

**BINDURA UNIVERSITY OF SCIENCE EDUCATION
FACULTY OF COMMERCE**

DEPARTMENT OF BANKING AND FINANCE



RESEARCH PROJECT

**ASSESSING FACTORS CONTRIBUTING TO LOW REVENUE
COLLECTION IN RURAL DISTRICT COUNCILS:**

A CASE OF CHIKOMBA RURAL DISTRICT COUNCIL

BY

B192799B

**A DISSERTATION SUBMITTED IN PARTIAL FULFILMENT OF THE
REQUIREMENTS FOR THE BACHELOR OF COMMERCE HONOURS
DEGREE IN BANKING AND FINANCE OF BINDURA UNIVERSITY OF
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RELEASE FORM

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DEDICATION

I dedicate this report to my parents Mr and Mrs Tapudza and my sister whose affection, love and encouragement has played a major role in all outstanding achievements, as they made my success their ambition. They have been my inspiration. Thank you for undying support morally and financially. Above all glory and praise is to the Almighty God for the protection and guidance during my academic year.

ABSTRACT

The aim of this research project was to assess factors contributing to low revenue collection in rural district councils as it has been seen that revenue has greater impact on operationalization of the councils and offering service delivery. The study focussed mainly on Chikomba Rural District Council and to give recommendations on how to improve the revenue collection. The researcher used a case study research design in conducting the research and a target population of one hundred and seventy three respondents comprising of CRDC employees and residents of Chivhu (ratepayers). The sample size comprised of fifty respondents. The researcher used descriptive statistics, tables, histograms and charts in presenting the data. The researcher found out that there are many sources of revenue CRDC is using the major ones being property taxes, estate funds, fees and licenses and grants. It has been noted that some revenue sources are affecting revenue collection level such as service charges since a lot of money is tied up in debtors. . The researcher discovered the challenges of low revenue collection which are poor corporate governance and economic hardships, with the major contributors being inflation, political and statutory issues, reluctant of parastatals and government institutions to pay council bills, poor service delivery and corruption. The researcher concluded that misuse of council resource, corruption and embezzlement tarnishes the reputation of the organisation. The researcher discovered a number of strategies that if they got implemented the Council revenue base would improve. The researcher recommended the organisation to make use of all sources of revenue listed in the RDC Act to generate more revenue. The researcher also recommended CRDC that it should come up with strong internal controls which will be used in raising more revenue and managing the employment of those funds as per intended purpose being budgeted for.

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LIST OF ABBREVIATION/ACRONYMS

CRDC.....	Chikomba Rural District Council
RDC.....	Rural District Council
CEO.....	Chief Executive Officer
HOD.....	Head Of Department
LGA.....	Local Government Authority
MLG.....	Ministry of Local Government
UNICEF.....	United Nations International Children's Education Fund
ZINARA.....	Zimbabwe National Road Administration
MRDPPNCH.....	Ministry of Rural Development, Promotion and Preservation of National Culture and Heritage

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CHAPTER I

INTRODUCTION

1.0 Introduction

The study aimed to analyse the factors leading to low revenue collection which hampers service delivery at Chikomba Rural District Council (CRDC) which is located in Mashonaland East Province. It shows the magnitude of revenue collection among Rural District Councils. This chapter focused on the context of study, the research problem and gave a justification of the research, outline the research objectives, present the research questions and gave an outline of the scope of research. It also outlined the organisational profile of CRDC.

1.1 Background to the Study

The amalgamation of the rural and district councils was seen as an essential measure to dismantle the former racially local government structure, establish a local government system that would promote national building and to permit a more equitable distribution of public services in rural areas (Chakaipa, De Visser, Steytler, & Machingauta, 2010). The amalgamation of the Rural District Councils into a single unified body was authorized by the Rural District Council's Act Chapter 29:13. As a result Chikomba Rural District Council was established from four councils that are Chikomba District Council, Charter Rural Council, Chivhu Rural Council and Featherstone Rural Council. Since amalgamation, the federal government has made a concerted effort to devolve power and responsibility to Rural District Councils resulting in them receiving 5% funds of the national budget (Munyede, 2022). There are currently sixty Rural District Councils (RDCs) in Zimbabwe that are charged with the mandate of improving the socio-economic development and welfare of people in their respective jurisdictions (Nyamudzodza, Mthombeni, Siziba, Sifile, & Manuere, 2021). RDCs were established to offer affordable, effective services to communities, to encourage and enable citizens to exercise their rights and responsibilities as citizens through participation in government and to control behaviour of people and organizations in their areas of

responsibility (Nyamudzodza et al, 2021). In developing countries, local authorities often struggle to collect their revenue. Researches have shown that many local authorities rely heavily on transfers from their central governments due to their inability to generate income from taxes and fees. In some cases central governments still control significant sources of revenue which could potentially alleviate the financial struggles of local authorities, (Chisango, Manuere, Muranda, 2023). Chikomba Rural District Council is a local authority. Local authorities should have sources of revenue as they have authority to levy rates and taxes. They should raise sufficient funds in order for them to fulfil their goals and obligations. Revenue raised should be used for payment of operational expenses of the organization, recapitalization and offering quality services to the residents. Council generally has sixty four (64) powers to enhance delivery of services in their respective areas of jurisdiction. The councillors and council management spend a lot of time and effort consulting and working with ordinary citizens, entrepreneurs and other stakeholders on how best council resources should be channelled towards the betterment of their community (Munyede, Mazambani & Maja, 2021).

CRDC operates in Mashonaland East Province with its Head Office in Chivhu Town. CRDC is located 142kilometers from Masvingo on the Harare-bound highway. It oversees the operations of its sub-offices at Sadza Growth Point. It also comprises of thirty wards of which four are urban.

The objectives of Chikomba Rural District Council are:

- To guarantee the community to receive services in a sustainable way.
- To encourage the District's social and economic development.
- To promote a secure and healthy environment.
- To maintain key holder participation.
- To strive within the financial and administrative level to control and manage the finance and assets of the Council.
- To promote good governance and the cost of effective service.

CHIKOMBA RURAL DISTRICT COUNCIL ORGANOGRAM

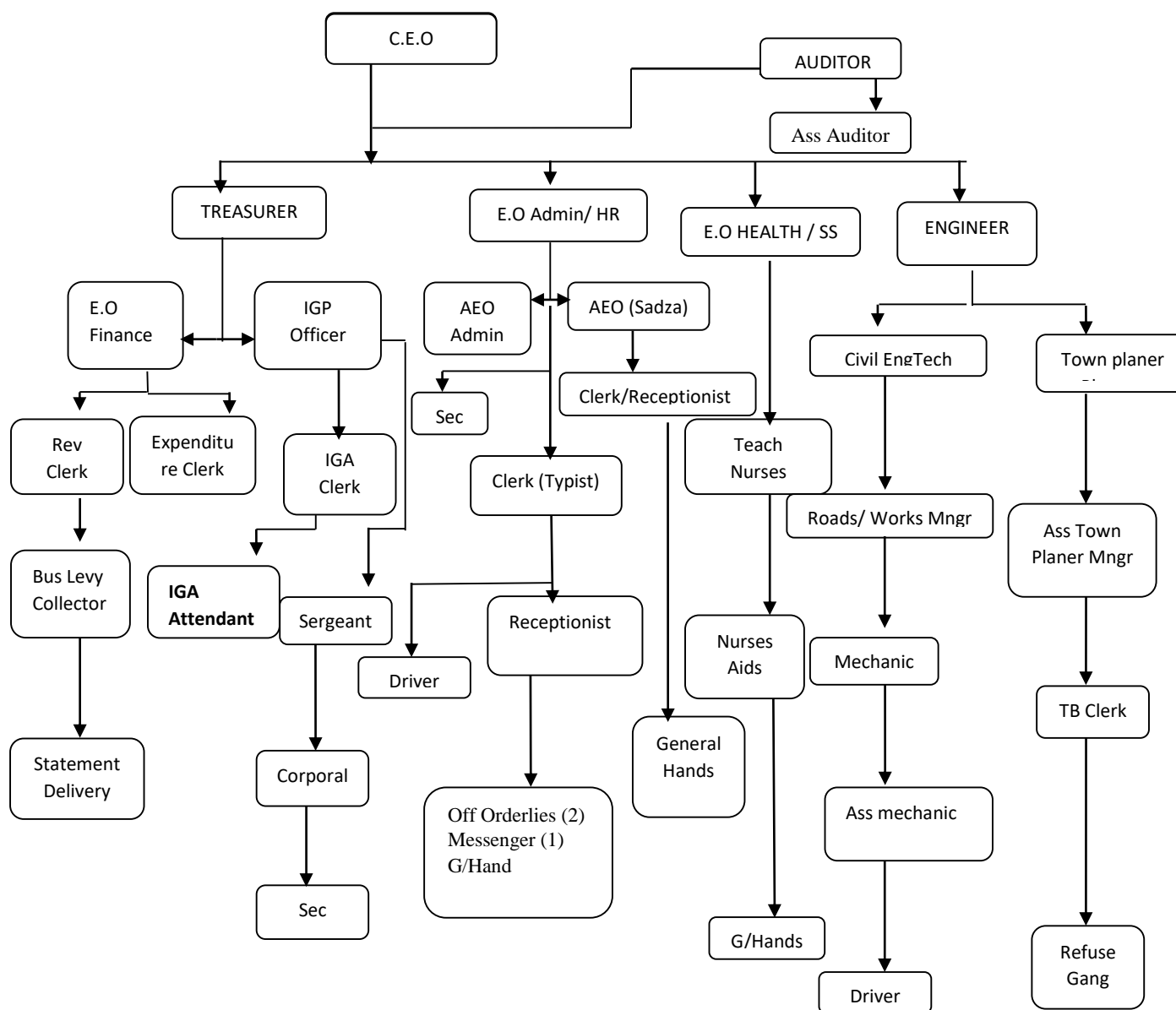


Figure 1: Chikomba Rural District Council organogram

Secondary Source: Chikomba Rural District Council Year 2016 Budget

1.2 Statement of the Problem

The key issue facing most Rural District Councils is lack of adequate funding to implement various developmental programmes and provision basic quality service delivery. Historical explanations made in the background to the study clearly allude to the fact that rural African areas now Communal Lands have been marginalised for a long time both before and after independence and require massive fiscal attention to ensure that these councils provide quality service delivery. The Constitution of The Republic of Zimbabwe Amendment (No. 20) 2013, Section 276 (2) (b), states that local authorities have the authority to levy rates and taxes as well as generally raise sufficient funds to carry out their objectives and responsibilities. Councils should effectively collect revenue such that revenue realized should be used for the funding of service delivery to the residents of the area under its jurisdiction. Chikomba Rural District Council is experiencing challenges in collecting all its revenues as evidenced by its failure to fully recapitalize and provide basic quality services to its residents. Poor service delivery is evidenced by the poor state of roads, poor lighting not enough schools, clinics, erratic refuse collection, no regular supply of clean water for twenty four hours per day and chaotic sewer systems at growth points and rural service centres.

Table 1: Trend of own sources of revenue against approved budget

Year	Approved budget (ZWL)	Actual revenue realised (ZWL)	Under collection (ZWL)	% of revenue realised
2021	332 094 661	189 293 957	142 800 704	57
2022	1 126 903 719	755 025 492	371 878 227	67

Secondary source: CRDC audited reports of 2021 and finance report 2022

CRDC reports of 2021 and 2022 revealed that for two consecutive years there has been an under collection of own sources of revenue as compared to the approved budget respectively. There is no clear understanding of what are the key factors that contributed to CRDC's ineffective revenue collection. The study is therefore to assess the factors contributing to low revenue collection.

1.3 The aim of the study

The aim of this research is to investigate the factors that contribute to low revenue collection at Chikomba Rural District Council based on available literature in order to provide recommendations on the strategies to improve revenue collection. The study aims to find out other sources that can be employed to generate more funds.

1.4 Research Objectives

- To assess the sources of revenue collection in rural district councils.
- To determine factors contributing to low revenue collection.
- To recommend strategies to improve revenue collections in rural district councils.

1.5 Research Questions

- What are the sources of revenue collection in rural district councils?
- What factors are contributing to low revenue collection?
- What strategies can be implemented to increase collection of revenue?

1.6 Justification or rationale of the study

To Chikomba Rural District Council

According to the researcher, the findings of this research will give insight to the organization on other sources of revenue they have to employ. It will provide them with a practical insight on appropriate ways on how revenue should be collected in rural district councils as guided by the RDC Act.

To the Community

This research will produce an insight on the advantages of paying rates to the council. The residents ought to know that in return for their payments to council they will have better service delivery being provided to them. The study's findings could aid local governments in maximizing their revenue collection, which would enhance community service delivery.

To CRDC Management

The conclusions and suggestions of the study will help management of the organization to implement strategies and employ other sources of collecting more revenue.

To the Researcher

The study will equip the researcher with the necessary skills to conduct any kind of research in any field and will also enrich her existing knowledge on different sources of revenue employed by local authorities. The study is important to researcher in the accomplishment of an academic requirement of Honours Degree in Banking and Finance at Bindura University.

To Bindura University

The literature findings of the research and theoretical background will benefit the university by increasing literature in the library. This information will also be useful to students or other staff members who might also want to do a research on revenue collection.

1.7 Assumptions

- CRDC would permit the researcher to use the organization's data for the study.
- Assumed that secondary data would be correct.
- The respondents will be ready to provide the researcher with accurate, unbiased information and specific statistics thereby validating the study's findings.
- The researcher's time and available materials would allow for the successful completion of the study.
- The respondents accurately reflected the organizations they represent in their responses to the questionnaires.

1.8 Scope (Delimitation) of the study

This study focused on the sources of revenue collection being implemented by CRDC.

The main focus will be on the factors leading to low revenue collection. Geographically the study is confined to Chikomba Rural District Council Head Office located in Chivhu

Town. This study also focused with the finance department. The researcher used the knowledge she has since she is a resident of Chivhu also used knowledge gathered during and after the period of Industrial Attachment thus the research covers the period from February 2022 – May 2023.

1.9 Limitations

- The researcher did not access all the required financial information at Chikomba Rural District Council.
- The researcher did not have enough funds (limited financial base) that cater for transport to the Head offices in order to gather information.
- Since this was a case study more time was required to thoroughly examine the entire unit in order to understand the necessary information. The researcher also needs to attend other daily activities in accordance with the institution's schedule, so the time allotted was insufficient.

