EFFECTS OF LOCAL REVENUE COLLECTION ON SERVICE DELIVERY IN LOGAL GOVERNMENTS: A CASE OF MADI OKOLLO DISTRICT LOCAL GOVERNEMENT

BY

MAWA INNOCENT

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SUPERVISOR

DR. AJUABA DAVID BAIKO

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DECLARATION

I, Mawa Innocent, hereby declare that the work contained in this report is through my personal effort, and has never, in any bit, been submitted for any academic paper award or publication in any institution. Where other peoples' views have been referred to, due acknowledgement has been made.

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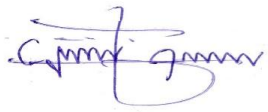

Date 18th /09/2025

APPROVAL

I approve that this report has been submitted for examination with my consent as the university research supervisor.

Name.DR. AJUABA DAVID BAIKO



Date 18th /09/2025

DEDICATION

This research report is dedicated to Mr. Arigabile Mike for inspiring me in the course of my studies and Mrs. Eyotaru Josephine who supported me financially and morally in my studies.

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I thank the Almighty God for giving me life and this far he has brought me and protecting me during the course of my studies.

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ABBREVIATIONS AND ACRONYMS

DRC Democratic Republic of Congo

LST Local Service Tax

MODLG Madi Okollo District Local Government

MoFPED Ministry of Finance Planning and Economic Development

SPSS Statistical Package for Social Sciences

WHO World Health Organization

ABSTRACT

The study examined the effects of local revenue collection on service delivery in Madi Okollo District Local Government (MODLG). The study was guided by the following objectives: to assess the effects of local revenue collection on health, education and community services delivery in Madi Okollo DLG. This study used a cross sectional survey design. The population for the study consisted of civil servants and politicians totaling to 50. Using a Krejcie and Morgan (1970) formula, a sample of 44 respondents was arrived at. Statistical Package for Social Scientists (SPSS) was used for quantitative (descriptive) data analysis as content analysis was used for qualitative data analysis.

It was established among others that good local revenue collection helped to enhance the general health service delivery in MDLG. Local revenue collection had a limited effect in promoting efficiency in utilization of health resources. Local revenue collection had a limited effect on the health service quality in MDLG. There was generally un timely education service delivery in MDLG due to local revenue collection. Not all employees of Madi Okollo DLG knew about whether efficient local revenue collection enhanced better education service delivery in MDLG. Local revenue collection provisions to some extent helped improve community service delivery in MDLG. There was less efficient use of resources to provide community services in MDLG due to good local revenue collection. Though with challenges, there was good community service provision in MDLG due to local revenue collection.

The researcher concluded that local revenue collectionhas an effect on service delivery in that good local revenue collection results in better service delivery and vice versa. The study recommends among others the need for the executive to be more serious with monitoring revenue mobilization activities and identifying the sources of revenue fraud. There must be transparency in funds collection and use and providing enough oversight over funds use for better community service delivery.

CHAPTER ONE

INTRODUCTION

1.0 Introduction

The study assessed the effects of local revenue collection on service delivery in Madi Okollo district. This chapter provides the background to the study, statement of the problem, purpose of the study, objectives of the study, research questions, scope of the study, significance of the study and the study justification.

1.1 Background to the study

There is a global financial crisis and dwindling levels of aid (Norton, 2013). This underpins the importance of why the local authorities need to put in place mechanisms to ensure that they are competitive enough to attract the little donor funds. Holloway (2014) states that local authorities have a limited range of resources. The greatest dependence is very likely to be on foreign grants, and it is likely that these funds which make up these grants come from central government.

Building a constituency and creating viable and sustainable organizations is important for local authorities, since resource mobilization is not simply generating resources for survival from one year to the next. Building a constituency of supporters who can be persuaded to give and more generously therefore builds a viable, independent and sustainable organization (Norton, 2013).

In fact, the US municipal finance system recognizes this difference with two different types of long term bonds: General Obligation Bonds that pledge all revenue sources of the local government to repayment and Revenue Bonds that pledge the revenues derived from a specific source (such as the water tariff) to repay the bond. In Latin America, there are strong political ties between central and local governments. Due to such extreme politicization of local authorities, they are accountable more to the ruling party than to the local masses affecting effective local government resources mobilization (Horngen, Foster, and Datar, 2007).

For local Authorities in Africa to provide the services required adequately and efficiently, they will need to find new methods and ways of mobilizing more revenues (Tibaijuka, 2015). Studies from East Africa have shown that Kenyan Local Authorities have not been vigorous in generating and collecting their own revenues (Tibaijuka, 2015). Some of the reasons given for not realizing adequate revenue include lack of adequate human resources, non -compliance by the residents to pay council dues and lack of goodwill by the government to support local authorities in realizing the uncollected revenues weak by-laws and lack of appropriate financial strategies have also been cited as contributing to the low revenue generation and collection (Republic of Kenya, 2008).

According to National Service Delivery Survey (2008), the government has the obligation to provide services to its citizens and to steer economic growth and development through the provision of services. The public service is the main implementing body for national development programs and specifically, the delivery of public services. The national service delivery survey (NSDS) has been instituted by government as a key instrument to that effect.
Under the public service reform program, surveys are conducted in the sectors of education, health, road infrastructure, water and sanitation, agriculture and governance among others.
Uganda adopted the decentralization policy that sought to establish a system of governance underpinned by strong local governments in 1992. Subsequent constitutional and legal reforms established districts and the sub-counties, parishes as key pillars of local governments through which there is effective service delivery and local governance. Although decentralization has been perused over the last four decades, decentralization in Uganda started in 1993-94 with the main objective of building a more democratic government that is responsible and accountable to public to promote capacity building at the local government level and introduce local choice into service delivery fostering a sense of local ownership and belonging (Langseth, 2016)
Schedule 2 of the Local Government Act 1997 gives mandate to local governments to collect local revenues from their own sources such as property tax, licenses, land fees, permits, fines and penalties, market dues, parking fees and take financial decisions while complying with financial and accounting regulations 1998 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.

