

**REVENUE COLLECTION AND QUALITY OF SERVICE
DELIVERY IN THE MUNICIPALITY
A CASE STUDY OF BUKOBA MUNICIPAL COUNCIL**

**By
Boaz Phanuel Rusigaliye**

**A Dissertation Submitted in Partial Fulfilment of the Requirements for the
Master's degree in Accounting and Finance of Mzumbe University**

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CERTIFICATION

We, the undersigned, certify that we have read and hereby recommend for acceptance by Mzumbe University, a dissertation entitled **Revenue Collection and Service Delivery: The Case of Bukoba Municipal Council**, in partial fulfilment of the requirements for the award of degree of Master of Accounting and Finance of Mzumbe University.

Major Supervisor

Internal Examiner

Accepted for the Board of.....

DECLARATION.

I, Boaz Phanuel Rusigaliye, declare that, this dissertation is my own original work and that it has not been presented and will not be presented to any other University for a similar or any other degree award.

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DEDICATION

This work is dedicated to my beloved wife Rehema Ihucha, our precious child Phaniel who toiled with me along this path of Education. The work is also dedicated to my late Father Mr. Phaniel Rusigaliye, Mother Revania Nsukanyi, my brothers and sisters. They have been supportive both, spiritually, morally and financially to see me to this level in my academic struggle. I am very happy and I feel indebted to them.

ABBREVIATION AND ACRONYMS

BMC -	Bukoba Municipal Council
CAG-	Controller and Auditor General
CFR-	Council Financial Report
GPG-	General Purpose Grant
LGA-	Local Government Authority
LGMD-	Local Government Management Database
LGRP-	Local Government Reform Programme
MOLG-	Ministry of Local Government
MT-	Municipal Council
PMO-RALG-	Prime Minister Office Regional Administration and Local Government
PSRP-	Public Service Reform Programme
REPOA-	Research on Poverty Alleviation
SCG-	Sub-Central Government
SSA-	Sub-Saharan Africa
UF-	Unfavourable Financial
VEO-	Village Executive Officer
WEO-	Ward Executive officer
WRC-	Ward Revenue Collector

ABSTRACT

The main objective of the study was to determine the relationship between revenue collection and quality of service delivery in Bukoba Municipal council. Specifically the study aimed to: explore the nature and types of internal source of the revenue collection, examine the quality of services delivered by the council in relation to the actual revenue collected and assess the factors determining revenue collection in the council.

Within a case study design, explanatory and cross-sectional design was used to collect information from 100 targeted sample sizes. Eleven sources of internal revenue were identified; Property tax, service levy and Licence were budgeted to collect the larger portion of total budgeted internal revenue in the council. The study revealed ineffective revenue collection of the council internal revenue sources that are more than 28% equivalent to 622,161,498 of the budgeted revenue for financial year ended June 2014 was uncollected.

The study surveyed four sectors (Health, Trade, Livestock and Agriculture). Development expenditure allocated and incurred was used to measure the quality of service delivery. Under collection of internal revenue was reported to lower the quality of services delivered by the council in all four service sectors surveyed. The study indicated that the higher the revenue collected the higher the development expenditure hence improved service delivery.

The respondents pointed out that; corruption, poor financial accountability, limited sources of internal Revenue, Inadequate tax knowledge, Deficit budget, Political interference, inadequate application of cannons of good tax and management instability as the factor which determine revenue collection in the council.

The study exposed positive relationship between actual revenue collected and services delivery which was determined by Pearson Correlation. The study recommended establishment of taxpayer database to enhance efficiency and timely revision of local tax by-laws and compliance promotion strategy through awareness raising local Tax.

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CHAPTER ONE

BACKGROUND OF THE STUDY

1.1 Introduction

Under this chapter the researcher presents the background of the study, statement of the problem, purpose of the study, objectives of the study, research questions, and scope of the study and significances of the study.

1.2 Background

The United Republic of Tanzania is made up of two formerly independent countries, Tanganyika and Zanzibar, which united in 1964 to form a new nation of Tanzania. The two halves of the republic have somewhat different evolution and system of local government.

The mainland Tanzania has a long history of functioning local government, starting with the Native Authorities Ordinance in 1926. In 1972 the Local Government was abolished and replaced with a direct central government rule. In 1980, the Ruling Political Party (CCM) ordered the Government to revive the Local Government System in the whole country. In 1982 legislations; Acts No.7, 8, 9, 10 and 12 were enacted by the National Assembly. Constitutional amendments of 1984 that reinstated power to the people through sound Local Governments under Clauses 8, 145 and 146 reinforced this change. Local Government elections took place in 1983 and Acts No.7 and 8 reintroduced rural and urban Local Government Authorities respectively effective from January 1984.

The reintroduction of LGAs raised hopes for an improved performance through greater involvement of citizens. These hopes were however not realized due to a number of reasons. The anticipated improved performance in service delivery as well as development initiatives through broad-based public involvement was not being achieved as anticipated. According to the paper titled the history of Local Government in Tanzania prepared by PMO-RALG the main reasons included, the human resource capacity and management was weak and this seriously constrained performance by

Local Government Authorities, weak leadership and poor management of the councils, shortage of properly qualified, disciplined and committed personnel and Shortage of revenue due to narrow tax base.

In early 1990 the Government embarked on Public Service Reform Programme (PSRP). Political reforms followed in 1992 when Tanzania re-introduced Multi-Party Democracy. The local government reform programme was formulated and implemented by the government in order to address the problems which constrained the performance of the local government authorities as mentioned above. Through the programme, the government intends to strengthen local authorities and transform them to be effective instruments of social and economic development at local level. This has been addressed by the government in "A Local Government Reform Policy paper of 1998.

The policy paper was preceded by Reform Agenda (1996 -2000). The main goal (long term) of LGRP is to contribute to the Government's efforts of reducing the proportion of Tanzanians living in poverty. Its purpose is to improve quality, access and equitable delivery of public services, particularly to the poor. These must be provided through reformed and autonomous local authorities.

Through decentralization, the central Government gave local Authorities many sources of revenues. This aims at giving Local Authorities autonomy in revenue collections and utilizes those financial resources to enhance service delivery to the citizens. Funny enough, the government has introduced unconditional and conditional block grants in sectors of education, health, roads, water and agricultural services.

Many of the reforms effecting local self-government are being generated through national and sector-specific development strategies and programmes, and the legislative amendments are not always up-to-date with these reforms. The reform process is still ongoing.

According to the Local Government Act 1982 as amended in 2000, gives mandate to local governments to make by laws and collect local revenues from their own sources

such as property tax, licenses, permits, fines and penalties, market dues, parking fees, and take financial decisions while complying with financial and accounting regulations guide of the financial operations and specifies decentralization policies, rules and regulations. Local governments were empowered to carry out proper planning decisions at budget level, do complete enumeration and assessment of taxes for financial decentralization to succeed in improving local revenue collection.

Onwo (1992) observed that each level of the three tiers of government derive its powers not from the magnanimity of the central government but from the constitution; each level of government has defined responsibilities assigned to it by the constitution. The implication of this is that the three segments of governments are mutually interrelated in a unified effort to make life worth – while for the masses. This statement justify that local authorities cannot fulfill all services to the citizens but through corporations services can be rendered.

Bukoba Municipal council is desirous of enjoying modern facilities, improved means of transportation, such as good road network and mass transit transport services. These desires are in line with stated objectives of the local government such as construction and maintenance of roads, provision of health services such as maternity homes, health centers, sanitization, provision of primary education and many others – as sponsored by the federal military government. According to Local government reforms policy paper 1998, one of the cardinal aims of the local government system is to make appropriate services and development activities, responses to local wishes and needs by delegating authority to local representative bodies.

The citizens expect the council to excel in developmental activities. They would like to please the community or communities in the local government area through the provision of functional feeder roads and public utilizations.

The council administration in the other hand complains of inadequate finance to meet up with the numerous responsibilities yearning for attention. According to the guidelines for local government reforms of 1996, “it must be recognized that if meaningful municipal council is to be expected in Tanzania, much larger financial resources are needed” they also complain that staff salaries alone drain a high percentage of the monthly allocation. Financial experts postulate that money is at the center of developmental projects. Acquisition and proper accountability of funds are the pivot upon revolves. Adedeji (1979) capped it all when he declared that the success or failure and the effectiveness and ineffectiveness of municipal council depend on the financial resources available to the individual local government and the way these resources are utilized.

From the foregoing, it seems that an empirical study into the revenue collection of the local government system at this harsh economic period is not only useful but very vital. Revenue collection involves planning, controlling, implementing and monitoring fiscal policies and activities, including accounting and auditing revenue, expenditure, assets and liabilities. It embraces daily cash management as well as the formulation of short-, medium- and long-term financial objectives, policies and strategies in support of the organization’s business. Financial management also includes planning and controlling capital expenditure, managing assets, liaising with the treasury and making decisions related to funding and performance.

As a crucial responsibility of government and government institutions, Bukoba Municipal should deliver services that a society requires to maintain and improve its welfare. To do this, Municipal require organizational structures and suitably qualified people who must be supported to deliver the services they are responsible for, and all of these will be possible if more attention and fruitful strategies will be upon revenue collection with proper services providing fund allocations.

1.3 Statement of the Research Problem

The relevance of the Municipal councils as the government at the grass root level is measured by efficiency of revenue collection in relation to the quality and quantity of services rendered to the public.

For the Municipal to render meaningful services, in form of provision of basic amenities, construction and maintenance of roads, creation of employment opportunities for the citizens and pay staff salaries as and when due, money is undoubtedly required.

Without the availability of revenue, Municipal council will not only be incapable of serving the people but will undoubtedly crumble. It therefore, follows that for the Municipal council to discharge its statutory functions effectively, it should not only be adequately funded but such fund should be efficiently applied.

The experience shows that, one of the fundamental problems in Municipal councils is the issue of revenue collection and effective utilization of revenue available. Bukoba Municipal council may have its unique problems that influence against its financial administration.

The problem of delay in remitting of central government grants to the local authorities, the problems of accountability in the Municipal council, ineffective financial control and management both internally and externally, the problem of financial mismanagement and embezzlement of available funds in local government council and finally, the problem of corruption as stated by Oluwale (2000) militate against the utilization of local government revenue.

Despite the fact that Bukoba Municipal collect revenue from various sources such as market dues, fines and penalties, parking fees, property taxes, license and permits and others in order to carry out service delivery for its residents, expenditure on service delivery for its local population at lower local government remains very low (CAG Report 2013/2014. The problem if not addressed may undermine the autonomy of the Municipal under the decentralization process since reliance will only be donations and the central government transfers (Oriaro et al 2001, Abigaba 2001, Mc lure, 1998) or

service provision may be left to market forces which may not be afforded by low income earners in the district (Abayade 1981) .Thus this has instigated this research to find out how local revenue collection is affecting service delivery in local government.

1.4 Purpose of the study

This research aims at determining the relationship between revenue collection and quality of service delivery in Bukoba Municipal council.

1.5 Objectives

- i. To explore the nature and types of internal source of the revenue collection in Bukoba Municipal Council.
- ii. To examine the quality of services delivered by the council in relation to the actual revenue collected.
- iii. To assess the factors determining revenue collection in the council.

1.6 Research Questions

The research was guided by the following questions:-

- i. What are the nature and type of internal sources of the revenue in Bukoba Municipal Council?
- ii. What is the quality of services delivered by the council in relation to the revenue collection?
- iii. What are the factors determining revenue collection in the council?

1.7 Scope of the study

1.7.1 Content

The main emphasis of the study was to develop and experiment with some evaluation methods applicable to revenue collection and the quality of service delivery in Bukoba Municipal Council.

1.7.2 Time Scope

The study aimed at establishing the relationship between Revenue Collection and Service delivery between the years of 2012 to 2014.

1.7.3 Geographical Scope

The study was focusing on Bukoba Municipal Council which is the Centre for the regions businesses. This is because many complaints are experienced by the researcher when visiting Bukoba Municipal concerns with poor service delivery regardless of tax collected from societies.

1.8 Significances of the study

- i. The results of the study will be used by management of Bukoba Municipal council in ensuring its effectiveness in delivering quality services to the people.
- ii. Findings from the study complemented work already done on the same topic but in other areas. Furthermore, findings from this study will add to the existing body of knowledge on the procedure of revenue collections and development expenditure in relation to service delivery.
- iii. The findings from the researchers are expected to be used by other researchers who may want to carry out further study on the subject regarding Central or Local Government. It is also intended to result into advocacy for improved service delivery to the residents of Bukoba Municipal Council.

1.9 Limitation and Delimitation of the study.

To cover all area within Kagera region was impossible because of the limited time frame and amount of funds for this research. For this reason, the research covered the area around Bukoba Municipal Council only. The study was conducted within a specified time-period, just in six months.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The revenue collection is one of the major ways of improving service delivery in Tanzania. The quality of service delivery is influenced by a variety of factors amongst is the revenue collected. The review has concentrated on the revenue collection which influences the quality of service delivery patterns.

Much of the information has been obtained from the Local Government Act, Local Government Finance and Accounting Manual 2007, News materials, internet and Bukoba Municipal Council reports.

