

**LOCAL REVENUE MANAGEMENT AND SERVICE DELIVERY IN MUNICIPALITIES OF
UGANDA A CASE STUDY OF KAPCHORWA MUNICIPALITY**

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**UGANDA CHRISTIAN
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DECLARATION

I Mutai Moses Soyekwo declare that this is my original work and has never been presented before to any higher institution of learning for the award of a degree.

Signed.....

Date.....

APPROVAL SHEET

I certify that this research report was written under my supervision and now ready for submission in partial fulfillment of the award of Bachelor's Degree in Business Administration of Uganda Christian University.

Signed :.....

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DEDICATION

I dedicate this work to my beloved mum Cherotich Hellen, my father Alfred Soyekwo, my Wife, children Cherop Sandra and Chebet Sarah for the love they showed me during the course of my study at Uganda Christian University.

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LIST OF ABBREVIATION

TC	Town Clerk
PT	Principal Treasury
PIA	Principal Internal Audit
DDP	District Development Plan
IFMS	Intergrated Financial Management System
LGMSDP	Local Government Management Support Development Programme
LG FAR	Local Government Financial and Accounting Regulation
LLG	Lower Local Government
LREP	Local Revenue Enhancement Plan
M &E	Monitoring and Evaluation
MoFPED	Ministry of Finance and Economic Development
PEAP	Poverty Alleviation Programme
SDS	Strengthening Decentralization for Sustainability
ULGA	Uganda Local Government Association

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ABSTRACT

The study focused on establishing the effect of Revenue collection on service delivery in Kapchorwa Municipal Council. The study was guided by three specific objectives which were; To examine the challenges Kapchorwa Municipal Council face in Revenue collection then find out how service delivery can best be improved, To establish the relationship between Revenue collection and service delivery in Kapchorwa Municipal Council then come up with intervention, To examine different sources of Revenue collection.

Therefore a descriptive research design was because the researcher studied the community which will be familiar hence the purpose was to depict accurately and in detail the characteristics of revenue collection in Kapchorwa Municipal Council. A sample of 30 respondents was selected using simple random sampling method and the predetermination method where other sections had only one staff. These included staff drawn from Municipality and two divisions (Western and Eastern). The data was collected from both primary and secondary source. Primary data collection was through direct intervention with respondents and through interview, administration of questionnaire and secondary data was collected from consulting publications such as books, of local government Act. The data was analyzed using tables and statistical calculations like co-efficient to ascertain the relationship. The challenges encountered in Revenue collection are, Tax defaults, closure of business, political intervention, embezzlement among others. The findings showed a strong positive relationship ($r=0.94388$, $p < 0.01$) between revenue collection and service delivery has a direct relationship with local revenue collections. Largely, Kapchorwa Municipal Council had registered a fundamental decline in service delivery because of poor revenue collectors.

Recommendation: There is need to reduce on political interference, assessment and sensitizing communities, privatization of revenue sources and training of revenue collectors.

CHAPTER ONE

INTRODUCTION

1.0 Introduction

This chapter presents a background of the study; statement of the problem, objectives of the study, research questions, justification of the study, Conceptual frame work, and scope of the study.

1.1 Background Of The Study

Service delivery is defined by Oboth (2011) note that in as far as local government Act, Constitution and any other statutes that are studied, there is no definition of service delivery either deliberately or ignorantly. However, he said, service is a system or arrangement of periodic performance of obligatory decision by elected or appointed officials to service or deliver goods and services to the recipients. Haskett (1987) defines service delivery as an attitudinal or dispositional sense, referring to the internationalization of even service values and norms.

Building a constitution of supporters who persuade to give again and more generously builds available, independent and sustainable organization (Norton, 2013). In fact, the United States Municipal finance system recognizes these differences with two different types of long-term bonds. General obligation Bonds that pledge all Revenues derived from specific sources like water tariffs to repay bonds.

In Latin America, there are strong political ties between central and local governments. Due to such extreme politicization of local authorizes, they are accountable more to the party than to the local masses affecting effective local government resource mobilization (Horngen, Foster and Datar, 2017).

For local authorities in Africa to provide services required adequately and efficiently, they will need to find new methods and ways of mobilizing more Revenue (Tibaijuka, 2005). Studies from South Africa have shown that Kenya local authorities have not been vigorous in generating and collecting their own revenue (Tabaijuka, 2015).

Service delivery is a process of extending basic services like education, Health care, Water, Roads, Communication among others where end users are the public or local people within the country (Ray, 2017). It is a set of components that provide service delivery architecture (such as service creation, session control and protocols) for a type of service and it require modern technology innovation and expertise (Loyne , 2014)

According to National Service Delivery Survey (NSDS) (2020), it will be noted that effectiveness of service delivery in local governments will be gauged by expenditure amounts that is located to various service items in regard to National Programs Priority Areas (NPPA). This report will include some other attributes like the perception of service delivery and level of achievements of value for money by the local, levels of service delivery to its people.

Revenue mobilization is one of the most keenly contested issued in Nigeria. A comprehensive review of reports of various commissions and governments policies from the 1946 Philipsons commission to the activities of National Revenue mobilization, allocation and fiscal commission established in 1989 could be found in Kayode (1993), Emenuga (1993), and Ekpo (1994). Local government in Nigeria received statutory allocations from two higher tiers of government (federal and states). At the present, Revenue sharing formula local governments receive 20% from federation Account. As regards VAT, local government s received 30% in 1998.

Revenue is the total sum of monies collected by any organization whether non- government or government to cater for goods and services in a specified period of time.

Therefore, the income received by government organ like Kapchorwa Municipal Council is public Revenue. These Revenue can be in form of Trading license, Birth registration, Slaughter fees, Market dues, Park fee, Permits, donations form development partners among others.

In 1992, Uganda adopted the decentralization policy that sought to establish a system of government underpinned by strong local governments. Subsequent Constitution and legal reforms established districts and sub counties as key pillars of local government through which effective service delivery and local government it to be attained. Although decentralization has been pursued over the decades, there is wide spread consensus that the performance of local government in Uganda started in 1993/1994 with the main objective of building more democratic government that is responsible and accountable to the public to promote capacity building at local level and introduce local choices into service delivery fostering a sense of local ownership, (Langseth , 1996). In conformity with the local government, (resistance Councils) statute No. 15

of sec 44 of 1993, the 1995 Constitution of the republic of Uganda provides a decentralization system of governances with the districts at the top of the administration units. They are governed by the Constitution of 1995 of the republic of Uganda and local government Act of 2007.

According to 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, 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.

Local revenue collection has helped achieve service delivery in the local government by co-funding development projects for example the child and early nutrition project in the health sector, local government programmes and plan for modernization of agriculture grants for both higher and lower local government though sometimes local revenue collections are used to fund standalone projects for the local population. Service delivery is defined as the process of extending basic services like education, health care, water, transport and communication where the end users are the public or local people within the country. In other words, the locals are the beneficiaries (Ray Tomkinson 2007 page 211) Kapchorwa Municipal budget is said to be dominated by health, education, and road sector according to the secretary of finance Ms Cotilda Mbabazi on March 11,2020, she said that 95% funding were expected from government transfers, 4.1% from donors and NGOs co-sponsorship while only 0.9% is expected from local revenue collection because tax collectors face external political interventions to make them deviate from the laid down local revenue collection procedures and regulations leading to tax evasion and tax avoidance hence poor revenue collection.