Article 176(2) of the constitution of the republic of Uganda 1995, schedule 2 of the local government Act (1997) and sections 97 and 98 of local governments offer services including and not limited to health services, medical and education, while using their local revenue collection forces which A P Owino chief finance officer on Feb 12th 2016 said that they contribute 0.9% funding their budget.

Local governments as the second tier of government of Uganda derive its revenue from various sources. However it should be noted that sources of revenue are by no means uniform among the local governments. They derive their revenue depending on the resources available to them (Adam, 2016).

Service is a system or arrangement to supply public needs whereas delivery is the periodical performance of a service. Service delivery is defined as a process of extending basic services to the public or local people within a country (Tomkinson, 2017). However, according to Mutenyo (2010) service delivery refers to the provision of standardized services by the government to all people especially those that cannot be provided by the private sector such as road construction, building of health centers and many others.

Local revenue collection helps to achieve service delivery in local governments by co-funding development projects for example the child and early nutrition projects in the health sector, local governments develop programs and plan for modernization of agriculture grants for both higher and lower local governments though sometimes local revenue collections are used to fund standalone projects for local population.

Revenue refers to the total amount of money received by a company from goods and services sold (Parking, 2016). According to Patton (2015), public revenue means those amounts the local government (LG) receives from different sources (donations, government grants and local revenues e.g., licenses, market dues and other miscellaneous revenues). The major sources of local revenue include; parking fees, market fees, land fees, trading licenses, inspection and plan fees, registration fees, water revenue, taxes on specific services, local service tax(LST) many others.

Local revenue collection refers to the procedures put in place by different local government agencies in harnessing all assessed revenue as pre-determined in the budgets and work plans on due dates, (Local revenue handbook MOLG, 2007). It also refers to the procedures through which taxes and fees payments are obtained from different sources of income to government

agencies, (Kawesa, 2010). Local revenue collection involves the management of tax laws, rules and regulations promulgated by the local government on behalf of the state, (Zaake, 2014).

According to Local Government Act 1997, local revenue refers to the sub total of all categories collected from a number of sources like market dues, land fees, fines and penalties, property tax and parking fees.

The Concept of Performance can be explained in terms of service delivery which is defined as the process of extending basic services like education, healthcare, water, transport and communication where the end users are the public or local people within the country (Ray, 2017). Service delivery is tied with performance at the organizational level. It means fulfilling organizational goals and objectives, especially in satisfying customer needs, employee needs and the investor needs. This is only possible if there is clear mutual (management and employee) understanding of the purpose: At the heart of this concern was whether they are intended primarily to benefit the organization or the individual (Heskett, 2006).

In conformity of the local government, statute No. 15 of section 44 of 1993, the constitution of the Republic of Uganda provided a decentralization system of government with the districts at the top of the administration units which gave mandate and powers to local governments to execute activities relating to local revenue mobilization in accordance with the local government Act.

In Uganda, despite the enormous powers to collect revenues, there are still serious revenue mobilization problems (MoFPED, 2017). The main challenges have been; a) Political interference; b) Lack of staff facilitation; c) Corruption; d) Outright refusal of tax payers to pay due to poor sensitization; e) Low income levels generally; f) Lack of appropriate skilled personnel/collectors; g) Inappropriate registration and enumeration practices; h) Inadequate and or untimely assessments; However, there is evidence at least in Uganda that there may be unexploited local revenue potentials with regard to real property tax, and market fees and taxes. Notwithstanding political resistance towards redistributive local tax reform, greater emphasis could be given to the cost effectiveness of revenue collection. There is generally a need for further simplification of the license and fee structures by reducing the number of rates and coverage and avoid double taxation and conflicts with national development policies. Thus, the poor local revenue generation coupled with the delayed central government transfers tend to

affect the delivery of services in the areas of health, education and community as reflected in the auditor General's report 0f 2019/2020.

1.2 Problem statement

Fiscal decentralization- the devolution of revenue mobilization and spending powers to lower levels of government- has become a main theme of urban governance in recent years. Local government system as the third-tier of government deserves adequate finances to enable it cope with numerous developmental activities within its jurisdiction. In Uganda, schedule 2 of the local government Act1997 gives mandate to local governments (urban councils inclusive) to 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 1998 guide of the financial operations and specifies decentralization policies, rules and regulations.

Despite the fact that Madi Okollo district collects revenue from various sources such as market dues, parking fees, property taxes, license and permits and others in order to carry out service delivery for its residents and get central government transfers, Madi Okollo district had continued to perform quite poorly in service delivery as contained in the Auditor General's Report 2019/2020. The above had resulted in situations where the local government authorities, many of which were originally instituted as colonial administrative institutions, had not been restructured to cope with the fast growing population. Secondly, a growing number of urban residents live in informal settlements characterized by deficient basic services such as housing, clean water, electricity, sanitation, refuse collection, roads and transport. Thirdly, Madi Okollo district was financially weak and relied on financial transfers and assistance from the central government.

This contributed to persistent poor delivery of services to the public which sets an imbalance nationwide. Past studies had not determined effect of local revenue collectiononservice delivery in Madi Okollo district. This study sought to fill the existing knowledge gap by establishing the effect of local revenue collection on service delivery in Madi Okollo district.

1.3 Purpose of the study

The study examined the effects of local revenue collection on service delivery in Madi Okollo district.

1.4 Specific objectives of the study

The study was guided by the following specific objectives:

a) To assess the effects of local revenue collection on health service delivery in Madi Okollo district
b) To examine the effects of local revenue collection on education service delivery in Madi Okollo district
c) To establish the effects of local revenue collection on community service delivery in Madi Okollo district

1.5 Research questions

The study answered the following questions:

a) What are the effects of local revenue collection on health service delivery in Madi Okollo district?
b) What are the effects of local revenue collection on education service delivery in Madi Okollo district?
c) What are the effects of local revenue collection on community service delivery in Madi Okollo district?

1.6 Scope of the study

1.6.1 Geographical scope

The study was carried out in Madi Okollo district found in North Western Uganda. Madi Okollo district is bordered to the north by Yumbe and Terego districts, east by Amuru district, south by Nebbi district and west by Arua district and Arua city.

