Revenue Collection and Service Delivery in Works Department of Amolatar District Local Government

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Abstract

The purpose of this study was to examine the effect of revenue collection on service delivery in Uganda focusing on employees in Amolatar District Local Government. Specifically, the study sought to: examine the sources of revenue collection in Amolatar district, assess the level of service delivery in Amolatar district and to examine the relationship between revenue collection and service delivery in Amolatar district local government. The study employed cross sectional research design; employed both quantitative and qualitative approaches from sample size of 113 respondents that was drawn using Krejcie & Morgan (1970). The study used questionnaires and interview guide as research techniques to collect quantitative and qualitative data from primary and secondary sources. Quantitative data analysis was done using SPSS package version 23 while thematic and content analysis was employed to analyse qualitative data. The study revealed market dues, trading license and local service tax are all important sources of revenue. The study revealed that the level of quality and coverage of service delivery are above average while the timeliness of services is below average. Finally, the study indicated that market dues, trading license and local service tax are all positively associated with service delivery. Finally, the results of multiple linear regression yielded an adjusted R Square value of 0.324, which implied that jointly, revenue collection contribute about 32.4% variation in service delivery in Amolatar District Local Government. Based on the above findings, the study concluded that Amolatar district local government should strengthen their effort and also come out with proper strategies of collecting revenue for those sources studied and leadership and the technocrats of Amolatar needs to do a lot more in the area of the timeliness of service provision in addition to quality and coverage of services. The study therefore recommended that Amolatar District Local Government should come out with strategies of collecting revenue from all those sources which have been studies.

Keywords: Revenue Collection, Service Delivery, Local Government

1. Background to the Study

The historical development of revenue collection is as old as civilizations have existed. In ancient Egypt, the fifth of all crops were given to Pharaoh. Ancient Greece imposed taxes to generate revenue to fund wars. The Roman Empire generated revenue by imposing taxes on colonies so as to increase the boundary of the empire. Julius Caesar imposed 1% sales tax and Augustus instituted to fund military expenditure. The first modern revenue generation is traced to the British Empire in the 14th Century when Tsar Peter taxed beads, boots, beehives, candles, hats, horses, chimneys and water to finance public expenditure in Europe (Aamir, Qayyum, Nasir, Hussain, Khan, & Butt, 2011).

In Europe, revenue generation is from income tax, allowances, bands, rates, taxation on charitable, tax on bank interest, tax credits, land fill tax, climate change levy, aggregate levy, betting and gaming levies, capital gain taxes, inheritance tax, stamp duties, corporate tax, sea tax, bank levies, council or community tax and national insurance tax. In Europe, total UK government receipts are forecast to be £648.1 billion in 2014–15, or 37.7% of UK GDP. This is equivalent to roughly £12,400 for every adult in the UK, or £10,000 per person. Not all of this revenue comes from taxes: taxes as defined in the National Accounts are forecast to raise £606.0 billion in 2014–15 fiscal years, with the remainder provided by surpluses of public sector industries, rent from state-owned properties and so on (International Financial System, 2014). In India, revenue generation like other counties is mainly through their tax regime. Taxation Powers in India's federal structure of Central Government constitute; direct Taxes: (Income Tax, Corporation and Personal) Dividend Distribution Tax, Wealth Tax), indirect Taxes: Central Excise, Customs, service Tax, transaction Tax: Securities Transaction Tax, Value Added Tax. Other revenue generation in India comprise of Excise on alcoholic liquor, luxury tax, entry tax, electricity duty, entertainment tax, stamp duty, property tax, professional tax, agricultural income tax (International Monetary Fund Report, 2012).

In Africa, many countries have likewise adopted reformed public finance management in local government systems at different times. Ankamah, (2012) reveals that in Ghana, fiscal decentralization started in the 1970s when the British government established the indirect rule which lasted until 1951. During this period the colonial

administration ruled the people of Ghana indirectly through the chiefs by making the chiefs and elders in given districts as the local authorities with power to perform local government functions.