Secretary for finance Ms. Cotilda, however said local revenue collections could be the leading causes of poor performance in Kapchorwa Municipal Council which can be measured by poor service delivery in Kapchorwa Municipal Council. Performance of most local governments' revenue collection is at 50-60% and some less than (Kapchorwa Municipal Council Final Accounts 2020/2021-2022/2023) which calls for attention to study the relationship between local revenue collection and service delivery in Kapchorwa Municipal Council.

According to government Act (2007) Municipal Council are given mandate to collect Revenue from many sources such as Business License, Park fees, Market due, Slaughter fees, Property Tax among others. They take financial decisions and decided on how Revenue is to be utilized. While compiling financial and accounting regulations 1998, will help to guide and specify financial operation, policies, rules and regulations.

1.2. Statement of the Problem.

The normal situation which is supposed to be in Kapchorwa Municipal Council during collection of Local Revenue and service delivery is through mobilization and sensitization of local people during bottom-up planning so that all local people benefit from what is collected from them. For collection of Revenue all business people or all Tax payers are to be sensitized and educated on the benefits of local revenue. Enumeration of fines, Taxes and fees has to be fair enough and should not be inconveniencing the local people.

Revenue collectors are required to have revenues registers, prepare proper books of account by finance staff, Bank this Revenues intact without using from source, prepare Balanced Budgets for better implementation of service delivery then prepare good financial reports which are audited at the end of the financial year. The divisions are required to make returns to Municipality that is to say 35% of total collection according to the Financial and Accounting regulation of 2007. Funds received from the central government is meant to reach the poor and see value for money just like countries do say in Kenya areas bordering Uganda if compared more developed.

Despite the fact that Kapchorwa Municipal Council collects Revenue from various sources such as market due, park fees, trading license, property tax, permits and others in order to carry out service delivery for its residents, especially on service delivery for its local population both district and Municipality remain very low (Auditor General report 2020/21, 2022/23). The problem if not addressed may undermine the autonomy of the local government under decentralization process since reliance will only be donations and the transfers from central government (Oriato et al 2018, Abigaba 2018, Mc Lure, 2018) or service provision may be left to market forces which may not be afforded by low income earners in the district (Abayade 2021). This compels the research to find out how local revenue collection is affecting service delivery in local government.

Other challenges in collection of Revenue and services delivery since funds received from central government are conditional with strings attached which undermines genuine local decisions making. The majority of these transfers are conditional (Ahmad E, 2016). This is coupled with low Revenue base and it threatens the autonomous functioning of Municipality as a local government. We find that the level of debt financing in local governments' budgets is very low and this could be due to the laws which forbids local governments borrowing from exceeding 25% of locally generated Revenue. This has been contained the indebtedness of local authorities but at the same time estimate the ability of local governments to access additional resources to finance service delivery that is based on local government needs.

Although Uganda's Revenue performance is to improve remarkably in normal terms from 2016 - 2025 as a result of these challenges, it is still comparatively low and clearly does not meet Uganda's needs as measured against optional levels of expenditure for the country. Its therefore accurate to conclude that the government must improve it tax policies to increase government Revenue but in ways that takes the realities of Uganda's social and economic Revenue mobilization carries important policy implications for Uganda (among which include bad public service and increased debt), because domestic Revenue production is not improving significantly despite the changes of government is making.

Substantial powers, functions and responsibilities are developed to local governments by the local government Act. Local governments have powers to make and implement development plan based on locally determined priorities. They have the power to make, approve and execute their own budgets to raise and utilize resources according to individual priorities after making legally mandated disturbancements. Local government can make ordinance and by laws which are consistent with the constitution and other existing laws. In addition are mandated to hire, manage and fire personnel. They manage their own pay roll and separate personnel systems.

1.3 Objectives of the Study

1.3.1: General

To find out effect of Revenue collection on services delivery in Kapchorwa Municipal Council.

1.3.2: Specific:

- To find out the Sources of Revenue collection in Kapchorwa Municipal Council.
- To identify the challenges faced by Kapchorwa Municipal Council during revenue collection.
- To find out the relationship between revenue collection and service delivery in Kapchorwa Municipal Council.

1.4: Research Questions

- What are the different sources of revenue collection in Kapchorwa Municipal Council?
- What challenges do Kapchorwa Municipal Council face in revenue collection?
- What is the relationship between revenue collection and service delivery?

1.5: Scope of the study

This was represented in three categories which included Subject, Geographic and time.

1.5.1: Time Scope

The researcher focused on the period of 3 years running from the 2020/2021 to 2022/2023.

1.5.2. Geographical Scope

The research was carried out in Kapchorwa Municipal Council and other related units like division. Kapchorwa Municipal Council has two divisions (Eastern and Western) and head offices are in the former premises of Kapchorwa town Council The southern part is bordered by Bulambuli, in North, Nakapiripirt in west Bulambuli and Kween in the East.

1.5.3. Subject Scope

This research paper majorly gathered ideas from subjects that are relevant to revenue collection and service delivery.

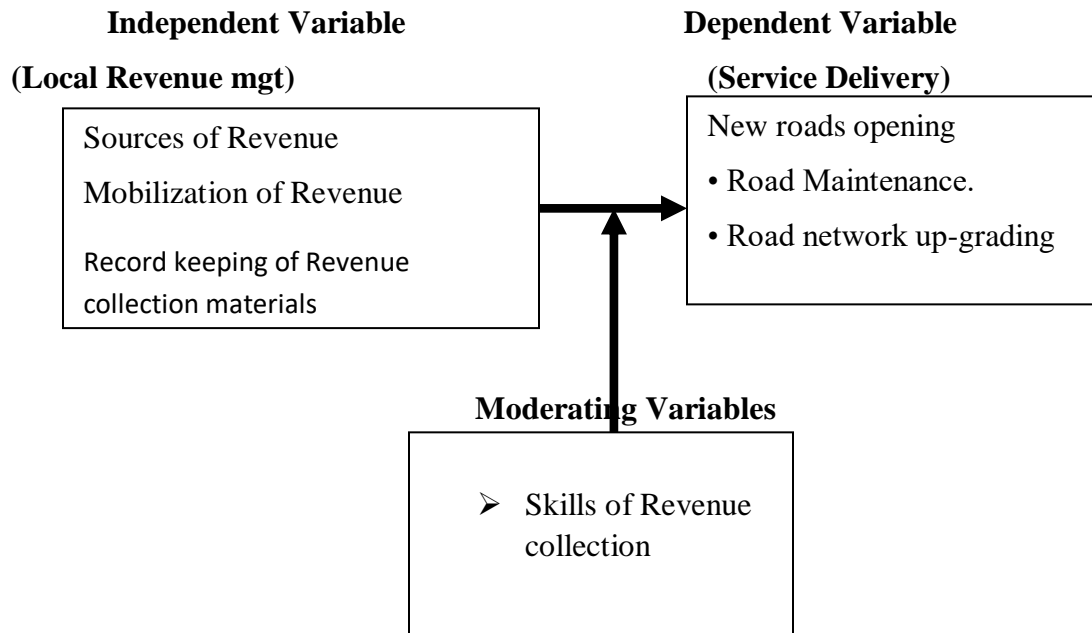
1.6. Conceptual Frame Work

It described the usefulness of Revenue collection and service delivery in Municipalities/local governments. It involved independent variable and dependent variable then extraneous variables.