1.6.2 Content scope

The study focused on the effectsoflocalrevenue collection on service delivery in Madi Okollo district. It specifically focused on the effects of local revenue collection on health, education and community services delivery.

1.6.3Time scope

It covered the period from 2021 to 2025 when there had been a purported decline in revenue collection thus poor service delivery in the report of Madi Okollo district council (2024).

1.7. Significance of the study

The research may help the local government authorities to carry our accountability and to be accountable to the various major stakeholders.

It will be an awakening tool for the authorities as it will expose some of their inefficiencies such as tax avoidance. It will urge them to eliminate those inefficiencies so that they effectively manage the local council affairs.

The study may also be beneficial to policy makers of Madi Okollo district and other local governments in finding a solution to the problems of poor accountability in the local revenue collections and appraises their performance.

The research may be beneficial to other academicians as they will use it for literature review while carrying out research in similar areas.

The study may help other stakeholders for example the donors and NGOs to analyze linkages between local revenue collection and delivery of services to the communities.

1.8 Justification for the study

No much study had been established to examine the effects of revenue collection on service delivery in Madi Okollo district. This study was carried out to help to uncover the effects of local revenue collection in Madi Okollo district so as to take appropriate measures to improve service delivery in the district.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter involves a critical review of the existing scholarly works on the topic under study. The review is done according to the objectives of the study and also given is the summary of the literature reviewed with the gaps identified.

2.1Review according to objectives

2.1.1 The effects of local revenue collection on health service delivery

An MHA survey (2017) in the United States of America has advanced delivery of service in healthcare to include mental healthcare. Society generally has a negative perception of individuals with mental illness. The stigma attached to mental illness is manifested by bias, distrust, stereotyping, fear, embarrassment, anger, and/or avoidance. It is a barrier that discourages people from seeking treatment, especially in rural areas. In order to address the issue of stigma, there needs to be a change in society's perception of mental illness through greater availability of effective treatment options, provider attitude toward recovery for individuals with mental illness, and public awareness that mental illness is not only common but treatable

Many countries in sub-Saharan Africa are unable to provide adequate quality and coverage of health services because of economic factors and dwindling resources. This has prompted many countries to advocate for decentralization as a key factor to drive health sector reforms and better service delivery with a view to maximizing the use of available resources in improving access and quality of health care services provided (WHO, 2016).

In Sub-Saharan Africa, where capacity constraints and low compliance levels are common, revenue management significantly impacts service delivery. Initiatives like the African Tax Administration Forum (ATAF) have been instrumental in strengthening revenue collection and ultimately improving the delivery of essential services. By increasing the revenue base, local governments can allocate more resources to address critical service delivery needs (ATAF, 2019).

Luzige (2016) states that identifying sources of revenue for instance parking fees, rent, licenses, and permits among others are instrumental in realizing service delivery in LGs including expenditure on education and health.

Health service delivery in Uganda is often characterized by weak public health systems (Nabukeera, 2016; UNHCO, 2014). Besides, an audited report published in 2016 by Auditor General on local authorities in Uganda show that health services offered in Greater Iganga Local Government is unsatisfactory (Office of The Auditor General, 2016). The aforementioned report and studies indicate deficient and dilapidated infrastructure, questionable drug inventory techniques and quality, unreliable staff, unqualified and limited human resources among others. Consequently, there has been increased mortality rate, low life expectancy, questionable health conditions, lack of trust in health systems among others (MOH, 2013; WHO; 2015).

In a Ugandan study by Ntongo (2012), the results indicate a significant positive relationship between local revenue collection and health service delivery and there was a more significant predictor of service delivery than financial accountability.

2.1.2 The effects of local revenue collection on education service delivery

Globally, the effect of revenue management on service delivery in local government has garnered substantial attention. Revenue management practices have evolved to optimize resource allocation and enhance service delivery. Technology-driven solutions, as highlighted by Smith and Anderson (2020), play a pivotal role in this global transformation. Advanced systems based on big data analytics and artificial intelligence have enabled local governments to improve their revenue collection efficiency. These technological advancements have not only boosted revenue but also facilitated the allocation of resources for enhanced service delivery like in education and infrastructure (Smith &Anderson, 2020).

Transparency and accountability are other key factors in the global context. Many countries and regions have implemented measures to enhance transparency in revenue management. The publication of tax data and financial reports has become standard practice, promoting trust and compliance among taxpayers. This transparency ensures that the revenue collected is effectively channeled into improving service delivery (World Bank, 2018).

Jones (2014) in a study in Nepal shows that there have been strong incentives for competing parties to gain access to state resources and entrench their positions and influence. Education has been a source of political support, both during and after the conflict period, with damaging effects on service delivery. Similar dynamics are seen in the health sector, where, despite decentralization, the control of staffing decisions and human resource management remains centralized and provides a source of patronage.

The Makgatho (2013) study however found that top managers in SA restricted lower education department officials from submitting authentic reports highlighting irregularities in the education department monthly reports, a factor which constrained education service delivery.

Elhiraika (2017) used data from nine provinces in South Africa to investigate the impact of revenue planning on basic service delivery, focusing on the role of own-source revenue. The own-source revenue variable was found to have a negative and significant impact on demand for education relative to demand for other public services. The researchers argued for improved revenue planning and greater revenue autonomy in particular if sub national governments in South Africa improve service delivery by enhancing transparency and shifting accountability to the local population rather than the central government.

The adoption of risk assessment in the public sector may be constrained by lack of the risk assessment competencies, unclear ERM framework and tools (Nyarombe et al, 2015). The Makgatho (2013) South African study in a detailed interview noted less implementation of risk assessment in the education department of planning and projects a factor which constrained education service delivery. To enjoy the benefits of risk assessment, Nyarombe et al (2015) recommends capacity building among government auditors to effect risk assessment for enhanced service delivery.

According to the FAO Corporate Repository (2014), the most direct way to finance infrastructure and to support decentralization is to turn over to local governments both the responsibility for providing services and the capacity for raising revenues. Many of the central and local governments in developing countries have tended, however to resist this approach. On the one hand, central governments are reluctant to relinquish control over the principal national taxes as it suggests losing control of the revenue side of the national budget.