Despite the enactment of a number of public finance management reforms since the 1990s, misappropriation of public funds in Uganda remains a challenge. On one hand, the reforms aim to create a sound public finance management system that supports aggregate control, prioritization, accountability and efficiency in the management of public resources and the delivery of services critical to Uganda's development goals (Ministry of Finance Planning and Economic Development, 2013). These include the enactment of the Budget Act, 2001; the 2003 Public Finance and Accountability Act 2015 (PFAA), which repealed the Public Finance Act of 1964; the Public Procurement and Disposal of Public Assets (PPDA) Act, 2003; the Public Finance and Accountability Regulations, (PFAR), 2003; and the Treasury Accounting Instructions (TAI), 2004; and the implementation of the Integrated Financial Management System (IFMS) among others On the other hand, the prevalence of misappropriation of public funds by public servants, delays in fund disbursement, low absorption capacity by some departments, and idle, dormant bank accounts continue to have a negative impact on the delivery of public services. For example, scandals in the Office of the Prime Minister, where UGX 60 billion was stolen and UGX 340 billion was lost to ghost pensioners in the Ministry of Public Services, amounted to the equivalent of the total budget of the Ministry of Agriculture Animal Industry and Fisheries in 2013/14 and approximately 3 % of Uganda's total annual budget.

1.1 Statement of the Problem

Although it is the mandate of the government to provide service to the general public through the process of decentralization, the performance of Amolatar District Local Government in areas of service delivery still remain wanting (LG performance report, 2017/2018, 2018/2019 and 2019/2020). The auditor general report for the year 2017/2018 revealed that road maintenance of 298KM totaling to UGX.279,640,000 was budgeted and the revenue for it realised, the inspection report indicated that the work was done in a shoddy manner. A number of roads that had been worked on and already handed over to the district were already in bad condition and yet they had not lasted for long.

The auditor general report for the year ended 30th June 2019 (FY, 2018/2019) revealed that activities that have been planned and budgeted by the local government of Amolatar were poorly implemented which affected service delivery while others were implemented late. The report revealed that payment to works department amounting to UGX.1,708,799,660 could not be verified as supporting payment voucher and related accountability were not there. Further, much as the district managed to realise UGX.18,155,241,173 representing 92% out of the budgeted UGX.19,719,770,000, there were many cases of public outcry as far as the quality of services in the district is concerned. According the Auditor general report (2019), a total of 284.4KM road from Anamwany to Odyedo landing site estimated at UGX.70,640,000 were planned to be undertaken. The report further indicated that physical field inspection revealed that although the contractor had handed over the project, the section at swampy areas remained bumpy and the headwalls of the culverts were already cracked. On a similar note, the report also noted late disbursement of fund for the youth livelihood project and UEWP yet the district received funds in time which affected the quality-of-service delivery. The auditor general report for Amolatar district local government for the year 2019/2020 revealed that a lot of poor service delivery especially in areas of works (roads). It is on that note which provides the rationale to conduct a study on the effect of revenue collection on service delivery in Amolatar District Local Government.

1.2 Purpose of the Study

To examine the effect of revenue collection on service delivery in the works department of Amolatar District Local Government.

1.2.1 Research Questions

The study aimed at answering the following research questions;
1) What are the sources of revenue collection in Amolatar District Local Government?
2) What is the level of service delivery in Amolatar District Local Government?
3) What is relationship between revenue collection and service delivery in Amolatar District Local Government?

1.3 Significance of the Study

The findings of the study will enlighten sub county staff on the public revenue collection in the sub-county and the obstacles that surround their efforts to realize this. This also suggested the best or suitable remedies possible to address the situation with in the recommendation section.

The revenue collection and service delivery information gathered in this study will be utilized by the sub county management in fully getting an insight to areas not supporting the realization of more local revenue sources.

As key stakeholders (the academia and other policy makers,) responsible for formulating policies especially

at Ministry of Local Government, their understanding of the successful revenue management remains a task ahead for them geared towards improving service delivery in the LGs. Therefore, the findings from this study will support in the formulation of better revenue policies that will yield better revenue bases as well as encourage LG revenue staff including assessors and others of what is expected of them in realization of more local revenue.

1.4 Theoretical Underpinning

2. Review of Related Literature

2.1 Revenue Sources in Local Governments in Uganda

2.1.1 Inter-governmental transfers

Aiko & Logan, (2014) assert that 36 percent of local government general revenue are mainly intergovernmental transfers from other levels of government, 32 percent comes from state governments (including indirect local government funds), and 4 percent come directly from the local government. Local governments include county governments, municipalities, townships, special districts (such as water and sewage authorities), and school districts. Aid to school districts account for more than half of all state government transfers to localities. Housing programs make up 40 percent of federal transfers to local governments.