The conceptual frame work is a systematic representation between the relationship of variables and combination of map.

Independent variable was Revenue collection and dependent variable was service delivery. This case therefore the extraneous variables consisted of rules and regulations that was influenced by the two variables.

Fig 1.0 Conceptual Framework.



Source: Research (2024)

1.7. Justification/Significance of the Study

The importance of the study by investigator and other like the community aimed at evaluating the relationship between Revenue collection and service delivery in Kapchorwa, Municipal Council which included the following.

Findings are meant to act as a reference point for further research and corrections. It has helped the government set restructure measure on price control.

The study will enable the researcher to widen her knowledge in Revenue collection in Kapchorwa Municipal Council. It will also justifiable in that the study has improved on the knowledge and skills of the researcher. The study shall justify the stakeholders, Central

Government and Donors as they are able to analyze the linkage between Revenue collection and service delivery in Kapchorwa Municipal Council.

It will help the researcher to improve on knowledge in Revenue mobilization. The study has also helped the researcher to identify several sources of Revenue in Kapchorwa Municipal Council. The study will help the researcher to find out causes of low Revenue collection and how can be solved. It shall help the researcher to get solution for problem and encourage other researchers to carry out research on similar study.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

In this chapter, the researcher based on the work of other researchers on similar or almost related study problem like the one which has been carried out. Here the information was related study problem like the one which included Newspapers, magazines, internet, and text books. The researcher discussed the literature related to the case study which was effect of revenue collection on service delivery in local government a case study in Kapchorwa Municipal Council then other sources.

2.1 Theoretical Review

The economists have put forward many theories or principles of taxation at different times to guide the state as to how justice or equity in taxation can be achieved. This section therefore covers the various relevant theories that have been developed by different authors to explain and give in depth understanding of the concept of taxation. Among the theories that have been developed the main ones are: the ability to pay theory, socio-political theory and the benefit theory.

2.1.1 Ability to pay theory

This is the dominant theory of taxation. It is held to justify progressive taxation under any one of three possible interpretations of sacrifice: the equal, equal-proportional, and least sacrifice theories. The theory suggests that a citizen is to pay taxes because he can and his relative share in the total tax burden is to be determined by his relative paying capacity.

The most popular and commonly accepted principle of equity or justice in taxation is that the citizens of a country should pay taxes to the government in accordance with their ability to pay. It also enables a government carry out its redistribution function. (Dewett et al, 2005). Hence, the “ability to pay “means that money for public expenditure should come from “him who has” instead of from “him who has not”, Professor Seligman’s progressive taxation in Theory and practice. (1968) is based on this theory. (hard wick et al 1982) further backs this theory asserting that tax revenues should be raised in such a way that the tax burden is distributed among

individuals according to their taxable capacities or abilities to pay. This theory was developed due to inadequacies in benefit and sacrifice theories of taxation.

The principle appears very reasonable and just that taxes should be levied on the basis of the taxable capacity of an individual. For instance, if the taxable capacity of a person A is greater than the person B, the former should be asked to pay more taxes than the latter. If the taxes are levied on this principle as stated above, then the justice can be achieved. In Uganda, this principle is applicable which is evident for the various tax thresholds is charged on basis of each person's income from business, employment or investment. However, the challenge arises with the definition of ability to pay. The economists are not unanimous as to what should be the exact measure of a person's ability or faculty to pay.

2.1.2 Benefit Theory

Neumark and Mc lure (2013) illustrates that in this theory, the state should levy taxes on individuals according to the benefit conferred on them. The more benefits a person derives from the activities of the state, the more he should pay to the government. This principle has been subjected to severe criticism on the following grounds;

Firstly, if the state maintains a certain connection between the benefits conferred and the benefits derived. It will be against the basic principle of the tax. A tax, as we know, is compulsory contribution made to the public authorities to meet the expenses of the government and the provisions of general benefit. There is no direct quid pro quoin the case of a tax.

Secondly, most of the expenditure incurred by the state is for the general benefit of its citizens, it is not possible to estimate the benefit enjoyed by the particular individual every year.

Thirdly, if we apply this principle in practice, then the poor will have to pay the heaviest taxes, because they benefit more from the services of the state.

If we get more from the poor by way of taxes, it is against the principle of justice, hence bringing out clearly the increasing rate of the failure of SMEs which we know are owned by low-income earners.

Socio-political theory

This theory is a creation of Adolph Wagner, a German scholar. He asserted that in contrast to the expediency theory, the social and political objectives should be the cornerstones in designing a tax system.

Wagner argued in his theory that a society consisted of individual members, He Further said that society had an existence and entity of its own which needed preservation and taking care of. In this regard, a tax system should not be designed to serve the needs of the individual members but should be used to cure the ills of society in so far as it is possible. Wagner was

Specifically in favor of using taxation for reduction of income inequalities, and to achieve this objective, he advocated for small incomes to be exempted from taxation. (Okello, 2006)

Taxes are compulsory transfers to money from individuals, groups or institutions to the government which may be direct or indirect (Hardwick, Khan & langamead, 1982). These are the main sources of government revenue. Whilst professor Seligman defines it as a compulsory contribution from a person to the government to defray the expenses incurred in the common interest of all without reference to special benefits conferred. (Jhingan, 1997)

According to Bakibinga 2005, the main objectives of taxation are to raise revenue, achieve economic stability and development and lastly to bring about income distribution as discussed below;

Raising revenue. It should be noted that the ability to raise revenue is the main factor determining the level of government expenditure. The government can raise funds through grants, loans, treasury bills and taxes. Of these sources, taxation is the most reliable source of funds compared to other sources which are unreliable and create heavy ineptness.

Economic stability and development. Taxation is significant in regulating private expenditures and stabilizing employment and price levels. Tax rates may be increased in order to mop up excess funds with the objective of controlling inflation. In less developed countries like Uganda, revenue is collected in order to finance government expenditure thereby effecting economic development.

Resource allocation. This is achieved by rendering some commodities more expensive through the imposition of high taxes while others are made less expensive through subsidies or negative taxes. Consequently. Labor and capital in the fields which are heavily taxed are rendered redundant so that they can be devoted to production of commodities which are not heavily taxed.

Income Redistribution. Taxation helps to check income inequalities through three main tax structures; progressive taxes which increase with increasing incomes as is the case with income tax; regressive taxes which decrease with increasing incomes. As is the case with indirect taxes

such as value added tax (VAT) and proportional taxes which are neutral and are of a fixed percentage for all incomes.

2.2. Sources of Revenue Collection

In some instances where low revenues are collected, so as to enable delivery of services, it was attributed to uneven tax administration, (Silivan C, Albert H, 1992).

Local revenue collection has to comply with certain general principles of raising revenue and how these principles should be fair, convenient and certain. The collection and administration of revenue must be economical to the collectors and administrators (Katarikawe, 2016).

However, Stella, 2019 was against decentralization that if local authorities are left to make decisions for themselves, govern themselves, they will be less competent and more corrupt, abuse their powers and be unable to collect revenues due to public pressure since few modern states have granted private collection a permanent stature in their revenue generating process.