1.10 Definition of terms

Revenue - Revenue is income that results when a business operates and generates sales in the activities that it is set up to do (Jonick, 2017).

Local authority - It is a municipal council, town council, local board, or rural district council (Public Finance Management Act, Chapter 22:19)

Council - A council is a rural district council (Rural District Councils Act Chapter 29:13).

Service delivery - Service delivery is a mechanism used by an organization to meet the needs and aspirations of the people it is meant to serve.

Rural District Council – It is a rural local authority that has been given the mandate to run local governance of a particular district (Rural District Council Act Chapter 29.13).

Financial viability – It is when an organization is able to balance its income and expenses, pay its bills and secures stable sources of funding.

1.11 Chapter Summary

Chapter 1 introduced the research topic and an outline of the organization's profile was given. An explanation was made on why local authorities are supposed to have sources of revenue collection. The chapter then gave an overview of the research problem, research questions, the research objectives and significance of the study. Definition of terms was also given. The following chapter, Chapter II: Literature review describes the relevant literature by various authors on revenue collection and service delivery.

CHAPTER II

LITERATURE REVIEW

2.0 Introduction

This chapter examines relevant literature related to revenue collection. It defines revenue, revenue collection, service delivery and local authority. It also highlights factors contributing to low revenue collection and poor service delivery. A literature review involves carefully examining the writings from various authors and researchers that are pertinent to the research. The theoretical review and empirical support for earlier research that had been conducted by other authors are the two parts of the literature review. Reviewing literature help researchers to avoid repeating previously studied topics and provides insight into how other researchers have approached related studies. The research can also find opposing and supportive viewpoints and ideas that may be pertinent to the researcher's dimension and approach to the research dissertation by identifying other researchers working in the same and related fields.

2.1 Operational terms

Tiers of Government

In Zimbabwe, the National Government, Provincial and Metropolitan Councils, and Local Authorities are the three levels of government. These tiers have the mandate to provide effective, efficient, transparent and coherent government. The national government is responsible for formulation of policy and is accountable for the efficient operation of all local authorities in Zimbabwe (Mlambo, 2020). Enshrined in the Zimbabwe Constitution Amendment No.20 (2013) local authorities are divided into urban and rural councils. Urban councils represent and manage the affairs of people in urban areas whereas rural councils represent and manage the affairs of people in the rural areas within the districts into which the provinces are divided (Mlambo, 2020).

The figure below shows the three tiers of government in Zimbabwe.

Rural Local Authorities

GOKWE NORTH RDC
GOKWE SOUTH RDC
RUNDE RDC
TONGOGARA RDC
MBERENGWA RDC
VUNGU RDC
ZIBAGWE RDC

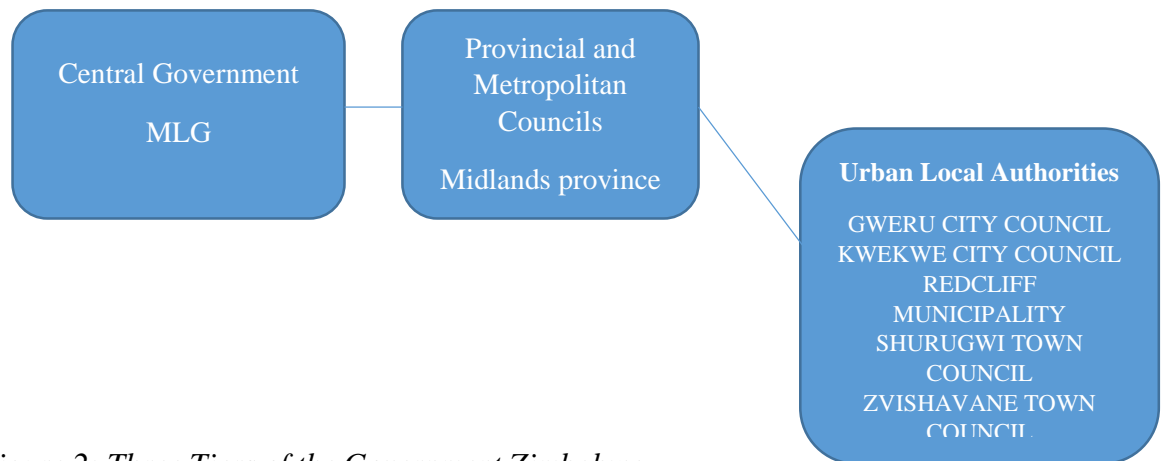


Figure 2: Three Tiers of the Government Zimbabwe

Secondary source: Adapted from Journal of African Problems & Solutions (JAPS) 2020

Local authority

Subject to Zimbabwe Constitution Amendment No.20 (2013) a local authority is a council that has the authority and all the necessary powers to manage the local affairs of the people living in the area where it was established. It is also a municipal council, town council, local board or rural district council (Public Finance Management Act, Chapter 22:19). A local authority may be given certain responsibilities and powers by an Act of Parliament, such as the ability to create by-laws, regulations, or rules for efficient administration of their designated areas as well as power to collect taxes and generate enough revenue to fulfil their objectives and responsibilities (Constitution of The Republic of Zimbabwe Amendment No. 20, 2013).

Revenue

Revenue is income that results when a business operates and generates sales in the activities that it is set up to do (Jonick, 2017). The local authorities have power to collect any amounts the public owes them. Local authorities are self-supporting therefore they raise most of their financial resources from fees and taxes from the public.

Revenue collection

In order to collect revenue, a government must bill the general public or a specific individual for any fines, taxes, tariffs, or other fees. Revenue collection from different sources determines the ability to deliver services to the public. Failure to meet revenue

collection goals may cause organizations to experience liquidity issues and financial distress, leaving them unable to fulfil their present and future obligations (Kyoma, Mwonge & Matiku, 2022). The principles of equity, ability to pay, convenience, economic efficiency, and certainty should be followed when collecting taxes (Chisango et al, 2023).

Service delivery

Enshrined in the Principles of Service Delivery in Uganda's Local Governments handbook (2013) service delivery is a method used by an organization to satisfy the requirements and aspirations of the target population. The study emphasizes the responsibility of government entity to provide adequate, affordable and cost-effective services to the residents or business owners. Service delivery in RDCs is hindered by both internal issues which include a lack of cohesion between administration and councillors, insufficient financial resources, insufficient and incompetence human resources, lack of staff enthusiasm, corruption, and misuse of resources (Nyamudzodza et al, 2021).

Local authorities have a crucial role in promoting effective service delivery that meets the needs of the residents. This involves assessing citizens' needs and priorities, improving decision making capacity and continuously increase service delivery system to cater the ever changing needs and demand of the citizens.

International guidelines for efficient service delivery outlined in the Principles of Service Delivery in Uganda's Local Governments handbook, 2013

- i. The service should be designed to meet specific user needs.
- ii. A service should be available at all time.
- iii. A service should be reasonably priced and delivered in a consistent manner.
- iv. A service should allow users to confidently employ it to address their problems.
- v. A service should be delivered in a way that is to be accepted by stakeholders.
- vi. A service should adapt to changing user needs.

Table 2: General services offered by Rural District Councils

SOCIAL SERVICES	TECHNICAL SERVICES
Provision of education	Construction of schools

Provision of health	Construction and maintenance of clinics, promotion of health in remote areas through the use of mobile clinics
Environment protection	Construction of public toilets and social amenities
Provision of recreational facilities	Providing entertainment facilities including grounds, beer halls
Provision of infrastructural development	Constructing and maintenance of roads and bridges
Provision of water and sanitation	Construction of sewerage ponds, water tanks

Secondary source: Diverse Journal of Multidisciplinary Research (DJMR) 2021

2.2 Theoretical review

Benefit theory of taxation

Obafemi, Araoy & Ajayi (2021) explains that Eric Lindahl proposed the benefit theory in 1919 which assumes an exchange of tax-payers' relationship to the state. There are two versions of the theory firstly; it states that tax payers should pay taxes in proportion of services they receive from the state. Secondly, the taxpayer should receive benefits that are sufficient enough to compensate them for the taxes that they pay.

Eric-1919 believed that justice can be attained if taxes are imposed according to this principle. Obafemi et al (2021), states that Eric 1919 had three criticisms on the benefit theory. Firstly one who is not benefiting from the service should not pay tax. It is believed that people who can afford to pay high taxes may end up paying less tax because they do not benefit greatly from government expenditure. Secondly, a tax based on the benefits received would violate the principle of taxation as it is a compulsory contribution to the government. Thirdly the benefit enjoyed by a particular individual every year is impossible to estimate as most expenditure incurred by the state are for the general benefits of the citizen. Benefit theory of taxation suggests that those who benefit more from government services should pay more in taxes. Taxes should be used to improve welfare status of people and socio-economic development in their respective localities.

Ability to pay principal

The ability to pay principal is based on modern economic analysis by Knut Wicksell (1896) and Erik Lindahl (1919), which assesses the efficiency of taxes and appraising fiscal policy (Obafemi et al, 2021). This principle requires individuals to pay taxes according to their ability to pay, with the rich paying more taxes to promote greater social equity. Taxpayers' capacity to pay is determined by their income with horizontal equity stating that people with same earnings should pay the same amount of tax and vertical equity stating that those with higher incomes should pay proportionally higher taxes than those with little earnings. The basic assumption of this theory is that the burden of taxation should be shared by the members of society on the principles of justice and equity (Obafemi et al, 2021). A critic of the ability-to-pay theory argued that it is difficult to measure ability to pay, and that income is a better measure than wealth or property. They also argued that expenditure may not accurately reflect ability to pay.

Principal-agent Theory

The principle-agent theory was implemented by Alchian and Demsetz (1972) and by Jensen and Meckling in 1976. It is derived from disciplines such as law, accounting and economics and relates bureaucracy and elected politicians. Rural district councils are governed by ward councillors who are elected in every five years of harmonised elections and they act as Board of Directors (Chisango et al, 2023). According to Meckling (1976), an agency relationship is a contract where a principal (shareholder) employs an agent (manager) to perform certain tasks on their behalf (Kyere & Ausloos, 2021). The agency theory assumes that there is a goal conflict between principals and agents as they possess more information than the principals, creating information asymmetry. Conflict of interest issues can arise when managers prioritize their own business interest over those of shareholders. This conflict can extend to the board of directors whose business interests may collide with their fiduciary duties.

The theory states that satisfying shareholders expectations will automatically be meet most of the needs of other stakeholder groups. Regarding rural district councils, the residents are principal and the council is the agent. The residents pay taxes and expect the councils to provide them with services such as clean water, timeous refuse collection, sewer reticulation, and good roads among others. Failure to meet these duties

results in the principal agent problem, with the council pursuing self-interest at the expense of the public interest. This is due to information asymmetry and lack of monitoring capacity by the residents, leading to the need for intervention by the Ministry of Local Government. Corporate governance counters agency theory, therefore good governance should have strong internal mechanisms to manage various interest groups (Kyere & Ausloos, 2021). If the performance of the agent is not in sync with the expectations of the principal, sanctions or rewards can be applied to bring back the agent into line.

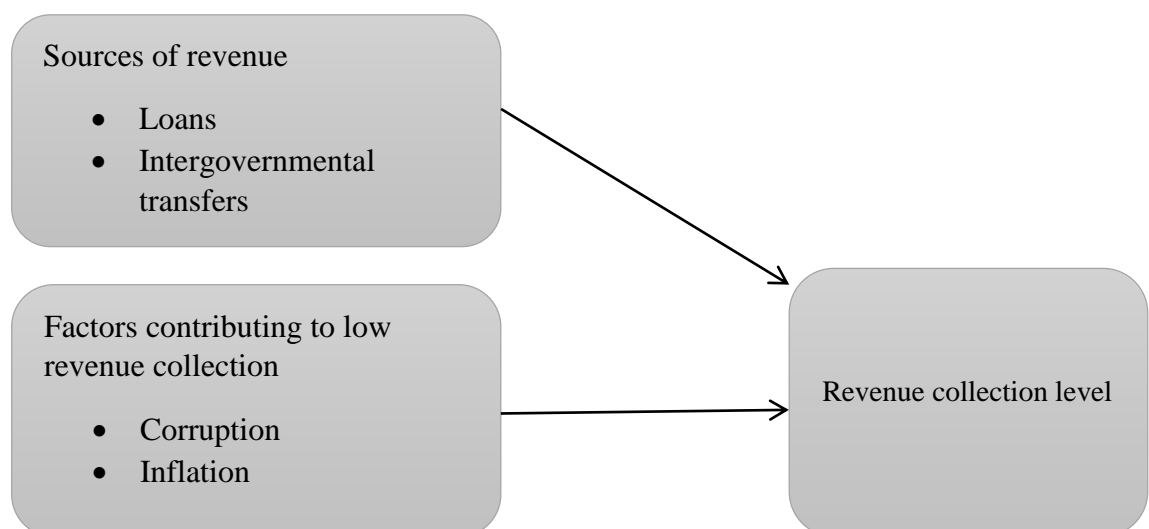
The theory is applicable in this study in that members of the community vote for the councillors who act as their agents or representatives in the implementation of policies until the end of their term in the office.

2.2.1 Conceptual framework

The conceptual framework illustrated the variables that are dependent and independent in the research. The first independent variable examined in this study was the revenue collection source, which sought to investigate the sources of revenue collection and their impact on the overall revenue of the council. The second independent variables were factors contributing to low revenue collection and the third variable were strategies to improve revenue collection. The dependent variable was revenue collection level.

Independent Variable

Dependent Variable



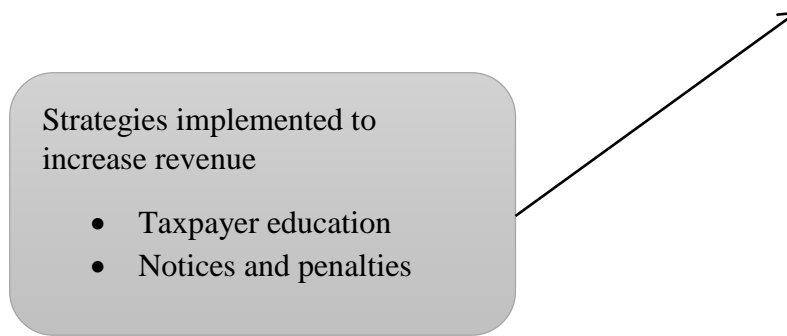


Figure 3: Conceptual framework

Researcher's own source 2023

2.2.2 Sources of revenue for local authorities

Rates on property and lands

A rate is defined as a fixed price paid or charged for something, especially goods or services. This payment is typically obtained from individuals residing within the council area and is frequently associated with a specific parcel of land or building. The majority of Local authorities' financial viability heavily relies on property and land and this is one of its main sources of revenue (Heald & Hodges, 2020). All property owners are obliged to pay rates for their property. The Zimbabwean Constitution Amendment No. 20 of 2013 give local authorities' power to charge rates on property and lands the same with section 229 of the Constitution of the Republic of South Africa states that municipalities have a power to charge rates on properties.