2.1.3 The effects of local revenue collection on community service delivery

Governments all over the world are faced with the challenges of citizen satisfaction, which necessitate the application of series of management principles in order to remain relevant. The need for service delivery appears to have been appreciated. However, the county governments have experienced some problems in delivering devolved services. Some of the devolved services are; public service administration, agriculture, culture and sports, housing, urban development and physical planning, Education, Transport and Public works, Health, Treasury, Environment and water, Trade, Industrialization and Tourism departments. This means that in their provision of services, they satisfy the needs and remain subject to the control, direction and influence of the locals (Oloo, 2016).

The Indonesian government has adopted what is considered an innovative approach to the provision effective service delivery of small scale infrastructure and rural roads development under the national Kecamatan Development Program (KDP) (World Bank, 2015). In this community-driven development approach, central government devolves an annual block grant to sub-districts to fund infrastructure projects chosen by villages, of which roads are the most popular (Olken, 2013). Projects are facilitated and managed by local NGOs, which are responsible for managing funds, sourcing materials from the private sector, and building roads with local labour (Guggenheim et al, 2014). Available data indicate that by October 2009, the programme had built or rehabilitated over 62,000 kilometres of roads, with wider positive impacts in reducing household vulnerability and decreasing unemployment (World Bank, 2015).

In Australia more emphasis of service delivery was extended to Indigenous families which were affected by a range of complex issues that had an impact on their wellbeing (AIHW 2011). For remote Indigenous communities in Australia, there are specific challenges of being physically isolated from major service centres. Australian governments have shifted towards a ‘whole-of-

government' approach to provide long-term place-based initiatives and 'joined-up' services with a view to improving efficiencies, avoiding duplication, and to move away from departmental silo-based frameworks (Morgan Disney & Associates et al. 2006; Gleeson 2011).

Studies on service delivery in Southern Africa reveal that communities mainly complain about lack of basic services such as water, electricity, housing delivery, unemployment and sanitation (Nleya, 2011:3). While some of the concerns are outside the scope and mandates of local government to address, municipalities are the national government's agencies nearest to the people and thus they are the preferred initial delivery points for these contentious issues. Communities are also aware of and protest over troubling examples and perceptions of governance issues such as maladministration, favouritism, nepotism and fraud/corruption (Kgalane & Netswera 2014:268). It has also become a worrying feature that during these protests, communities vandalize private and public property, as this is perceived to be an effective way to speed up the process of getting government's attention, and response to their grievances (Kimemia, 2011).

Various studies relating to service delivery have focused on the causes of the protests, analysed reams of statistics, and have even suggested various "solutions" to this countrywide problem. Amongst other reasons identified as the root causes of these protests are the failure to implement the public participation process properly, the lack of operational and administrative skills in municipalities, the municipalities' slow pace of collection of payments for rates, water, electricity and other services, "all made worse by ineffective communication policies and processes" (Mavhungu, 2011:28; Mubangizi, 2010:158; Rasila & Mudau, 2012:136; Themba 2011:18; Tsheola, 2012:164). While there have been several studies evaluating the status of the public sector internal audit activity in general, the volume of published research specifically exploring the role of internal audit as part of the solution to the service delivery crisis in South Africa is limited (Ali, Gloeck, Ali, Ahmi & Sahdan, 2007:25-27; Dinga, 2012:10-13).

Another study conducted by Policies et al., (2023) in Uganda holds that the sub-national governments, specifically LG are always well placed to render welfare services to their people and make them participate in the decisions that affect them if fiscal powers are completely transferred to them by the central government.

2.2 Summary of literature reviewed

From the literature reviewed, it can be observed that inorder to ensure efficient and economic management of resources within any organization, monitoring of revenue management should be done throughout the organization and at all times. Revenue management systems should be in place to protect the limited revenues of an organization, create reliable financial reporting, promote compliance with laws and regulations and achieve effective and efficient operations. Many local governments face service delivery challenges due to poor management enforcements. A fundamental element of revenue management is revenue enhancement planning and that the right people should be assigned to the right job in the department. However, most of the studies conducted above were carried outside Uganda, a gap this study sought to fill by undertaking a research on the effects of revenue collection on service delivery with specific regard to Madi Okollo district local government.

CHAPTER THREE

METHODOLOGY

3.0 Introduction

This chapter gives a presentation of the guidelines for undertaking the study. It consists of the research design, the population and sample size of the study, the data collection methods used, procedure of data collection, quality control and methods of data analysis.

3.1 Research design

This study adopted a cross-sectional survey design. A cross-sectional design was used because it allows collecting data at one point in time hence minimizing costs and time, putting into consideration the limited time and resources available (Saunders, 2007). A cross sectional survey contributes significantly to a researcher's own learning process by shaping the skills needed to do a good research. The above design is usually the simplest and least costly alternative. The researcher used both qualitative and quantitative research methods. Quantitative research involves gathering data that is absolute, such as numerical data, so that it can be examined in as unbiased a manner as possible in order to come up with statistical results. The qualitative design was emphasized because of its ability to permit research to go beyond the statistical results that are reported in the quantitative research.

3.2 Study population

Kothari (2014) defines population as the total number of items about which information is desired. According to Onwuegbuzie & Leech (2005), a population element is the study subject and may consist of a person, an organization, customer database, or the amount of quantitative data on which the study measurement is being taken. The target population consisted of respondents from Madi Okollo local government comprising of the executive members, technical staff, accounts staff, record staff, stores staff, drivers and office messengers totaling to 50. The above were selected because they are the major resource managers and controllers within the Local Government and were accessible within the study period.