2.2 Empirical Literature Review

2.2. 1 Constitutional of United Republic of Tanzania

Article 146(1) of the Constitution of the United Republic of Tanzania provides that the purpose of having Local Government Authorities is “to transfer authority to the people”. Local Government Authorities have been given power to participate and to involve the people in the planning and implementation of development programmes within their respective areas. Every Local Government Authority has a constitutional mandate and obligation;

- i. To perform the functions of Local Government in its area;
- ii. To ensure the enforcement of law and public safety of the people; and
- iii. To consolidate democracy within its area and to apply it to accelerate development of People.

2.2.2 Local Government Finance Act CAP 290 (RE 2002)

Section 6, 7, and 8 of Local Government Finance Act Cap 290 (RE 2002) provides for an extensive framework of LGA revenue sources. However, the actual yearly collections

from this source have been erratic due to various factors which need to be identified and develop proper strategies to make the Act support enhancement of local revenues.

2.2.3 Characteristics of good revenue sources.

Characteristics of a good revenue source are very intuitive and have been known for many centuries. In 1776 Adam Smith, a classic economist, formulated some of these principles in his seminal the Wealth of Nationwide certainty, simplicity, fairness, and equity. October, 2013 A Study on LGAs Own Source Revenue. A good revenue source should minimize the costs of compliance by taxpayers as the latter represent a pure waste to the society being a loss of time and efforts for the taxpayer without any associated gains for the National budget. In addition to the Smith canons, the modern public finance literature generally recognizes the following principles as commonly acknowledged characteristics of a good revenue source:

Adequate revenue yield: The revenue yielded by local taxes should be adequate. Among others, revenue adequacy should be considered relative to the funding needs of the Local Government level and relative to the size of the economic base of the local community.

Revenue buoyancy: Overall, revenues should change roughly in proportion to the economic base. This does not mean that Government revenue should follow short-term economic fluctuations. Rather, as the long-term economic development makes taxpayers demand a wider range and a better quality of services from the Government, this trend should be matched by increasing yield of the tax system applied to the growing economy.

Equity: Good revenue sources are "fair" or equitable. Economists consider two dimensions to fairness in a fiscal system:

1. The notion of horizontal equity suggests that taxpayers in similar circumstances should be treated similarly by the tax system. The tax should be fair not only in terms of definition but also application. Thus, for instance, tax assessments should be uniform

and comprehensive. A perception of the tax as being "fair" is believed to contribute to the probability of voluntary compliance.

2. In addition to horizontal equity, the tax system should also display vertical equity, or fairness between taxpayers at different rungs on the income ladder. October, 2013 A Study on LGAs Own Source Revenue.

The determination of what is "fair" is subjective, but at a minimum, most people believe that wealthier tax payers should pay more in taxes. As noted earlier, this principle is known as the "ability to pay" principle. The other notion of vertical equity often considered (particularly at the local level) is the benefits principles. As discussed above, the benefits principle suggests that taxpayers should pay taxes in (approximate) proportion to the benefits received from public services.

Efficiency: An efficient revenue source minimizes administration and compliance cost, and in particular generates an amount of revenues well above these costs. Good taxes should not give taxpayers incentives to change their behaviors and discourage productive activities in the economy, good taxes should be difficult to avoid and evade.

Politically acceptable: A good revenue source is politically acceptable and sensitive to the historical and institutional framework in a country.

Local Governments are mostly prescribed to engage in activities ensuring a more efficient allocation of public resources; they should be assigned revenue sources for which it is easier to establish a link with the benefits received by residents from local government spending (Bird 1999). The most obvious example of a revenue source satisfying this "benefit principle" is charging for specific services provided by local governments (the cost of issuing driver's licenses, and so on) and for goods and services provided by public enterprises (utility charges, museum admission, and so on). Besides generating revenue for Local Governments, user charges also have a great economic value of providing demand information to public sector supplier. This ensures that publicly provided goods are valued by citizens at least what it costs to produce them.

Local Governments should rely on user fees to raise revenues for the delivery of a local service.

Unlike user fees paid based on a free consumer choice, benefit taxes are compulsory contributions to local governments that are nonetheless related in some manner to benefits received by the taxpayer. As such, for benefit taxes there is either a specific or general link between the amount of taxation and the benefits from a specific Government service. For example, the size or value of a residential property relates quite closely to an individual taxpayer's benefits received from street improvements on which the property is located. By contrast, general benefit taxes can be exemplified by charges levied on motor vehicles and motor fuels, whose revenues can be used for the construction and maintenance of roads and highways and thus benefiting road users as a class. Likewise, property taxes are often considered a good benefit tax to finance local collective public goods.

Unlike user charges, benefit taxes do not give a choice to local residents and thus do not provide Local Governments with information whether Local Government October, 2013
A Study on LGAs Own Source Revenue .

Correspondence: A sound local tax should establish a link between the jurisdiction in which a tax is levied and the area in which the benefits are received from the local services funded with that revenue source. Thus, the tax base should be readily identifiable with the local authority area. Adherence to the correspondence principle gives Local Governments the right incentives to fund an optimal amount of locally provided goods (where marginal costs equal marginal benefits).

Geographic neutrality: taxes assigned to Local Governments should not interfere with internal commerce nor distort the location of economic activity. Thus Local Governments should not levy production-related sales taxes or source-related income taxes, except where justified by benefits provided to businesses and commuters.

Visibility: Local taxation should be clearly perceived by local residents. That is, local taxpayers should be aware they are paying the tax, of its amount, and whom its payable and for what purpose. This enables local residents to the efficiency of Local Government services as to how much value they get for the money they pay.

In summary, the characteristics required from a good local revenue source follow logically from the goal of decentralization and the role that Local Governments are expected to play. To the extent that economic rationale for decentralization is to improve efficiency, the benefit principle is pursued to link the costs of public services to the benefits delivered to local residents. Similarly, horizontal or political accountability of sub national officials requires the ability of Local Governments to affect at the margin the level of their revenues by choosing tax rates for some of the most important taxes assigned to them.

Limited sub national taxing authority and dependence on the revenue decisions of the upper-level government (including decisions concerning revenue sharing and most other forms of transfers) undermines the accountability of Local Governments to their residents. Inadequate revenue autonomy offers an easy "scapegoat" for poor local performance ("we do not get enough resources from the Central Government") and by generally weakening local taxpayer awareness of taxes and interest on the quality and level of local services delivered.

A number of recent studies (Ter-Minassian 1997; Ebel and Yilmaz 2002) suggest that outcomes of decentralized spending depend on the form of financing used for these expenditures, with a crucial aspect being the extent of control that Local Governments can exercise over the sources of their revenue. Revenue autonomy is important for Local Governments for higher accountability of public officials and efficiency of expenditures, or for the ability to mobilize revenues and expand or contract the budgets at the margin; in addition, a healthful degree of revenue autonomy at all levels of Government is the only certain way to address vertical fiscal imbalance.

2.2.4 Local Revenue Structure for LGAs

LGA consists of own-source revenue, grants from Central Government, Aids and borrowing. The Local Governments set rates, fees and charges to be collected in a given year taking into account planned expenditure, projection of grants from the Central Government, Aids from Development Partners and Loans from various sources.

Own-source revenue represents part of total revenue, aggregated at the council. Together, Produce Cess, Service levy, property rates, fees and charges account for most of own-source revenue. However, their combined share to the development activities aggregates has remained insignificant over time. Total own source revenue amounts to seven percent (7%) of the total annual revenue. CFR reports 2013/2014

Significant own source revenue will definitely reduce the budget deficit and enhance decentralization policy. Fjeldstad, 2007 as quoted in Kakwesigabo, 2010 conducted a study on challenges for Local Government revenue enhancement: he found that before the rationalization of local government taxes in Tanzania, most district council generated only 10-20 percent of their total revenue from own sources, of which development levy was the major source.

2.2.5 Local Government Revenue System

The capacity of local governments to mobilize revenue is important to their financial sustainability and their ability to promote the well-being of their local communities. The current Local Government revenue system in Tanzania including Bukoba Municipal revenue system is mainly originated from the rationalization of own sources revenue in the year 2003. Many local revenue sources were abolished, and nuisance of those taxes was one of the reasons cited for the abolishment. Major abolished sources included development levy and livestock cess.

Thus there is no single LGA revenue source that is linked to the general population. Again, in 2004, in what had been regarded as attempt to create favorable environment for business, the Government abolished business licenses fees which also contributed

much of the local revenue. Business licenses fees was re-introduced in 2012/13 and have started into operation in the financial year 2013/14. CFR for year, 2008 the result of these pronouncements, total revenue for Bukoba Municipal council dropped by nearly 33.33% from TZS 1.2 billion in 2002 to TZS 800 million in 2004.

To compensate for abolishment of the development levy and other nuisance taxes, the Local Government compensation grant was introduced in the financial year 2003/04. Later it was referred as General Purpose Grant (GPG) after being combined with the local administration grant (ibid).

2.2.6 Internal sources of revenue

Local government Finance Act as reformed in 2003 and 2004 sect 8 (i) provided LGAS with list of taxes, levies and fees that local government are allowed to collect. Thus local government is now required to set their own revenue policy within the limit set by central government. In principle local revenue sources in Tanzania are administered by the local government and they are fully retained by them. The rates applicable to these local levies and fees can in many cases be determined by local government through by laws.

But, they are not allowed to exceed the rate set by central government. In practice, it appears that local government tends to focus their revenue effort on one or a few local taxes instrument to maximize yield relative to collection effort, as a result LGAs do not pursue all the taxes assigned to local government level with equal effort. The tax rate applied to many small local revenue sources or revenue sources that are nuisance locally tend to be lower than the maximum

Table 2.1: List of revenue sources for Bukoba Municipal Council

<ul style="list-style-type: none"> • Property tax • Service levy • Crop cess • Forest produce cess • Guest house levy • Vehicle license fees • Fishing vessel license fees 	<ul style="list-style-type: none"> • Commercial fishing license fees • Intoxicating liquour license fees • Tax license fees • Transportation permit fees • Other business license fees • Muzzle loading guns license fees
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Sources: Researcher findings (2015)

2.3 Revenue Collection

Local government revenue collection is the responsibility of the council staff and is completely separated from the central government, REPOA (2005). In district councils, it is organized around three levels, namely the council headquarters, the wards and the village levels. At the council headquarters the responsibility for tax collection rests with the council treasury, headed by the Treasurer. At the ward levels, the responsibility rests with the office of the Ward Executive Officer (WEO). The WEO also handles developmental issues and law-and-order functions at that level. For this purpose the local militia is at their disposal.

In wards with greater revenue potential there will also be a ward revenue collector (WRC) to support the WEO. At the village level, the responsibility rests with the office of the village executive officer (VEO). The VEO is also responsible for supervising village developmental activities and to maintaining law and order. In addition, the VEOs often function as secretaries of the Village Councils. In practice, the organization of revenue collection varies between councils. For instance, in some council the village level has been excluded from collection, and the task is taken over by the ward level. This is due to incentive problems connected with revenue collection at the village level. Most case councils have introduced new methods to increase revenues from existing sources by outsourcing some of the revenue collection to private collectors to increase revenues from existing sources.

LGAs collect revenue at three different levels, namely council staffs, agents and at ward level. The main reasons for extending these levels is to minimize the collection costs, more over the technique has not been succeeded due to agents default which results into loss of council revenue

In both developed and developing countries, governments collect taxes to fund public services. Although many developing countries are highly dependent on foreign aid, taxes are the principal own-revenue source. Other own-revenue sources are non-tax revenue, which includes fees, licenses, mineral rights and capital revenue, which includes income from sales of government assets, including privatizations.

Since taxes are the principal source of recurring revenue under government control, in all countries tax policy is at the heart of the political debate on the level of public services that should be provided and who should pay for them. The resolution of the debate varies by country and within countries over time. In democratic countries, the resolution depends on the ability of political parties, factions and interest groups to influence policy decisions and to influence voters to support these decisions. Groups without political or economic power, such as the poor and women, are often excluded from this debate and from tax policy decisions.

2.3.1 Own revenues

Table 1.1 shows the changes in annual own revenues for the period 2011-2014. In all the case

Councils except for the year 2014, own revenues increased from year 2011 to 2013 by 15%. But in the year 2013/2014 revenue dropped by 8%. The researcher was very interesting to know which reasons contributed to drop the revenue. Through documentary review especially CAG report for the year ended 30th June 2014, the highlighted reasons included high rate of default by revenue agents. In addition the researcher did not go into detail to explore the dropped revenue by source. This may need high attention in order to determine dropped revenue by source.

Table 2.2 Annual changes in own revenues for Bukoba Municipal 2011-2014

Year	Budget	Actual	Percentage
2011/2012	2,327,513,000	1,510,159,300	64
2012/2013	2,529,905,000	2,014,219,852	79
2013/2014	2,131,420,000	1,529,129,842	71

Source: Researcher findings (2015)

2.3.2 Factor affecting revenue collection

Local Government Authorities have reformed their revenue collection systems in order to increase their revenue from time to time. Different measures have been implemented, yet still there are challenges in attaining their targets as well as collect to their full potential, PMO-RALG report 2013. CAG report 2014, Bukoba municipal council face problems during revenue collections as follows, Political interference has been a major obstacle for municipal to collect revenue, this factor has been highlighted because many politicians tends to convince taxpayers not to pay with reasons that, the council take money from them but they reward poor services, other factors included, shortage of staffs, tax evasion, agents defaults and lack of reliability transport.