Rentals on Council Properties, lease of land and Sale of land.

Rentals on council properties, lease of land and sale of land can be a significant source of revenue for local authorities. Council got some of its revenue from tenants who lease or rent property owned by the local council for example renting houses, business premises and sports facilities. CRDC has also some buildings and properties which they rent out to the public. Council's revenue is generated from these rentals and failure by residents or unwillingness of them in paying these rentals will lead to lose of council's income. Councils realise some of its revenue from sale of stands for residential or commercial purposes. To generate income councils can also lease land to private businesses or organizations for a variety of purposes.

Fees and service charges

A fee refers to a payment made for a service rendered. These fees can take various forms, such as charges for bus parking at the terminus, market fees, refuse removal fees, towing fees, stand fees, grazing fees, clamping fees, and registration fees. As per Section 95 of the RDC Act chapter 29:13, a charge denotes any fee imposed by or payable to a council.

Penalties and fines

A fine is a monetary charge on a person who has been convicted of committing a minor crime or offence. Fines are monetary charges in violating rules and regulations (Chisango et al, 2023). When people breaches the council by-laws of building license, operating license, illegal construction, public health, residential units and real estate, gardens and public parks, and roads and infrastructure are all punished and are charged for penalties and fines.

Licenses and permits

As per the RDC Act, a license refers to any license granted under the Shop Licences Act [Chapter 14:17], which is not restricted to the sale of specific goods outlined in the Third Schedule to that Act. Additionally, it can include a bottle liquor license, a bar liquor license, or a hotel liquor license issued under the Liquor Act [Chapter 14:12]. License fee is an amount of money paid by an individual or business to a government agency for the privilege of performing a certain service or engaging in a certain line of business. These fees are paid to the council for the right to perform certain activities or operate businesses within the council area, such as trading licenses and vendor permits.

Income generating projects

According to Section 80 of the RDC Act chapter 29:13, with the written consent of the Minister and subject to any terms and conditions specified by the Minister, a council may engage in any commercial, industrial, agricultural, or other activities for the purpose of raising revenue for the council.

Intergovernmental transfers

According to Zimbabwe Intergovernmental Fiscal Transfers System Administrative Manual (2015), the government is obliged to provide not less than 5% of the national revenue raised in any financial year to the council. Subject to section 301(1a) of the Constitution of Zimbabwe 2013 Amendment No. 20 an Act of Parliament should also determine a fair distribution of funds among provincial and metropolitan councils and local authorities. The council is not required to repay this money, but it must be spent according to the government's specified purposes. The intergovernmental Fiscal Transfer Grants comprise of both capital and operational grants. The capital grants are intended to fund capital expenses related to social and economic infrastructure development projects that fall under the local authority's jurisdiction. On the other hand, the operating grant is meant to cover the operational expenses associated with the implementation of socio-economic infrastructure projects and the upkeep of existing assets for socio-economic service delivery under the local authority's responsibility. To promote openness and responsibility in the utilization of intergovernmental transfer funds, local authorities must provide an account of the funds distributed to the Ministry in quarterly acquittals, which aids in reporting.

Subject to section 264 of the Constitution of Zimbabwe 2013 amendment (no. 20), state that government powers and responsibilities must be devolved to provincial, metropolitan councils and local authorities so as to carry those responsibilities in an efficient and effective manner. These authorities should manage well their financial resources that come from the central government. Devolution refers to a situation whereby central government transfer power and authority to local governments to make decisions such as legislative, administrative and financial decisions in the areas of their jurisdiction without much involvement of the central government (Zinyama & Chimanikire, 2019). Devolving authority and power to local authorities was seen as a step to foster economic development. Decentralisation of power can aid in the service delivery of improvement to the residents.

Loans

Local authorities can apply for loans to finance their activities. This involves borrowing money from the government or registered financial institutions like banks. All the money borrowed by a council must be used for the intended purpose, as stipulated in

section 124 of the RDC Act. The Minister, with the agreement of the Minister responsible for finance, may authorize the use of the borrowed funds.

Donations

This refers to funds received by the council from individuals or organizations for service delivery or capital development purposes. The council must exercise caution and diligence to ensure that the donation does not come with conditions that are contrary to the council's mission statement.

Utilisation of Natural Resources

This refers to the income earned by the council through the utilization of its natural resources or by permitting third parties to exploit these resources and paying the council for such activities. The revenue generated from these activities may include the extraction of pit and river sand extraction, hunting and photographic safaris, and timber harvesting. Second schedule of section 88 and 89 of the RDC act gives councils power to raise revenue from its natural resources.

2.2.3 Factors contributing to low revenue collection

Poor corporate governance

According to Maune (2015), the issue of corporate governance has gained significant attention in Zimbabwe following the financial crisis that occurred in 2003, which resulted in several companies facing various challenges and such scandals were a result of poor corporate governance. Lack of good corporate governance is the major challenge facing local authorities as high cases of corruption, favouritism, fraud amongst other corporate governance scandals (Nyamudzodza et al, 2021). Some corporate governance issues that are to be discussed are corruption, lack of transparency, lack of accountability, poor financial reporting and poor planning. All of these challenges may have an impact on the reduction of revenue collection.

i) Corruption

According to Nyamudzodza et al (2021) corruption is one of the factors that contributed to low revenue realised in RDCs as funds intended to improve the liquidity position and overall functionality of the organisation are misused therefore hampering service delivery. Subject to section 70 of the RDC Act any corrupt practices by officers and employees of the council shall lead to dismissal from work. Such practices involves accepting or attempting to obtain any fee or reward in an unacceptable way beyond remuneration or allowance provided by the council, stealing money council funds or property and engaging in negotiations or contract on behalf of the council without disclosing pertinent information to the council. According to the Herald report of 30 August 2016, Mr Isaac Mhaka the former Finance Director of Chegutu Municipality was dismissed from work after he was found guilty of theft. The municipality had charged him with embezzling \$15,000 through several fraudulent activities and brought him before a disciplinary committee for the offense.

Evidence of corrupt activities in rural district councils (Nyamudzodza et al 2021)

Four revenue clerks from the Chikomba Rural District Council were fired after an internal investigation found them guilty of under-receiving ratepayer collections The Chivhu Residents and Ratepayers Alliance (CHERRA) has urged the council to seek charges against the clerks, claiming that council officials facilitated a culture of theft and fraud, leading to harm in service delivery. The amount stolen has not been disclosed.

Additionally, the engineer for the Bindura Rural District Council was sentenced to 24 months sentence for embezzling funds over \$8000. Poor corporate governance practices in Rural District Councils have had an adverse effect on service delivery in various parts of the country.

According to the Auditor General Report of 2016, Bubi Rural District Council was fined \$10,000 by the Environmental Management Agency (EMA) for not having a landfill. The council's policies and procedure manuals were found to be lacking in certain areas, such as the asset management policy, accounting procedures manual, and risk management policy.

Exemplified at Gutu RDC, inadequate corporate governance in rural councils has resulted in corruption and unethical behaviour among management leading to a decline

in living standards in rural communities where there are public outcries of poor water supply, refuse collections, road maintenance and the state of the environment. According to the Auditor Report of 2016, the CEO of Gutu RDC was convicted of corruption in 2010, and in 2015, an assistant grader operator disappeared after stealing over 1000 gallons of fuel allocated for road maintenance and development from the Zimbabwe National Road Authority (ZINARA).

ii) Lack of accountability

Chigumira, Chipumho & Chiwunze, (2020) postulate that accountability is the degree to which local authorities have to justify what they have done and failed to do to the citizens in the area of their jurisdiction. Weak accountability mechanisms have contributed to low revenue collection in rural district councils (Kanyangarara and Nyabinde, 2017). Where there is lack of accountability it becomes easier for officials to engage in corrupt practices, such as embezzlement and bribery which can result in revenue leakage. This can be achieved through periodic reviews, progress reports, HOD reports and internal audits. It is important for organizations to put in place mechanisms to ensure that those entrusted with power are regularly held to accountable for their decisions and actions. Promoting accountability is crucial in preventing local authorities from abusing their power and creating public trust. The Constitution of Zimbabwe Amendment (No. 20) Act 2013, Section 298, places significant emphasis on accountability in financial matters.

Lack of transparency

Organizations that lack transparency in disclosing their financial situation and performance may hamper revenue collection process and provide an opportunity for officials to engage in corrupt activities (Hossain, Akhtaruzzaman & Khan, 2021). To ensure transparency, organisations should adhere to international financial reporting standards and provide timely information about current developments. Recruitment, promotion and procurement should be done on merit to avoid nepotism. High-quality audited financial statements should also be published to ensure good financial reporting. Transparency in financial matters is emphasized in Section 298(1a) of the Constitution of Zimbabwe Amendment (No. 20) Act 2013.

iii) Poor financial reporting

Poor financial reporting refers to when a company's financial reports and accounts do not accurately reflect its true financial position which can raise concerns about auditing and internal control systems. This can also lead to a lack of interest by major investment institutions in the company's performance. It is important to discourage misleading cosmetic accounting.

iv) Poor planning and budgeting

Effective budgeting and planning should align with economic trends. Poor planning can contribute to low revenue collection in rural district councils. When revenue collection plans are not well-designed and implemented, it can result in inefficient revenue collection processes and reduced revenue collection.

Economic factors

Efforts towards council revenue collection and council budgeting are impeded by the unstable national economic conditions, such as inflation, unemployment, retrenchment from work, and rising interest rates. These factors have had an impact on the capacity of ratepayers to fulfil their financial obligations.

i. Inflation

The Zimbabwean dollar presents a significant challenge to operational matters, as most ratepayers make their payments in Zimbabwean dollars, while the council procures most of its items in USD. This has a negative impact on council revenue streams as the budget is continually eroded by inflation, and the local RTGs weaken against the USD (Chisango et al, 2023).

ii. Poverty

Poverty can influence revenue generation power in rural district councils. When residents of rural areas are impoverished, they may have limited ability to pay taxes, fees, or other forms of revenue collection, which can lead to decreased revenue collection for rural district councils. Higher income level per capita probably can result in higher revenue collection by rural district councils as individuals tend to

have more disposable income and may be more willing and able to pay taxes and fees.

iii. Unemployment

It is difficult for unemployed ratepayers to pay their bills to the council. When people are not working they are less likely to spend money. Unemployment can lead to a reduction in economic activity in the district. With less economic activities, there are fewer businesses and individuals generating income which then result in low tax revenue for the council.

Political and statutory issues

Administrative especially for central and local governments are usually done with a political interest due to their nature. These decisions include a direct contribution towards whom to collect revenue, how much is collected, where and when to collect revenue. Political interference has contributed in low revenue mobilisation evidenced in the Ministry of Local Government's practice of authorizing most operational transactions. Independent judgement is often difficult to pass, and councillors belonging to the opposition may be hindered (Chisango et al, 2023).

Reluctant of parastatals and government institutions to pay council bills

Reluctance of parastatals and government institutions to pay council bills can contribute to loss of revenue in councils. Rural district councils should implement stronger legal and regulatory frameworks for bill collection, and that parastatals and government institutions should be held accountable for paying their bills in a timely manner.

Inadequate resources to perform the work

i. Capital resources

Without sufficient capital resources the council may not have necessary equipment, facilities or infrastructure to carry out revenue collection effectively. This can lead to delays in collecting revenue and result in missed opportunities to collect revenue, which ultimately leads to lower revenue collection.

ii. Human resources

Inadequate human resources can lead to low revenue collection and this can be due to lack of trained personnel to carry out revenue collection process. Also inadequate staffing can cause delays in the processing of revenue collection, leading to missed opportunities to collect revenue.

Poor service delivery

Ratepayers are ignorant or reluctant to pay rates to the council when they are receiving poor services. On the first critic of the benefit theory, Obafemi et al (2021), states that one who is not benefiting from the service should not pay tax. The researcher agrees with the author in that ratepayers are not willing to pay for the services that do not benefit them.

2.2.4 Strategies to improve revenue collection performance

Taxpayer education

When taxpayers are better informed about their tax obligations and the revenue collection process, they are more likely to comply with tax laws and it increase their will to pay their taxes in full and on time without any follow up (Kariuki & Kihoro, 2021). Some taxpayers lack knowledge and awareness of the revenue collection process and their tax obligations and if impacted with such knowledge they are more likely to comply.

Staff training

Well-trained staff improves revenue collection the staff will be better equipped to effectively implement revenue collection strategies and procedures. Rural district councils should invest in staff training programs that are essential for achieving high output levels. Staff should be trained on revenue collection strategies, customer service and communication skills.

Technological innovations

Advancements in technology for revenue collecting systems can streamline operations and reduce the need for manual processes which then saves time, improve accuracy and reduce errors and costs and above all more revenue is collected. Councils that implement technological innovations in revenue collection, such as mobile payment systems and electronic billing systems, experienced improved efficiency and increased

revenue collection and online platforms for taxpayer communication. Advanced technology and financial expertise can help councils offer sophisticated financial products and services. Lastly it can help to improve transparency and accountability in revenue collection, making it easier for rural district councils to identify and address areas of weakness (Sang & Kibert, 2019).

Door to door collection

The lack access to revenue collection offices and reluctance of taxpayers to pay tax in rural areas can lead to difficulties in revenue collection. Door-to-door revenue collection programs can improve revenue collection performance in these areas. Revenue collectors should be well trained and equipped to provide education and information to residents to increase revenue collection rates.

Notices and penalty fees

In accordance with Section 104 of the RDC Act, the council must provide written notification to every owner, individual engaging in a specified business, and holder of a permit issued under Section 9 of the Communal Land Act [Chapter 20:04], who is responsible for paying a levy or rate, at least thirty days before the due date. This is done to ensure that the council receives payment from defaulters. Typically, three warning notices are sent to defaulters before penalties are imposed for non-compliance with tax regulations. According to Section 151(1) of RDC Act chapter 29:13, council may recover any unpaid levy, rate, rents and charge that has exceeded the due date when it was supposed to be paid by a liable person by action or proceeding to magistrate court within the area of jurisdiction who shall be competent to hear and determine the matter without limit of jurisdiction as to amount.