3.3. Sample size

A sample is defined as a small proportion of an entire population; a selection from the population (Lohr, 2010). Sample size determination is the act of choosing the number of observations or replicates to include in a statistical sample (Singh, 2008). The sample size is an important feature of any empirical study in which the goal is to make inferences about a population from a sample (Noy, 2008). The sample size was 44 derived from the population of 50 which consists of respondents drawn from the various departments and sections. Krejcie and Morgan (1970) as emphasized by Amin (2005) pre-determined sample size and selection was used to determine the number of respondents needed for the research as follows:

Table 3.1: Study Population

Designation	Population	Sample	Sampling technique
District executives	4	4	Purposive
Heads of Departments	8	6	Simple random
Accounts/record/stores	13	10	Simple random
Other technical staff	25	24	Simple random
Total	**50**	**44**	

Source: Krejcie and Morgan (1970) sample size and selection

3.4 Sampling techniques

The study used both purposive sampling and simple random sampling techniques to select respondents. Purposive sampling involves identifying and selecting individuals or groups of individuals that are knowledgeable about or experienced with a phenomenon of interest (Cresswell and Plano Clark, 2011). According to Sekaran (2004), purposive sampling is confined to specific category of informants who will provide the desired information because they are the ones with such needed information or by conformance to criteria set by the researcher. The

researcher therefore used purposive sampling to select the executives and HODs who were believed to be key informants.

The other categories of respondents were selected using the simple random sampling technique comprising mainly of technical/operational staff. According to Creswell (2009), simple random sampling ensures that every member has an equal chance of being recruited into the sample. A sample frame was constructed and then the members were randomly sampled. Simple random sampling technique is intended to give equal opportunity for every member in the population to be selected.

3.5 Data collection methods and instruments

3.5.1 Questionnaire survey

A questionnaire method is a set of questions to which respondents' record their answers as administered (Sekaran, 2009). This method is appropriate for the research because the filled questionnaires can be used for future reference. A questionnaire was used because it is cheap, a large group of respondents is covered within a short time, it also allowed in-depth research, to gain firsthand information and more experience over a short period of time (Earl-Babbie, 2013). Further, it was practical, large amounts of information was collected from a large number of people in a short period of time and in a relatively cost effective way.

A closed ended questionnaire with Likert scale statements was used, because according to Amin (2005), they provide specific responses which are easy to analyze. The questionnaires were self administered. The researcher came up with a list of questions which guided the respondents in providing the necessary information for the study. The questionnaires were sent in advance to the study place and later followed by the researcher.

3.6 Quality Control (Validity and reliability)

3.6.1Validity of the Instruments

Validity refers to the truthfulness of findings or the extent to which the instrument is relevant in measuring what it is supposed to measure (Earl-Babbie, 2013). The validity of the instrument quantitatively was established using the Content Validity Index (CVI). This involved the expert

scoring of the relevance of the questions in the instrument in relation to the study variables. The instrument that yielded a CVI above 0.7 was within the accepted ranges.

3.6.2 Instrument Reliability

Reliability of instruments is critical in ensuring that data collected is authentic. Joppe (2012) asserts that reliability is the extent to which results are consistent over time using the same measuring instruments and can be reproduced under a similar methodology. The reliability of the research instrument for this study was achieved by subjecting the questionnaire to pre-testing. The results were subjected to a reliability analysis. Quantitatively, reliability was established using the Cronbach's Alpha Reliability Coefficient test. Upon performing the test, for the values of 0.7 and above, according to Amin (2005) the items in the instrument were regarded reliable.

3.7 Data analysis

3.7.1 Quantitative data analysis

The quantitative data analysis consists of numerical values from which descriptions such as mean and standard deviations are made (Kombo & Tromp, 2006). Data collected was checked to ensure regularity and accuracy; this was useful in ensuring that the objectives of the study were being addressed. Analysis was done according to the objectives of the study.Data generated by questionnaires was cleaned, edited and coded analyzed using the Statistical Package for Social Sciences (SPSS) programme anddescriptive analysis was done and results presented in frequencies and percentages.

3.7.2 Qualitative data analysis

All the qualitative data collected from open-ended questions and written comments from questionnaires and key informant interviews were edited on a continuous basis to ensure completeness. Data collected with the use of interview schedules was put into meaningful and exhaustive categories. Content analysis was the main method of analyzing the data collected to determine the adequacy of the information, credibility, usefulness and consistency (Mugenda & Mugenda, 1999).

3.8 Ethical considerations

The researcher ensured that the respondents' beliefs and principles were not interfered with throughout the study. The researcher informed the respondents through the administration indicating clearly the purpose of the study, duration the research was to take, benefits of the research to the respondents and the council, and extent of privacy and confidentiality during, and after the research. The researcher made it clear to the respondents that every piece of information and data got from them would be kept private and confidential.

CHAPTER FOUR

DATA PRESENTATION, ANALYSES AND INTERPRETATION

4.0 Introduction

The study assessed the effects of local revenue collection on service delivery in Madi Okollo district. In this chapter, the researcher presents the findings of the study, analyses and interpretations.

4.1 Response rate

The study targeted to obtain information from 44 respondents but 39 participated using the close ended and structured questionnaire hence a response rate of 88.7%. This response rate was well above the recommended 70% response rate as per Amin, (2005) who asserts that for a study to be considered with satisfactory results, it should have a response rate above 70%.

4.2 Demographic characteristics

To make the study authentic, information was obtained on the demographic characteristics of the respondents on sex, age, the level of educationand experience with MDLG as follows:

4.2.1 Respondents according to sex

Table 4.1: Respondents according to sex

	Frequency	Percent
Male	25	64.1
Female	14	35.9
Total	39	100.0

Source: Primary data

From the table above, there were more male (64.1%) respondents than their female counterparts (35.9%) suggesting that there are more male staff in Madi Okollo DLG than females.

4.2.2 Respondents according to age

Table 4.2 Respondents according to age

	Frequency	Percent
18-29 years	11	28.2
30-39	12	30.8
40-49	10	25.6
50 above	6	15.4
Total	39	100.0

Source: Primary data

The distribution of respondents according age was as follows 18-29 years were 28.2%, 30-39 (30.8%), 40-49 were 25.6% and 50 and above were 15.4% depicting that the workforce of Madi

Okollo DLG is dominated by the youth and the middle aged who can perform very well in financial management and service delivery.

4.2.3 Respondents level of education

Table 4.3 Respondents level of education

	Frequency	Percent
Certificate	05	12.8
Diploma	17	43.6
Bachelors	17	43.6
Total	39	100.0

Source: Primary data

The distribution of respondent according to level of education was such that those at certificate were 12.8%, diplomas were 43.6% and bachelors were 43.6%. The implication of the above is that the respondents for this study were literate and appropriate for the study.