(Miksell, 2016) observes that the resources used in revenue collection provide limited or net service and that is why (Musgrave, 2019) stressed that in pursuit of fiscal policy and achievement of optimum tax revenue levels, minimum administration costs have to be incurred in the tax revenue collection process.

(Mukasa, 2020) explains that instances where tax administration is lacking, tax payers are less sensitized about the benefits of paying taxes. During their pilot study carried out in Tororo District, (Bitarabeh, 2013) noted that factors hampering revenue potentials included, law and outdated reserve prices for tendered utilities, absence and or marginal monitoring and supervision of privatized utilizes by local governments, viability of utilizes and volume of business transaction, some revenue collectors print their own receipts/tickets, mushrooming of unofficial taxi parks and markets operating outside gazette areas, exorbitant/high rents, lack of systematic process to guide determination of reserve prices, distortion in local revenue collection due to political interferences and or patronage and over reliance on chief finance officers and sub-county chiefs to advise on reserve price of utilities.

Survey (2014) stress that the basic collection on administration procedure includes identifying and locating compliance, tax payers, checking on tax payer then collection of tax.

According to the local government Act 2007, outlines and classify local revenue sources as property tax, trading license among others. Business license will formally be divided into current surcharge, tax trading license and trading license arrears.

Revenue refers to total amount of Revenue generated from all government transfers and locally collected revenue from local sources.

According to Revenue enhancement plan, local governments have a right to formulate, approve and execute plans and Budget. This is separately developed in line with local government plans as will be stated in Revenue hand book December (2017).

It is noted that local Revenue is to be collected from within the area of central government, Carole (2021). It has to be within the limitation of relevant laws like government Financial Act (2004) which talks of local revenue being important for number of reasons. For example, promotion of autonomy of municipality, sustaining investment and maintaining in order to meet co-founding obligations which help to finance council and priority projects.

Ministry of local government (MOLG) (2018) part iii sec (ii) cap (i) shows that local government is to impose taxes on property. This is according to the provision of local government decree (1979) within the area of jurisdiction which comprises of land and rates.

Revenue hand book defines conditional grants and unconditional grant as below;

Conditional grant refers to the monies received by local government to run projects agreed upon without spending outside terms and conditions then unconditional are the monies received by the government to finance services under decentralization and no condition upon it.

Donor funds are funds received by local government from development partners. This may either be conditional or unconditional basing on memorandum of understanding.

Kapchorwa Municipality Council/local government also receive equalization grant for giving subsidies to least developed districts basing on national average standard for particular services.

According to Veporn and Ahmad (2017) share a view when commenting that sub national administration generally and Silivan and Albert (2022) concludes that revenue collection will specify results from tax payers' registration, data processing, relations and simplification form.

2.2. Challenges of Service Delivery in local government

According to the National service delivery survey (NSDS) (2020), it will be noted that effectiveness of service delivery in local governments be measured by expenditure amounts

allocated to various services items in regard to the National Program Priority Areas (NPPA). This was included in other attributes like perception of service delivery and level of achievement for value of money by the tax payers.

Governments which take decisions to provide effective service delivery, architecture will be able to cost effectively to meet rising expectations of government services (SStevens, 2015). The according Weng (2015) service delivery remains at government centered and citizens are forced to interact with them the way they are organized other than the way they best make sense from citizens' perspectives. Many services have been left unattended to.

In many local governments among which is Kapchorwa Municipal Council, revenues collected are miss handled by the few who are technocrats especially those collecting. Much of these revenues are misused hence affecting service delivery. This is according to the audited report by internal auditor's report of financial year 2021/22.

Uganda's decentralization policy provides for the transfer of powers and functions from the central government ministries and departments to local governments. This mandate is embedded in the 1995 constitution of the republic of Uganda. The provision of basic services such as water and sanitation, healthcare, primary education, feeder roads and agriculture extension services is left to the local governments. However, the recent policy changes in fiscal decentralization have brought questions about the capacity of local governments effectively deliver services and ensure value for money in public expenditure. Some government policies which have had alarming impacts include the creation of new districts and the abolition of graduated tax. The creation of districts has put more expenditure pressures on the local governments, reducing and in some cases taking away completely resources that would have been used in increasing and improving service delivery (Kadiresan, 2019). This therefore calls for placing "a high priority on delivery of personalized efficient customer service" (Mourney 2021). Attitudes exhibited by service providers, employees and managers must be aimed at developing good working relations and ensuring that customers are handled well while being served, (Musgrave, 2011), defined public sector as "those industries and services in country that are owned and run by the state, such as "the education and railways (in many countries) in comparison with private sector. Thus, delivery entails public sector delivery mechanism to the local residents of the local government.

2.3 Relationship between Revenue Collection and Service Delivery.

Collection of revenue has helped to improve on services in services in terms of education, Roads, health services among others. This was through revenue collection process and this means more funds which can help finance council activities like contracting out services.

Previously council used to give employees who would handle these services slowly without care but at the end of the day they get their salaries. (Katarikawe 1996). Therefore, service delivery is still at law pace in Uganda; Davey (2022) observes that taxation is a key for economic development.

In Masaka District, Kajumbula (2014) in his recommendation said taxes collected are to be realized through tax payer's proper percentage meant for Sub counties at 60% and 30% village. This is supposed to be put to proper use and this can help to determine service delivery which is still a challenge yet service delivery determine service delivery noted by (Kabwegyere, 2014).

Ministry of Local government (2021), it indicates that people tax payers continue to feel politicians and technocrats are looking for money for personal use/enrichment. Locally collected revenue on service delivery has to use relevant principals for administration expenses. However, tax payer may not be willing to pay due to poor service delivery.

The local authorities' inspection department (Ministry of Local Governments, 2014) noted that tax payers continue to feel that politicians and technocrats are looking for money for personal enrichment. Although some local governments spend part of the locally collected revenue on service delivery, many of them use the revenues principally for administrative expenses, unless tax payers perceive a linkage between local revenue collection and service delivery, they may not be willing to pay.

During the regional workshops on local revenue enhancement (2014) the local government finance commission gave a weak relationship between local revenue collection and service delivery in the local government and they recommended the local governments to adopt massive sensitization and mobilization of communities to promote understanding as to why they are paying taxes and what taxes do and these training should reach local council one(s) while the local authorizes inspection department (ministry of local government, 2014) argues that effective local revenue mobilization requires good management, accountability and service delivery while (Namanya, 2013) recommended that in order to enhance local government revenue, there is need to improve and strengthen accountability to enable tax payer appropriately relate tax paid to

service delivery coupled with the strengthening enforcement of laws governing the administration and collection of taxes.

2.4. Conclusion

Thus, there is need to carry out the study with an attention of tracing the loopholes in revenue collections in relation to service delivery in the local government especially in Kapchorwa Municipal Council. So, the local people should be satisfied on the importance of paying taxes so that it becomes easy to collect the revenue from them without resistance.

It will also help the researcher to define terms like local revenue, service delivery revenue collection which all surface in literature review. For instance, according to the (Local Government Act, 1997) it defines local revenues as the sub total of all categories collected from a number of services like market dues, fines and penalties and parking fees. Service delivery is defined as the process of extending basic services like education or local people within the country (Ray Tomkinson, 2017 pg 211). Tax administration refers to the process of administering taxes like identifying the tax payers, assessing them and then levying reasonable taxes are capable of paying.