Proper billing

This refers to invoicing the amount payable such as rates, levies, metered services, or any other form of liability, to the account holder. Proper billing involves clear, accurate, and timely billing procedures that are effectively communicated to taxpayers, and may involve the use of electronic billing systems and the provision of adequate resources and training for revenue collection staff. Proper billing procedures can improve revenue collection in RDCs.

Good financial reporting

In order to ensure good financial reporting, financial statements should be prepared in accordance with international financial reporting standards (IFRS), and high-quality audited financial statements should be published. Local authorities are required to submit financial statements and audited accounts to the Minister, as per Section 137 (6) (a). Additionally, Section 153 of the RDC Act empowers the Minister to request councils to provide copies of their proceedings, statistics, and other documents, as well as any other information that he deems necessary for fulfilling his responsibilities under the Act, and the councils are required to comply with such requests.

Improve service delivery

When the council improves the services they offer in the area of their jurisdiction ratepayers are willing to pay tax knowing they will benefit from those services in return.

Recruiting more workers and procurement of more machinery and equipment

Recruiting more workers and procuring more machinery and equipment can lead to increased efficiency in revenue collection processes. With more workers, tasks such as revenue collection, financial reporting and budgeting can be distributed and completed more effectively. Machinery and equipment can also streamline revenue collection process making them more efficient and accurate. This increased efficiency and accuracy can lead to better revenue collection as more revenue is collected in a shorter period of time, reducing opportunities for revenue loss or mismanagement.

2.2.5 New possible sources of revenue that can be employed to generate more revenue

According to RDC Act chapter 29:13, on the First Schedule of section 71 it gives rural district councils sixty four powers to generate revenue. The Act provides various revenue lines. Adhering to all sources of income covered in the RDC Act can help to improve revenue for the council. Below are some of the revenue lines from the RDC Act that the council should employ to generate more revenue.

Recreational activities

Recreational activities can be a source of income for local governments, particularly in areas with high tourism potential. By promoting and developing recreational activities rural district councils can attract visitors and generate revenue through fees, taxes, and other mechanisms. Investing in the development of recreational activities, such as parks, wildlife reserves, and cultural heritage sites, as a way to attract visitors can generate more revenue. Additionally, the study found that recreational activities were associated with job creation and economic development in local communities. Sports events, such as soccer matches and marathons, attracted large crowds and can generate revenue through ticket sales for watching the match.

Mining related fees

Mining-related fees can improve revenue collection for rural district councils, particularly in areas with significant mineral resources such as gold, platinum, and chrome. By charging mining-related fees such as mining license fees, environmental fees, and royalties, rural district councils can generate revenue from mining activities.

Industrial stands

Offering more industrial stands instead of residential stands can be a viable approach for raising more revenue for the council. Before implementing this strategy several factors should be considered such as how they impact the community, legal requirements and the demand for the industrial stands in that area. It might not be profitable to offer industrial stands if there is little demand. The theory of ability to pay principal applies on this strategy since those who do commercial business earn a lot of income and are taxed high taxes.

Improved parking areas

Improved parking areas can be an effective source of revenue for local governments, particularly in areas with high vehicular traffic. By investing in the development of parking areas, local governments can generate revenue through parking fees. Improved parking areas are associated with reduced traffic congestion and improved transportation efficiency. Local governments should implement effective parking

management strategies, including the use of technology to collect revenue and improved enforcement mechanisms, to improve revenue collection.

2.3 Empirical evidence

Factors for declining revenues collection in local government authorities in Tanzania: A case of Mbinga District Council. By Emanuel Nyomeye 2020

The study aimed to identify sources of revenues affecting revenue collection in LGAs, as well as strategic plan and collection process affecting revenue collection. Data was collected via questionnaires and interviews questions from 26 respondents revealing a number of revenue sources and the potential for new ones. It was concluded that the revenue collection at the district council is very complicated and hindered by unfair assessment, poor cooperation between tax collectors and tax payers, incompetent tax collection agents.

Revenue collection strategies in local government authorities by Kassim Juma Khalfan of Tanzania (2013)

The study's objectives were to evaluate Temeke Municipal Council's revenue collection methods and analyse the techniques employed by local government agencies to collect money. The non-probability sample of 100 respondents was used. The survey discovered that the Council used two different revenue collection tactics, with 51 per cent of respondents supporting the use of financial agents and 46 per cent supporting financial agents (outsourcing). Three per cent were unsure of the best course of action. The study recommended that council should keep using both strategies and the address any weaknesses to increase revenue collection.

Boosting Revenue Collection through Taxing High Net Worth Individuals: The Case of Uganda Jalia. By Kangave, Suzan Nakato, Ronald Waiswa and Patrick Lumala Zzimbe 2016

The study examined the feasibility of increasing tax revenue by imposing taxes on High Net Worth Individuals (HNWIs), considering factors such as legislative and administrative frameworks, collaboration between the Uganda Revenue Authority and other government agencies to enhance tax administration, and mechanisms for sharing taxpayer information with third parties. The study concluded that in order to effectively identify and tax Uganda's HNWIs, it is necessary to establish a comprehensive

framework governing their taxation. However, the study did not provide any recommendations.

Revenue Collection in Zimbabwe Municipalities (Local Authorities) in economic doldrums: A Case of Harare City Council by Ms Chisango Sharon, Prof Manuere Faitira and Prof Muranda Zororai 2023

The objective of the study was to examine the revenue collection system of the Harare City Council (HCC) during economic difficulties and identify factors that hinder the successful collection of revenue, while suggesting strategies that can be used by HCC to improve the system. The research approach was qualitative and quantitative using a case study design to collect data from interviews and questionnaires of 100 rate payers and 50 employees. The study found that local authorities in Zimbabwe are facing challenges with operating due to ineffective revenue collection, lack of transparency and accountability, and embezzlement of funds by top officials at HCC. The study recommended that local authorities should devise and promote new revenue collection strategies, such as online billing and implementing pay-as-you-use facilities, in order to improve service delivery.

Factors affecting revenue collection in local government authorities: The case of four recognised local government authorities in Morogoro region by Nuluva. D, B 2015

The study was conducted out from four rural district councils out of seven recognised in Morogoro region. The aim of the study was to establish the factors that affecting revenue collection in local government authorities, with the objective of strengthening revenue collection and identifying new sources of revenue. Data was collected from a sample size of 80 respondents using a questionnaire. The study identified low revenue collection rates, weather conditions, revenue outsourcing, and ineffective implementation of by-laws as factors that hinder revenue collection. Multiple regression analysis was used to analyse the data, and the regression model was found to be significant. The study recommended that LGAs should explore new sources of revenue instead of relying solely on existing sources to strengthen revenue collection.

Local Revenue mobilisation mechanisms: Evidence from the Abura-Aseb Kwamankese District in Ghana. By Ernest Opoku, Christian Kyeremeh, Daniel Odoo 2014

The study focused on local revenue mobilization in the Abura-Aseb Kwamankese District of Ghana and involved a sample of 214 respondents. The study identified the local assembly's revenue collection strengths as including revenue collectors' involvement in tax decisions, house-to-house collection, and database management. However, weaknesses were identified in the form of poor taxpayer participation, inadequate personnel, and poor cash management and accountability mechanisms. Challenges encountered included taxpayers' noncompliance, slow development and political considerations. Recommendations included strong monitoring and supervisory mechanisms, sanctions for defaulting collectors and private participation in revenue collection.

Taxation as a source of revenue generation in local governments, Nigeria by Augustine E Osho, David Adelagun Ajayi, Rachel Olufunke O 2019

The study focused on taxation as a means of revenue generation in local governments in Nigeria, covering a period of five years from 2013 to 2017. Secondary data was collected using a descriptive and empirical case study approach. The study found that some potential sources of revenue were completely neglected by local government authorities, and civil servants contributed the most to tax revenue in the form of PAYE. The study also revealed that taxation has had a significant impact on the economic development of Nigeria. The study recommended periodic training for tax officials to maintain a high level of revenue generation, as well as granting autonomy to the system to hire the right quality of staff and equipment to function effectively.

Exploring revenue enhancement strategies in rural municipalities. A case of Mutale Municipality by Anyumba, Bikam and Moffat of South Africa (2017).

The study addressed revenue generation measures used by rural district councils, specifically using Local Municipality of Mutale as a case study. The study identifies numerous constraints impeding anticipated revenue development and found that an inefficient municipal business model and organizational constraints are the biggest barriers to raising revenue in rural towns. Recommendations made were to implement

efficiency measures and exploring alternative sources of income to ease existing restrictions on revenue collection.

Effectiveness of resource mobilisation strategies of the WA municipal assembly in Ghana by Haruna et al., 2019

The study evaluated the resource mobilization initiatives of the WA Municipal Assembly in addressing developmental problems such as poverty, illiteracy and environmental cleanliness and poverty. The research involved the use of questionnaires and interviews to gather primary data from 52 respondents within the Municipality. The study discovered that the Assembly utilized various strategies such as politicisation, speculation, and door-to-door collecting to generate more revenue. Door-to-door was most successful resource mobilisation technique while investment was the least successful.

2.4 Gap Analysis

After reviewing previous research on revenue collection in Local Authorities, it was concluded that many studies have focused on the effectiveness of revenue collection strategies or the problems encountered during revenue collection. The researcher has decided to look on the sources of revenue available in rural district councils, factors contributing to low revenue collection and also finding strategies to improve revenue collection.

2.5 Chapter summary

The chapter looked at theoretical review, literature review, and analysis of previous studies conducted by other researchers on the challenges encountered by local authorities in revenue collection. The next chapter will focus on the methodology employed in this study.

CHAPTER III

RESEARCH DESIGN AND METHODOLOGY

3.0 Introduction

This chapter outlined the comprehensive analysis on the framework of methodology utilized in conducting the study with the aim of answering the research questions. In this chapter the researcher scrutinized the research design, target population, sample, sampling techniques and the research tools to be used. Creswell & Creswell (2019) states that the aim of methodology is to provide reliable and valid information that can be used to make decisions and draw conclusions. Chapter III is very crucial as it highlights how the study was designed and conducted in order to find out the factors that are contributing to low revenue collection at Chikomba Rural District Councils in Mashonaland East province.

3.1 Research Philosophy

Research philosophy refers to the beliefs concerning the nature of the reality being examined should be gathered, analysed and used. In this research the researcher used positivism approach because it gives validity and objectivity to a research.

3.2 Research Design

According to Matheson (2019) a research design is the set of methods and procedures used in collecting and analysing measures of the variables specified in the research.. Kumar (2019) describes a research design as a plan or framework that directs data collection and analysis. It includes the methods and procedures used to carry out the study, from the initial selection of the research topic to the final analysis and interpretation of the data. The researcher concurs with the above mentioned authors in that a research project should be designed in a manner that addresses the research question. To the numeric data gathered the researcher used quantitative approach.

Quantitative research

Quantitative research is a strategy that quantifies something or variable in the process of collecting and analysing data (Rahman, 2017). It includes data collection approach that places importance on formalised and structured questioning methods with predetermined response options. The researcher used both the descriptive survey and case study methodologies.

Advantages of quantitative research

- Provides more accuracy as it uses a more scientific approach to collecting data.
- Provides more objectivity because it relies on numerical data and facts, rather than subjective opinions and interpretations.
- Allows the use of statistical analysis which helps researchers to draw more meaningful conclusions from the data.
- Allows for easier comparisons because of using the same data points.
- The use of large sample size allows for easy generalization.

3.2.1 The Descriptive Survey

Descriptive survey is a type of quantitative research that gathers information about the characteristics of a particular group of people or population to gain a better understanding of it. A large sample was utilized through the use of a descriptive survey where data collected was in the form of either words or numbers from a significant number of participants. The survey was composed on questions that ask the respondents to describe the item or topic in detail, such as by proving their opinions and experiences (Rees, 2019). The researcher asserted that the descriptive survey method is appropriate for those data that are derived from simple observational situations whether these are actually physically observed through the use of questionnaires. The descriptive survey is handy when investigating features and determining characteristics of phenomena. The survey was administered to Chikomba Rural District Council senior management, middle management staff, and finance staff, employees from other departments, councillors and residents. It allowed the respondents an opportunity to describe events in detail. The researcher utilized the collected data to analyse and provide explanations using the quantitative evidence.

3.2.2 Case Study

A case study is an intensive and in-depth examination of a particular person, event, group or institution within specific context. This methodology involves the systematic collection and analysis of data with the aim of providing a comprehensive understanding of the reasons and methods behind a particular outcome. The end result of a case study is typically a clear and detailed perception on how and why things happened in the way they did. In this research, the researcher used 2021 and 2022 budgetary variance analysis to draw conclusions on the causes of variance that resulted in under collection of revenue at Chikomba Rural District Council.

3.3 Target Population

A population is defined as a group of people with specified characteristics. A target population refers to the specific members of this group for whom information is required. It is the population which the researcher intended to study and take conclusions from (Akhtar, 2016). The population in question for the descriptive survey shall be employees at senior levels, Finance staff, councillors, residents or ratepayers. The targeted officials make decisions that have some bearing on the revenue mobilization to finance in their respective councils.

3.4 Research sample and sampling

3.4.1 Sampling Size

Sampling is as a set of respondents selected from larger population for the purpose of conducting a survey. A sample size of 50 respondents was used.

Table 3: Population and sample size

Category	Population	Sample size
Senior Management	5	4
Middle Management	8	6
Finance Staff	10	7
Employees from other departments	15	5
Ratepayers /Residents	120	23
Councillors	10	5
Total	173	50

Source: Primary Data (2023)

3.4.2 Sampling Procedure

The researcher employed stratified sampling technique in the study.

3.5 Sampling Techniques/Methods

Sampling refers to selecting a group of individuals to study from a larger population. Sampling is the taking of a subgroup from preferred sampling structure or all-inclusive population (Taherdoost, 2016). Sampling techniques are methods used to ensure that every member has a probability of being elected to represent the population. Stratified sampling technique was used to pick respondents from the population.