2.1.2 Own-Source Revenue

Local government also have their own sources of revenues such as taxes from garbage collection, markets and parking which facilitate them in the financing of local activities. Other sources of own-source revenues for the local government include charges and miscellaneous fees, such as water, sewerage, and parking meter fees collected by municipal or county governments (Fjeldstad & Heggstad, 2012).

2.1.3 Taxes on real property (land and improvements)

Local governments also gain local revenues from the taxes of properties and this include property value taxes and parcel taxes, as well as grants in lieu of taxes (neither the federal or provincial governments pay property taxes directly, but each pays grants in lieu of taxes on some of their properties (Sabaini & Jimenez, 2012).

2.1.4 Fees and Charges for Services:

The fees and other charges levied from the services of the local government to the local and foreign people also serves as another source of local government revenues. Petrovsky (2014) assert that local government coerces entrepreneur to pay market fees since it is attached to their daily income activities. This includes things such as fees for use of local government facilities, fees for services such as water or sewer, and fees in relation to various regulatory activities, such as inspection and permitting (Avellaneda, 2013).

2.2 Service Delivery in Local Governments

Uganda's decentralization policies provided for the transfer of powers and functions from the central government ministries to District local governments and make them Autonomous. This mandate is embedded in the 1995 Constitution of the Republic of Uganda. The Local government is crucial institution from where people can best define their priority problems and organizes to deal with them. Moreover, the poor interact most exclusively with the Local Government from which they seek services and support.

The Local Government is a crucial institution from where people can best define their priority problems and organizes to deal with them. Moreover, the poor interact almost exclusively with the Local Government from which they seek services and support. For example, District Local Government directs National Agricultural and Advisory Services (NAADS), and support given to farmers (Hagemann, 2011). Local Governments are capable of providing public services, mobilizing community resources, stimulating private investments, expanding rural-urban linkages, adopting national development to Local conditions and investing in Local infrastructure. They can also be a crucial source of empowerment by offering opportunities for long neglected citizens to participate in the Local decision-making processes. They hence act as a voice for Local needs at higher levels and providing adapted support for Local people's initiatives (Abelson, 2006).

Pradeep (2011) indicated that the desegregation of data area helps to ensure that funds are allocated fairly throughout the district/municipality. For example, this involves service delivery investments by section and geographical area such as counties and sub counties. Members of sector committees, councilors, departmental managers are interested in service delivery in their areas and therefore ensure that proper policies are designed and later implemented to ensure effective service delivery to the community.

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According to the National Service Delivery Survey (NSDS) 2012, it was noted that, effectiveness of service delivery in local governments can be gauged by the expenditure amounts allocated to various service items in regard to the National Programmes Priority Areas (NPPA). This report included some other attributes like the

perception of perception of service delivery and level of achievement of value for money by the locals, to determine the level of achievement of local governments in attaining reasonable levels of service delivery to its residents/taxpayers.

In contrast, Tribın, Ana Marıa (2014) indicated that service delivery should take into consideration the completion rate and recovery rate by service providers and (Minnesota. 2012) found out that since technocrats undertake service delivery on behalf of governments, thus there is need for "a bottom up "prioritizing to have effective spending public funds. If prioritizing is not taken into consideration, only those governments that take the decision to provide an effective service delivery will be able to cost effectively meet citizens continually rising expectations of government services (Zhou and Madhikeni, 2015). Samuel and Tyokoso (2014) argues that since service delivery remains agency centered such that government forced citizens to interact with them the way they are organized instead of the way that best makes sense from citizens' perspective, some of the services provided remain unattended to.

According to the Auditor General Report (2019), improper monitor of work given to contractors has been cited as the main reason leading to low quality of service in Amolatar. The locals are much concerned about the quality of the services yet most of the poor are scared of inaccessible services, the quality of health service delivery for example are mentioned to the poor and consultants attribute the poor service delivery to mismanagement of public funds, lack of transparency, accountability and consultation from the poor people who never get to know of the services provided and participate little or not in planning for their funds. Thus from that above discussion, there is need for local governments to provide enough information concerning service delivery to the residents. In a budget, service delivery can be strengthened through a number of ways; improved service delivery and Strengthened governance and accountability.