4.2.4 Working experience of the respondents

Table 4.4 Working experience

	Frequency	Percent
1-5	14	35.9
6-10	13	33.3
11 above	12	30.8
Total	39	100.0

Source: Primary data

About the working experience of the respondents in Madi Okollo DLG, those with 1-5 years were 35.9%, 6-10 years were 33.3% and 11 years and above formed 30.8% depicting that all of the respondents are experienced members, hence appropriate information was obtained for the study.

4.2.5 Respondents according to nature of employment

Table 4.3 Respondents according to nature of employment

	Frequency	Percent
Civil service	25	64.1
Politician	10	25.6
Contractor	04	10.3
Total	39	100.0

Source: Primary data

The distribution of respondent according to nature of employment was such that civil servants formed 64.1%, politicians were 25.6% and contractors were 10.3%. The implication of the above is that the majority of the respondents for this study were the civil servants and politicians and hence, appropriate for the study for technical information.

4.3 Presentation of findings on the objectives of the study

4.3.1 Objective one: To find out the effects of local revenue collection on health service delivery in Madi Okollo district local government

The first objective of the study was to find out the effects of local revenue collection on health service delivery in Madi Okollo DLG. The findings are presented below:

Table 4.5: Summary of responses on the effects oflocal revenue collection on health service delivery in Madi Okollo district local government

ITEM		**Response Category**				
		1(SD)	**2(D)**	**3(N)**	**4(A)**	**5(SA)**
1	Good local revenue collection helps to enhance the general health service delivery in MDLG	-	6/ 15.4	-	9/ 23.1	24/ 61.5
2	Local revenue collection promotes efficiency in utilization of health resources in MDLG	8/ 20.6	10/ 25.5	-	4/ 10.3	17/ 43.6

3	Due to local revenue collection, the health service quality in MDLG is better	13/ 33.3	2/ 5.1	-	7/ 17.9	17/ 43.6
4	Timely local revenue collection helps to meet the health requirements of the clients	9/ 23.1	9/ 23.1	-	15/ 38.5	6/ 15.4
5	Due to local revenue collection, health services offered in Madi Okollo district are satisfactory for the clients	15/ 38.5	24/ 61.5	-	-	-

Source: Primary data

The respondents were asked whether good local revenue collection helped to enhance the general health service delivery in MDLG, majority (84.6%) were in agreement compared to 15.4% who were in disagreement suggesting that good local revenue collection helps to enhance the general health service delivery in MDLG. The finding confirms the view that by increasing the revenue base, local governments can allocate more resources to address critical health service delivery needs (ATAF, 2019).

On the view whether local revenue collection promoted efficiency in utilization of health resources in MDLG, 53.9% of the respondents were in agreement as 46.1% had a contrary view implying that local revenue collection has a limited effect in promoting efficiency in utilization of health resources in MDLG. The finding complements the view that many countries in sub-Saharan Africa are unable to provide adequate quality and coverage of health services because of economic factors and dwindling resources. This has prompted many countries to advocate for decentralization as a key factor to drive health sector reforms and better service delivery with a view to maximizing the use of available resources in improving access and quality of health care services provided (WHO, 2016).

On the question whether due to local revenue collection, the health service quality in MDLG was better, 61.5% of the respondents were in agreement as opposed to 38.5% implying that local revenue collection has a limited effect on the health service quality in MDLG. Yet in a Ugandan study by Ntongo (2012), the results indicate a significant positive relationship between local

revenue collection and health service delivery and there was a more significant predictor of service delivery than financial accountability.

When asked whether timely local revenue collection helped to meet the requirements of the clients, 53.9% of the respondents were in agreement to the view as 46.2% objected, implying that there isuntimely local revenue collection which does not help to meet the requirements of the clients. Interactions with the most members during interviews confirmed the above that indeed there are loopholes in revenue inflow in the council.

As to whether due to local revenue collection, health services offered in Madi Okollo district were satisfactory for the clients, all 100% of the respondents were in disagreement suggesting that there is poor local revenue collection, hence, the health services offered in Madi Okollo district are not satisfactory for the clients. The finding is in line with Luzige (2016) who states that identifying sources of revenue for instance parking fees, rent, licenses, and permits among others are instrumental in realizing service delivery in LGs including expenditure on education and health.

When the respondents were asked on the effects of local revenue collection on health service delivery in Madi Okollo DLG, they revealed that it could help in timely delivery of health services, quality delivery of health services, meeting the clients' demands and efficiently managing health resources.

The respondents suggested the following to improve the situation: they suggested need for the executive to be more serious with monitoring revenue mobilization activities, identifying the sources of revenue fraud and ensuring the internal audit department intensifies its audit activities for better education service delivery.

4.3.2 Objective two: To find out the effects of local revenue collection on education service delivery in Madi Okollo district local government

The second objective of the study was to find out the effects of local revenue collection on education service delivery in Madi Okollo DLG. The findings are presented below:

Table 4.6: Summary of responses on the effects of local revenue collection on education service delivery in Madi Okollo DLG

ITEM		Response Category in percentages				
		SD(1)	D(2)	N(3)	A(4)	SA(5)
1	There is generally a timely education service delivery in MDLG due to local revenue collection	17/ 43.6	11/ 28.2	-	11/ 28.2	
2	A good local revenue collection helps to deliver better education services in MDLG	-	-	-	16/ 41.0	23/ 59.0
3	Efficient local revenue collection enhances better education service delivery in MDLG	-	-	17/ 43.6	6/ 15.4	16/ 41.0
4	Implementation of local revenue collection strategies helps improve education service delivery in MDLG	15/ 38.5		10/ 25.6	14/ 35.9	-
5	Local revenue collection helps to have a cost effective education service delivery	-	14/ 35.9	-	9/ 23.1	16/ 41.0

Source: Primary data

On the view whether there was generally a timely education service delivery in MDLG due to local revenue collection, most (71.8%) of the respondents were in disagreement as 28.2% agreed to the view suggesting that there is generally an un timely education service delivery in MDLG due to local revenue collection. The finding echoes Makgatho (2013) whose study however found that top managers in SA restricted lower education department officials from submitting authentic reports highlighting irregularities in the education department monthly reports, a factor which constrained education service delivery.