The following are the factors identified in different studies:

i. Low collection rates; Mzenzi (2013) found out that, collection rates charged by the Tanzania LGAs in various sources are generally low and are regarded as unrealistic. Rates are supposed to be revised regularly depending on different circumstances like change in economy, but the actual operationalization is constrained by the number of factors, prime amongst is the bureaucratic nature of the Government system. This in turn led to number of rates to be outdated.

ii. Revenue Outsourcing Challenges: Despite the fact that Government tried to involve private sector in order to decrease revenue administrative costs, this has turn out to become a challenge. Mzenzi (2013) and CAG (2013) both found out that revenue has declined and collecting agents are benefiting more than the councils. Majority of the collecting agents normally fail to remit the collected amount to the council. Poor

planning before outsourcing and inadequate monitoring of performance of contract were also addressed by CAG as revenue outsourcing challenges.

iii. Low Awareness of Local Tax Payers: Again, Mzenzi (2013) found out that local tax payers lack sufficient knowledge on what type of product/businesses are subject to local taxes and the overall administration of the taxes concerned. Moreover, in some cases he found local tax payers are not aware about the pay

Pigou (1951), contents that any tax formula is made up of two elements, the project of assessment and a function. He points out that the function related to the quality of revenue to be raised from the individual tax payer to the quality of assessable object in their hands. That is, the relation between revenue and tax base. He asserted that theoretically, this base can be anything, but practically, it is largely some sum of money and in some cases it is a quantity of stuff such as commodities or land. In a nut shell, he suggests that tax revenue is a function of tax base. This is used as a theoretical basis of research.

Zmarak and Squire (1988) on tax administration and base broadening argued that the instruments used to each base needs to be rationalized. They also point out that base broadening is a critical component of any efforts to reduce the economic cost of taxation in sub-Saharan Africa (SSA). Among other things, they suggest generation and flow of information. Their research was on the whole of Africa but this is a Local Government based research which also seeks to establish whether there is generation and flow of information in this Council.

Musgrave (1989) noted that, assessment and collecting of taxes requires personnel and equipment. He argues that this activity provides an important public service and like all other services, it should be provided efficiently. He points out that the cost of administration per dollar of revenue rises with the complexity of law. He further argues that in setting criteria for efficient administration, the following issues have to be considered.

- How far auditing and enforcement should be carried out.
- Increasing compliance by either threats of higher penalty if the offender is caught or by spending more on enforcement.
- How complex tax structures should be. Should the same issues seem to be present, there is need to determine whether Bukoba Council uses appropriate technologies, follows administrative procedures and carries out regular audits as far as revenue is concerned?

He also argues that depending on a particular tax, compliance costs may be much higher than administrative costs. Although this survey was done in the United States the ideas could have practical evidence in developing countries like Tanzania.

Okumu (1991) asserts that discussion of the assessment and collecting of graduated tax merits attention at all levels of government. He quotes a letter from the Ministry of Local Government indicating that naturally, people hate paying taxes and that some complaints about graduate tax increase were not genuine because some members of parliament had interfered by inciting people not to pay. He further notes that graduate tax assessment was affected by human weakness such as corruption.

2.4 Service Delivery.

Stauss (2005) argues that services are not physical resources but economic transactions exchanged for money, comprising of the exchange of specialized skills and knowledge. He further insists that goods constitute tangible materializations of knowledge and activities, and thus are nothing more than distributional mechanisms for services. Rao (2005) seems to be of the same opinion when he defines services as intangible activities performed by machines or persons or both for the purposes of creating value perceptions among customers. He further stresses that since services are intangible activities, or benefits produced by the service provider and in association with the consumer, their quality results in perception and value assessment by the consumer.

Municipal Research and Services Centre (1993) defines service delivery as the actual producing of a service such as collecting refuse and disposing it or lighting the streets. Whitaker (1980) concurs with this argument and observes that depending on the kind of service being offered, each service has a primary intervention of transforming the customer and that the client himself or herself is the principle beneficiary. Whether it is learning new ideas or new skills (education), acquiring healthier habits (health), or changing one's outlook on family or society (social services), only the individual served can accomplish the change. He or she is a vital co-producer of any personal transformation that occurs (Whitaker, 1980).

The service provider or agent can only use his or her skills and conduct activities to facilitate the process. Whitaker further insists that in delivering services, the agent helps the person being served to make the desired sorts of changes by supplying encouragements, suggesting options, illustrating techniques, and providing guidance and advice; but the agent alone cannot bring about the change. Both the citizen and the agent together produce the desired transformation (Whitaker, 1980).

Accordingly, the Local Government Act provides a frame work for an implementation strategy that designates and gives effect to local authority to become the primary service providers to their various localities. The preambles to the Act emphasizes that the law is intended to give effect to the decentralization and devolution of 'inter alia' services. This model of governance shifted primary responsibility for the planning, management and implementation of services from the central to local authorities. The general mandate of the Local government Councils relating to economic and social rights are detailed in the second schedule to the Local Government Act.1997 and includes education services, Medical and health services, water services and road services.

According to Tamrakar (2010), public services should be concerned with what customers want rather than what providers are prepared to give. Yet in most of the developing countries public service delivery is characteristic of ineffective, cumbersome, too procedural, costly, red taped and not transparent systems.

2.5 Quality of service delivery

Service quality has been a frequently studied topic in the service marketing literature. Efforts to understand and identify service quality have been undertaken in the last three decades, many scholars have attempted to replicate and refute its structure and conceptualization (Carman, 1990; Cronin and Taylor, 1992; Teas, 1993).

Lehtinen and Lehtinen (1982) defined service quality in terms of physical quality, interactive quality and corporate (image) quality. Physical quality relates to the tangible aspects of the service.

Interactive quality involves the interactive nature of services and refers to the two-way flow that occurs between the customer and the service provider, or his/her representative, including both automated and animated interactions. Corporate quality refers to the image attributed to a service provider by its current and potential customers, as well as other publics. They also suggest that when compared with the other two quality dimensions, corporate quality tended to be more stable over time. The researcher wanted to know how extentent the quality of service is supposed to be in relation to revenue collected and allocated to development expenditure by visiting other researcher's observations.

2.6 Dimensions of service delivery

Quality is an elusive and indistinct construct. Often mistaken for imprecise adjectives like "goodness, or luxury, or shininess, or weight" (Crosby 1979), quality and its requirements are not easily articulated by consumers (Takeuchi and Quelch 1983). Explication and measurement of quality also present problems for researchers (Monroe and Krishnan 1983), who often bypass definitions and use unidimensional self-report measures to capture the concept (Jacoby, Olson, and Haddock 1973; McConnell 1968; Shapiro 1972).

With the suggestion that the "perceived service quality model" replace the product features of a physical product in the consumption of services, Gro'nroos (1982) identified two service quality dimensions, the technical aspect ("what" service is

provided) and the functional aspect (“how” the service is provided). The customers perceive what s/he receives as the outcome of the process in which the resources are used, i.e. the technical or outcome quality of the process. But s/he also and often more importantly, perceives how the process itself functions, i.e. the functional or process quality dimension. For some services the “what” (or technical quality) might be difficult to evaluate. For example, in health care the service providers’ technical competence, as well as the immediate results from treatments, may be difficult for a patient (a customer) to evaluate. Lacking an ability to assess technical quality, consumers rely on other measures of quality attributes associated with the process (the “how”) of health care delivery.

For health care service, consumers would likely rely on attributes such as reliability and empathy to assess quality. Gronroos also emphasized the importance of corporate image in the experience of service quality, similar to the idea proposed by Lehtinen and Lehtinen (1982). Customers bring their earlier experiences and overall perceptions of a service firm to each encounter because customers often have continuous contacts with the same service firm (Gronroos, 2001). Therefore, the image concept was introduced as yet another important component in the perceived service quality model, so that the dynamic aspect of the service perception process was considered as well.

Swartz and Brown (1989) attempted to synthesize the dimensions of service quality by illustrating the works of the service quality dimensions studied by Gronroos (1982), Lehtinen and Lehtinen (1982) and Parasuraman et al. (1985). Their main contribution was identifying dimensions of service quality based on the literature review and categorizing them into “what” (i.e. service evaluated after performance) and “how” (i.e. service evaluated during performance) categories. The work by Swartz and Brown, however, does not reflect Gronroos’ (1990) later conceptualization of service quality perception that emphasizes the role of image as a filter in the perception of service quality in addition to the technical and functional quality dimensions.

A more recent conceptualization of the service quality dimensions was proposed by Rust and Oliver (1994). They proposed a three-component model in which the overall perception of service quality is based on a customer's evaluation of three dimensions of the service encounter:

- (1) The customer-employee interaction (i.e. functional or process quality),
- (2) The service environment, and
- (3) The outcome (i.e. technical quality)

2.7 Factors affecting service delivery and revenue collection

The factors affecting service delivery by LGAs vary from one authority to another depending on the capacity of the Authority. CAG report 2014, Bukoba municipal council, service delivery are not well produced due to low revenue collection, poor planning, and misallocation of fund being collected.

The factors provided above are corresponding with the factors provided in the study carried out by Charles M, (2013), where by employees and service users were also asked to give their opinions regarding factors they felt contributed to poor service delivery. The major factors identified were:

- Poor planning- lack of sound plans that specify the direction the local authority is supposed to take and the resources to be used to achieve the objectives.
- Poor monitoring and evaluation- lack institutional arrangements to monitor and evaluate progress from time to time so as to be able to take corrective action if there are deviations from the plan.
- Ethnicity- the tendency by council management to employ locals or relatives regardless of the qualifications or ability to carry out the intended tasks.
- Resistance to change- failure of the local authority to adapt to the changing environment so as to meet the objectives of the entity. There is organizational inertia and lack of management will to challenge the status quo.

Swiss points to its stress on products rather than services, insensitivity to the problems of defining government customers, an inappropriate emphasis on inputs and process rather

than results, and demands for top-level leadership that can rarely be met by the governmental culture (Swiss, 1992).

Swiss (1992) also points out that taxpayers evaluate public services not only on the result but also on the behavior and even the appearance of the individual delivering the service. As a result, he reasons that quality metrics for government services are extremely complex to develop and apply in a meaningful way. Swiss makes a strong argument about the difficulty in defining the government customer, which in many cases can be a challenging and even politically controversial issue. Hyde (1995) also identifies finding consensus on customers as one of government's biggest challenges in implementing total quality management.

Rago (1994) argues that it is the government environment with its political culture and the unmet needs of a virtually unlimited supply of customers that creates real challenges for the implementation of total quality management. He reasons that as a government service agency implements total quality management and improves performance in the delivery of services, it expands its customer base to those citizens who needed services but who were too far down on the waiting list to obtain them. Rago points out that this frequently is accompanied by a sustained or diminishing funding level. As a consequence, successful implementation of a total quality management initiative frequently results in reduced overall public funding to support increased public services.

Among government officials and practitioners, total quality management has also had a mixed reaction. Zeitz's research (1996) suggests that professional, technical, and scientific public employees perform the bulk of value-adding activities in their jobs and are the least favorably disposed towards total quality management implementation.

Part of the problem is in assessing total quality management's real contribution to public management is the relative lack of hard data (Scharitzer and Kokrunk, 2000). Although government organizations have had considerable experience with total quality management to date, Poister and Harris (1997) point out that, there is relatively little

meaningful empirical data to show for it. Harari (1997) argues that the empirical evidence that does exist demonstrates that only about one in three total quality management programs in public and corporate institutions achieve significant improvements in quality and performance.

2.8 Theoretical Literature Review.

2.8.1 Relationship between revenue collection and quality of service delivery

The relationship between level of revenue collection and service delivery can be clearly portrayed by various rules and regulations governing the local governments which include the Local Government finance Act, 1982 (LGA), and its Regulations ,Compliance with national priorities. The Local Government finance Act,1982; Local Governments budgetary powers laid down in the Local Governments finance Act, 1982, Section 35(1), Local Governments shall have the right and obligation to formulate, approve and execute their budgets and plans provided the budgets should be balanced. Local Government serves as an administrative management instrument providing detailed information about revenues to be collected and the expenditures to carry out the projects and activities set by the council hence effective service delivery.

Compliance with national priorities; It is a legal requirement for Local Governments to comply with national priorities by implementing various national programmes to ensure service delivery. The central Government ensures that national priorities are reflected in Local Government budgets through allocation and transfer of conditional grants to Local Governments.

Zaake, (1998) an inefficient collection of local revenue possesses serious constraints to service delivery levels. It should avoid making the poor pay more than the rich and adequate sensitization of the payers for need and importance of local revenue should be ensured. If local revenue collections are low, the activity budgeted will not be met and hence the services will not be satisfactorily delivered which will make local people to miss out the much needed services, and worse still the local council which rely entirely on local revenue for operations and emoluments will be brought to a standstill.

Prior to decentralization local governments used not to be economically viable, (MOLG, 1993). This was partly attributable to the local administration's act 1967, which gave most sources of revenue to the central government rather than the local authorities. To reserves this situation, decentralization was put in place. With decentralization, sources of revenue were reverted to local authorities and they were mandated to retain all revenue collected from local authorities.