However, Gadenne, Lucie and Singhal (2014) notes that despite the governments' determination and commitment, some of their expectations will take long time to be realized because we have to live in the resources that our country can afford. Tax evasion and avoidance is also explained by Tamale and Kigonya (2013) that compliance for locals to pay taxes to finance service delivery requires sending messages in the media tracing the benefits of compliance, According to Gadenne, Lucie and Singhal (2014) the decentralization of local authorities had a loophole in the revenue collection and efficiency of service delivery. This was due to the fact that laws were not clear at times at who should collect revenues and to whom to offer the services, the poor accounting system, untrained personnel and politicians all affected the performance of local authorities. This is in agreement with Tamale and Kigonya, (2013) who noted that the sub-counties in the district give water programmes a less priority thus giving minimal funding hindering construction of new and rehabilitation of old safe and communal water sources.

2.3 Relationship between Revenue Collection and Service Delivery

Revenue collection refers to how sources of revenue, assessment and eventual collection measures are in place to ensure that local revenue is obtained from the locals. In this study, revenue collection is categorised into three sub dimensions of which sources of revenue, revenue outsourcing and local assessment formed the list as supported by scholarly literature laid below. Revenue collection is very important for every County Government globally as it enables the government to acquire assets which are not liable to debt and which the government uses to develop its economy. So, revenue is collected by the government upon its citizens for support or for the purpose of facilitating the Service Delivery in a country (Aamir, Qayyum, Nasir Hussain, Khan, & Butt, 2011).

Mamounda, (2011) studied the impact of revenue collection on service delivery in local governments in Iganga district local government. The purpose of the study was to establish the relationship between revenue collection and service delivery. The researcher used descriptive and exploratory survey research designs based on results from questionnaires, interviews and observation. Both qualitative and quantitative research designs were used in this study. The findings revealed that 15 out of the 30 respondents (50%) strongly agreed, (26.7%) agreed, 10% strongly disagreed and 13.3% disagreed. Since the majority of the respondents strongly agreed, this implied that declining revenue collection in Iganga District Local Government majorly led to poor service delivery. The study concludes that, even though most of the challenges were inherent in the structures of the Local Government, they were not beyond control. It showed that low or poor revenue collections within the District Local Government could be improved by implementing various policies, such as; motivate the tax authorities, check on political interference, sensitizing communities, privatization of revenue collection services, increase on Government grants to Local Governments.

Faguet & Jean-Paul (2014) reiterated that a sound revenue collection system for local governments is an essential pre-condition for the success of fiscal decentralization and service delivery. In addition to raising revenues, local revenue mobilization has the potential to foster political and administrative accountability by empowering communities. Samuel and Tyokoso (2014) examine the assessment of taxation on revenue generation in Nigeria with focus on FCT and some selected states using survey research design. The study utilizes regression analysis and finds among other things that taxation has a significant contribution on revenue generation and gross

domestic product (GDP). In a similar way, Afuberoh and Okoye (2014) utilize regression analysis and the study finds a significant relationship between revenue generation through taxation and GDP. The study recommends that Well Equipped Data Base (WEDB) on all tax payers should be established by the Federal, State and Local Governments with the aim of identifying all possible sources of income of tax payers for tax purpose, the tax collection processes must be free from corruption.

According to International Monetary Fund, (2017) notes that there should be effective means of achieving a resource allocation that reflects policy priorities. Allocation of resources should reflect the policies that the government implements using revenue from conditional and discretionary transfers. According to the International Monetary Fund, (2017) appropriation of claims without accompanying changes in expenditure make budget provisions less than objective which may result into overspending against appropriation and emergence of payment arrears. Approval of claim should be done through expenditure control system such as administrative and financial sanctions, ascertain availability of budgets, verification and certification, approval and disbursing payments which may allow the local government to maintain a high level of fiscal discipline but will also be able to implement the planned activities within the approved appropriations, financial resource management accountability index, (2018)

Tamale & Kigonya (2016) argued that privatization of government services has rapidly become a key feature in the management of public revenue in developing countries. They observed that the increased private tax collection boasts LG finances which has led to the improvement in the level and quality of service delivery. Private tax collection is likely to reduce corruption at most collection points since mechanisms for penalizing poor performance exist. In addition, the company may have personal interest in knowing their capability. Related to the above, Gadenne (2014), lament that private revenue collection is credited for its direct advantage of reducing operation and administrative costs that would otherwise be spent on revenue collectors and whole collection process. Outsourcing revenue collection provides more time for council staff to execute their responsibilities within the council. This means that financial resources to finance and support the delivery of quality services on time, cheaply and covering the planned area among other for instance constructing more feeder roads, construction of markets, drilling bore houses, and sanitation & waste disposal are sanctioned and can be closely monitored hence important to development.