CHAPTER THREE

METHODOLOGY

3.0. Introduction

This chapter dealt with various methods to be used to collect data, interpret as well as reasons for the choice of the study and also how the instruments was administering or used regarding the impact of Revenue collection.

3.1 Design of the Study.

The research study used an explanatory type of research where the major aim was to establish the relationship between revenue collection and service delivery. The researcher used both quantitative and qualitative research design to obtain information. The investigators also employed descriptive research design to describe phenomenon as it existed. Comparative research design was used to compare local revenue and service delivery in Kapchorwa Municipal Council.

3.2. Population of the Study.

According to the Uganda bureau of statistics 2014 estimate Kapchorwa Council has a population of 55,958 people. The study shall include staff from Kapchorwa Municipal Council headquarters and Division authorities. Meaning the information was got from 50 which was the population of study.

Categories	Population Study
Members of Tender Board	4
Principal Treasury	4
Senior Accountant	2
Accountant	6
Senior Accounts Assistant	10
Accounts Assistant	8
Ward Chief	16
Total	50

3.3. Sample Size and Sampling Technique.

3.3.1. Sample Size.

The study considered 44 respondents to participate in the research where by female and male of 18 years and above will be selected. From the whole Municipality only, employees will be contacted for data collection as service delivery providers. The subjects selected was given questionnaires and some interviews. The local government was selected using proportionate stratified sampling and simple random sampling, whereas Kapchorwa Municipal Council was purposively selected. Below is a table showing the sample size of 44 respondents who were identified to answer the questionnaires.

Table I: Showing Sample Size.

Categories	Population Study	Sample Size of Categories	Sampling Technique
Members of Tender Board	4	4	Purposive
Principal Treasury	4	4	Purposive
Senior Accountant	2	2	Purposive
Accountant	6	5	Purposive
Senior Accounts Assistant	10	9	Purposive
Accounts Assistant	8	6	Systematic Random
Ward Chief	16	14	Systematic Random
Total	50	44	

$N=n/(1+Ne^2)$ where, N= total population under consideration, e = Level of significance (0.05²)

$$50/1 + (0.05^2) = 50/1.125$$

=**44** as the sample size.

3.3.2. Sampling Technique

Purposively the study covered Kapchorwa Municipal Council in Kapchorwa District as local government and the sampling techniques used were proportionate stratified sampling and simple random sampling.

3.4 Source of Data

3.4.0. Primary Data

Primary data refers to data collected from the first-hand experience or original data collected at source and compiled for the purpose of this research.

3.4.1 Advantages of Primary Data Collection

1. Individuals are the eye witnesses in collection of data.
2. The researcher is in position to get first-hand information.
3. Focused group discussion i.e. relevant because people met are in position to explain how they got a problem.

3.4.2. Disadvantages for Primary Data Collection

1. It provides qualitative data which is more of text and quantitative which is more of numbers.
2. It does not give the figures compared to quantitative.
3. People are not scientific and are ordinary.

3.4.0. Secondary Data

Data was extracted from existing literature for example Audited reports, Final Accounts, Monthly financial reports, Quarterly reports, Budget speech and proposed annual Budget.

Here, the researcher was able to review records related to the study by searching through text books, journals, newsletters/newspapers and reports: The data collected was gathered, compiled and analyzed.

3.4.1 Advantages for Secondary Data Collection.

It saves time since the information can be got from text books.

3.4.2. Disadvantages for Secondary Data Collection

1. Information got can easily expire or be obsolete.
2. The researcher cannot be in position to get what he or she need (is not specific)

3.5. Advantages of interviews (Reasons why the instrument is chosen)

Face to face interviews were conducted to collect data from Kapchorwa Municipal Council officials and other respondents. This involved designing schedules on which respondents will be met in their offices of work. This will help close down the gaps left by the survey method.

Interviews are quicker to conduct. A major advantage is that they allow more opportunity to assess the respondent's understanding and interpretation of the questions and to clarify any

confusion that arises about the meaning of the question or the response. They also allow the opportunity to present material to respondents and obtain their reactions.

They may also be helpful when sensitive information like details of information like misappropriations of funds is being sought. Interviewers may be able to establish a relationship of trust with the respondent and be better able to solicit answers to questions which respondents may otherwise be reluctant to answer truthfully.

3.6. Data Analysis

Data was collected from the field, scrutinized and analyzed by editing and applying descriptive statistics in order to give more meaning. During collection of data, the researcher translated data into numerical figures for better meaning hence easy understanding of data. At this level the results were presented into percentage, frequency and tables were used for analysis.

3.7 Official Documents

Under this the secondary data was derived from documents and records of Kapchorwa Municipal Council. This was obtained from Revenue enhancement plan, work plan, minutes from several sector meetings, newspapers, local government Act accounting manual and Budget for the recent financial year.

3.8. Research variable and their measurements.

Under this the independent variable were revenue collection and dependent variable is service delivery. This were measured through statistical method like correlation analysis.

3.9. Reliability and Validity/data quality control.

The researcher shall ensure that data to be collected will be of quality and could be got from course mates to avoid variation which could cause differences or variations. Control of data showed how the researcher could collect data reliable and of value. The research tool will be discussed with the supervisor.

3.10. Challenges/Problems encountered.

The researcher anticipates some challenges which may include the following: -
The challenges of the increasing case on under collection and resource wastage.

The investigator may face a problem of limited time since there will be need for other things like revising books, attending lecture, family and collecting data from households then writing research report.

Shortage of finance to facilitate the research in terms of buying stationeries and traveling to meet my supervisor and distributing the questionnaires to respondents.

Another challenge could be lack of enough knowledge to formulate standard questionnaires which required to consult literatures about good questionnaires.

3.11 Solution to the Challenges.

There was need for sensitization of revenue collectors and ensured all revenues collected were declared and avoided misuse of funds.

The researcher programmed time to carry out research and enabled compilation of the report in time.

The researcher consulted from the supervisor and fellow students on how to formulate the questionnaires.

The investigator organized a budget and fund it for the research study and new liberal reforms under structural adjustment program with emphasis on liberalization and changing tax policy as well as tax administration. This urgently increased revenue which shall enabled the state to deliver basic services.

3.12. Ethical Consideration

The researcher collected data with appropriate control and ensured that there is confidentiality in all information collected from the respondents to avoid conflicts among respondents. The sample size was appropriate when carrying out research and the researcher was in position to observe events well.

CHAPTER FOUR

PRESENTATION, ANALYSIS AND INTERPRETATION OF FINDINGS.

4.0 Introduction

This chapter presents the critical analysis of data collected from the field. The findings were presented and analyzed using frequency tables and percentages. The data was based on the questionnaires which were derived from the study objective as below.

- To find out the sources of revenue collection in Kapchorwa Municipal Council.
- To identify the challenges faced by Kapchorwa Municipal Council during revenue collection.
- To find out the relationship between revenue collection and service delivery in Kapchorwa Municipal Council.

4.1. General Information about Respondents

The demographic characteristics of respondents are characterized by age, sex, gender, positions held and others.

Table: 2 showing the gender of respondents.