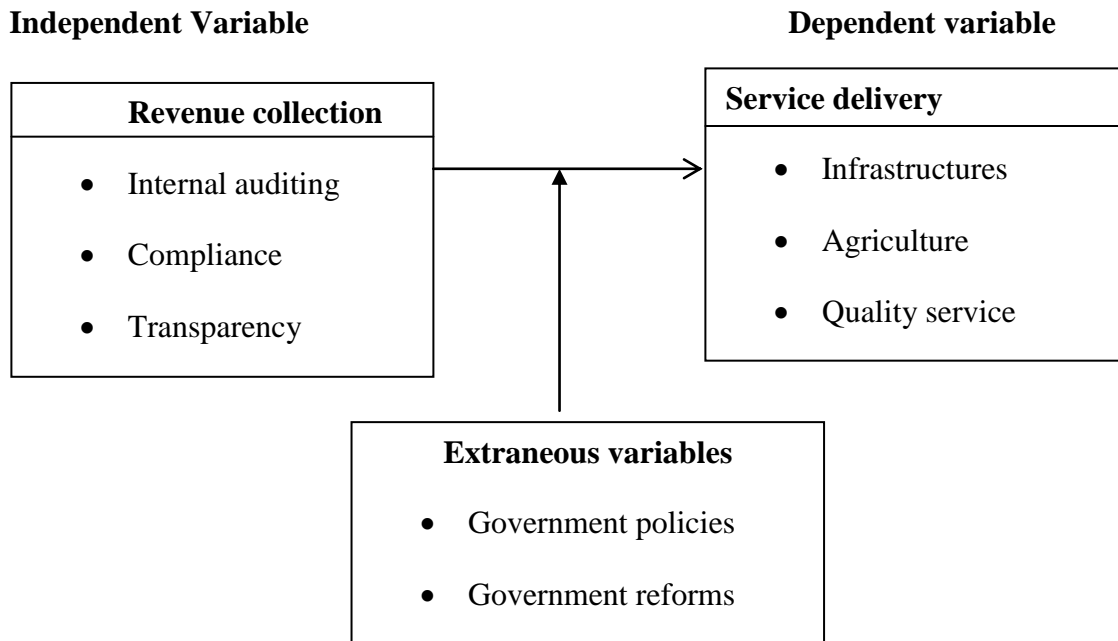
Looking specifically at tax revenue collections in local governments, various studies have come up with different findings, for example, Sigisbert (2000) discerned that local governments in Tanzania have so much empowered to collect up to 65% of local revenue from 0% before decentralization; others are not convinced that local revenue authorities collect all the revenue as they should.

Hansjörg Blöchliger and Oliver petzold (Taxes or grants the revenue mix of sub-central governments) says Sub-central governments (SCG) have two main revenue sources, the first being own taxes and the second being grants from other government levels. Both revenue sources are primarily aimed at financing sub-central public expenditure. Yet own tax revenue and grant revenue differ in the way they are generated, allocated and distributed to Sub-Central Governments, thereby shaping decisions of all government levels about where, when and on what to spend money.

The sub-central revenue composition or revenue mix is hence likely to affect fiscal outcomes such as public sector efficiency, equity in access to public services or the long term stability of public finance at both the central and the sub-central level. Bukoba Municipal council should put into account that, Local revenues are important for the success and long-term sustainability of infrastructure and service delivery

In the introduction part we have seen that Local Authority has a mandatory of collecting revenue and improve social service, regardless of the fact mentioned Bukoba Municipal societies still experiencing poor services.

Figure 2.1: Conceptual framework



Source : Revercher data, (2015)

The above figure 2.1 is explaining the relationship between the two variables. The figure indicates that, For the Municipal to render effective services delivery, in form of provision of basic amenities, construction and maintenance of roads, creation availability of quality seeds and storage devices, quality services includes availability of hospital drugs, livestock vaccinations, entrepreneurs training service, good sewage systems and pay casual labours when due, revenue is undoubtedly required. But if not so it will undermine the autonomy of the Municipal under the decentralization process since reliance will only be donations and the central government transfers (Oriaro et al 2001, Abigaba 2001, Mc lure, 1998) or service provision may be left to market forces which may not be afforded by low income earners in the district (Abayade 1981) Revenue collections will influence good service delivery but under good government policies and reforms as extraneous variables. Thus this has instigated this research to find out how local revenue collection is affecting service delivery in local government.

CHAPTER THREE

METHODOLOGY

3.1 Overview

This chapter deals with the methods and tools the researcher used in data collection and analysis. It describes the research design that was used by the researcher, data sources and collection tools, processing and analysis.

3.2 Research design

Within a case study design explanatory and cross-sectional design was used. The case study design intends to describe Bukoba Municipality as an institute in details since the researcher cannot study the whole regions due to time factor. The researcher used a cross-sectional design was appropriate for comparing and contrasting various variables under the study consideration and an explanatory design was used to include all observations from representative sectors and explain some phenomena to build theories.

It was also a combination of cross-sectional and explanatory study which was mainly base on primary data and secondary data which were obtained through in-depth questions and reviewing council's financial documents.

3.3 Sampling Procedure

The study used stratified random sampling technique to select the service sectors to be picked from. Therefore, the selected strata service sectors where the sample size allocated under stratified proportional. The purpose of the method was to maximize survey precision with a given fixed sample size. With stratified proportional allocation, the best sample size for stratum h was:

$$n_h = (N_h/N) n$$

Where,

n_h - The sample size for stratum h,

n - Total sample size,

N_h -The population size for stratum h,

N - The total population

Therefore, a distribution will be as follows;

Table 3.1: Sampling procedure

Service sector	Target population	Sample size of sector
Health	87	26
Finance and trade	103	31
Livestock	53	16
Agriculture	90	27
Total	333	100

Source: Researcher (2015)

3.4 Sample design

Random sampling and purposive sampling techniques were employed.

Random sampling technique is a process of selecting a sample that allows all members of the group or population to have an equal and independent chance of being selected for the sample. Random sampling technique was employed when selecting the employees at operational level. This was done to avoid bias of being basing on one group.

Purposive sampling technique refers to a process whereby the researcher selects a sample based on experience or knowledge of the group to be sampled. Purposive method was applied when selecting management staffs because there was a need to specifically get information from those members of staff who deal directly in administrative duties.

3.5 Justification of the sample selected

Krishnaswami (2002: 143) defines population as the target group to be studied in particular place while a sample is a part of population. Population, therefore, is the total collection of elements about which one wishes to get information. Samples are used in researches rather than the whole population because of costs in terms of funds, time and materials that can be involved in survey the whole population.

The total survey population targeted in this study was 333 from Bukoba Municipal Council out of it 30% of the total survey population was taken as a sample size. The

population includes staffs and non-staffs. The sample size was in line with Krishnaswami (2002: 144) who recommends a population sample of 30% as being representative enough of the entire population.

3.6 Data Analysis

Karl Pearson Coefficient of Correlation was used to determine the relationship between the independent and dependent variables. The actual internal revenue collection and quality of services delivered was measured by the descriptive analysis to compare and contrast between variables. The data under each specific objective was analyzed using Statistical Package for Social Sciences (SPSS) and presented using Microsoft Excell.

3.7 Methods of data collection

The study collected information from both primary and secondary data sources.

4.7.1 Primary data source

This refers to raw facts collected or generated in a given research for the first time. In this study the researcher used primary data as a method of data collection in order to get the quantifiable information from the respondents. These data was generated from the sample population by use of the questionnaires.

3.7.2 Secondary data

This is data that extracted from existing literature for example internal accounting reports, monthly financial reports, annual reports, audited reports, district/sub country final accounts manuals, annual budget proposal and the background to the budget. In this study the researcher extracted data from final financial report.

3.8 Data collection methods & instruments

The researcher used questionnaire and documentary review instruments of data collection.

3.9 Data processing and analysis

Data was gathered by use of questionnaire and documentary review, processed by editing, and computing. It was also analyzed by use of SPSS. The researcher also used Pearson's correlation coefficient to determine the relationship between the two variables which were internal revenue collection and quality of service delivered.

CHAPTER FOUR

PRESENTATION, ANALYSIS AND INTERPRETATION OF FINDINGS

4.1 Introduction

This Chapter presents research findings on the basis of data that were collected from the research field work. It entails presenting and analyzing the data concerning the relationship between revenue collection and quality of service delivery in Bukoba Municipal council. It presents the findings of the study as guided by research objectives. Therefore, this chapter will also presents the internal source of the revenue collection in Bukoba Municipal Council, the quality of services delivered by the council, the relationship between revenue collection and service delivery in the council and the factors leading to poor revenue collection in the council. Data were analysed with the help of the SPSS, a Statistical Package for social Sciences.

Data cleaning:

100 questionnaires were administered in this study to staffs and non-staffs. Out of these, 93 questionnaires were returned giving a response rate of 93%. Each questionnaire was inspected and corrected for purpose of detecting errors as well as cleaning data before being coded in the computer. The inspection and correction was done in two ways; firstly, in the field and secondly, during the process of coding the data. In the field, the data were inspected to detect the most garish omissions and inaccuracies in the data. To clear the data, the researcher re-arranged an interview with particular respondents in order to get accurate data. Then before coding the data, 6 questionnaires were dropped because of being improperly filled and contained incomplete answers, thus the researcher remained with 87 useable questionnaires giving a response rate of 87% which were considered satisfactory for subsequent analysis; the researcher considered them according to Churchill (1996) that they could provide proper quality of research information.

4.2 Respondents' Demographic characteristics

4.2.1 Respondents' Personal Information

Questionnaires were distributed to the respondents randomly but very purposely. The researcher avoided biasness of being selecting more female than men. 100 respondents were targeted in this study, 93 questionnaires were returned, giving a 93% response rate. However, after inspection and errors detection, only 87 questionnaires were seen to be useful for further analysis.

The findings in Table 4.1 below show that 53 respondents equivalent to 60.9% were female and 34 respondents equivalent to 39.1% were male. This implies that there was a gender balance of the respondents, which make our study to have the opinions of both male and female.

Table 4.1: Sex of the Respondents (N = 87)

Sex	Frequency	Percent	Cumulative Percent
Male	34	39.1	39.1
Female	53	60.9	100.0
Total	87	100.0	

Source: Field Data (2015)

Furthermore, findings in Table 4.2 below shows that 5 respondents equivalent to 5.8% of the respondents were aged below 25 but not less than 18. 23 respondents equivalent to 26.5% of the respondents were aged between 25 and 35 years. 48 respondent equivalents to 55.1% of the respondents were aged between 36 and 45. 11 respondents equivalent to 12.6% of the respondents were aged between 46 and 60 years. This implies that majority of the respondents were in the maturity age and therefore are in a better position to understand the relationship between revenue collection and quality of service delivery in Bukoba Municipal council

Table 4.2: Age of the Respondents (N = 87)

Age group	Frequency	Percent	Cumulative Percent
Below 25	5	5.8	5.8
26 - 35	23	26.5	32.3
36 - 45	48	55.1	87.4
46 – 60+	11	12.6	100.0
Total	87	100.0	

Source: Field Data (2015)

A cross tabulation in Table 4.3 below of sex versus age shows that there were 2 male aged below 25 years, while female were 3, in the same way 8 males and 15 females aged between 26 – 35 years. 21 males aged and 27 females aged between 36 and 45 years. 3 male and 8 females aged between 46 and 60+ years. This further implies that there are more female respondents than male respondents in the financial department.

Table 4.3: Sex Age Cross tabulation (N = 87)

		Age				Total
		Below 25	26 – 35	36 - 45	46 – 60+	
Sex	Male	2	8	21	3	34
	Female	3	15	27	8	53
Total		5	23	48	11	87

Source: Field Data, (2015)

The findings in Table 4.4 below also show that 0 respondents equivalent to 00% of the respondents were primary school leavers. 13 respondents equivalent to 14.94% of the respondents were secondary school leavers. 25 owner employed staffs equivalent to 27.73% of the respondents were certificate holders. 39 owner staffs equivalent to 44.83% of the respondents were diploma holders. The findings also show that there were 7 respondents equivalent with 8.04% were undergraduate degree holder and 3 postgraduate equivalents to 3.45% of the respondents. This implies that respondents had sufficient academic qualifications to read and understand the questionnaire properly and therefore we believe that, they replied to the questions posted to them correctly.

Table 4.4: Educational level of the Respondents (N = 87)

Level of Education	Frequency	Percent	Cumulative Percent
Primary School	00	00	00
Secondary School	13	14.94	14.94
Certificate Holder	25	28.73	43.67
Diploma Holder	39	46.43	88.51
Undergraduate	7	8.05	96.56
Postgraduate	3	3.44	100.00
Total	87	100.0	

Source: Field Data 2015

4.2.2 Respondents' experience

The analysis of the respondents' experience was made and the findings show that 5 respondents equivalent to 5.74% had experience of working in the financial sector for less than one year, 17 respondents equivalent to 19.54% of the respondents had an experience of 1-3 years. 49 respondents equivalent to 56.32% of the respondents had an experience of 4 - 6 years. 16 respondents equivalent to 18.39% of the respondents had an experience of more than 7 years. This signifies that out of 87 respondents surveyed, majority had worked in the sector for more than four years, which implies that more and more respondents who responded to the imposed questions had an experience in revenue collection and quality of services delivered by the council and therefore they were in a better position to tell us their experiences concerning the relationship between revenue collection and quality of service delivery in Bukoba Municipal council

Table 4.5 Respondents experience (N = 87)

Experience	Frequency	Percent	Cumulative Percent
Less than 1 year	5	5.75	5.75
1 - 3 years	17	19.54	25.29
4 - 6 years	49	56.32	81.61
More than 7 years	16	18.39	100
Total	87	100.0	

Source: Field Data 2015

4.3 Bukoba Municipal Council revenue collection trends

Table 4.6 below shows the trend of revenue collection in BMC for three consecutive years, the financial year ended June 2013 is recorded to collect 79% of the targeted total revenue collection; this is identified to be the highest achievement of internal revenue collection for the past five years according to the records of revenue collection in the council. This implies that the council have no reliable history of collecting 100% of the targeted revenue in a specified financial year and hence creating the council expenditure deficit. It should be noted that one of the purposes of establishing municipals and other councils was to decentralize the authority so as to deliver quality services to the public, if the total budgeted revenue is below the actual total collection of revenue, some of planned activities will not or will be performed below standard as the result of inadequate financing leading to poor service delivery.