3.5.1 Stratified Sampling

It is a technique that involves dividing the population into sub groups and then selecting individuals from each subgroup to ensure a more representative sample random (Smith & Johnson, 2021). This method ensures that each subgroup is represented in the sample and the sample includes enough observations from each subgroup to allow for meaningful analysis.

3.6 Sources of data

Primary data and secondary data are two main sources of information used in collecting data.

3.6.1 Primary source

It is data accumulated for a specific problem being researched. It is original research obtained through first hand investigation. This information was obtained from questionnaires. Primary data has a significant advantage in that, the researcher had more confidence on the findings that relates directly to the research problem since she has worked on it personally. Due to the fact that the researcher collects the data personally the information is highly reliable and information collected is of current nature. Instruments which were used to collect the data such as questionnaire are tailored to probe answers to the research questions and at the same time opinions were also captured by the researcher.

Advantages of primary source

- It accurate and reliable since it is original data collected directly from the source.
- Data is usually more current and up-to-date.
- It is relevant and useful since data collected is specifically for the research questions.

Disadvantages of primary source

- More time is taken to process the gathered information.
- More costly to obtain.

3.6.2 Secondary Sources

This is information collected from past researchers or other sources that could be qualitative or quantitative in nature. Common sources of secondary data include previous researches, financial statements, journal articles, government reports and organisational records. Although relying on secondary data has some drawbacks such as incomplete or unreliable information, it readily available, not expensive to collect and can be analysed over a long period of time. The researcher utilized the secondary data since it can provide comparative information to the gathered primary data. In this

study the researcher included internal reports, management reports, treasurer's speech, and also financial statements from CRDC.

Advantages of secondary sources

- Can provide historical data and trends that may be unavailable from primary sources.
- Can be used to validate or support findings from primary source.
- Less time consuming and less costly since the information is readily available.

3.7 Research instruments

The tools or devices used to gather data for a research are well known as research instruments. According to Smith (2020), the author come up with tools for collecting data such as surveys, questionnaires, interviews, focus groups and observations. The researcher collected data through the use of questionnaires and documentary evidence.

3.7.1 Survey questionnaire

A questionnaire is an instrument for collecting data composed of standardized questions that participants answer in writing. It consist series of questions that allow respondents to provide information needed for the study. The researcher opted to use this technique because it matched with the underlying principles and concepts of the research. The questionnaire was opted because it worked with standardized questions that ensured consistent interpretation among respondents leading to more objective data. The questionnaire was designed in a standardized manner allowing for easy comparison. The researcher utilized a combination of open-ended and closed-ended questions because close-ended questions sometimes do not yield sufficient information as this will be easily compensated by open-ended questions. To avoid bias and to reduce cost of the survey, the questionnaire was delivered through Google forms though some were hand delivered. The questionnaire is shown in appendix.

Advantages of using questionnaires

- They are economic.
- Data is easy to quantify, analyse, administer and retrieve.

- More standardized than interviews.

3.7.2 Documentary evidence/Organization records

Documentary evidence is any type of evidence which is written in form of a document or report and these come in form of financial reports, letters, treasurers' speech and government reports. The researcher used a quite number of documents which includes:

- Annual budgets
- Treasurer's speech and reports
- Financial reports
- Audit reports
- Debtors and creditor's analysis schedules.
- RDC Act 29:13

This information was helpful to the researcher because it fully reflected whether the respondents' perceptions were aligned with actual situation on the ground.

3.8 Validity and reliability of data

Validity

Validity, according to Hancock and Algozzine (2016), refers to the extent to which a research instrument accurately measures the concept it intends to measure. Validity is also defined as the honesty and genuineness of the research data. Concurring with what the above author has explained and it is very clear that an instrument must be able to measure what it is intended to measure without disparities. The instruments used should actually reflect the concept or ideas being examined.

Reliability

Reliability refers to the extent to which research instruments are able to provide consistency results in repeated uses. Kumar (2019) defines reliability of research instruments to provide similar results used repeatedly under similar situations. To guarantee the reliability of the study, the researcher created research tools that gathered sufficient data to address the established goals.

3.9 Data presentation and analysis procedures.

Data analysis is a methodological approach of collecting and examining data such that only valuable information is extracted. The researcher quantified, administered and grouped data accordingly. Data was analysed and interpreted using combination of two software tools which are Microsoft Excel and The Statistical Package for Social Sciences (SPSS) version 20. SPSS is a software tool used for managing and analyzing statistical data with advanced capabilities (Nasution, Harahap, Ritonga & Nurjannah, 2022). Percentages of categorized data were calculated basing on actual returned questions and results were presented using various methods including pie charts, frequency, tables, graphs and narrative descriptions. Bar charts were used for the presentation of data since they are very useful for comparison of categories of quantities at a certain time or their variation in time.

3.10 Pilot study

A pilot study is a small scale study conducted before the main research in order to check the feasibility of the study, reliability of the research questionnaire and to improve the design. A pilot study for the questionnaire was done on 5 people. Participants involved in the pilot study were not included in the main study. The pilot study is very crucial because the process identified some areas that needed clarity and emerging issues were addressed. This study was also used to test the language, substance of the questions and the key issue that was raised in the research problem.

3.11 Ethical considerations

Ethics are set of principles or standards of what is right or wrong. According to Arifin (2018) ethical considerations involves informing the participants of the study's purpose, ensuring confidentiality and protecting them from any potential harm or risk. The researcher followed professional and legal guidelines to ensure the safety and privacy of the participants. Respondents have been informed about purpose of the study and that the information to be collected would be used for academic purposes only and would be kept confidential. The permission to conduct the study at CRDC- Mashonaland East was sought from the CEO and the letter of approval is attached as appendix. Lastly the researcher did not ask sensitive and ambiguous questions that would have embarrassed the respondents to the extent that they did not respond to the questions.

3.12 Chapter summary

This chapter focused on the research methodology employed for the research. It highlights how the research has been carried out and also outlines the instrument used in the process of collecting data. The chapter provides comprehensive information on the research design, sampling techniques, and sources of data, validity and reliability of data and ultimately data analysis and presentation.

CHAPTER IV

DATA PRESENTATION, ANALYSIS AND DISCUSSION OF FINDINGS

4.0 Introduction

This chapter provides a summary of the main results obtained from the questionnaires, organized under headings related to the research objectives and questions. The discussion and interpretation of findings demonstrate the extent to which the research objectives were achieved and research questions were answered. Data analysis involved the use of descriptive statistics, histograms, pie charts, tables, and frequencies. Narrations were used to describe the patterns thereof.

4.1 Questionnaire respondents' rate

The research aimed to survey 50 respondents however only 45 respondents responded whilst the other 5 did not due to reasons known by them.

Table 4: Respondents rate

Category	Issued	Returned	Category of respondents rate %	Overall Percentage rate %
Senior Management	4	4	100	8
Middle Management	6	6	100	12
Finance staff (revenue collectors and cashiers)	7	7	100	14

Employees from other departments	5	5	100	10
Councillors	5	3	60	6
Residents	23	20	87	40
Total	50	45	90	90

Source: Primary data 2023

The questionnaire response rate for council employees was 100%. This was primarily largely due to the fact that all respondents were based at CRDC offices. The councillors and residents response rate was 60% and 87% respectively. Overall the researcher managed to obtain 90% response rate from 50 issued questionnaires on which 45 respondents participated by providing their opinions from the questions asked. Only 5 questionnaires were not answered which then constituted 10% of unanswered questions.

4.1.2 Reliability tests

The researcher calculated Cronbach's Alpha in order to test the reliability of data obtained through a questionnaires that were designed. The test was done using SPSS.

Reliability Statistics

Table 5: Reliability test

	Cronbach's Alpha	N of items tested
Questionnaire for council employees	0.785	54
Questionnaire for ratepayers	0.685	21

The Cronbach's alpha is 0.785 and 0.685 which is greater than 0.5 and this indicate that there is reliability in the research questionnaires used.

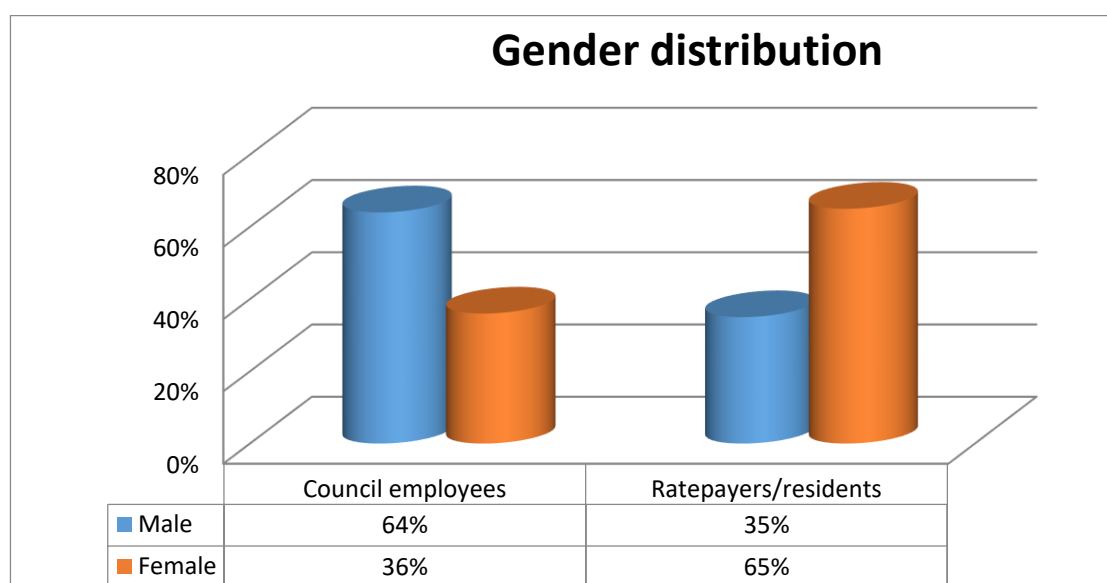
4.2 Demographic characteristics or background information of respondents

It was of essence for the researcher to obtain information on the demographic characteristics of the respondents that is information based on gender, age, highest education qualifications, work experience and the nature of employment status of residents who stay in Chivhu.

4.2.1 Gender of respondents

The researcher was curious and keen to find out how many of the respondents involved in the study were male and how many were female.

Figure 4: Gender distribution



Source: Primary source 2023

From the above graph it can be seen that (16)64% of council employees were male and (9) 36% were female. It is a well-known fact that males occupy the large chunk of workforce in Zimbabwe. For the ratepayers it can be shown that (13)65% were female and (7)40% were male.

4.2.2 Age of respondents

Table 6: Age distribution (N=45)

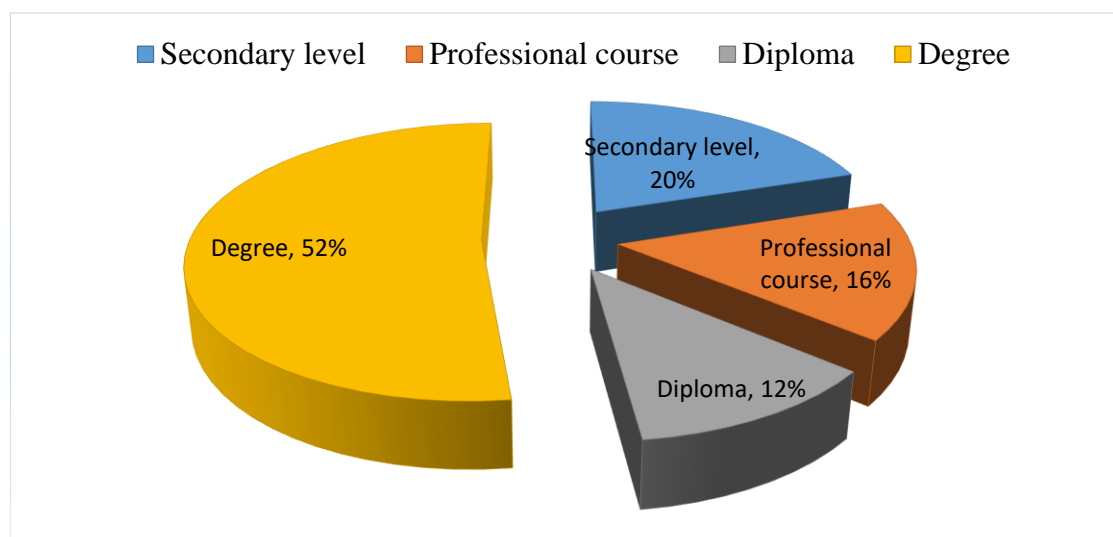
Age group	Male	Female	Total	Percentage %	Cumulative %
Below 30 years	6	10	16	35.6	35.6
31 – 40 years	7	7	14	31.1	66.7
41 – 50 years	6	3	9	20	86.7
Above 50 years	4	2	6	13.3	100
Total	23	22	45	100	

Source: Primary source 2023

The above table illustrated the age distribution of respondents. The ages below 30 and those that range from 31 to 40 have larger percentages of the sample size. The ages above 50 constitutes the least percentage of 13.3%.