The table above shows that all (100%) respondents were of the view that a good local revenue collection helped to deliver better education services in MDLG meaning that if there is a good local revenue collection, it helps to deliver better education services in MDLG. Smith and

Anderson (2020), revealed that good local revenue base played a pivotal role in global transformation. Advanced systems based on big data analytics and artificial intelligence has enabled local governments to improve their revenue collection efficiency for better service delivery.

About whether efficient local revenue collection enhanced better education service delivery in MDLG, 56.4% of the respondents were in agreement to the view compared to 43.6% that was not sure. The implication of the above is that not all employees of Madi Okollo DLG know about whether efficient local revenue collection enhances better education service delivery in MDLG.

Of the respondents 38.5% objected the view that implementation of local revenue collection strategies helped improve education service delivery in MDLG, compared to 25.6% who were not sure and 35.9% in agreement implying that there are very differing positions as to whether implementation of local revenue collection strategies helps improve education service delivery in MDLG.

The respondents were also asked whether local revenue collection helped to have a cost effective education service delivery where 64.1% were in agreement and 35.9% were in disagreement. The above suggests that to some extent, local revenue collection helps to have a cost effective education service delivery. The finding concurs with a view according to the FAO Corporate Repository (2014), that the most direct way to finance infrastructure and to support decentralization is to turn over to local governments both the responsibility for providing services and the capacity for raising revenues.

When the respondents were asked to give the effects local revenue collection on education service delivery in Madi Okollo DLG, they revealed that it helped timely education service delivery, better quality in education service delivery, ensured efficiency and cost effectiveness in education service delivery.

On how the situation could be improved, the respondents suggested that the management should intensify local revenue collection to ensure timely education service delivery, training of all the employees on the role of local revenue generation on service delivery in the district.

4.3.3 Objective three: To find out the effects of local revenue collection on community service delivery in Madi Okollo district local government

The third objective of the study was to find out the effects of local revenue collection on community service delivery in Madi Okollo DLG. The findings are presented below:

Table 4.7: Summary of responses on the effects of local revenue collection on community service delivery in Madi Okollo DLG

Questions		Response Category in percentages				
		SD(1)	**D(2)**	**N(3)**	**A(4)**	**SA(5)**
1	Local revenue collection provisions help improve community service delivery in MDLG	-	12/ 30.8	-	27/ 69.2	-
2	There is efficient use of resources to provide community services in MDLG due to good local revenue collection	8/ 20.5	8/ 20.5	-	23/ 59.0	-
3	There is good community service provision in MDLG due to local revenue collection	-	12/ 30.8	-	27/ 69.2	-
4	There is quite good social service provision in MDLG due to local revenue collection	12/ 30.8	10/ 25.6	-	17/ 43.6	-
5	There is generally transparency in the provision of community service delivery in MDLG due local revenue collection	-	13/ 33.3	-	26/ 66.7	-

Source: Primary data

When asked whether local revenue collection provisions helped to improve community service delivery in MDLG, 69.2% of the respondents were in agreement as 30.8% disagreed implying

that local revenue collection provisions to some extent help improve community service delivery in MDLG. The finding is in line with study conducted by Policies et al., (2023) in Uganda which holds that the sub-national governments, specifically LG are always well placed to render welfare services to their people and make them participate in the decisions that affect them if fiscal powers are completely transferred to them by the central government.

About whether there was efficient use of resources to provide community services in MDLG due to good local revenue collection, 59.0% of the respondents were in agreement as 41.0% objected implying that there is less efficient use of resources to provide community services in MDLG due to good local revenue collection. Interactions during interviews confirmed the above that cases of lack of transparency were always existent in the council.

On the view whether there was good community service provision in MDLG due to local revenue collection , 69.2% of the respondents were in agreement as 30.8% objected suggesting that though with challenges, there is good community service provision in MDLG due to local revenue collection. Similarly, Oloo, (2016)posits that some of the devolved services are; public service administration, agriculture, culture and sports, housing, urban development and physical planning, Education, Transport and Public works, Health, Treasury, Environment and water, Trade, Industrialization and Tourism departments. This means that in their provision of services, they satisfy the needs and remain subject to the control, direction and influence of the locals.

As to whether there was quite good social service provision in MDLG due to local revenue collection, 56.4% of the respondents were in disagreement as 43.6% agreed implying to a small extent, there is quite good social service provision in MDLG due to local revenue collection.

When asked whether there was generally transparency in the provision of community service delivery in MDLG due local revenue collection, 66.7% of the respondents were in agreement to the view as 33.3% objected depicting that to a less extent, there is generally transparency in the provision of community service delivery in MDLG due local revenue collection. However, various studies such as by Themba (2018) relating to service delivery have focused on the causes of the protests, analysed reams of statistics, and have even suggested various “solutions” to this countrywide problem. Amongst other reasons identified as the root causes of these protests are transparency and the failure to implement the public participation process properly.

On what were the effects of local revenue collection on community service delivery in Madi Okollo DLG, the respondents revealed that it helped in ensuring efficiency in service provision; it helped improve community service provision and contributed resource for community service provision.

On how the situation could be improved, the respondents suggested that the management should put in place measures that every fund released must be accounted for, there must be transparency in funds collection and use and providing enough oversight over funds use.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

The study assessed the effects of local revenue collection on service delivery in Madi Okollo district. In this chapter, the researcher presents the summary, conclusions and recommendations.

5.1 Summary and Conclusions

5.1.1 The effects of local revenue collection on health service delivery in Madi Okollo DLG

The first objective of the study was to find out the effects of local revenue collection on health service delivery in Madi Okollo DLG. The major findings were that good local revenue collection helped to enhance the general health service delivery in MDLG. Local revenue collection had a limited effect in promoting efficiency in utilization of health resources. Local revenue collection had a limited effect on the health service quality in MDLG. There was untimely local revenue collection which does not help to meet the requirements of the clients. There was poor local revenue collection, hence, the health services offered in Madi Okollo district are not satisfactory for the clients.