Table 4.6: Trend of revenue collections for Bukoba Municipal Council.

Year	Budgeted	Actual collection	Percentage
2011/2012	2,327,513,000	1,510,159,300	64
2012/2013	2,529,905,000	2,014,219,852	79
2013/2014	2,131,420,000	1509258502	70.81

Source: BMC Final Accounts report 2013/2014

4.3.1 The Internal Sources of the Revenue Collection in Bukoba Municipal Council

Table 4.7 below, presents the internal sources and their budgeted revenue and actual collection, for the year ended June 2014 Property tax was budgeted to collect 362,341,400, the actual collection was 264,509,222 making 73% of the total budgeted from the source, service levy was budgeted to collect 298,398,800 and collected 241,703,028 making 81% of total collection from the source, Licence was budgeted to collect 319,713,000, the actual collection was 214,207,710 equivalent with 67% of total actual collection from the source, Market fees was budgeted to collect 234,456,200 the actual collection was 185,220,398 equivalent with 79% from the source, Burners fees was budgeted to collect 255,770,400 but the actual collection was 158,577,648 (62%)

Auction were budgeted to collect 191,827,800 the actual collection was 147,707,406 equivalent with 77% of total collection from the source, Agriculture products was budgeted to collect 106,571,000, actual collection was 57,548,340 equivalent with 54% total collection from the source, Natural resources were budgeted to collect 63,942,600, the actual collection from the source was 47,956,950 (75%) Weapons fees were budgeted 42,628,400 the actual collection from the source was 37,086,706 (87%) and other sources were budgeted 63,942,600, the actual collection from the source was 47,317,524 equivalent with 74%.

These statistics shows no internal source of revenue collected at 100%, sources like property tax, licence and service levy have been budgeted larger position of the total budgeted collection compared with other sources these suggests that the municipal revenue rely more from these three sources calling for more attention and seriousness of the collectors from those sources to archive the municipal targeted budget. Further the results shows ineffective revenue collection that is more than 28% equivalent to 622,161,498 of the budgeted revenue was uncollected, this also implies that the assigned staffs to administer and collect the budgeted revenue performs below expected standard leading to poor financial service delivery in the council.

Table 4.7: Internal Sources of the Revenue Collection in Bukoba Municipal Councils

Source	Budgeted	Actual Collection	%Actual collected
Market fees	234,456,200	185,220,398	79
Licences	319,713,000	214,207,710	67
Park fees	191,827,800	107,423,568	56
Property tax	362,341,400	264,509,222	73
Service levy	298,398,800	241,703,028	81
Burners fees	255,770,400	158,577,648	62
Auction collection	191,827,800	147,707,406	77
Agriculture products	106,571,000	57,548,340	54
Natural resources collection	63,942,600	47,956,950	75
Weapons fees	42,628,400	37,086,706	87
Others	63,942,600	47,317,524	74
Total	2,131,420,000	1,509,258,502	70.81

Source: Research findings, 2015

4.4 Quality of services delivered by the council in general.

In order to measure the quality of services delivered by the council the researcher used the revenue performance trend and remittance statistics from official records and, 4 qualitative measures (Very good, Good, Poor and very poor) both were used to determine the quality of services delivered by the council. Respondents were requested to rate each measure by pointing out one appropriate level of quality and the frequency of their responses are provided in percentages (%) as shown in Table 4.8

The findings in table 4.8 show that 49 respondents equivalent to 56.32% indicated the very poor degree of quality delivery by the council. 21 equivalents to 24.14% of the respondents indicated poor quality of service delivery, Further to that 12 and 5 respondents' equivalent to 13.79% and 5.75% respectively shows good and very good quality of services respectively.

These findings imply that the quality of the service delivered is below expected standard, this might be influenced by financial constraints caused by poor revenue collection from internal sources.

Table 4.8: The degree of quality of services delivered by the council.

Degree	Frequency	Percent	Cumulative Percent
Very Good	5	5.75	5.75
Good	12	13.79	19.54
Poor	21	24.14	43.68
Very Poor	49	56.32	100
Total	87	100.0	

Source: Field Data, 2015

4.5 Budgeted Revenue and Actual collection from the source for three consecutive years in four service sectors of BMC

Result from Table 4.9 presents the budgeted revenue, actual collection for three consecutive years in four service sectors of BMC. Year 2011/2012 the revenue collection trend in health, Trade, livestock and agriculture sectors recorded 79%, 64%, 75% and 52% respectively of actual internal collection, likewise the same sector recorded 86%, 69%, 73% and 57% respectively for the financial year ended June 2013, For year 2013/2014 the trend was observed to record 56%, 67%, 48% and 54% for health, trade, livestock and agriculture sectors respectively. This statics shows little variation of internal revenue collection for different financial years in the same sector of service delivery.

Table 4.9 Trend of Budgeted internal Revenue and Actual collection from the source in BMK for three consecutive financial years.

Financial year	Service category	Budgeted	Actual collection	% of actual collection	variance
2011/2012	Health	186,201,040	147,098,822	79	0.79
	Trade	209,476,170	134,064,749	64	0.64
	Livestock	116,375,650	87,281,738	75	0.75
	Agriculture	93,100,520	48,412,270	52	0.52
2012/2013	Health	227,691,450	195,814,652	86	0.86
	Trade	278,289,550	192,019,790	69	0.69
	Livestock	177,093,350	129,278,146	73	0.73
	Agriculture	101,196,200	57,681,834	57	0.57
2013/2014	Health	191,827,800	107,423,568	56	0.56
	Trade	319,713,000	214,207,710	67	0.67
	Livestock	192,764,100	93,642,852	48	0.48
	Agriculture	106,571,000	57,548,340	54	0.54

Source: Researcher Findings, (2015)

4.6 Development expenditure pattern of four service sectors for three consecutive financial years in BMC.

Local Authorities are required to allocate development funds from its collections for the purpose of financing social services.

Result from Table 4.10 presents the fund allocation and actual development expenditure for three consecutive years in four service sectors of BMC. Year 2011/2012 the expenditure pattern in health, Trade, livestock and agriculture sectors recorded 36%, 59%, 73% and 41% respectively of actual expenditure, likewise the same sector recorded 77%, 58%, 65% and 53% respectively for the financial year ended June 2013, For year 2013/2014 the trend was observed to record 47%, 48%, 37% and 42% for health, trade, livestock and agriculture sectors respectively. This statistics shows high variation of actual expenditure especially for the financial year ended June 2013 when compared

with other two financial years that is 2011/2012 and 2012/2014. This may be because of higher (79%) total revenue collection for year 2012/2013.

Table 4.10 Development expenditure Patten of four service sectors for three consecutive financial years in BMC.

Financial year	Service category	Allocated	Actual expenditures	% of actual expenditures	variance
2011/2012	Health	186,201,040	67,032,374	36	0.36
	Trade	209,476,170	94,264,277	45	0.45
	Livestock	116,375,650	84,954,224	73	0.73
	Agriculture	93,100,520	38,171,213	41	0.41
2012/2013	Health	227,691,450	175,322,416	77	0.77
	Trade	278,289,550	161,407,939	58	0.58
	Livestock	177,093,350	115,110,678	65	0.73
	Agriculture	101,196,200	536,339,986	53	0.53
2013/2014	Health	191,827,800	90159066	47	0.47
	Trade	319,713,000	153462240	48	0.48
	Livestock	192,764,100	71322717	37	0.37
	Agriculture	106,571,000	44759820	42	0.42

Source: Researcher Findings, (2015)

4.6.1 Analysis of Revenue collection from four sectors and Quality of Services Delivered by the Council for three consecutive years

4.6.2 Health sector

In order to measure the quality of service delivered, the researcher compared the actual revenue collected from the sector and actual development expenditure in the same sector in a given financial year. For the year ended June 2014 the health sector (drug purchase and health promotion campaign) had quality of service delivery by 47% achieved against 56% of actual revenue collected from the same sector, the study results shows 53% variance of quality of service against 44 % variance of actual revenue collected from the source, further variation is observed between variance of quality of service delivery in the sector and actual revenue collected (44% and 53% respectively) the

quality of service in terms of percentage is observed to be less than the actual collected revenue in the sector.

Quality of services delivered by the council, 4 qualitative measures (Very good, Good, Poor and very poor) were used to determine the quality of services delivered by the council. Respondents were requested to rate each measure by pointing out one appropriate level of quality and the frequency of their responses are provided in percentages (%) as shown in Table 4.11

Table 4.11: Availability of drugs and health promotion campaign services delivered by the council.

Degree	Frequency	Percent	Cumulative Percent
Very Good	4	4.59	4.59
Good	11	12.64	17.23
Poor	23	26.43	43.66
Very Poor	49	56.32	100
Total	87	100.0	

Source: Field Data 2015

The findings in table 4.11 show that 49 respondents equivalent to 56.32% indicated the very poor degree of quality delivery by the council. 23 equivalents to 26.43% of the respondents indicated poor quality of service delivery, Further to that 11 and 4 respondents' equivalent to 12.64% and 4.59% respectively shows good and very good quality of services respectively. These findings imply that the quality of the service delivered is below expected standard due to poor revenue collections.

The year 2012/2013 the health sector (drug purchase and health promotion campaign) had quality of service delivery by 77% achieved against 86% of actual revenue collected from the same sector, the study results shows 23% variance of quality of service against 14% variance of actual revenue collected from the source. The year indicated higher (30%) collection in the sector than year 2013/2014, actual expenditure is also relatively higher (29%) indicating high quality of services in the sector for

2012/2013 compared to 2013/2014 . These statistics shows that the higher the actual internal revenue collection, the higher the quality of services and verse versa.

Quality of services delivered by the council, 4 qualitative measures (Very good, Good, Poor and very poor) were used to determine the quality of services delivered by the council. Respondents were requested to rate each measure by pointing out one appropriate level of quality and the frequency of their responses are provided in percentages (%) as shown in Table 4.12

Table 4.12: Availability of drugs and health promotion campaign services delivered by the council.

Degree	Frequency	Percent	Cumulative Percent
Very Good	4	4.59	4.59
Good	20	22.98	27.57
Poor	23	26.43	54.00
Very Poor	40	45.97	100
Total	87	100.0	

Source: Field Data 2015

The findings in table 4.12 show that 40 respondents equivalent to 45.97% indicated the very poor degree of quality delivery by the council. 23 equivalents to 26.43% of the respondents indicated poor quality of service delivery, Further to that 20 and 4 respondents' equivalent to 22.98% and 4.59% respectively shows good and very good quality of services respectively. These findings imply that the quality of the service delivered is below expected standard but showed some improvement compared to other sectors, this might be influenced by increased revenue collections which caused increase in development expenditure. On the other hand poor service delivery is influenced by financial constraints caused by poor revenue collection procedure from internal sources.

Year 2011/2012 indicated 36% and 79% quality of services and actual revenue collection in health sector respectively, the study results shows 64% variance of quality of service against 21% variance of actual revenue collected from the source, the results indicated greater 43% variation between actual revenue collection and quality of services, this year is reported to collect a total of 64% of budgeted revenue in all internal revenue sources (see table 4.6 above), the total revenue collection in health sector in the year 2011/2012 might have been reallocated to cutter other council expenditure as a result of rapidly drop of internal revenue collection from other collection sources. Furthermore year 2011/2012 had little (36%) expenditure compared to other two discussed financial years, this was caused by under collection of all internal sources of the council and thus leading to low quality of services delivery in the sector.

4.6.3 Trade sector

For the year ended June 2014 the Trade sector (Awareness creation for voluntary tax compliance and business management skills to the tax payers) had quality of service delivery by 48% achieved against 67% of actual revenue collected from the same sector, the study results shows 52% variance of quality of service against 33% variance of actual revenue collected from the source, further variation is observed between variance of quality of service delivery in the sector and actual revenue collected (52% and 33% respectively) the quality of service in terms of percentage is observed to be less than the actual collected revenue in the sector. This implies that under collection of internal revenue results to low quality delivery in the same sector.

Respondents were requested to state the quality of trade sector services delivery in terms of awareness creation for voluntary tax compliance and business management skills to the tax payers in relation to the revenue collection.

Table 4.13: Awareness creation for voluntary tax compliance and business management skills to the tax payers services delivered by the council.

Degree	Frequency	Percent	Cumulative Percent
Very Good	3	3.44	3.44
Good	10	11.49	14.93
Poor	25	28.73	43.66
Very Poor	49	56.32	100
Total	87	100.0	

Source: Field Data 2015

The findings in table 4.13 show that 49 respondents equivalent to 56.32% indicated the very poor degree of quality delivery by the council. 25 equivalents to 28.73% of the respondents indicated poor quality of service delivery, Further to that 10 and 3 respondents' equivalent to 11.49% and 3.44% respectively shows good and very good quality of services respectively. These findings imply that the quality of the service delivered is below, this might be influenced by shortage of financial resources caused by poor revenue collection from internal sources. Therefore the results revealed the degree of relationship between two variables.