4.2.3 Highest level of education

Figure 5: Highest level of education



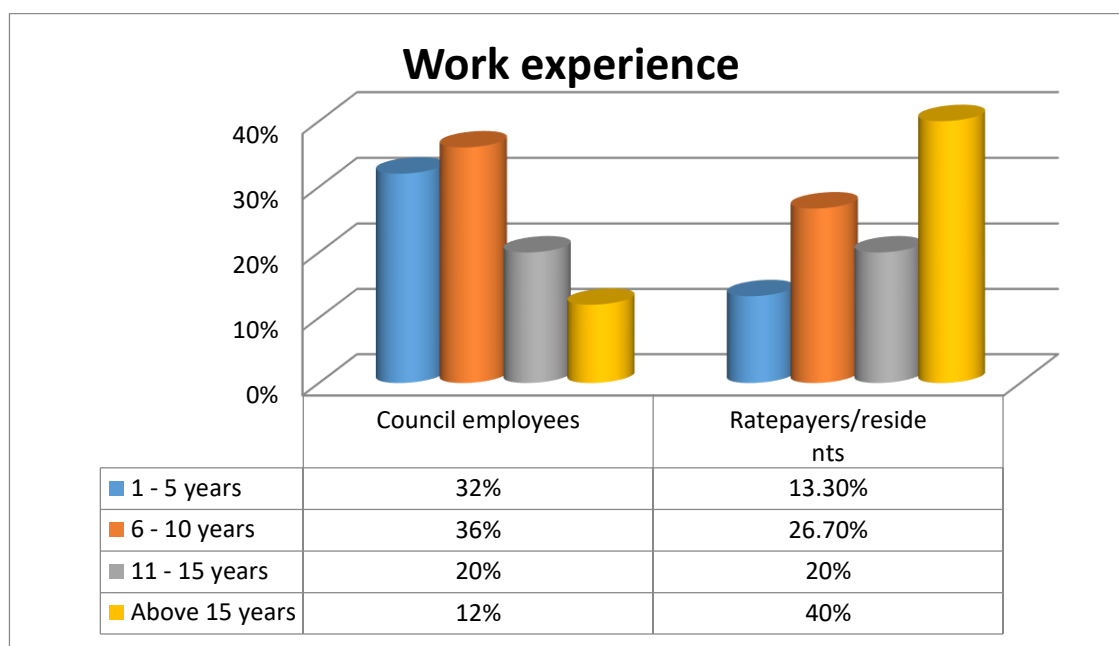
Source: Primary data 2023

The above pie chart reveals that the respondents have attained different levels of education. The respondents who have degrees have a larger proportion of percentage followed by those who ended up at secondary level and those with diplomas have 12%. Sixteen per cent of the respondents furthered their education and managed to do professional courses. Among all respondents five of them managed to attain other educational qualifications, four of the respondents have masters' degree and one has doctorate degree. Considering the workers who have degrees and diplomas it gives the researcher confidence of her results since they were obtained from well educated people who might have better understanding of revenue collection. Educational qualifications have contributed in revenue collection, management and employment of those funds in an efficient and effective manner.

4.2.4 Working experience

The researcher made an analysis on the working experience with CRDC. The aim of the analysis was to associate respondents' experience and revenue collection.

Figure 6: Work experience



Source: Primary data 2023

The above graph showed the council employees and ratepayers work experience with the council. Many rate payers have worked with council for more than fifteen years and they were in a better position to understand how council operates and offer the services it provides to its residents. The largest population for the council employees who have worked for the council have six to ten years and have been aware of the factors for declining revenue collection and this has increased the credibility of the results.

4.2.5 Nature of employment for residents

The study made an analysis on the nature of employment of residents to find out their capacity in paying council bills.

Table 7: Nature of employment

	Frequency	Percent	Valid Percent	Cumulative Percent
Public sector	3	15.0	15.0	15.0
Private sector	5	25.0	25.0	40.0
Valid Self employed	7	35.0	35.0	75.0
Unemployed	5	25.0	25.0	100.0
Total	20	100.0	100.0	

Source: Primary data 2023

According to the table above the majority of ratepayers are employed. Self-employed people make the majority of workforce. The rate of unemployment is significantly high and this might lead to non-payment to council hence default payments may increase. The researcher asked the respondents of their occupation and most of them who were in public sector were teachers and nurse. For those who are self-employed, some stated that they were vendors, corner shop operators, entrepreneurs of their small scale businesses, mechanics and dealers who change currencies. It showed that most of them were in an informal sector hence their source of income is little and not certain due to change in the economic trends therefore it cannot sustain their livelihood.

4.3 Results and discussion by specific objectives

4.3.1 Sources of revenue that contribute to total council revenue

The descriptive statistics on the sources of revenue which contributes to total council revenue was rated on the scale of 1 to 5 where 1 is strongly agree, 2 is agree, 3 is neutral , 4 is disagree and 5 is strongly disagree. The minimum value 1 states that respondents strongly agreed and the maximum value states that the respondents strongly disagreed. The standard deviation measures the variability or spread of the responses around the mean. A smaller standard deviation means that responses were more consistent whilst a higher standard deviation means responses were more spread out from the mean.

Table 8: Sources of revenue contributing to total council revenue

Sources of revenue	N	Minimum	Maximum	Mean	Std. Deviation
Rates on property and lands	25	1	2	1.36	.490
Rentals on council properties, lease of land leasing and sale of land	25	1	2	1.24	.436
Loans	25	2	4	3.76	.645
Donations	25	2	4	2.72	.790
Intergovernmental transfers	25	1	2	1.32	.476
Licenses and permits	25	1	2	1.24	.458
Fines and penalties	25	1	4	3.18	.714
Fees and service charges	25	1	2	1.44	.507
Utilization of natural resources	25	1	4	2.44	.870
Income generating projects	25	1	4	2.60	.816
Valid N (listwise)	25				

Source: Primary data 2023

The five sources which are rates on property and lands, rentals on council property, lease of land and sale of land, intergovernmental transfers, licenses and permits and fees and service charges have means ranging from 1.24 to 1.44 which means that results were either strongly agree or agree. Fines and penalties with mean of 3.18, loans (2.72), donations (3.94) and utilization of natural resources (2.44) received more neutral responses evenly distributed between agree and disagree, income generating projects with mean of 2,60 were considered important with majority of respondents agreeing. Overall this indicated that the respondents agreed on the sources of revenue that contribute to total council revenue. The standard deviation values indicate that some sources of revenue are more consistent while others are more spread out.

The table below shows some evidences on the prices charged on the stands by council where it generates more of its revenue from sale of stands.

Table 9: Sale of stands

	Chivhu		Sadza, Nharira, Masasa, Hokonya		Other Business Centres	
Stand size	<i>Residential USD \$</i>	<i>Commercial USD \$</i>	<i>Residential USD\$</i>	<i>Commercial USD \$</i>	<i>Residential USD \$</i>	<i>Commercial USD \$</i>
200m ²	\$ 3 105	\$ 8 855	\$2 645	\$2 875	\$2 185	\$2 415
300m ²	\$ 3 680	\$12 305	\$2 990	\$3 335	\$2 300	\$3 645
875m ²	\$ 6 968	\$32 143	\$4 974	\$5 980	\$2 961	\$3 968
1000m ²	\$ 7 705	\$36 455	\$5 405	\$6 555	\$3 105	\$4 255
1500m ²	\$10 580	\$53 705	\$7 130	\$8 855	\$3 680	\$5 405

Secondary source: Chikomba RDC 2021

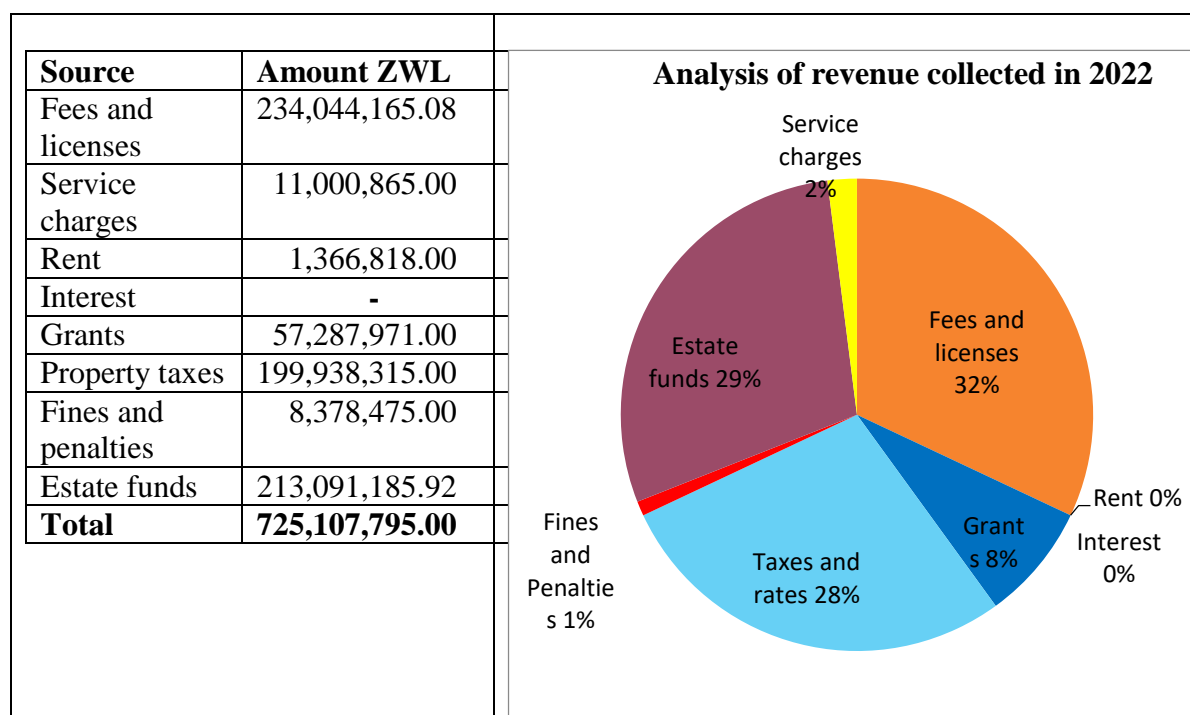
It is shown that CRDC generate more of its revenue from stands sales and the respondents view were consistence with what is shown on the documents. Though more income is obtained from stand fees some of the funds are tied up in debtors who did not fully settle their stand balances henceforth this revenue stream affected revenue collection. The finance reports 2022 reviewed that some stands were going under repossessions due to failure of clearing their balances and having not developed their areas. The locations which had most of the stands listed on repossession list are the Buckenhill suburbs and Northwood suburbs.

The scoring of loans showed that the council is neither employing nor receiving the funds as stated by the RDC Act that the council may get loans therefore the council's income remains low. Intergovernmental transfers score is 1.32 means that more respondents agreed that devolution funds are being used as a revenue source to a large extend. Though the devolution funds are coming in each quarter as stated in the constitution and in the Zimbabwe fiscal transfer system, they are not being received in full amount and are not coming in time.

4.3.1.1 Analysis of CRDC's major revenue sources collected in 2022 as guided by statutes

The table below showed the major revenue sources of CRDC. The researcher was interested in finding whether the respondents view were consistence with what was contained in the Council's documents.

Figure 7: Analysis of revenue collected in 2022



Secondary source: CRDC 2023 Tariff Approval Checklist

Fees and licences were Council's biggest contributor of revenue in 2022 and it showed that for one to operate must have a licence and estate funds were the second largest with 29% and it was due to high demand of residential stands following the announcement of Town board status. Taxes and rates and grants contributed 28% and 8% respectively. Service charges contributed 2% and thus a sign that monies to this source are tied up in

debtors. Farm levies can contribute more of the revenue to this source, however 2022 financial reports on debtors roll revealed that more funds are tied in debtors. Fines and penalties contributed 1% this may be a sign that they are rarely used as people are afraid of breaching the laws and regulations.

The researcher asked the council employees on whether there are other sources of revenue that CRDC could use to generate more revenue. Sixty Percent of the respondents noted that they are other sources of revenue that could be used whilst 40% noted that no other sources can be used. Those who noted other sources of revenue stated that the Council may do auctions on obsolete items develop other business centres and put residential stands for sale, charges on stray stocks and charges on sand abstraction fees. It was noted that The Councils receive grants for specific works from the MRDPPNCH, UNICEF and ZINARA. The local authority has income generating projects which are poorly administered. The projects are a liability to the local authority like the beer hall business.

4.3.1.2 Revenue streams noted by ratepayers whom they are used to pay or knew are paid to the council

The researcher find out that they were different kind of fees and charges the ratepayers pay to the council such as market fees, supplementary charges, clinic levy, hall hire, penalties, inspection fees, licenses, stand fees, rates, refuse and sewerage fees, development levies, sand abstraction, clamping fee, parking fee, toilet fee, cemetery fee, bus levy, land development levy, pushcart fee, cession fee, lease rental, billboard fee and SME rental.

4.3.1.3 Problems that are there in the available sources of revenue

The respondents stated several problems in the available sources of revenue. They noted that from the sources of revenue there is culture of resisting payments to council by residents, failure to distribute in terms of budget meaning some things done are not budgeted for. Late payments or defaults by residents, sources of revenue are charged by RTGS and there comes of a problem whereby RTGS is affected by inflation yet procurement of some items is done in US\$. All sources of revenue charged in US\$ are then paid at interbank rate thereby low revenue collection.

4.3.1.4 New possible source of revenue that can be employed to generate more revenue at CRDC

This section is in line with the study's importance to Chikomba Rural District Council and its management so that they can employ other sources of revenue to maximise revenue. The scoring of the results ranges from 1 which is Very large extend to 5 Very little extend.

Table 10: New possible sources of revenue

Possible new sources	N	Minimum	Maximum	Mean	Std. Deviation
Recreational activities	25	2	5	2.52	.770
Improved parking areas	25	1	3	1.96	.535
Offering more industrial stands rather than residential stands	25	1	5	2.04	.978
Mining related fees	25	1	5	3.32	1.282
Taxing nuisances (horns, bells, use of loudspeakers, objectionable advertisements)	25	2	4	2.72	.678
Charging fees on temporary structures	25	1	4	1.68	.664
Licensing electricians	25	2	4	3.04	.841
Valid N (listwise)	25				

Source: Primary data 2023

All respondents were in agreement with the newly identified sources of revenue that if the council employ those sources more revenue will be obtained so that it will cater for service delivery. The responses lie between the mean of 1.68 and 3.32 meaning to say that the respondents agreed that the sources of revenue will increase total council revenue. The respondents strongly agreed on charging fees on temporary structures and improving parking areas.

Other new sources of revenue noted by council employees

Respondents stated that the RDC Act covers all sources of income that may be charged by councils and the issue is to collect from all sources. Some noted dog taxing, auctions, fishing permits, constructing bus rank, construction of tertiary schools so that more revenue is generated, open space rental and also establishing recycling plant.