The above findings made the researcher to conclude that Madi Okollo DLG has local revenue collection strategies in place but has limited effect on health service delivery.

5.1.2 The effects of local revenue collection on education service delivery in Madi Okollo DLG

The second objective of the study was to find out the effects of local revenue collection on education service delivery in Madi Okollo DLG. The major findings were that there was generally an un timely education service delivery in MDLG due to local revenue collection. Not all employees of Madi Okollo DLG knew about whether efficient local revenue collection enhanced better education service delivery in MDLG. To some extent, local revenue collection helped to have a cost effective education service delivery.

Therefore based on the findings above, the researcher concludes that the better the local revenue collection in Madi Okollo DLG, the better the education service delivery was and vice versa.

5.1.3 The effects of local revenue collection on community service delivery in Madi Okollo DLG

The third objective of the study was to find out the effects of local revenue collection on community service delivery in Madi Okollo DLG. The major findings were that local revenue collection provisions to some extent helped improve community service delivery in MDLG. Though with challenges, there was good community service provision in MDLG due to local revenue collection. To a small extent, there was quite good social service provision in MDLG due to local revenue collection. There was limited generally transparency in the provision of community service delivery in MDLG due local revenue collection.

Basing on the above findings, the researcher concluded there were challenges in community service provision in Madi Okollo DLG due to poor local revenue collection.

5.2 Recommendations

The researcher therefore made the following recommendations based on the findings:

Since there were challenges in health service provision, there is need for the executive to be more serious with monitoring revenue mobilization activities, identifying the sources of revenue fraud and ensuring the internal audit department intensifies its audit activitiesfor better education service delivery.

The management should intensify local revenue collection to ensure timely education service delivery, training of all the employees on the role of local revenue generation on service delivery in the district.

The management should put in place measures that every fund released must be accounted for, there must be transparency in funds collection and use and providing enough oversight over funds use for better community service delivery.

5.3 Suggestions for further research

- ✓ Factors affecting service delivery in Madi Okollo DLG other than local revenue collection

- ✓ Determinants of local revenue collection in Madi Okollo DLG.

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APPENDICES

Appendix A: Questionnaire

I am Mawa Innocent pursuing a Bachelor of Business Administration at Uganda Christian University. This study aims to establish the effects of local revenue collection on service delivery in Madi Okollo district and is considered for partial fulfillment of the of the requirements for the award of this degree. Your contribution to this research is very vital. I therefore request you to spare sometime and fill this questionnaire. This is purely an academic research and your response will be held in strict confidence.

Section A: General information

SECTION A: Demographic Characteristics (Please tick where appropriate).

1. Sex
   - Male ☐
   - Female ☐
2. Age
   - 18 – 29 years ☐
   - 30 – 39 years ☐
   - 40 – 49 years ☐
   - 50 years plus ☐
3. Level of education
   - Secondary ☐
   - Certificate ☐
   - Diploma ☐
   - Bachelors ☐
   - Masters ☐
   - Any other ☐
4. Working experience at MDLG
   - Below 1 yrs ☐
   - 1 – 5 ☐
   - 6 – 10 ☐

5. Nature of employment

- 11 and above ☐
- Civil service ☐
- Politician ☐
- Contractor ☐
- Others ☐

For the following, indicate your level of agreement or disagreement by ticking in the appropriate box based on the following: **5) strongly agree (SA) 4) Agree (A) 3) Not sure (N) 2) Disagree (D) 1) strongly Disagree (SD)**

Objective one: To find out the effects of local revenue collection on health service delivery in Madi Okollo district local government

SECTION B: Local revenue collection and health service delivery in MDLG	**SD-1**	**D-2**	**US-3**	**A-4**	**SA-5**
Good local revenue collection helps to enhance the general health service delivery in MDLG					
Local revenue collection promotes efficiency in utilization of health resources in MDLG					
Due to local revenue collection, the health service quality in MDLG is better					
Timely local revenue collection helps to meet the requirements of the clients					
Due to local revenue collection, health services offered in Madi Okollo district are satisfactory for the clients					

- ✓ In your own view, what are the effects of local revenue collection on health service delivery in Madi Okollo DLG?
- ✓ Suggest measures to improve the situation.

Objective two: To find out the effects of local revenue collection on education service delivery in Madi Okollo district local government

SECTION C: Local revenue collection and education service delivery in MDLG	**SD-1**	**D-2**	**US-3**	**A-4**	**SA-5**
There is generally a timely education service delivery in MDLG due to local revenue collection					
A good local revenue collection helps to deliver better education services in MDLG					
Efficient local revenue collection enhances better education service delivery in MDLG					
Implementation of local revenue collection strategies helps improve education service delivery in MDLG					
Local revenue collection helps to have a cost effective education service delivery					

- ✓ In your opinion, what are the effects of local revenue collection on education service delivery in Madi Okollo DLG?
- ✓ Suggest measures to improve the situation.

Objective three: To find out the effects of local revenue collection on community service delivery in Madi Okollo district local government

SECTION D: Local revenue collection and community service delivery in MDLG	**SD-1**	**D-2**	**US-3**	**A-4**	**SA-5**
Local revenue collection provisions help improve community service delivery in MDLG					
There is efficient use of resources to provide community services in MDLG due to good local revenue collection					
There is good community service provision in MDLG due to local revenue collection					
There is quite good social service provision in MDLG due to local revenue collection					
There is generally transparency in the provision of community service delivery in MDLG due local revenue collection					

- ✓ In your opinion, what are the effects of local revenue collection on community service delivery in Madi Okollo DLG?
- ✓ Suggest measures to improve the situation.

Thank you

APPENDIX B: Interview Guide

1-Title

2-Experience

3- How does local revenue collection improve health service delivery in Madi Okollo district local government?

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4- In what ways does local revenue collection improve education service delivery in Madi Okollo district local government?

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5- How does local revenue collection improve community service delivery in Madi Okollo district local government?

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6-Any other observations

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