Gender	Number of respondents	percentage %
Male	20	66.7
Female	10	33.3
Total	30	100

Source: Primary Data (2024)

From table 2, the male respondents account for 66.7% whereas the female respondents account for 33.3%. This means that male respondents were more willing to give information as compared to their counter parts the females. This showed that the research finding was gender sensitive since both male and female were represented.

Table 3: Showing positions held by respondents.

Category	Frequency	Percentage (%)
Procurement and disposal unit	2	6.7
Assistant Town Clerk	2	6.7
Senior Accountant	1	3.3
Accountant	2	6.7
Senior Account Assistant	7	23.3
Accounts Assistant	4	13.3
Wards Chiefs	12	40
Total	30	100

Source: Primary Date (2024)

From table 3 above, members of tender board for only 6.7%, the same applies to Assistant Town Clerk 6.7%, Accountant 6.7%, Senior Accountant 3.3%, senior accounts assistant for 23.3%, for Accounts Assistant for 13.3% and Warden Chief for 40% and this means that the percentage of Warden Chiefs was more as compared to other respondents. The respondents generally reacted positively while giving information.

4.3. Age of the Respondents

Table 4: Showing age of the respondents.

Age	Frequency	Percentage %
18-30	07	23.3
31-50	13	43.3
51-59	07	23.3
60 and above	03	10
Total	30	100

Source: Primary Data (2024)

From table 4, those with age ranging 18-30 account for 23.3%, those with 31-50 account for 43.3%, 51-59 years account for 23.3% while those with 60 years and above account for 10%.

This means that those between 31-40 years were more participative in giving required information and finding showed that Municipal Council employed people who were energetic.

Table 5: Showing marital status of respondents

Marital Status	Frequency	Percentage %
Single	10	33.3
Married	20	66.7
Total	30	100

Source: Primary data (2024)

From table 5 above, 33.3% of the respondents were single whereas the married respondents account for 66.7% and this means that the married people have more time for giving information as compared to the single respondents.

Table 6: Showing the Level of experience of respondents.

Experience Level	Frequency	Percentage (%)
less than 3 years	5	16.7
3-5years	8	26.7
5-10years	5	16.7
above 10 years	12	40
Total	30	100

Source: Primary Data (2024).

From table 6, 16.7% of the respondents have been employed for less than 3years, 26.7% have been employed for 3-5 years, 16.7% have been employed for 5-10 years and only 40% of the respondents have been employed for above 10 years . This implies that those who have been in the field for many years were more willing to give information as compared to those with less time in the field.

Table 7: Showing Education level of respondents

Education level	Frequency	Percentage (%)
Ordinary level	4	13.3
Advanced level	5	16.7
Diploma	10	33.3
Degree	11	36.7
Total	30	100

Source: Primary data (2024).

From table 7 above, 13.3% of the respondents were ordinary level certificate holders, 16.7% of them were Advanced level holders. This means that diploma and degree holders had enough information to give due to the experience they have as compared to their ordinary and Advanced level counterpart.

4.2 Source of Revenue collection in Kapchorwa Municipal Council.

Table 8: Showing whether rent and rates are sources of revenue collection in Kapchorwa Municipal Council.

Response	Frequency	Percentage (%)
Strongly Agree	5	16.7
Agree	20	66.7
Not sure	2	6.7
Disagree	3	10
Strongly Disagree	0	00
Total	30	100

Source: Primary data (2024)

From table 8 above , 16.7% of the respondents strongly agreed that rent and rates are a source of revenue collection , 66.7 Agreed , those who are not sure account for 6.7% and those who disagreed for 10% and this implies that rent and rates are a source of revenue collection in Kapchorwa Municipal Council.

Table 9: Showing Whether parking fees are a source of revenue collection in Kapchorwa Municipal Council.

Response	Frequency	Percentage (%)
Strongly Agree	2	6.7
Agree	14	46.7
Not sure	8	26.7
Disagree	5	16.7
Strongly Disagree	1	3.3
Total	30	100

Source: Primary (2024)

From table 9 above 6.7 of the respondents strongly Agree that parking fees is a source of revenue collection, 16.7% of the respondents disagreed that parking fees is a source of revenue collection, those who are not sure account for 26.7% of the total respondents and so this means that parking fees is a source of revenue collection since majority percentage respondents of 46.7% agree with the statement.

Table 10: Showing whether licenses and permits are a source of revenue collection

Response	Frequency	Percentage (%)
Strongly Agree	10	33.3
Agree	13	43.3
Not sure	4	13.3
Disagree	3	10
Strongly Disagree	00	00
Total	30	100

Source: Primary data (2024)

From table 10 above, 43.3% Of the respondents agree that licenses and permits are a source of revenue collection, those who are not sure account for 13.3%, and those who disagree account for 10% and so this means that licenses and permits are a source of revenue in Kapchorwa Municipal Council since majority respondents are in for it.

Table 11: Showing whether fines and penalties act as a source of local revenue collection in Kapchorwa Municipal Council.

Response	Frequency	Percentage (%)
Strongly Agree	5	16.7
Agree	15	50
Not sure	3	10
Disagree	5	16.7
Strongly Disagree	2	6.7
Total	30	100

Source: Primary data (2024)

From table 11 above, 16.7% of the respondents agree that fines and penalties are a source of revenue collection in Kapchorwa Municipal Council, those who not sure account for 10%, and lastly those who disagree take 16.7% and this means that fine and penalties are a source of revenue collection in Kapchorwa Municipal Council.

Table 12: Showing whether market dues and tenders are a source of revenue collection in Kapchorwa Municipal Council.

Response	Frequency	Percentage (%)
Strongly Agree	16	53.3
Agree	12	40
Not sure	00	00
Disagree	1	3.3
Strongly Disagree	1	3.3
Total	30	100

Source: Primary data (2024)

From table 12 above 93.3% of the respondents agree that market dues and tenders are a source of local revenue collection in Kapchorwa Municipal Council, those who not sure account for 00%, those who disagree take the percentage of 6.6% and this means that market dues and tenders are a source of local revenue collection in Kapchorwa Municipal Council

Table 13: Showing Responses on percentages of local revenue from licenses and permits.

Response	Frequency	percentage (%)
Less than 10%	02	6.7
11-20%	02	6.7
21-39%	10	33.3
40% and above	16	53.3
Total	30	100

Source: Primary data (2024)

From table 13 above 6.7%, of the respondents say that the percentage of local revenue from licenses and permits is less than 10%, 6.7% of the respondents also believe that the percentage is 11-20%, 33.3% of the respondents said that the percentage is 21-39% and lastly 53.3% of the respondents said that the percentage is 40% and above and this means that licenses and permits contribute a big portion to local revenue collections in Kapchorwa Municipal Council.

Table 14: showing Responses on percentages of revenue from other sources.

Response (%)	Frequency	Percentage (%)
Less than 20%	04	13.3
21-40%	15	50
41-59%	05	16.7
60% and above	06	20
Total	30	100

Source: Primary data (2024)

From table 14 above, 13.3% of the respondents said that the percentage is less than 20%, 50% of the respondents said that the percentage from other sources is 21-40%, 16.7% of the respondents said that 41-59%, then lastly 20% of the respondents said that the percentage is 60% and above. This therefore means that the percentage from others sources is 21-40% since it has a bigger percentage of respondents

Table 15: Showing whether fees from local courts could also act as a source of revenue collection

Response	Frequency	Percentage (%)
Yes	14	46.7
No	16	53.3
Total	30	100

Source: Primary data (2019)

From table 15 above, 46.7% of these respondents said that fees from local courts could act as a source of revenue in Kapchorwa Municipal Council, 53.3% of these respondents said no to the statement which means that this source of revenue is not applicable to Kapchorwa Municipal Council.