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. On the other hand, most local governments are not eager to take on the major responsibilities of a taxing authority, and they do not want to establish locally generated taxes simply because they do not have the capacity to administer such taxes. However, much can be done to increase local capability and capacity to the point where local governments can administer the assessment and collection of local taxes under the regulatory supervision of the central Government.

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According to Asher and Novosad, (2014), the growth of Africa's towns and cities has outpaced local authority capacity for service delivery in terms of management, infrastructure and financing. It has been observed by Faguet, Jean-Paul (2014) that for Local Authorities to provide the services required adequately and efficiently, there is need for new methods and ways of mobilizing revenues. It was noted by the fiscal policy experts (Brewer, Chandler and Ferrell, 2012) that the spirit of decentralization was to provide a better position in identifying local needs and deliver public services accordingly. Given this background, the district local governments can easily identify and raise revenue from local sources such as road tolls, property tax, fees, fines, market dues and the like to boost their financial base for development of the locality. In addition to the Internally Generated Funds (IGFs), the district local governments are also expected to come up with projects and programmes that can help communities to reduce poverty in their localities (Bray, 2012).

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Approval of claim should be done through expenditure control system such as administrative and financial sanctions, ascertain availability of budgets, verification and certification, approval and disbursing payments which may allow the local government to maintain a high level of fiscal discipline but will also be able to implement the planned activities within the approved appropriations, financial resource management accountability index, (2018)

Stanford economists John and Taylor, (2012) recently studied fiscal-consolidation strategies that use a so-called Neo-Keynesian economic model to take into account how consumers and businesses might react to a country's future fiscal trajectory. For example, forward-looking consumers and businesses may expect future tax hikes, and plan accordingly, if a country continues to build up large amounts of debt that will ultimately need to be paid off. In this study, fellow authors find that even in the short-run, the consolidation of government finances is found to boost economic activity in the private sector sufficiently to overcome the reduction in government spending. John and Taylor (2012) have argued that government needs to encourage private investment, rather than keep its own spending high, in order to grow jobs. They believe that vast uncertainty, linked to the possibility of higher future tax rates and interest rates, is having a chilling effect on private investment and therefore job creation. Reducing government spending now would reduce the threats of higher taxes, higher interest rates and a fiscal crisis, and would therefore provide an immediate stimulus to the economy (Becker et al; 2011).

Local revenue is fundamental in the management of local governments, it contributes significance to the funding of the both recurrent and development expenditure in the local governments. The collection of local revenues by local governments has been declining over the years and this has resulted in over reliance in the central transfers which are not the original essence of decentralization (The World Bank, 2016). Zhou and Madhikeni (2015) noted that public revenue collection is an integral component of fiscal policy and administration. It is the fuel of every government; the main instrument through which government funding is ensured. With growing donor fatigue and dwindling domestic revenue reserves in most developing countries, the need to strengthen national revenue collection systems has become particularly imperative. Bird (2013) also reiterated that a sound revenue collection system for local governments is an essential pre-condition for the success of fiscal decentralization and service delivery. In addition to raising revenues, local revenue mobilization has the potential to foster political and administrative accountability by empowering communities.

Kaziba, Bumali, & Okiria (2017) examined the influence of local government revenue on service delivery in Masaka. Basing on market vendors and small-scale entrepreneurs who pay local tax, the study established a non-significant relationship between existing transparency and service delivery of basic community services. Meanwhile, Matove (2018) investigated the effect of local revenue on service delivery in Bukomero Town Council. Basing on a sample size of 124 participants and a response rate of 63%, the author established a positive and significant relationship between revenue enhancement planning, revenue implementation plan and expenditure control on service delivery. Given the current study, Kaziba and Matove looked at service delivery as a whole without particular focus on health service delivery hence a gap that calls for further investigation.

Mbufu (2013) assessed the impact of revenue budget on service delivery. The author found a significant impact of revenue budget on service delivery. The researcher established that whenever the district local government registered political interference, tax evasion, and tax avoidance, service delivery would shrink. A study by (Kasendwa, 2018) revealed a significant relationship between revenue collection and service delivery in KCCA, with a correlation coefficient of (r =.677), which is inconsistent with the current findings in Ogur and Amach. The investigation in KCCA was not specific on health service delivery, much as it had correlated with provision of clean and safe water, which are deterministic of quality of health. Given the current study, it is not clear whether tax avoidance and evasion at district level stifles health service delivery in Lira district.