The year 2012/2013 the Trade sector (Awareness creation for voluntary tax compliance and business management skills to the tax payers) had quality of service delivery by 58% achieved against 69% of actual revenue collected from the same sector, the study results shows 58% variance of quality of service against 69% variance of actual revenue collected from the source. The year indicated improvement (10%) of quality of service delivery than year 2013/2014, actual revenue collected is also relatively higher (2%) indicating high quality of services in the sector for 2012/2013 compared to 2013/2014, since year 2012/2013 had higher (79%) revenue collection from all revenue collection sources than other two discussed financial years see table 4.6 above). The sector might have been financed by other revenue collection sources (These statistics shows that the higher the actual internal revenue collection, the higher the quality of services and verse versa.

Respondents were requested to state the quality of trade sector services delivery in terms of awareness creation for voluntary tax compliance and business management skills to the tax payers in relation to the revenue collection.

Table 4.14: Awareness creation for voluntary tax compliance and business management skills to the tax payers services delivered by the council.

Degree	Frequency	Percent	Cumulative Percent
Very Good	3	3.44	3.44
Good	21	24.13	27.57
Poor	25	28.73	56.33
Very Poor	38	43.67	100
Total	87	100.0	

Source: Field Data 2015

The findings in table 4.14 show that 38 respondents equivalent to 43.67% indicated the very poor degree of quality delivery by the council. 25 equivalents to 28.73% of the respondents indicated poor quality of service delivery, Further to that 21 and 3 respondents' equivalent to 24.13% and 3.44% respectively shows good and very good quality of services respectively. These findings imply that the quality of the service delivered is below but shows some improvement compared to the financial year 2013/2014. This might be influenced by improved revenue collection and increase in the development expenditure in the specified year. Therefore the results revealed the degree of relationship between two variables.

Year 2011/2012 indicated 45% and 64% quality of services and actual revenue collection in Trade sector (Awareness creation for voluntary tax compliance and business management skills to the tax payers) respectively, the study results shows 45% variance of quality of service against 64% variance of actual revenue collected from the source, the results indicated greater (0.19) variation between actual revenue collection and quality of services, this year is reported to collect a total of 64% of budgeted revenue in all internal revenue sources (see table 4.6 above), the total revenue collection

in Trade sector in the year 2011/2012 was less than total actual revenue collection in other two financial years, this resulted to less quality of service delivery in the sector when compared to other two financial years under the discussion.

4.6.4 Livestock sector

For the year ended June 2014 the Livestock sector (availability of deep tanks and animal vaccination) had quality of service delivery by 37% achieved against 48% of actual revenue collected from the same sector, the study results shows 63% variance of quality of service against 52% variance of actual revenue collected from the source, further variation is observed between variance of quality of service delivery in the sector and actual revenue collected by 11% the quality of service in terms of percentage is observed to be less than the actual collected revenue in the sector. This implies that under collection of internal revenue results to low quality delivery in the same sector.

Respondents were requested to state the quality of trade sector services delivery in terms of availability of deep tanks and animal vaccination in relation to the revenue collection.

Table 4.15: Availability of deep tanks and animal vaccination services delivered by the council.

Degree	Frequency	Percent	Cumulative Percent
Very Good	2	2.29	2.29
Good	16	18.39	20.68
Poor	24	27.58	48.26
Very Poor	45	51.72	100
Total	87	100.0	

Source: Field Data, 2015

The findings in table 4.15 show that 45 respondents equivalent to 51.72% indicated the very poor degree of quality delivery by the council. 24 equivalents to 27.58% of the respondents indicated poor quality of service delivery, Further to that 16 and 2 respondents' equivalent to 18.39% and 2.29% respectively shows good and very good quality of services respectively. These findings imply that the quality of the service

delivered is not satisfactory .This might be due to shortage of financial resources caused by poor revenue collection from internal sources. Therefore the results show that, there is a relationship between revenue collection and service delivery.

The year 2012/2013 the Livestock sector (availability of deep tanks and animal vaccination) had quality of service delivery by 65% achieved against 73% of actual revenue collected from the same sector, the study results shows 35% variance of quality of service against 27% variance of actual revenue collected from the source. The year indicated improvement (28%) of quality of service delivery than year 2013/2014, actual revenue collected is also relatively higher (25%) indicating high quality of services in the sector for 2012/2013 compared to 2013/2014, since year 2012/2013 had higher (79%) total actual revenue collection from all revenue collection sources than other two discussed financial years see table 4.6 above). These statistics shows that the higher the actual internal revenue collection, the higher the quality of services and verse versa.

Year 2011/2012 indicated 73% and 75% quality of services and actual revenue collection in Livestock sector (availability of deep tanks and animal vaccination) respectively, the study results shows 25% variance of quality of service against 25% variance of actual revenue collected from the source, the results indicated minor 2% variation between actual revenue collection and quality of services, this year is reported to collect a total of 64% of budgeted revenue in all internal revenue sources (see table 4.6 above), the total revenue collection in livestock sector in the year 2011/2012 was higher than total actual revenue collection in other two financial years, this resulted to higher quality of service delivery in the sector when compared to other two financial years under the discussion.

Respondents' responses on availability of deep tanks and animal vaccination.

Table 4.16: Availability of deep tanks and animal vaccination services delivered by the council.

Degree	Frequency	Percent	Cumulative Percent
Very Good	2	2.29	2.29
Good	16	18.39	20.68
Poor	27	31.03	51.71
Very Poor	42	48.27	100
Total	87	100.0	

Source: Field Data, 2015

The findings in table 4.16 show that 42 respondents equivalent to 48.27% indicated the very poor degree of quality delivery by the council. 27 equivalents to 31.03% of the respondents indicated poor quality of service delivery, Further to that 16 and 2 respondents' equivalent to 18.39% and 2.29% respectively shows good and very good quality of services respectively. These findings imply that the quality of the service delivered is not satisfactory but showed some improvement when compared with other two sectors Trade and Agriculture .This might be influenced by increased revenue collections which caused increase in development expenditure but poor service delivery might be due to shortage of financial resources caused by poor revenue collection from internal sources. Therefore the results show that, there is a relationship between revenue collection and service delivery.

4.6.5 Agriculture sectors

For the year ended June 2014 the Agriculture sector (quality seeds and storage services) had quality of service delivery by 42% achieved against 54% of actual revenue collected from the same sector, the study results shows 58% variance of quality of service against 46% variance of actual revenue collected from the source, further variation is observed between variance of quality of service delivery in the sector and actual revenue collected by 12% the quality of service in terms of percentage is observed to be less than the actual collected revenue in the sector.

This implies that under collection of internal revenue results to low quality delivery in the same sector. Respondent's responses on availability of quality seeds and storage devices services delivered by the council.

Table 4.17: Availability of quality seeds and storage devices services delivered by the council.

Degree	Frequency	Percent	Cumulative Percent
Very Good	5	5.74	5.74
Good	11	12.64	18.37
Poor	21	24.13	42.51
Very Poor	50	57.47	100
Total	87	100.0	

Source: Field Data, 2015

The findings in table 4.17 show that 50 respondents equivalent to 57.47% indicated the very poor degree of quality delivery by the council. 21 equivalents to 24.13% of the respondents indicated poor quality of service delivery, Further to that 11 and 5 respondents' equivalent to 12.64% and 5.74% respectively shows good and very good quality of services respectively. These findings imply that the quality of the service delivered is not at the standard level, that means quality seeds and storage devices are not provided or they are provided at minimal ; this might be also influenced by lack of enough fund caused by inefficient procedure of revenue collection from internal sources. Therefore the results show that, there is a relationship between revenue collection and service delivery.

The year 2012/2013 the Agriculture sector (quality seeds and storage services) had quality of service delivery by 33% achieved against 57% of actual revenue collected from the same sector, the study results shows 47% variance of quality of service against 43% variance of actual revenue collected from the source. The year indicated improvement (9%) of quality of service delivery than year 2013/2014, actual revenue collected is also relatively higher (3%) indicating high quality of services in the sector for 2012/2013 compared to 2013/2014, since year 2012/2013 had higher (79%) total actual revenue collection from all revenue collection sources than other two discussed financial years see table 4.6 above). These statistics shows that the higher the actual internal revenue collection, the higher the quality of services and verse versa.

Table 4.18: Availability of quality seeds and storage devices services delivered by the council.

Degree	Frequency	Percent	Cumulative Percent
Very Good	5	5.74	5.74
Good	18	20.69	26.42
Poor	21	24.13	50.55
Very Poor	43	49.42	100
Total	87	100.0	

Source: Field Data 2015

The findings in table 4.18 show that 43 respondents equivalent to 49.42% indicated the very poor degree of quality delivery by the council. 21 equivalents to 24.13% of the respondents indicated poor quality of service delivery, Further to that 18 and 5 respondents' equivalent to 20.69% and 5.74% respectively shows good and very good quality of services respectively. These findings imply that the quality of the service delivered is not at the standard but there is some improvement compared to the financial year 2013/2014. This might be also influenced by increase in revenue collections and development expenditure for the year. Therefore the results show that, there is a relationship between revenue collection and service delivery.

Year 2011/2012 indicated 41% and 52% quality of services and actual revenue collection in Agriculture sector (quality seeds and storage services) respectively, the study results shows 59% variance of quality of service against 48% variance of actual revenue collected from the source, the results indicated slight (9%) variation between actual revenue collection and quality of services, this year is reported to collect a total of 64% of budgeted revenue in all internal revenue sources (see table 4.6 above), the total revenue collection in agriculture sector in the year 2011/2012 was less than total actual revenue collection in other two financial years, this resulted to low quality of service delivery in the sector when compared to other two financial years under the discussion.

4.7 The Factors determining internal revenue collection in Bukoba Municipal council.

The aim of this question was to determine the factors which contribute the poor internal revenue collection in Bukoba Municipal council. 13 statements were used to capture factors that lead to poor internal revenue collection in Bukoba Municipal council. Respondents were requested to rate each statement using five point Likert scale (1= strongly disagree, 2 = disagree, 3 = neutral, 4= agree, 5 = strongly agree) and the frequency of their responses are provided in percentages (%) as shown in Table 4.19

Table 4.19: The Factors Contributing to poor internal revenue collection in Bukoba Municipal council .

Factors	1		2		3		4		5	
	f	%	f	%	f	%	f	%	f	%
Corruption in the council's Revenue section	00	00	00	00	00	00	35	40.23	52	59.77
Poor financial accountability in the council	00	00	00	00	27	31.03	53	60.92	7	8.05
Limited sources of internal Revenue collection	7	8.05	11	12.64	34	39.08	35	40.23	00	00
Deficit budget for internal revenue monitoring	00	00	00	00	5	5.75	52	59.77	30	34.48
Poor internal budget planning	00	00	00	00	3	3.45	31	35.63	52	59.77
Shortage of revenue collectors	00	00	00	00	9	10.34	29	33.33	49	56.32
Poor staff motivation	12	13.79	19	21.84	37	42.53	19	21.84	00	00
Inadequate application of cannons of good tax	00	00	00	00	00	00	22	25.29	65	74.71
Poor internal revenue collection policy	13	14.94	18	20.69	31	35.63	5	5.75	20	22.99
Inadequate employed staffs in the finance department in the council	9	10.34	13	14.94	33	37.93	27	31.03	5	5.75
Political interference	4	4.6	11	12.64	22	25.28	29	33.33	21	24.14
Inadequate tax knowledge among the tax payers	00	00	3	3.45	13	14.94	27	31.03	44	50.57
Unqualified staffs in financial department	44	50.57	31	35.63	9	10.34	3	3.45	00	00
Management Instability	00	00	00	00	19	21.84	35	40.23	33	37.93

Source: Field Data, 2015

The findings in Table 4.19 show that 35 and 52 respondents equivalent to 40.23% and 59.77% of the respondents agree and strongly agree respectively that poor internal revenue collection in the council is caused by Corruption in the council's Revenue section, Non of the respondents were either neutral, disagree or strongly disagree in that factor. 27 respondents equivalent to 31.03% of the respondents were neutral that poor internal revenue collection in Bukoba Municipal council is caused by Poor financial accountability in the council, 53 and 7 respondents equivalent with 60.92% and 8.05%

agree and strongly agree respectively that poor internal revenue collection in the council is caused by Poor financial accountability in the council. 7,11 and 34 respondents equivalent to 8.05%,12.64% and 39.08% of the respondents were strongly disagree, disagree and neutral respectively about the statement that Limited sources of internal Revenue collection is the cause for poor internal revenue collection in Bukoba Municipal council where 35 respondent equivalent to 40.23% agree in the same factor, there was no strongly agreed in factor that limited sources of internal Revenue collection is the cause for poor internal revenue collection in the council. 52 and 30 respondents equivalent to 59.77% and 34.48% of the respondents agree and strongly agree respectively that poor internal revenue collection in the council is caused by Deficit budget for internal revenue monitoring in the council only 5 respondents equivalent to 5.75% of the respondents was neutral in the same factor, there were no respondents who strongly disagree or disagree on factor that Deficit budget for internal revenue monitoring is the causative for poor internal revenue collection in the council. 31 and 52 of respondent equivalent 35.63% and 59.77% agree and strong agree that Poor internal budget planning is the factors contributing poor internal revenue collection in the council.