4.3.2 Factors contributing to low revenue collection

4.3.2.0 Council employees view on low revenue collection

Table 11: Council employees view on low revenue collection

Factors	N	Minimum	Maximum	Mean	Std. Deviation
Corruption	25	1	5	2.04	.952
Poverty	25	1	4	2.20	.707
Political and statutory issues	25	1	2	1.60	.500
Lack of accountability	25	2	5	3.80	1.000
Lack of transparency	25	2	5	3.84	1.028
Inflation	25	1	2	1.40	.500
Unemployment	25	1	5	2.52	1.159
Reluctant of parastatals and government institutions to pay council bills	25	1	3	1.68	.748
Poor financial reporting	25	3	5	4.16	.800
Poor planning and budgeting	25	3	5	4.04	.841
Poor service delivery	25	1	3	1.72	.622.
Inadequate capital resources	25	1	4	2.32	1.030
Inadequate human resources	25	1	3	2.04	.790
Valid N (listwise)	25				

Source: Primary data 2023

4.3.2.1 Ratepayers/ residents justification for not paying rates timeously and completely

Table 12: Justification of residents/ratepayers for not paying rates

Factors	N	Minimum	Maximum	Mean	Std. Deviation
Corruption	20	1	5	1.42	.632
Poverty	20	1	4	2.13	.707
Poor service delivery	20	1	3	1.33	.645
Inequality rates charges	20	2	5	2.34	.617
Lack of transparency	20	2	5	2.02	.828
Inflation	20	1	2	1.48	.510
Unemployment	20	1	5	2.52	.759
Valid N (listwise)	20				

Source: Primary data 2023

The factors contributing to low revenue collection had ratings on a scoring of 1 strongly agree to 5 strongly disagree. The respondents noted a number of factors that contributes to low revenue collection. Poor corporate governance is another factor that contributes to low revenue collection. Respondents stated that corruption of mean 2.04 and 1.42 emerging at CRDC contributes to low revenue collection. Lack of accountability, poor planning and budgeting, lack of transparency and poor financial reporting have a score ranging from 3.84 to 4.16 meaning that they have little impact on low revenue collection at CRDC since the majority disagreed on the notion. On the other hand on the ratepayers view it was found that there was no transparency on the councils' activities which come up with a mean of 2.02.

In this study economic hardships including poverty, inflation and unemployment were noted as factors contributing to low revenue collection at CRDC. Rate payers justified that these hardships were the reasons for not paying rate timeously and completely hence having a high impact on revenue for the council. It is believed that people have their basic needs met first before thinking of paying rates to the council but once their needs are met it gives rise to a satisfaction of another want.

It has been found out that CRDC has inadequate human resources as well as machinery and equipment to perform the operations of the council and also aiding in service delivery. The researcher observed that council has two graders of which they are not enough to cater service delivery in thirty wards of Chikomba Rural District Council. There is also little human resource to collect revenue. Lack adequate capital resources and human resources have a mean response of 2.32 and 2.04 respectively.

Poor service delivery seems to contribute more for low revenue collection. The researcher's findings from council employees were that the mean was 1.72 therefore it is noted that it's a major contributor for low revenue collection as respondents were agreeing to the factor. From ratepayers' findings it is noted that service delivery has a mean of 1.33 and has contributed largely for low revenue collection. Rate payers are reluctant to pay for services which they are not receiving. This goes hand in hand as postulated by Obafemi et al (2021) in taxation theory that tax payers should pay taxes in proportion of services they receive from the state.

Political and statutory issues (1.60) are one of the major contributors to low revenue collection. There are still political and legal issues because councils are parastatals under the Ministry of Local Government, Public Works, and National Housing. CRDC collect low revenue due to external pressure from politics. Although local authorities have been decentralised their revenue autonomy remains limited since councils do not adjust their revenue sources or charges without the approval of the Minister. Moreover reluctant of parastatals and government institutions to pay council bills contributes to low revenue collection. The response has a scale of 1.62 and they were more consistence.

4.3.2.2 Other factors noted contributing to low revenue collection

Results showed that ratepayers are not receiving notifications of their liability. It is noted that 40% of the respondents who get notices are likely few residents and those in businesses therefore they get notices each month for them to operate. Council's method of sending their bills to the residents is not effective because the employees go about to different locations distributing the bills to the households and not all are reached.

The researcher found out that there are inequality rates charges since council charge fixed fees regardless of the location or scale of the business' operations. It was discovered that they just categorize depending on the nature of business. Businesses that operate in remote areas yield lesser profits than those in urban areas therefore there should not be charged the same. The ability to pay principle on vertical equity implies that those with higher incomes should pay equitably higher rates than those with little earnings.

Monies tied up in debtors are another factor noted by employees that contributes to low revenue collection and it was in line with CRDC Finance report on debtors' position. Seventy five per cent of the respondents did not fully settle their account balances CRDC reports fully reflected the position of debtors and it showed that it was consistent with what the ratepayers responded. Only twenty five per cent managed to fully settle their account balances.

Residents stated that they do not pay council rates because of a number of reasons. Sixty five per cent of respondents said they do not know how council operates as the service provider whilst thirty five percent claimed to know that they knew how council operates as service provider. The researcher assumed that those people knew because they do participate in budgetary plans.

Forty percent of the residents stated that there is no emergency of corruption at CRDC and sixty per cent stated that there is an emergency of corruption and embezzlement of funds by council employees which becomes a major challenge in revenue collection. The ratepayers said that Council resale stands already possessed to some other people. Some stated that there were undelivered goods yet invoice find its way into Council offices. Ratepayers claimed the existence of corruption as some justified themselves saying they provided financial support for those in charge of approving building plans and conducting inspections. Others went on to say when some people get clamped they do not pay fines to the Council they rather went to high offices to ask for them to get released and by so doing at the end of the day low revenue is realised. The researcher can testify that because she observed such kind of things happening whilst on her attachment. The researcher discovered that some people were released who were related to the management team and some would pay half amount. At the end of the day the loss control staff would get demotivated for the work if people they clamped get released. It was noted that those who enforces licenses accepted bribes. The researcher observed all this because it came a time when one of the ratepayer came complaining to the audit department that he paid lunch to one of the loss control staff at the council's expense so that he might continue operating without license. The ratepayers noted that there is nepotism at CRDC.

According to audit report 2021, The alleged fuel theft, it was noted one of the employees at Sadza sub office was seen by the guard on duty draining fuel from a tractor into a 5litre tin but on his report he said that fuel was leaking. The employee was under a disciplinary committee. This showed that there was misuse of council resource.

The CRDC audit report 2022 of Bvumbura clinic it was discovered that there was misuse of council resources. When the revenue collectors went for clinic levy collection

it was found that there was no money in the cashbox and the nurse aid that was on duty justified himself saying he went out with the money so that he can find out loose changes for the people.

Ratepayers noted that council make delays in sending revenue collectors in time. Some noted that council offices are located at a distance so people have to travel to and from their places. Resistance for ratepayers to pay was another factor noted by council employees.

4.3.3 Strategies to improve revenue collection performance

Table 13: Strategies to improve revenue collection

Strategies	N	Minimum	Maximum	Mean	Std. Deviation
Taxpayer education	25	1	3	1.68	.557
Staff training	25	1	3	1.92	.702
Door-to-door collection	25	1	2	1.44	.507
Technological innovations	25	1	3	1.48	.653
Notices and penalties	25	1	4	2.40	.680
Proper billing	25	1	2	1.52	.510
Good financial reporting	25	1	3	1.68	.748
Strengthen monitoring	25	1	3	1.76	.723
Improve service delivery	25	1	3	1.44	.507
Recruitment of more human labour	25	1	3	1.88	.726
Procure more machinery and equipment	25	1	3	2.00	.704
Valid N (listwise)	25				

Source: Primary data 2023

The above results indicate that most respondents were in agreement with all the strategies provided which the researcher believed to have improved revenue collection performance. The results indicates that the mean ranges from 1.44 to 2.00 meaning to say most respondents were strongly agreeing and agreeing with the strategies that if they got implemented more revenue for the council will be obtained. Most respondents who noted notices and penalties, proper billing, door-to-door collection and taxpayer education as strategies to improve revenue collection were consistent with their results as evidenced by the standard deviation of 0.507 to 0.748 whilst on remaining strategies the standard deviation showed that responses were spread over the mean. Proper billing

of suggested that rates charged by the council accommodate every rate payer chance to pay.

4.3.3.1 Other strategies noted to improve revenue collection

The respondents suggested that for the council to collect maximum projected revenue from its ratepayers it should charge reasonable rates that accommodate every ratepayer a chance to pay, should impose penalties for late payments, citizen engagement and taking the legal route on non-compliance. The respondents also suggested the council to have a system in place to make it easy for creating a database for ratepayers in every location or area. Lastly it was suggested that the council should impose penalties to late payers.

4.4 The extent to which Council offer the following services to its residents

On this section the researcher aimed to get facts about how council offer the following services to its residents as a service provider. The researcher was also interested to see if the Council employees' responses were consistence with what the residents stated.

Council employees' view on services it offers to its residents

Table 14: Council employees' view on service delivery

Services offered by CRDC	N	Minimum	Maximum	Mean	Std. Deviation
Provision of education (construction of schools)	25	1	5	2.76	1.052
Provision of health (construction and maintenance of the clinics)	25	1	5	2.44	1.083
Environmental protection (construction of public toilets and social amenities)	25	1	4	2.76	1.052
Provision of recreational facilities (entertainment facilities including grounds, beer-halls)	25	2	5	3.16	1.028
Provision of infrastructural development (construction and maintaining roads)	25	1	5	3.78	1.051
Provision of water and sanitation (construction of sewerage ponds, water tanks)	25	1	5	2.72	1.137
Valid N (listwise)	25				

Source: Primary data 2023

From the above table it is showed the scoring range from 1 Very large extend to 5 Very little extend. The responses lies between the mean ranges of 2.44 to 3.78 showing that

some responses were on moderate, others were to a large extend and some to a little extend. The standard deviation around 1 show that the responses were evenly spread out and there was no consistence of the results. In conclusion it is noted that council is offering the services at large extend and this can be supported in the view that CRDC comprises thirty wards and it cannot offer all quality services in one ward it has to evenly distribute how it offers its services among its area.

4.4.1 Other services offered by CRDC

Council employees stated that they offer provision of water in rural areas through borehole drilling and rehabilitation. They went on to say that there is provision of allowances to councillors and disabled, facilitation of small to medium enterprise, offer street lighting, clean-up campaign and provision of poly clinics. CRDC webpage showed some of the services offered to the residents which were done through the use of devolution funds. It also offers community service mainly in order to empower the less privileged members.

4.4.2 Ratepayers or residents' view on the services offered by the council

Table 15: Residents' view on service delivery

Services offered by CRDC	N	Minimum	Maximum	Mean	Std. Deviation
Provision of education (construction of schools)	20	3	5	3.76	.652
Provision of health (construction and maintenance of the clinics)	20	3	5	3.44	.583
Environmental protection (construction of public toilets and social amenities)	20	2	4	3.78	.552
Provision of recreational facilities (entertainment facilities including grounds, beer-halls)	20	2	5	4.16	.491
Provision of infrastructural development (construction and maintaining roads)	20	3	5	4.76	.473
Provision of water and sanitation (construction of sewerage ponds, water tanks)	20	3	5	3.72	.638
Valid N (listwise)	20				

Source: Primary data 2023

The responses from the residents' lies between the mean of 3.65 to 4.76 meaning to say the residents are saying that the council is offering its services at a lesser extent. The responses standard deviation shows that all residents were giving consistence answers.

Residents' view on poor services offered by CRDC

There are four main poor services noted by rate payers which were repeated continuously. Ratepayers noted uncollected garbage, poor states of roads, poor street lighting and no water sources to the residents.

The outcome of the findings from respondents, the council employees and ratepayers contradicts with each other. The council employees justified themselves saying they offer quality services to their residents whilst eighty percent of residents noted that they are receiving poor quality services from the council.

4.5 Relationship between variables

Relationship between service delivery and revenue collection

It has been reviewed that there is a very strong relationship between revenue collection and service delivery. If the ratepayers are willing to pay their bills the council will have funds to provide quality services to the residents and if rate payers fail to pay the council will not deliver services due to shortages of funds. Therefore as service delivery increases or improves ratepayers are more willing to pay for the services offered.

Relationship between revenue collection level and factors contributing to revenue collection

From the study is has been discovered that a favourable connection exists between revenue collection level and factors to low revenue collection. Factors like poor corporate governance, economic hardships and government intervention can contribute to low revenue collection. Therefore as these factors are addressed to more revenue is realised with the council.

4.6 Chapter Summary

This chapter presented the actual findings that were observed in the research of the investigation into the factors for low revenue collection in rural district councils. After

these findings are being analysed and discussed it is up to the researcher to draw conclusions and pass recommendations for what can be done in the next chapter.

CHAPTER V

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter's goal is to highlight the research findings and give a brief overview of the study. The study sought to assess factors contributing to low revenue collection. In accordance with the study's findings, the chapter emphasizes conclusions and suggestions.

5.1 Summary

The research study emerged from the financial viability challenges that were facing rural district councils especially Chikomba Rural District Council. Despite the wider revenue base that CRDC has the organisation was offering poor services to the residents of the area under its jurisdiction. The researcher was trying to determine if there were underlying factors for low revenue collection. The researcher sought to find out strategies to improve revenue collection. The research methodology was structured as a case study, where data on revenue collection was collected through questionnaires. A sample size of 50 respondents was used to come out with findings for the study and recommendations to the findings are going to be given.

5.1.1 Summary of major findings

5.1.1.1 Sources of revenue for Chikomba Rural District Council

- It was discovered that the major sources of revenue at CRDC includes fees and licenses, grants, property taxes and estate funds and intergovernmental transfers. From the research study it is noted there are a number of sources of revenue from the council. However it is found that there are new sources of revenue at the Council that it can use to generate more revenue.
- Farms levies were discovered that they have a large income base if rate payers pay their bills however ratepayers are not paying their bills so the council's income remains low.

5.1.1.2 Underlying factors contributing to low revenue collection at Chikomba Rural District Council

- A number of factors were found to be contributors of low revenue collection at CRDC and these were poor corporate governance and economic hardships. The major factors found were inflation, poor service delivery, political and statutory issues where there is a lot of government interference in local authorities operations, reluctant of parastatals and government institutions to pay council bills and corruption.
- The researcher discovered that residents lack the capacity to pay is due to nature of their jobs also economic hardships since the majority of them haven't cleared up their arrears. Most of the ratepayers who haven't settled up their account balances are those in communal lands and they still have arrears in the farm

levies. The stand debtors also owe the Council. This means that Council funds are tied up in debtors.

- The researcher discovered that there were inadequate resources to provide service delivery. There was few labour force meaning revenue to be collected was very few also not enough machinery to transport revenue collectors to collect revenue to different places and to offer service delivery. It was discovered that there are no enough point of sale (POS) machines for collecting revenue therefore people had to walk to the Council offices. It was noted that there was limited number of machinery such as tractors, motorized graders, tonne trucks, roller compactors and tippers.
- It was noted that there is a lot of grievances among ratepayers as council is offering poor services which are not proportionate to the rates paid to the council.
- It was found that council lacks training and refresher courses to its staff who are engaged in the field of revenue collection.
- It was discovered that some things done are not budgeted therefore it will hamper service delivery.
- It was discovered that payments at the council are made in RTGS and yet procurement is done in US\$. Also for those charges pegged in US\$, those ratepayers without US\$ pay with RTGS at interbank rate leading to low revenue obtained.