4.3. Challenges faced by Kapchorwa Municipal Council during revenue collection.

Table: 16. Showing whether Kapchorwa Municipal Council face challenges during revenue collection.

Response	Frequency	Percentage (%)
Strongly Agree	13	43.3
Agree	14	46.7
Not sure	01	3.3
Disagree	02	6.7
Strongly Agree	00	00
Total	30	100

Source: Primary data (2024)

From table 16 above, 90% of them agree with the view that Kapchorwa Municipal Council face challenges in revenue collection followed by 3.3% who were not sure. According to the responses given the majority of the respondents were in agreement with the statement that Kapchorwa Municipal Council face challenges during revenue collection.

Table 17: Showing whether the challenges in revenue collection are frequent.

Response	Frequency	Percentage (%)
Strongly Agree	12	40
Agree	14	46.7
Not sure	02	6.7
Disagree	01	3.3
Strongly disagree	01	3.3
Total	30	100

Source: Primary data (2024)

The research finding showed that 86.7% of the respondents agree that the challenges in revenue collection were frequent or recurrent while 6.7% of the respondents aren't sure, and 6.6% of the respondents disagreed with it. According to the given responses were in agreement with the statement that challenges in revenue collection were frequent as evidenced by the above results of the table.

Table 18: Showing whether Kapchorwa Municipal Council is partly responsible for poor revenue collection.

Response	Frequency	Percentage (%)
Strongly Agree	03	10
Agree	20	66.7
Not sure	03	10
Disagree	02	6.7
Strongly disagree	02	6.7
Total	30	100

Source: Primary data (2024)

The research finding showed that, 10% of the respondents agree that Kapchorwa Municipal Council was partly responsible for poor revenue collection and 66.7% strongly agree with the statement while 10% were not sure of the statement and 13.4% disagreed.

Table 19: Showing whether complicated rules and regulations are partly a challenge as revenue collection is concerned.

Response	Frequency	Percentage (%)
Strongly agree	12	40
Agree	15	50
Disagree	03	10
Strongly disagree	00	00
Total	30	100

Source: Primary data (2024)

From table 19 above 40% of the respondents say that rules and regulations are partly a challenge in revenue collection, 50% of the respondents Agree, and 10% of the respondents Disagree. According to the to responses given 50% of the respondents agreed that complicated rules and regulations are partly a challenge to revenue collection.

Table 20: Showing whether central government should help local government in revenue collection

Response	Frequency	Percentage (%)
Strongly Agree	15	50
Agree	12	40
Disagree	03	10
Strongly Disagree	00	00
Total	30	100

Source: Primary data (2024)

From table 20 above, 50% of the respondents say that central government should help local government in revenue collection, 40% of the respondents Agree, and 10% of the respondents Disagree. According to the findings the majority of the respondents agreed that there is strong need for central government to help improve on revenue collection in Kapchorwa Municipal Council.

Table 21: Showing whether there is need to amend existing laws that guide in revenue collection.

	Frequency	Percentage(%)
Strongly agree	10	33.3
Agree	15	50
Not sure	01	3.3
Disagree	03	10
Strongly disagree	01	3.3
Total	30	100

Source: Primary data (2024)

From table 21 above, 83.3% of the respondents agreed that existing laws be amended to guide in revenue collection, 3.3% of the respondents are not sure and 10% of the respondents disagreed with the statement.

4.4 The relationship between revenue collection and service delivery

Table 22: Showing whether Kapchorwa Municipal Council utilize the revenue to provide service to the people.

Response	Frequency	Percentage (%)
Strongly agree	04	13.3
Agree	22	73.3
Not sure	02	6.7
Disagree	01	3.3
Strongly agree	01	3.3
Total	30	100

Source: Primary data (2024)

From table 22, 86.6% of the respondents agree that revenue are utilized to provide services to the people, 6.7% of the respondents are not sure about the statement, 6.6% of the respondents disagree. The findings implied that revenue collected was used to provide series to the people of Kapchorwa Municipal Council.

Table 23: Showing whether service delivery is a priority as far as expenditure is concerned.

Response	Frequency	Percentage (%)
Strongly agree	07	23.3
Agree	18	60
Not sure	04	13.3
Disagree	01	3.3
Strongly agree	00	00
Total	30	100

Source: Primary data (2024)

From table 23 above, 83.3% of the respondents agreed, 13.3% of the respondents were not sure whether service delivery is a priority as far as expenditure is concerned, whereas 3.3% of the respondents disagreed.

Table 24: Showing whether Donor funds primarily provide services to the community.

Response	Frequency	Percentage (%)
Strongly agree	18	60
Agree	10	33.3
Not sure	02	6.7
Disagree	00	00
Strongly agree	00	00
Total	30	100

Source: Primary data.

From table 24 above, 93.3% of the respondents agreed that donor funds primarily provide services to the community, 6.7% of the respondents are not sure about the statement and also 00% of the respondents disagreed with this factor . This means that Donor funds play a role in service delivery in Kapchorwa Municipal Council.

Table 25: Showing whether grants from central government are used to provide services to the community.

Response	Frequency	Percentage (%)
Strongly Agree	14	47.7
Agree	13	43.3
Disagree	03	10
Strongly Disagree	00	00
Total	30	100

Source: Primary data (2024)

From table 25 above, 46.7% of the respondents strongly Agree, 43.3% Agree, 10% Disagree and 00% of the respondents strongly Disagree. This meant that the majority of the respondents were in agreement that central government ensures local governments utilize grants to provide services to the community.

Table 26: Showing whether local government follows rule and regulations during revenue collection.

Response	Frequency	Percentage (%)
Strongly Agree	10	33.3
Agree	15	50
Disagree	05	16.7
Strongly Disagree	00	00
Total	30	100

Source: Primary data (2024)

The findings revealed that, 33.3% of the respondents strongly agree, 50% of the respondents Agree, 16.7% of the respondents strongly Disagree. This meant that revenue collectors follow rules and regulations during revenue collection.

4.5: Inferential Statistics

4.5.1: Person correlation test

Table 27. Correlation analysis between Revenue collection and service in the local Government.

Correlations

		LOCAL REVENUE COLLECTION.	SERVICE DELIVERY IN LGS
LOCAL REVENUE COLLECTION	Person correlation Sig. (2- tailed) N	1 . 30	.943** .000 30
SERVICE DELIVERY IN LGS	Person correlation sig. (2- tailed) N	.943** .000 30	1 . 30

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

Source: Primary Data (2024)

From the table above, it's shown that the relationship between revenue collection and service delivery is very strong and positive, that is ($r=0.943^{**}$, $p < 0.01$). This implies that revenue collection greatly affects the delivery of services in the local government. This means that when the level of local revenues collected is high, there will be increased service delivery of services unlike when the levels of local revenue are collected low.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION, RECOMMENDATIONS

5.0 Introduction.

This chapter presents the summary of findings, conclusion and recommendations of the findings arising out of the objectives of the study.