2.4 Gap in Literature

In all the literature that has been reviewed, the authors and researchers have tended to concentrate on the process of revenue collection. The other pieces of work on public sector have only made generalizations at District levels without deliberate attempt to link revenue collection to public service delivery in decentralized settings at the lower local council level. Other gaps identified in previous pieces of related works are; inability to link revenue collection to public service delivery at local council level, Revenue collection study on purely lower local councils, not linked to service delivery, Local revenue performance study not specific to local governments, Automation of revenue management systems despite financial limitations in local governments, very wide sample size of the target population putting the validity and reliability of the findings into question.

Most of the studies reviewed did not involve the local community as the sample size in the study and yet those are the people who feel the tax burden. They are also the people who should benefit from the services from government. This therefore makes them very instrumental in this study. It is on those gaps that form the basis for this study which in on the effects of revenue collection on service delivery in local government.

3. Method

The study adopted a cross-sectional survey design. Qualitative and quantitative methods were used to collect data.

3.1 Study Population and Sample Selection

The population of the study was 160 in the categories of Chief Administrative officer, Chief finance officer, District Chairperson, District accountant & account assistant, sub-county chief, community development officers, parish chief, District & sub-county councilors and the local community. The sample size of 113 respondents determined with the help of Krejcie and Morgan Table (1970) took part in the study.

3.2 Data Collection and Analysis

The researcher used questionnaire survey method, the interview method and documentary review method to collect data.

Quantitative data was coded after which, statistical package for social sciences (SPSS) Version 23, was employed to analyse the data collected. Univariate analysis was carried out using descriptive statistic. This was done with the help of percentages mean, standard deviation. This was used to examine the sources of revenue in Amolatar DLG and the level of revenue collection in the district. Bivariate analysis helps to test the correlation coefficients between independent variables and the dependent variables (Saunders et al, 2009). Pearson correlation analysis was used to measure the correlation between revenue collection and service delivery. Regression analysis was employed to address the purpose of the study which is to examine the effect of revenue collection on service delivery in Amolatar DLG.

Qualitative date involved content analysis, which was used to edit qualitative data and reorganize it into meaningful shorter sentences. In other word, a thematic approach was used to analyze qualitative data where themes, categories and patterns were identified. The recurrent themes, which emerged in relation to each guiding question from the interviews, was presented in the results, with selected direct quotations from participants presented as illustrations.

4. Findings and Discussion

4.1 Descriptive Statistics on Sources of Revenue

Source of revenue collection was examined in terms of market dues, trading licenses, local service tax and central government releases.

4.1.1 Market Dues

Findings indicate that, the majority of respondents (31.8%) agreed that market due is the main source of revenue in Amolatar district, 28.2% strongly agreed, 9.1% were undecided, 18.2% disagreed while 12.8% strongly disagreed. The results also revealed that 34.5% of the respondents agreed that market dues are collected by the right people, 22.7% strongly agreed, 19.1% were undecided, 15.5% disagreed, while 6.4% strongly disagreed. In relation to the question as to whether market dues are charged according the items being sold, 36.4% agreed, 22.7% strongly agreed, 15.5% were not sure, 17.3% disagreed while 8.2% strongly disagreed. Concerning the question whether market dues are collected with receipts from everybody selling, 36.4% agreed, these were followed who strongly agreed (30%), then 12.7% of those who were undecided and disagreed respectively while 8.2% strongly disagreed. Lastly, on the question as to whether market dues are always collected from all markets in the district, 53.3% strongly agreed, 36.9% strongly agreed, 7.5% were undecided, 1.6% were in disagreement while the remaining 0.5% strongly disagreed. The overall mean of market dues is 3.539, which indicated above average performance of market dues as a source of revenue in Amolatar district. This implies that the respondents expressed that market helps in generating revenue for Amolatar district. The standard deviation of 1.272 suggested heterogeneity in views of the respondents in regards to market due as a source of revenue for Amolatar district local government.