Likewise 3 respondents equivalent to 3.45% were neutral about the same factor, there were no respondents who strongly disagree or disagree respectively that poor budget planning is the factors contributing to poor internal revenue collection in the councils. 9 respondent equivalent to 10.34% were neutral about the factor that Shortage of revenue collectors in the council contribute to poor internal revenue collection in the councils, mean while 29 and 49 respondent equivalent to 33.33% and 56.32% agreed and strong agree respectively on factor that shortage of revenue collectors in the council contribute to the poor internal revenue collection in the councils, there were no respondents who either strong disagree or disagree in that factor. 12,19 and 37 of respondents equivalent to 13.79%,21.84% and 42.53% were strongly disagree, disagree and neutral respectively on the factor that Poor staff motivation causes poor internal revenue collection in the councils mean while 19 respondent equivalent to 21.84% agree on the factor mentioned,

there were no respondents who strong agree on the same factor. 22 and 65 respondent equivalent to 25.29% and 74.71 respectively agree and strongly agreed that Inadequate application of cannons of good tax is the factor contributing poor internal revenue collection in the councils, there were no respondent who either strong disagree, disagree or neutral on the factor Inadequate application of cannons of good tax is the factor contributing to poor internal revenue collection in the councils. 13 and 18 respondents equivalent to 14.94% and 20.69% strongly disagree and disagree respectively that Poor internal revenue collection policy is the factor contributing to poor internal revenue collection in the councils, 31 respondents equivalent to 35.63% were neutral Poor internal revenue collection policy is the factor contributing to poor internal revenue collection in the councils, mean while 5 and 20 respondent equivalent to 5.75% and 22.99% agree and strongly agree respectively Poor internal revenue collection policy is the factor contributing to poor internal revenue collection in the council. 33 and 27 respondent equivalent to 33.33% and 31.03% agree and strong agree respectively that Inadequate employed staffs in the finance department in the council as the factors contributing to poor internal revenue collection in the council., mean while 9 respondent equivalent to 10.34% agree that Inadequate employed staffs in the finance department in the council as the factors contributing to poor internal revenue collection in the council and 13 respondents equivalent to 14.94% were neutral that Inadequate employed staffs in the finance department in the council is the factors contributing poor internal revenue collection in the councils, there were no respondents who either strongly disagree or disagree respectively on the same factor. 29 and 21 respondents equivalent to 33.33% and 24.14 agree and strongly agree that Political interference is the factor contributing poor internal revenue collection in the councils, 4 and 11 respondent equivalent to 4.60% and 12.64% strongly disagree and disagree respectively that world Political interference is the factor contributing to contributing poor internal revenue collection in the council, 22 respondents equivalent to 25.28% were neutral on that factor. 44 and 27 respondent equivalent to 31.03% and 50.57 strongly agreed and agree respectively that Inadequate tax knowledge among the tax payers is the factor

contributing poor internal revenue collection in the council, 13 respondent equivalent to 14.94% were neutral that Inadequate tax knowledge among the tax payers is the factor contributing to poor internal revenue collection in the council, 3 respondent equivalent to 3.45% disagree that Inadequate tax knowledge among the tax payers is the factor contributing to poor internal revenue collection in the council and non of respondents who strongly disagree on the same factor. 44 and 31 respondents equivalent to 50.57% and 35.63% strongly disagree and disagree respectively on the factor that Unqualified staffs in financial department is the factor contributing to poor internal revenue collection in the council, where 9 respondent equivalent to 10.34% were neutral that Unqualified staffs in financial department is the factor contributing to poor internal revenue collection in the council, 3 responds equivalent to 3.45% agreed that Unqualified staffs in financial department is the factor contributing poor internal revenue collection in the council, non of respondents strongly disagree that Unqualified staffs in financial department is the factor contributing poor internal revenue collection in the council. 19 equivalent to 21.84% were neutral that the management instability as a factor contributing to poor internal revenue collection in the council. 35 and 33 respondents equivalent to 40.23% and 37.93% agree and strongly agree respectively that the management instability as a factor contributing to poor internal revenue collection in the council.

These findings implies that the public employed staff are knowledgeable and aware about the existence and causes of poor internal revenue collection in the council and thus the respondents reaction shows that poor internal revenue collection in the council caused by the leading factors with high degree of strong agree and agree as clearly shown and analysed in table 4.19

4.8 The relationship between revenue collection and quality of service delivered by the council

This part aimed to determine relationship between revenue collection and the quality of service delivery. The study results indicated significance relation between revenue collection and quality of service delivery by the council.

The coefficient for revenue collection (1) in table 4.20 below indicate that revenue collection increases by 1 units service delivery would increase by 1 unit.

The relationship between actual revenue collection and quality of services delivered by the council indicated by Pearson correlation ($p < 0.01$) showing a significant positive correlation between council actual revenue collection and quality of services delivered. The relationship between revenue collection and quality of services delivered by the council showed a positive and significant correlation as evidenced by Pearson correlation ratio = ($0.000 < p < 0.01$) hence the researcher concluded that quality of services was positively correlated with actual revenue collected by the council, that is the higher the revenue collected the higher the quality of service delivery and verse versa.

Table 4.20 The Pearson Correlation Coefficient:

		Revenue collection	Quality of service delivery
Actual Revenue collection	Pearson Correlation	1	.941**
	Sig. (2-tailed)	.	.000
		N	61
Quality of Service delivery	Pearson Correlation	.941**	1
	Sig. (2-tailed)	.000	
		N	61

** Correlation is significant at the 0.01 level (2-tailed)

Source: Researcher Findings, (2015).

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

In this chapter, the major findings are discussed in summary; the conclusions are drawn based on the findings and recommendations are made with reference to concerned stakeholders and policy makers. The general purpose of this study was to assessing the relationship between revenue collection and quality of service delivery in Bukoba Municipal council. The study was guided by the following specific research objectives; to explore the internal source of the revenue collection in Bukoba Municipal Council, examine the quality of services delivered by the council in relation to the actual revenue collected, determine the relationship between revenue collection and service delivery in the council and find out the factors leading to poor revenue collection in the council.

5.2 Summary of Findings

5.2.1 BMC Revenue collection trends

The trend of actual revenue collection in BMC for three consecutive years was observed to fluctuate highly, example the financial year ended June 2013 is recorded to collect 79% of the targeted total revenue collection; this is identified to be the highest achievement of internal revenue collection for the past five years according to the records of revenue collection in the council. However the council had no reliable history of collecting 100% of the targeted internal revenue in a specified financial year and hence creating the council expenditure deficit's

5.3 The Internal Sources of the Revenue Collection in Bukoba Municipal Council

Eleven (11) internal revenue collection sources were identified by the respondents. These were Property tax budgeted to collect 362,341,400 but collected was 264,509,222 equivalent to 73%, service levy budgeted to collect 298,398,800 but collected 241,703,028 equivalent to 81%, Licence budgeted to collect 319,713,000 but collected 214,207,710 equivalent to 67% of, Market fees was budgeted to collect 234,456,200 but

collected 185,220,398 equivalent to 79%, Burners fees was budgeted to collect 255,770,400 but the actual collection was 158,577,648 (62%), Auction were budgeted to collect 191,827,800 the actual collection was 147,707,406 equivalent with 77%, Agriculture products was budgeted to collect 106,571,000 but actual collected 57,548,340 equivalent with 54%, Natural resources were budgeted to collect 63,942,600, the actual collection from the source was 47,956,950 (75%), Weapons fees were budgeted to collect 42,628,400 the actual collection was 37,086,706 (87%) and other sources were budgeted 63,942,600 but collected 47,317,524 equivalent with 74%. The statistics indicated ineffective revenue collection from the council internal revenue sources, that is more than 28% equivalent to 622,161,498 of the budgeted revenue was uncollected, this also shows that the assigned staffs to administer the budgeted internal revenue collection performs below expected standard leading to poor financial service delivery in the council.

5.4 Quality of services delivered by the council in general.

The degree of quality of services delivered by the council is generally reported by the majority (more than 49%) of respondents to be of poor quality, this is justified by the council financial constraints caused by poor revenue collection from internal sources to finance the services.

The study surveyed four sectors (Health, Trade, Livestock and Agriculture) in the council with the aim of relating the actual revenue collection and quality of service delivered by the sector, For the year ended June 2014 the health sector (drug purchase and health promotion campaign) had quality of service delivery by 47% achieved against 56% of actual revenue collected from the same sector, the study results shows 53% variance of quality of service against 44% variance of actual revenue collected from the source, further variation is observed between variance of quality of service delivery in the sector and actual revenue collected (53% and 44% respectively) the quality of service in terms of percentage is observed to be less than the actual collected revenue in the sector. The year 2012/2013 the health sector (drug purchase and health

promotion campaign) had quality of service delivery by 77% achieved against 86% of actual revenue collected from the same sector, the study results shows 23% variance of quality of service against 14% variance of actual revenue collected from the source. The year indicated higher (30%) collection in the sector than year 2013/2014, actual expenditure is also relatively higher (29%) indicating high quality of services in the sector for 2012/2013 compared to 2013/2014 .

Year 2011/2012 indicated 36% and 79% quality of services and actual revenue collection in health sector respectively, the study results shows 0.36 variance of quality of service against 0.79 variance of actual revenue collected from the source, the results indicated greater (0.43) variation between actual revenue collection and quality of services, this year is reported to collect a total of 64% of budgeted revenue in all internal revenue sources (see table 4.6 above), the total revenue collection in health sector in the year 2011/2012 might have been reallocated to cutter other council expenditure as a result of rapidly drop of internal revenue collection from other collection sources. Further more year 2011/2012 had little (36%) expenditure compared to other two discussed financial years, this was caused by under collection of all internal sources of the council and thus leading to low quality of services delivery in the sector.

For the year ended June 2014 the Trade sector (Awareness creation for voluntary tax compliance and business management skills to the tax payers) had quality of service delivery by 48% achieved against 67% of actual revenue collected from the same sector, the study results shows 52% variance of quality of service against 33% variance of actual revenue collected from the source, further variation is observed between variance of quality of service delivery in the sector and actual revenue collected (52% and 33% respectively) the quality of service in terms of percentage is observed to be less than the actual collected revenue in the sector.

The year 2012/2013 the Trade sector (Awareness creation for voluntary tax compliance and business management skills to the tax payers) had quality of service delivery by 58% achieved against 69% of actual revenue collected from the same sector, the study results shows 58% variance of quality of service against 69% variance of actual revenue collected from the source. The year indicated improvement (10%) of quality of service delivery than year 2013/2014, actual revenue collected is also relatively higher (2%) indicating high quality of services in the sector for 2012/2013 compared to 2013/2014, since year 2012/2013 had higher (79%) revenue collection from all revenue collection sources than other two discussed financial years see table 4.6). About 38% respondents reported very poor services but there is improvement compared to financial year 2013/2014.

Year 2011/2012 indicated 45% and 64% quality of services and actual revenue collection in Trade sector (Awareness creation for voluntary tax compliance and business management skills to the tax payers) respectively, the study results shows 45% variance of quality of service against 64% variance of actual revenue collected from the source, the results indicated greater (19%) variation between actual revenue collection and quality of services, this year is reported to collect a total of 64% of budgeted revenue in all internal revenue sources, the total revenue collection in Trade sector in the year 2011/2012 was less than total actual revenue collection in other two financial years.

For the year ended June 2014 the Livestock sector (availability of deep tanks and animal vaccination) had quality of service delivery by 37% achieved against 48% of actual revenue collected from the same sector, the study results shows 63% variance of quality of service against 52% variance of actual revenue collected from the source, further variation is observed between variance of quality of service delivery in the sector and actual revenue collected by 11% the quality of service in terms of percentage is observed to be less than the actual collected revenue in the sector.. The year 2012/2013 the Livestock sector (availability of deep tanks and animal vaccination) had quality of service delivery by 65% achieved against 73% of actual revenue collected from the

same sector, the study results shows 35% variance of quality of service against 27% variance of actual revenue collected from the source. The year indicated improvement (28%) of quality of service delivery than year 2013/2014, actual revenue collected is also relatively higher (25%) indicating high quality of services in the sector for 2012/2013 compared to 2013/2014, since year 2012/2013 had higher (79%) total actual revenue collection from all revenue collection sources than other two discussed financial years. These statistics shows that the higher the actual internal revenue collection, the higher the quality of services and vice versa.

Year 2011/2012 indicated 73% and 75% quality of services and actual revenue collection in Livestock sector (availability of deep tanks and animal vaccination) respectively, the study results shows 0.73 variance of quality of service against 0.75 variance of actual revenue collected from the source, the results indicated minor (0.2) variation between actual revenue collection and quality of services, this year is reported to collect a total of 64% of budgeted revenue in all internal revenue sources (see table 4.6 above), the total revenue collection in livestock sector in the year 2011/2012 was higher than total actual revenue collection in other two financial years . Also the percentage reported under very poor service delivery is less by 3% compared to 2013/2014 indicating improvement in service delivery this resulted to higher quality of service delivery in the sector when compared to other two financial years under the discussion.