5.1.1.3 Strategies that can be implemented to improve revenue collection

- A number of tactics can be employed to generate more revenue collection including door to door collection, taxpayer education, staff training, technological innovations, recruiting more employees, procuring of more machinery and equipment, recruitment of more labour force, improve service delivery, good financial reporting, notices and penalty fees and proper billing.
- Monthly rural collections and indulging in self-debt collection was encouraged.
- It was discovered that Council should come out with a strategy for offering discounts for prompt and regular taxpayers so that other ratepayers will get motivated in paying rates if they see discounts offered to some other people.

- It was discovered that the employees need motivation for them to carry out their work with passion therefore by so doing they generate more revenue for the council.
- It was found that citizen engagement in the budgetary plans is of essence. If residents are involved in the plans of the council they will comply in paying up their rates since they will know that in return services are delivered to them.

5.1.1.4 Relationship among variables

- It has been discovered there exists a very strong connection between revenue collection and service delivery. Also revenue collection level depends on the factors for low revenue collection.

5.2 Conclusion

From the research study it is was discovered that there are a number of sources of revenue that contribute to total council revenue. However, it has been discovered that the Council has new revenue streams. It is also found that a number of factors can contribute to low revenue collection at Chikomba Rural District Council. Moreover it was found that if some strategies for revenue collection are implemented council can generate more of its revenue. There is a very strong and favourable correlation between the collection of revenue and the provision of service delivery. Therefore improved service delivery means willingness for ratepayers to pay for the services. Corruption and embezzlement of funds tarnishes the image or reputation of the organisation therefore needs attention so that it can be resolved. The problem is mainly resulting from poor salaries or greediness. It can be concluded that the ratepayers are concerned about council employees' corrupt activities and they end up with no confidence with

council work. Based on the findings of the unfavourable economic conditions prevailing in Zimbabwe, such as high unemployment, poverty, and the growth of the informal sector, it may be concluded that ratepayers' failure to pay rates is due to by economic variables. The majority of councils are rigid and struggle to maximize their revenue collection as a result of the central government's unnecessary political interference in councils' revenue base.

5.3 Recommendations

- Regardless of the available sources of revenue CRDC is using, it should employ all sources listed in the RDC Act for it to generate more revenue which will then cater for quality service delivery.
- In order for CRDC to offer quality services to its residents it should ensure that revenue collection and administration be done in an efficient and effective manner. It should have strong internal controls which will be used in raising more revenue and managing the employment of those funds as per intended purpose being budgeted for.
- The Council should send their employees to trainings or workshops for them to be well equipped with skills needed in the operations of the organisation.
- It is recommended that council should motivate its revenue collectors by performance related pays or bonuses basing on revenue collected.
- Necessary steps should be taken so that parastatals should comply with the Council in paying up its bills.
- Council should offer discounts to those ratepayers who make prompt payments without any follow ups.
- Council should put all of its employees under disciplinary action who will be found engaging into corrupt activities.
- Council should use effective way of communication to notify ratepayers of their bills for instance the use of emails and short message service (SMSs).
- Council should be transparent in the use of funds the ratepayers pay. This will increase their willingness to comply in paying up their bills. Therefore the council should endeavour to provide education and awareness campaigns to the residents.

- Council should use of advanced technology which can assist in automating revenue collection processes, reducing the likelihood of errors and increasing efficiency.
- On the issue of nepotism, it is recommended that first preferences for the jobs should be Chivhu residents.
- It is recommended to establish an industry since it is a good source of income.

5.4 Areas for further study/Research

The study used Chikomba Rural District Council and looked at the factors that contributed to low revenue collection. The findings are specific to this Council; similar studies can be conducted in other rural district councils for comparison sake and to identify any improvements. Further research is recommended to explore strategies for enhancing revenue collection and addressing corruption to increase revenue collections.

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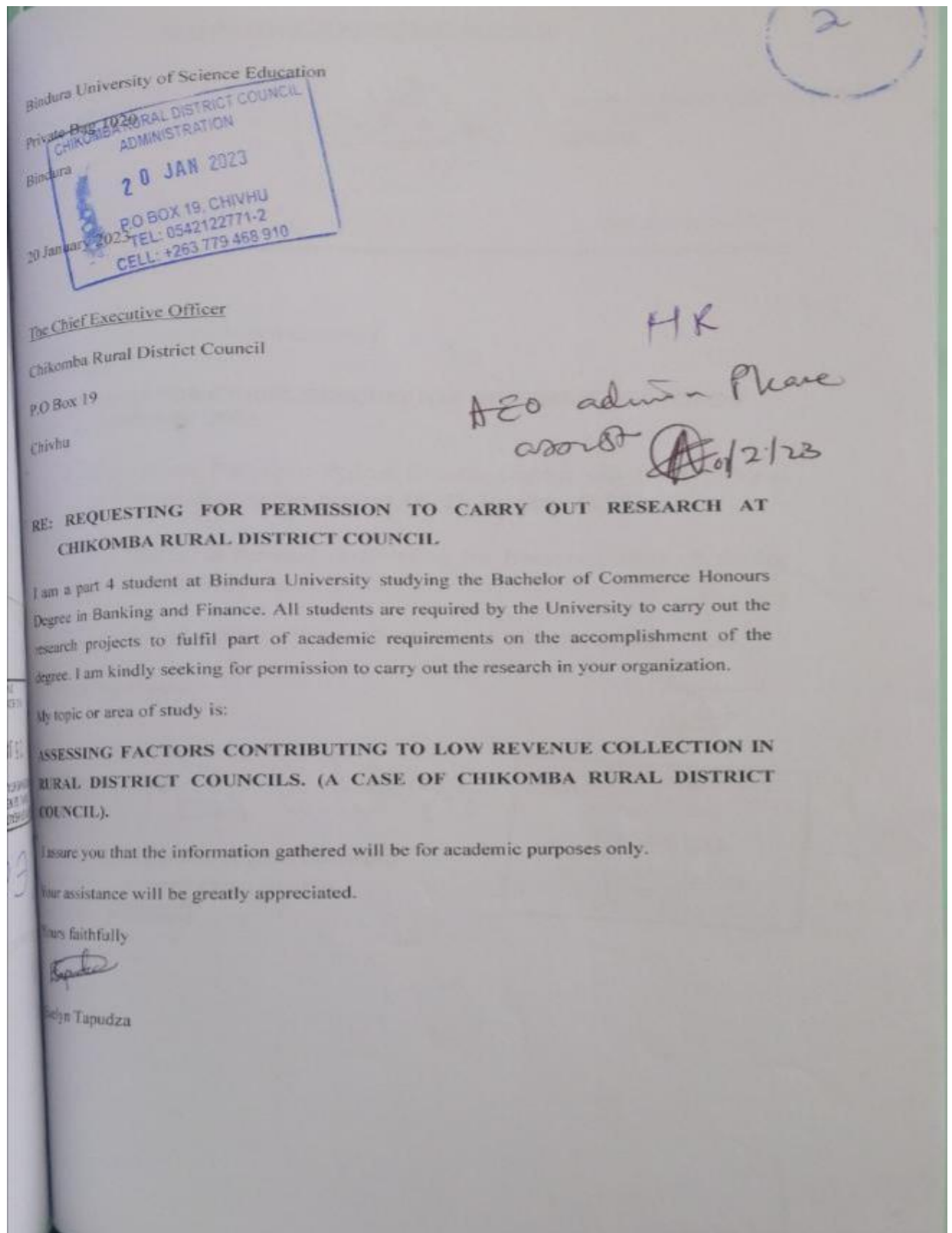
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APPENDIX A: LETTER OF PERMISSION TO CONDUCT THE STUDY



APPENDIX B: INTRODUCTORY LETTER

Bindura University of Science Education

Private Bag 1020

Bindura

Dear Respondent

I am B192799B a final year student pursuing a Bachelor of Commerce Honours Degree in Banking and Finance with Bindura University of Science Education. I am conducting a research study entitled, “**Assessing factors contributing to low revenue collection in rural district councils. A case of Chikomba Rural District Council**”. I am kindly asking for your assistance in completing this questionnaire. Your responses will be treated with confidence and also the information you provide is solely for academic purposes only. The information given in this study will be used to further enhance revenue collection in Rural District Councils throughout the country.

Date.....

For any queries kindly contact: **0771280234**

Instructions

Please complete the questions by ticking the appropriate box.

Do not write your name on the questionnaire

Where applicable write your opinion on blank spaces provided.

APPENDIX C: QUESTIONNAIRE FOR COUNCIL EMPLOYEES

SECTION A

General information

1) Gender

Male

☐

Female

☐

2) Age of respondent

Below 30 years

☐

31-40 years

☐

41-50 years

☐

Above 50 years

☐

3) Indicate your academic qualifications

Secondary level

☐

Professional course

☐

Diploma

☐

Degree

☐

Other (please specify).....

4) Specify the category in which you fall.

Senior management	Middle management	Finance Staff (Revenue collectors and cashiers)	Councillors	CRDC Employees from other departments
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

5) Indicate your working experience with the council

1 - 5 years

☐

5 - 10 years

☐

10 - 15 years

☐

Above 15 years

☐

SECTION B: SOURCES OF REVENUE AT CRDC

6) The following sources of revenue contribute to total council revenue.

Revenue source	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Rates on property and lands	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rentals on council properties, lease of land and sale of land.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Loans	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Donations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Intergovernmental transfers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Income generating projects	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Licenses and permits	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Fines and penalties					
Fees and service charges					
Utilisation of natural resources					

7) Are the sources of revenue for CRDC enough to cover service delivery?

Strongly Agree ☐ Agree ☐ Disagree ☐

8) Are there any other sources of revenue that CRDC could use to increase revenue?

Yes ☐ No ☐

If yes to question 10, state other revenue sources:

.....

New possible sources of revenue that can be employed to generate more revenue at CRDC

9) To what extent does these new possible sources of revenue increase revenue at CRDC?

New possible source of revenue	Very large extend	Large extend	Neutral	Little extend	Very little extend
Recreational activities					
Improved parking areas					
Offering more industrial stands other than residential stands					
Mining related fees					
Taxing nuisances (horns, bells, use of loudspeakers, objectionable advertisements)					
Charging fees on temporary structures					
Licensing electricians					

10) What other new possible sources of revenue that can be recommended to CRDC to increase revenue?

.....

SECTION C: FACTORS CONTRIBUTING TO LOW REVENUE COLLECTION

11) The following factors have contributed to low revenue collection.

Factor	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Corruption					
Poverty					
Political and statutory issues					
Lack of accountability					
Lack of transparency					
Inflation					
Unemployment					
Reluctant of parastatals and government institutions to pay council bills					
Poor financial reporting					
Poor planning and budgeting					
Inadequate capital resources					
Inadequate labour force					

12) State other factors that are contributing to low revenue collection at CRDC.

.....

13) What problems are there in the available sources of revenue?

.....

SECTION D: STRATEGIES TO IMPROVE REVENUE COLLECTION PERFORMANCE

14) Do the following strategies improve revenue collection performance?

Strategy	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Taxpayer education					

Staff training					
Door-to-door collection					
Technological innovations					
Notices and penalty fees					
Proper billing					
Good financial reporting					
Strengthen monitoring					
Improve service delivery					
Recruitment of more human labour					
Buy more machinery and equipment					

15) . Do rates charged by council accommodate every ratepayer chance to pay?

Yes

☐

No

☐

16) State other strategies that can improve revenue collection at CRDC?

.....

17) What do you expect the council to do so that it can collect maximum projected revenue from its ratepayers?

.....

SECTION E: SERVICES OFFERED BY CRDC

18) To what extend does the council offer the following services to its residents

Service	Very large extend	Large extend	Neutral	Little extend	Very little extend
Provision of education (construction of schools)					
Provision of health (construction and maintenance of clinics)					
Environmental protection (construction of public toilets and amenities)					

Provision of recreational facilities (entertainment facilities including grounds, beerhalls)					
Provision of infrastructural development (construction and maintaining roads)					
Provision of water and sanitation (construction of sewerage ponds, water tanks)					

19) What other services does Chikomba offer to its residents?

.....

Thank you for your valued assistance

APPENDIX D: QUESTIONNAIRE FOR RATEPAYERS

SECTION A

General information

1) Gender

Male

☐

Female

☐

2) Age of respondent

Below 30 years

☐

31-40 years

☐

41-50 years

☐

Above 50 years

☐

3) What is nature of your employment?

Public sector

☐

Private sector

☐

Self-employed

☐

Unemployed

☐

4) Indicate your working experience with the council

1 - 5 years

☐

5 - 10 years

☐

10 - 15 years

☐

Above 15 years

☐

SECTION B

5) What is your reason for paying rates to the council.

.....

6) State the kind of rates you pay to the council.

.....

7) On what frequency did you obtain notification of your liability to council or receive bills

this last 6 months?

Frequent

☐

Sometimes

☐

Never

☐

8) Did you fully settle your account balance?

Yes

☐

No

☐

9) To what extent is your justification for not paying rates timeously and completely?

Reason for not paying rates	Very little extend	Little extend	Neutral	Large extend	Very large extend
Complication of payment system					
Lack of transparency					
Inequality rates charges					
Poor service delivery					
Poverty					

Unemployment					
Inflation					

Other reasons.....

10) From your previous experience, are there any corrupt activities that you observed at Chikomba Rural District Council?

Yes ☐ No ☐

If Yes, what was your observation?

.....

11) Are you well informed with how council operates as your service provider?

Yes ☐ No ☐

12) To what extend does the council offer these services to its residents.

Service	Very large extend	Large extend	Neutral	Little extend	Very little extend
Provision of education (construction of schools)					
Provision of health (construction and maintenance of clinics)					
Environmental protection (construction of public toilets and amenities)					
Provision of recreational facilities (entertainment facilities including grounds, beerhalls)					
Provision of infrastructural development (construction and maintaining roads)					
Provision of water and sanitation (construction of sewerage ponds, water tanks)					

13) State poor services offered by the council.

.....

Thank you for your valued assistance.

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