The finding of the qualitative aspect of the study on the criteria that Amolatar DLG use to collect revenue from market dues revealed that;

'the district usually gives out tender for collection to people for a specific period of time. This helps to eases the collection of the market dues from the business people. The process of giving out tender is usually competitive and the highest bidder is always given the contract of collecting the revenue from the market due'

4.1.2 Trading License

This study revealed that most of the respondents agreed that trading license is collected by the right people (35%), 31.8% strongly agreed, 8.2% were undecided, 11.8% disagreed while 12.7% strongly disagreed. Similarly, a majority of the respondents (35.5%) agreed that whether traders are assessed before collecting license from them, 30.9% strongly agreed, 10% were undecided while 11.8% disagreed and strongly disagreed. The results also revealed that 38.2% of the respondents agreed that there is fairness in the assessment of trading license, 17.2% strongly agreed, 15.5% were undecided and disagreed while 12.7% strongly disagreed. Most of the respondents also agreed that trading licenses is always collected from all the businesses assessed (35.5%); 20.9% strongly agreed, 10.9% were undecided, 15.5% disagreed while 17.3% strongly disagreed. On the question as to whether responsible officers always issue receipt when collecting trading license, 33.6% agreed, 30% strongly agreed, 12.7% were undecided, 13.6% disagreed while 10%% strongly disagreed. The result also indicated that majority of the

respondents expressed that trading license is the main source of revenue in Amolatar district (60.9%), 12.7% were undecided while 26.4% were in disagreement. The overall mean of approximately 3.454 implied that the respondents were in agreement that trading license is one of the main sources of income for Amolatar district local government. The standard deviation of 1.769 indicated heterogeneity in the views of the respondents in regards to trading license as one of the sources of revenue for Amolatar district local government.

The finding of the qualitative aspect of the study on the criteria that Amolatar DLG uses to collect revenue from trading license revealed that;

'collection of revenue from the trading license is usually done by the parish chief. The process starts with the assessment of the traders to ascertain how much a trader is supposed to pay depending on the size of the business. The process of collecting revenue involves issuing of receipt to the trader'

4.1.3 Local Service Tax (LST)

Findings shows that most of the respondents agreed that Amolatar district always get remittance of LST in time (31.8%), 5.4% strongly agreed, 24.5% were undecided, 24.5% disagreed while 27.3% strongly disagreed. In addition to this, 37.3% of the respondents agreed that all the institution that are supposed to collect LST from their staff always do so, 5.4% strongly agreed, 10.9% were undecided, 24.5% disagreed while the remaining 16.4% strongly disagreed. The majority of the respondents also agreed that LST is one of the main sources of revenue income in Amolatar district (37.3%), 17.3% strongly agreed, 17.3% were undecided, 12.7% disagreed while 15.5% strongly disagreed. On the question as to whether all the institution that are supposed to make remittance of LST always do for the right number of staff, 37.3% agreed, 13.6% strongly agreed, 14.5% were not decided, 19.1% disagreed while the remaining 15.5% strongly disagreed. Lastly, the respondents also agreed that LST is always remitted to the right office (49.1%), 17.3% strongly agreed, 8.2% were not decided, 10% disagreed while the remaining 15.5% strongly agreed. The overall mean of approximately 3.0667 implied that the respondents were in agreement that local service tax help to generate income to Amolatar district local government. The standard deviation of 1.699 indicated heterogeneity in the responses in regards to local service tax as a source of income to Amolatar district local government.

The finding of the qualitative aspect of the study on the criteria that Amolatar DLG use to collect revenue from local service tax revealed that;

'employers usually collect the local service tax from the employees and remit the money to the sub-county or the town council. The money is deducted from the salaries of the employees before it paid to them and submitted to the relevant authority'

4.1.4 Central Government Releases

This study reveals that most of the respondents agreed that Amolatar DLG always get releases from the central government (38.2%), while the rest strongly agreed (5.4%). In addition to this, 27.7% of the respondents agreed that Central government release is the main source of funds for Amolatar DLG, while the remaining 71.4% strongly agreed. The majority of the respondents were in support that The money from central government is always released in time since 37.8% and 11.6% agreed and strongly agreed respectively, 41.4% disagreed while 8.2% strongly disagreed. On the question as to whether all the release from the central government is always according to the percentage allocated, 59.1% agreed, 21% strongly agreed, 0.4% were not decided, 16.4% disagreed while the remaining 3.1% strongly disagreed. Lastly, on the question as to whether there is always quartely release of funds from the central government 18.4% and 81.6% of the respondents agreed and strongly agreed. The overall mean of approximately 3.959 implied that the respondents were in agreement that central government releases help to generate income to Amolatar district local government. The standard deviation of 0.499 indicated homogeneity in the responses in regards to central government releases as a source of income to Amolatar district local government.