For the year ended June 2014 the Agriculture sector (quality seeds and storage services) had quality of service delivery by 42% achieved against 54% of actual revenue collected from the same sector, the study results shows 58% variance of quality of service against 46% variance of actual revenue collected from the source, further variation is observed between variance of quality of service delivery in the sector and actual revenue collected by 12% the quality of service in terms of percentage is observed to be less than the actual collected revenue in the sector. The year 2012/2013 the Agriculture sector (quality seeds and storage services) had quality of service delivery

by 33% achieved against 57% of actual revenue collected from the same sector, the study results shows 0.33 variance of quality of service against 0.57 variance of actual revenue collected from the source. The year indicated improvement (9%) of quality of service delivery than year 2013/2014, actual revenue collected is also relatively higher (3%) indicating high quality of services in the sector for 2012/2013 compared to 2013/2014, since year 2012/2013 had higher (79%) total actual revenue collection from all revenue collection sources than other two discussed financial . Also the percentage of very poor services reported in the financial year 2013/2014 was reduced by 7% indicating some improvement in service delivery.

Year 2011/2012 indicated 41% and 52% quality of services and actual revenue collection in Agriculture sector (quality seeds and storage services) respectively, the study results shows 59% variance of quality of service against 48% variance of actual revenue collected from the source, the results indicated slight (9%) variation between actual revenue collection and quality of services, this year is reported to collect a total of 64% of budgeted revenue in all internal revenue sources (see table 4.6 above), the total revenue collection in agriculture sector in the year 2011/2012 was less than total actual revenue collection in other two financial years, this resulted to low quality of service delivery in the sector when compared to other two financial years under the discussion.

5.5 The Factors determining internal revenue collection in Bukoba Municipal council .

The findings show that the following factors are the causes of poor internal revenue collection in the council; Corruption in the council's Revenue section, Poor financial accountability in the council, Limited sources of internal Revenue collection, Inadequate tax knowledge among the tax payers, Deficit budget for internal revenue monitoring, Poor internal budget planning, Management instability, Limited sources of revenue collection, poor budget planning, shortage of revenue collectors, Poor staff motivation, Political interference, Inadequate application of cannons of good tax and management instability were most mentioned by the respondents.

5.6 The relationship between revenue collection and quality of service delivered by the council.

The relationship between actual revenue collection and quality of services delivered by the council indicated by Pearson correlation ($p < 0.01$) showing a significant positive correlation between council actual revenue collection and quality of services delivered. The relationship between revenue collection and quality of services delivered by the council showed a positive and significant correlation as evidenced by Pearson correlation ratio = ($0.000 < p < 0.01$) hence the researcher concluded that quality of services was positively correlated with actual revenue collected by the council, that is the higher the revenue collected the higher the quality of service delivery and verse versa.

5.7 Conclusion.

5.7.1 BMC Revenue collection trends

The trend of actual revenue collection in BMC for three consecutive years was observed to fluctuate highly; this is identified to be the highest achievement of internal revenue collection for the past five years according to the records of revenue collection in the council. However the council had no reliable history of collecting 100% of the targeted internal revenue in a specified financial year and hence creating the council expenditure deficit. Unstable trend of revenue collection create unpredictability to the council management on whether they have a capacity to plan and achieve the targeted revenue.

5.7.2 The Internal Sources of the Revenue Collection in Bukoba Municipal Council

Eleven (11) internal revenue collection sources were identified by the respondents and through documentary review. These were Property tax budgeted to collect 362,341,400 , Licence budgeted to collect 319,713,000, Market fees was budgeted to collect 234,456,200, Burners fees was budgeted to collect 255,770,400 , Auction were budgeted to collect 191,827,800 , Agriculture products was budgeted to collect 106,571,000, Natural resources were budgeted to collect 63,942,600, Park fees was budgeted to collect 191,827,800 , Weapons fees were budgeted to collect 42,628,400, Service levy

was budgeted to collect 298,398,800 and other sources were budgeted 63,942,600 . The statistics indicated ineffective revenue collection from the council internal revenue sources, that is more than 28% equivalent to 622,161,498 of the budgeted revenue was uncollected, this shows that the assigned staffs to administer the budgeted internal revenue collection performs below expected standard leading to poor financial service delivery in the council. Also the council sources of revenue are still limited, they are not enough to generate sufficient revenue to finance social services.

5.7.3 Quality of services delivered by the council.

The degree of quality of services delivered by the council is generally reported by the majority (more than 49%) of respondents to be of poor quality, this is justified by the council financial constraints caused by poor revenue collection from internal sources to finance the services.

The study surveyed four sectors (Health, Trade, Livestock and Agriculture) in the council with the aim of relating the actual revenue collection and quality of service delivered by the sector relationship among the study variables. In all sectors, the study shows that increase of revenue collected lead to quality of service delivery, therefore the researcher concludes that, only increased revenue collection will lead to improved quality services to the council and to the community at whole.

5.7.4 The relationship between revenue collection and quality of service delivered by the council.

The relationship between actual revenue collection and quality of services delivered by the council indicated by Pearson correlation ($p < 0.01$) showing a significant positive correlation between council actual revenue collection and quality of services delivered. The relationship between revenue collection and quality of services delivered by the council showed a positive and significant correlation as evidenced by Pearson correlation ratio = ($0.000 < p < 0.01$) hence the researcher concluded that quality of services was positively correlated with actual revenue collected by the council, that is

the higher the revenue collected the higher the quality of service delivery and vice versa.

5.7.5 The Factors Contributing to poor internal revenue collection in Bukoba Municipal council .

The findings show that the following factors are the causes of poor internal revenue collection in the council; Corruption in the council's Revenue section, Poor financial accountability in the council, Limited sources of internal Revenue collection, Inadequate tax knowledge among the tax payers, Deficit budget for internal revenue monitoring, Poor internal budget planning, Management instability, Limited sources of revenue collection, poor budget planning, shortage of revenue collectors, Poor staff motivation, Political interference, Inadequate application of cannons of good tax and management instability were most mentioned by the respondents,

The observed factors lead to under collection of the budgeted internal revenue by the Municipal council which automatically distorts the major aim of providing high quality of services to the various sectors in the council. Therefore the researcher concluded that, the councils should seek the alternative way to minimize the observed challenges so as to improve revenue collection practices and hence providing quality services to the community. Without further actions upon those challenges, revenues will not increase hence service providing will be at minimal.

5.8 Recommendations and policy implication

The discussions and analysis clearly pointed the relationship between internal revenue collection and quality services delivered by the council.

Basing on the result of this study, the researcher recommends the following, which, if well implemented, will improve and enhance BMC internal sources revenue collection as well as quality of services delivered. The given recommendations may probably be of importance to similar LGAs in Tanzania.

5.8.1 Establishment of Taxpayer database

The council is argued to establish taxpayer database in order to enhance efficiency and minimize human error and corruption opportunities, a simple computerized internal revenue management system would be feasible. There is a need of establishment of revenue database to assist the Councils to be more precisely in revenue budget estimate, collection and spending. LGMD database can be retransformed to incorporate the internal revenue issues since the system is currently seems as underutilized. However, the Council is advised to have a special dialog with Tanzania Revenue Authority (TRA) to discuss on proper ways they can use the existing taxpayer systems such as Taxpayer Identification Number (TIN) as the primary base in the process of establishment of the their own taxpayer database.

5.8.2 Timely revision of local tax By-laws

Timely revision of local tax By-laws, the study recommends the Government to provide guideline that will guide LGAs in the process of reviewing their local tax by-laws. The guide line should provide the time frame for the process of review. This will not only allow the local tax by-laws to be reviewed, but will also show the areas, institutions as well as personnel delaying the process.

5.8.3 Compliance promotion.

Compliance promotion strategy through awareness raising local Tax compliance promotion strategy, this includes activities designed to educate and encourage tax payers to comply voluntary with the requirements of revenue laws and by-laws. Such a strategy forms an integral part of any effective compliance strategy, the other component being an enforcement strategy. The council should determine the most effective mix of compliance promotion and enforcement response. Enforcement is important to create a climate in which taxpayers will have clear incentives to make use of the opportunities and resources provided by promotion. The enforcement strategy would come as a result of streamlining revenue administration. The key elements of an effective tax compliance

promotion strategy include but not limited to: Providing education and technical assistance to taxpayers, Building public support and Publicizing success stories.

5.8.4 Legal and Disciplinary

Legal and Disciplinary Actions in some areas where council's revenue officials being accused of improper misconduct by being involved in corruption, intended poor service and other illegal practice which in turns create a big loss of internal revenue as well as poor services, proper disciplinary and legal actions should be taken to mitigate the problem.

5.8.5 Corruption

In order to reduce corruption and other illegal practices that can be committed by council revenue collectors, it is recommended payment of taxes and levies to be done through banks, and other non- cash methods like M-pesa, Tigo pesa, Airtel money and the like. This will not only reduce corruption but also will eases revenue collection for the council as well as taxes and levies remittance for the payers and harassments from tax collectors.

5.8.6 Management Coordination

There are number of problems associated with weak coordination among employees concerned with revenue collection. Unfair method and poor approaches of revenue collections supervisors has lead to skimming fraud among revenue collectors. Management should introduce a good system of revenue collection supervision in order to reduce skimming fraud and the high rate of agent's defaulters.

5.8.7 Political Support

People with considerable property wealth usually have considerable political power and use that power to thwart taxes that aim directly at their holdings. The researcher suggest to involve political leaders in revenue collection and a mechanism of holding them responsible for any failure in own source revenue collection at their area of jurisdiction to be made.

5.8.8 Revenue collectors training

Revenue collectors should be enhanced in terms of revenue collection training in order to increase their capacity and knowledge; this will enable them to capture new techniques of dealing with taxpayer's evasions and defaulters hence to increase revenue collections.

5.8.9 Expansion of revenue sources

The council should find more revenue sources in order to increase revenue collections. The council is agreed to hire revenue collections consultancy that will provide new aides on the sources of revenue. By so doing the council will have an opportunity to collect more revenue.

5.9 Recommendations for Further Studies

Based on the knowledge gaps identified in this study, the researcher suggests areas for further research on Local Government Taxation and Quality of services. Research on the technical administrative framework for local taxation has the potential to identify constraints and practices that can guide policy work and be used as benchmarks to assess actual policy implementation. Financial transfers from the central level are typically important components of Local Government revenues. How does this impact on quality of services delivered by LGA? It was believed that through outsourcing revenue collection would increase efficiency in revenue collections in the sense that, an independent person/agent will involve and invest in revenue collection so as to exceed the targets and make profit while the Councils will remain with the task of setting the targets, monitoring, providing quality service and supervising the collection procedures. Hence there is a need to conduct a comprehensive study to identify the efficiency of outsourcing internal revenue collection.

A series of research questions related to reform is therefore suggested for further research:

- How potential of each internal source proposed impact the services of the LGA?
- How should effective revenue raising systems for LGAs be designed and implemented?
- Are there good practices from private internal tax collection (outsourcing) concerning taxpayer education, accountability and revenue rising?
- Which revenue bases are outsourced and why these?
- Which allowances and incentive systems exist for private collectors?

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APPENDIX
QUESTIONNAIRES

Personal data:

1. Gender:

Male Female

2. Marital Status:

Married Widow Single Divorced

3. Level of Education:

Primary Secondary Tertiary Graduate

None Other (Specify)

4. Age (Years):

Below 25 26-35 36-45 46-60+

5. What is your managerial Level:

Low Middle Top

6. Position held.....

Section A

This section bears questions relating to how revenue collection is conducted.

1. What is the dominant revenue source?

Market fees Licenses Park fees Property taxes

Others (Specify).....

NO	Question	Strongly agree	Agree	Not sure	Disagree	Strongly Disagree
1.	Kagera Municipal council has the ability to collect the required revenues.					
2.	Kagera municipal Council exercises revenue collection procedures as per LGA and LGFAR					
3.	Revenue collection procedures are effectively practiced					
4.	Finance officers evaluate the Council collections					
5.	The amount of revenue collected is appropriated against the approved budget.					
6.	The revenue collection remittance rate is enough to cover the quality of service delivery required.					

Section B

This section bears questions relating to the quality of services delivery by the division.

Bukoba Municipal Council offers the following services effectively to the resident

NO	Question	Strongly agree	Agree	Not sure	Disagree	Strongly Disagree
7.	Regular and viable provision of services , maintenance and rehabilitation of roads and drainages					
8.	Provision of safe water and quality surveillence of protected springs and wells					
9.	Promotion of gender mainstreaming					
10.	Environment protection and conservation					
11.	Garbage collection					
12.	Immunization of pets and killing stray dogs					
13.	Inspection of public toilets and conveniences					
14.	Inspection and monitoring buildings to ensure compliance with the relevant regulations					
15.	Providing health services interms drugs and health promotion campaign					
16.	Providing agriculture services especially quality seeds and storage devices					
17.	Trade sectors providing business skills to businessman					
18.	Providing livestock services particularly vaccination					

Section C

This section bears questions relating to the impact of revenue collection and the quality of service delivery.

NO	Question	Strongly agree	Agree	Not sure	Disagree	Strongly Disagree
19.	Revenue collection and the quality of service delivery are inseparable					
20.	Revenue collected is efficiently applied to selected services					
21.	Revenue collection deviations affects the quality of service delivery					
22.	Revenue collection is a key aspect to the quality of service delivery					
23.	Revenues collected determine the level of services to be offered					
24.	The amount of revenue collections affects the quality of service delivery					
25.	The high revenue collections make an impact on the quality of service delivery in the same year					
26.	There is reliability of revenue sources					
27.	There is sustainability of revenue sources					

28. What should Bukoba Municipal Council management do to increase revenue collection?

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29. What should Bukoba Municipal Council do to improve the quality of service delivery in the Division?

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30. Explain the factors that contribute to poor revenue collection in Bukoba Municipal Council.....

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