5.1 Summary of the findings.

5.1.1 Findings on the sources of local revenue collection.

Findings from the research study show that Kapchorwa Municipal Council collects revenue from different sources and they include licenses and permits, parking fees, fine and penalties, rent and rates, market dues in order to deliver service to the people.

5.1.2 Findings on the challenges of local revenue collection in Kapchorwa Municipal Council

The study depicted that Kapchorwa municipal council faced various challenges as far as revenue collections was concerned, ranging from social, economic as well as political spheres of life. However, the study showed that such challenges were inherent in the political set up of the local government and were deep rooted in the social and economic structures of Kapchorwa municipal council as a local government.

5.1.3 Findings on the relationship between revenue collection and service delivery

The findings clearly showed that there was strong relationship ($r=0.943^{**}, p<0.01$) between revenue collection and service delivery in local governments for as for example, the findings depicted that service delivery increased with increase in revenue collection and decreased with decrease in revenue collection. This could be noted from various services like roads financed by local government as well as services like garbage collection in urban centers with in Kapchorwa municipal council.

5.2 Conclusion.

The findings of the study show that although part of the local revenue collected is channeled towards delivery of service, some percentage of the revenues collected is misused by some of the administrators involved in planning for the revenues collected and thus strong measures have to be put in place to reduce the misuse as will be seen in the recommendations.

5.3 Recommendations.

In light of the findings and the need for revenue to provide services in Kapchorwa Municipal Council since transfers from the central government to enable them fulfill their obligations.

Therefore a lot of effort should be put in place to ensure that revenue collection and administration is improved in Kapchorwa Municipal Council local government to fully provide quality service to the people. Kapchorwa Municipal Council needs to simplify the licensing process in order to reduce non compliance of businessmen to pay taxes.

License registers should be computerized to reduce tax evasion and tax avoidance.

Markets and other rental places should be fenced off for the case of locating operations.

So in this case those found operating outside the fenced off places should be punished accordingly.

Kapchorwa Municipal Council should regularly conduct field surveys for taxis, buses and other vehicles operating in gazette areas so as to set realistic reserve prices.

Revenue collection in Kapchorwa Municipal Council should be privatized by giving out tenders to individuals or companies to collect revenue on behalf of Kapchorwa Municipal Council local government to reduce the increasing rate of tax defaulters.

Enforcement teams should check businesses that have failed to pay taxes and penalize them accordingly.

Sensitization, mobilization and publicity to the community about the importance of paying taxes. This can be done through rallies, village meetings, newspapers, radio, programmes, commissioning of projects and use of local revenues collected for activities that have immediate and visible impact.

Kapchorwa Municipal Council should try to implore other sources of Local revenue collection for example fines and fees imposed by local council courts, annual bicycle license user charges, Bodaboda motor rides, fees and property rates (after enactment of the Property Act, 2004).

5.4. Areas for further study. This study covered sources of revenue collection, impacts of revenue collection on service delivery, and limitations of revenue collection, but there is need to study, Local Government expenditure and efficiency levels of administrators.

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- (d)Warden Chiefs
- (e)Principal Treasury
- (f)Senior Accountant
- Accounts Assistant

(g)

PART B. Revenue Collection Source

The following are sources of local revenue in Kapchorwa Municipal Council District. Circle appropriately to show whether you strongly Agree (SA), Agree (AG), Not sure (NS), Disagree (D), Strongly Disagree (SD). Scales: SA =5, AG=4, NS = 3, D=2, SD=1.

Sources	SA	AG	NS	D	SD
Rent and rates					
Parking fees					
Licenses and permits					
Fines and Penalties					
Market dues and tenders					
Local Service Tax					
Development Fees					
Property Tax					
Grants					

What percentage of local revenue collection sources is got from licenses and permits? (circle appropriately)

- (a)Less than 10%
- (b)11-20%
- (c)21-39%
- (d) 40 and above

What percentage of the revenue collection is got from grants as sources?

- (a)Less than 25%
- (b) 30-40%
- (C) 41-60 %
- d) 80 and above

C) Are there other sources of revenue collection not mentioned above?

- a) Yes
- b) No

If

Yes give evidence.....

.....

PART C: Challenges in revenue collection on service delivery

Circle appropriately to show whether you strongly Agree (SA), Agree (AG), Not sure (NS), Disagree (D), Strongly Disagree (SD). Scale: SA=5, AG=4, NS=3, D=2, SD=1

Question	SA	AG	NS	D	SD
Does Kapchorwa Municipal Council face any challenges in revenue collection?					
The challenges in revenue collection are frequent					
The local government is partly responsible for poor revenue collection					
The complicated local government rules and regulations are partly a challenge for revenue collection.					
Revenue collection in Kapchorwa Municipal Council as a local government need to be improved.					
Should central government help local government to improve on revenue collection?					
There is need to amend the existing rules and regulations that guide local government in revenue collection					

PART D. Relationship between revenue collection and service delivery

Circle appropriately to show whether you strongly agree (SA), Agree (AG), not sure (NS), Disagree (D), and Strongly Disagree (SD). Scale: SA=5, AG= 4, NS =3, D=2, SD =1.

Question	SA	AG	NS	D	SD
Does the Municipality of Kapchorwa utilize its revenue to provide services to the people?					

Service provision is a priority as far as Kapchorwa Municipal Council expenditure is concerned.					
Failure to enforce rules and regulations of collecting revenues.					
Donor funds as revenue are primarily used to provide basic services to the community.					
Various grants from Central government to enable provision of services to the community.					
There are rules and regulations followed during revenue collection and service delivery.					

APPENDIX II: INTERVIEW GUIDE FOR THE STUDY

1. What is your Name Sir/Madam?
2. When did you join this organization?
3. What are your qualifications?
4. Which service do your organization offer to it people/community?
5. What are the sources of revenue in the organization?
6. How often do you receive funds from the Central government?
7. What is the relationship between revenue collection and service delivery?
8. What are some of the challenges faced during revenue collection?
9. What are some of the challenges faced during service delivery?
10. What measures have you put in place to address above challenges?

END

THANK YOU FOR YOUR PARTICIPATION

APPENDIX III: INTRODUCTORY LETTER



UGANDA CHRISTIAN UNIVERSITY.
A Centre of Excellence in the Heart of Africa
MBALE UNIVERSITY COLLEGE.

BUSINESS DEPARTMENT

To THE MAJOR.....
KAPCHORWA MUNICIPALITY

Dear Sir/Madam,

Re: Academic Research

Christian greetings!

We are honored to introduce to you Mr. Mrs./Miss... MUPAI MOSES SONYEKWO.....
Of Registration Number; 521/MUC/BBA/205..... pursuing a Masters'
Degree/Postgraduate Diploma / Bachelor's Degree
BACHELORS DEGREE.....

He/ she is required to carry out an academic research on the topic
LOCAL REVENUE MANAGEMENT AND SERVICE DELIVERY IN.....
MUNICIPALITIES OF UGANDA.....

and thereafter produce a well bound hard cover research report (MAROON) in color for undergraduate
and three (BLACK)copies for Postgraduate students as a University requirement for the award of a
degree/diploma in the academic discipline that he / she is pursuing.

We shall be grateful for the help you may offer to him or her accordingly.

Thank you.

Yours faithfully,


Henry Omache
Ag. Head of Department Business