The finding of the qualitative aspect of the study on the criteria that Amolatar DLG use to collect revenue from central government releases revealed that;

'the money is usually release from the central government as grants on a quarterly basis and it the main source of revenue that the district uses to implement its budget including payment of staff salaries. It constitutes over 70% of the revenue for the local government'

4.2 Descriptive Statistics on Level of Service delivery

The results indicated that coverage of service (Mean=3.0903, SD=1.2291) had the highest level of rating in enhancing service delivery in Amolatar district followed by quality of service (Mean=3.0485, SD=1.309) and lastly timeliness of service (Mean=2.961, SD=1.295) which had lowest of rating. However, the result in coverage of service, respondents were not in agreement with the statements that condition of government schools have improved due to revenue collection and revenue has made it possible to provide extension service to many farmers in Amolatar. This is evidenced by the low value of their mean which are 2.861 and 2.870 respectively. Their mean values of 2.861 and 2.870 respectively are below average on a Likert scale used to assess the level of service delivery. Their standard deviations of 1.2712 and 1.3191 also indicated divergence in the views of the respondents.

On quality of service, respondents were not in agreement with the statements that the status of roads in Amolatar district has improved as a result of revenue collection, revenue collection has led to the improvement of school infrastructure in Amolatar district and the of education has improved due to revenue collection. This is evidenced by the low value of their mean which are 2.963, 2.833 and 2.963 respectively which are below average on a Likert scale used to assess the level of service delivery. Their standard deviations of 1.4679, 1.343 and 1.2688 also indicated divergence in the views of the respondents.

The finding of the qualitative aspect of the study on the quality of services in Amolatar district local government revealed that;

'the quality of service in Amolatar district local government is still wanting especially in the areas of works (roads). Most of the roads in Amolatar district are done in a shoddy way and this makes them not to last for long and yet a lot of funds will have been injected in it'

On timeliness of service, respondents were not in agreement with the statements that revenue collection makes it possible for the district to do routine road maintenance and there is timely provision of health services in the district. This is evidenced by the low value of their mean which are 2.963 and 2.852 respectively which are below average on a Likert scale used to assess the level of service delivery. Their standard deviations of 1.2223 and 1.2884 also indicated divergence in the views of the respondents.

The finding of the qualitative aspect of on the timeliness of services in Amolatar district local government revealed that;

'timely delivery of services in Amolatar district local government is still a big problem. Roads take long to be worked on and yet in some cases funds could be available. There are instances where a contractor who has been given a contract takes very long time to start the work even if the site or the road has already been handed over to. This makes the local community to suffer'

It is therefore evidenced that the level of service delivery in Amolatar district local government can be increased by timeliness delivery of services as the finding have indicated that the district is not doing well in the area of timely delivery of the services.

4.3 The relationship between Revenue Collection and Service Delivery

The finding in table 1 indicated a regression coefficient of revenue collection of 0.596 which is statistically significant at 1% level of confidence. This implies that revenue collection has a significant effect on revenue collection in Amolatar district local government.

The finding of the qualitative aspect of the study on the effect of collect revenue on service delivery revealed that;

'if the district is able to generate revenue from all its sources, it will be in position to provide the required services to the people because it from the revenue that Amolatar district local government gets from the different sources that it is able to work on the roads, provide clean water and also do other infrastructural development like building schools'

The finding agrees with Matove (2018) who investigated the effect of local revenue on service delivery in Bukomero Town Council and found that revenue collection had a significant effect on service delivery. The finding also concurs with that of Samuel and Tyokoso (2014) who examined the assessment of taxation on revenue generation for service delivery in Nigeria with focus on FCT and some selected states using survey research design. The regression analysis finding among other things that taxation has a significant contribution on revenue generation and gross domestic product (GDP). In a similar way, the finding is consistent with Afuberoh and Okoye (2014) whose regression analysis on the effect of revenue collection on service delivery indicated a significant effect of revenue generation through taxation and GDP. The study is also in line with Mamounda, (2011) who studied the impact of revenue collection on service delivery in local governments in Iganga district local government where majority of the respondents agreed that revenue collection had a significant effect on service delivery.

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Tables

Table 1: Coefficients of regression of revenue collection on service delivery

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.	95.0% Confidence Interval for B Lower Bound	Upper Bound
1	(Constant)	1.027	.298		3.441	.001	.435	1.618
	Revenue collection	.596	.086	.558	6.928	.000	.426	.767

a. Dependent Variable: Service delivery