of data management system is to provide users with an accurate view of data that the system hides, certain details of how the data are stored and maintained.

Information is the find ability of information regardless of channel or location. What matters is not how searchable you make your information but how findable, places the greatest emphasis on the success of your information and your capacity to incorporate an effective and experience into the search logarithm. Information access includes a collection of technologies that helps find information.

2.3 BENEFITS OF DATA BASE MENEGEMENT SYSTEM IN ETINAN LOCAL GOVERNMENT AREA.

Database management is beneficial to any business organization, government establishments, these benefits are as follows: -

i. Reduction in the duplication of data files, the processing of data items and the repeated handling of data thereby reducing process in no time.
ii. It helps to increase security by making sure that those with access privileges can't access the data.
iii. It would provide the council with variable means of internal communication between units' heads and assist in the coordination of its activities.
iv. It helps in the combination of data from the multiple files. Here information from the transaction files uses in revising and updating information gross revenue to date, total tax revenue up-to date.
v. It also enhances the possibility for searching for a file of records for information in one operation.

2.4 ADVANTAGES OF REVENUE MANAGEMENT SYSTEM

Revenue is a key index to development and the advantages of revenue management system are:

i. The information generated from this system helps government in it cash and debit management efforts.
ii. A good revenue information helps the government or its agencies in taking informal decisions regarding the overall fiscal and financial administration of state or local government.
iii. It helps the executive in formulating policies regarding taxation and in designing a proper and suitable tax structure in the state.
iv. Revenue collections allow for the flow of information and enables tax agency to compile tax collection information on daily basis.
v. This system enables the detailed classification of all the revenue collection immediately and eliminates the concepts of receipts which used to have huge unclassified balances.

2.5 THE USES OF COMPUTER MANAGEMENT SYSTEM

The uses of computer as a product technology as it relates to revenue cannot be over emphases. Its uses are as follows;

i. It makes the management system to be efficient and faster in terms of storage.
ii. It reduces the minimum redundancy from the staff in the area of data duplication.
iii. It ensures accurate and timely release of information
iv. Prevent unauthorized access to data (use of password)
v. The computer processed large volume of data in a relative short time.
vi. Provide attractive service to the user
vii. Prevent data from intentional damage or unintentional damage.

2.6 IMPORTANCE OF MANAGEMENT INFORMATION SYSTEMS (MIS)

Management information system helps the executive to use information provided to formulate yearly cooperate strategies, establish financial goals and create board economic policies for future years. Middle managers can use (MIS) generated information to develop administrative plan established operational policies in order to attain specific management goals.

Lover level management can benefit from management information system (MIS) in their daily operations. Managers and supervisors must evaluate the effectiveness of (MIS) information to help provide necessary feedback. Finally, management information system is important because it can reduce waste. Hence cooperate profits, importance employee wages and moral can improve the flow of information throughout the establishment or organization.

RECOMMENDATION

Adoption of parallel changes over method so that the old and new system will run concurrently for the substantial period of time.

Procurement of a standby generator is very important because of the epileptic power supply by the power holding company (PHCN)

Trainings programs should be organized for all the staff and officers on how to use the new system. Routine maintenance to be carried out periodically by qualified and competent system analyses and software engineers.

Finally, revenue staff and officers should be adequately enumerated and motivated.

5.3 CONCLUSION

Every country organization and individuals need revenue (money) for its development programs

Therefore, the issue of revenue cannot be emphasized.

Revenue collection has been the challenge of every growing City and it’s the greatest challenge facing Etinan local government council. In its effort to contend with these problems, the council system of revenue a plan to design and implement computerized system of revenue collection this system when fully operational will help the council to readily access information on the daily revenue collected and to check and control the excesses of revenue staff in the council.

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