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EFFECT OF LOCAL REVENUE MANAGEMENT AND SERVICE DELIVERY IN MBALE CITY, EASTERN UGANDA. A CROSS-SECTIONAL STUDY.

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ABSTRACT

Background
Revenue management in public institutions is traceable to the early 18th and later 19th centuries, when Great Britain initiated some of its projects that required a continuous flow of resources from the subjects in the form of taxes. The study aims to investigate the effect of local revenue management on service delivery in Mbale City.

Methodology
The study used a cross-sectional and correlational survey design to gather information from a sample of beneficiaries to construct quantitative descriptors of the attributes
of the larger population of which the entities are members.

Results
62% of the respondents were male and 38% were female. 20% of the respondents were aged between 18 and 25 years, and 27% were aged between 26 and 33 years. Revenue enhancement planning is a key component used to ensure timely revenue management, with a 76% agreement score, mean = 3.08, and 6% were undecided. Statistics representing 73% (mean=3.90) suggest that the revenue planning process entails the assessment of how much tax the local community should pay under revenue planning mean score = 3.85 and 68% of respondents agreed that Mbale City Council deploys enforcement to ensure timely revenue collection to ensure timely revenue collection, 81.8% disagreed with the statement that Mbale City conducts sensitization of the communities on their tax obligations while

Conclusions
Planning and budgeting have played a great role in managing local revenue. They have highlighted strategies intended to enable the district to boost its local revenue component in MCC.

Recommendations
MCC should issue rules and regulations regarding the control of revenue management costs. The administrative costs of revenue mobilization should not exceed 10% of revenue collection costs.

Keywords: *Effect of local revenue management, Service delivery, Mbale City*
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BACKGROUND

Revenue management, as far as public institutions are concerned, is traceable in the early 18th and later 19th centuries when Great Britain initiated some of its projects that required a continuous flow of resources from the subjects in the form of taxes (Rose, 1950). The variable of revenue management is tied to numerous Governments and has evolved as one of the best ways of boosting revenue bases and being able to fund budgets that are intended to benefit citizens in the form of roads, markets, health centers, and safe water among others to the citizens (Ssenjala, 2017). In Uganda, local revenue management was still very sensitive and stemmed from the time when Uganda gained independence in 1962 under Britain as its colonial rulers. It was during this period that Uganda was structured into districts, with each district segmented into manageable departments tasked to administratively manage their routine operations supported by locally generated revenue (Ugandan Constitution, 1995). Moreover, public revenue management in the context of public institutions is defined as the process of planning, mobilization & collection, and

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expenditure (controlling) of money that is generated by the Government to provide goods and services to the general public (Ansaldo & Marcotte, 2007).

Mbufu (2011) argued that revenue enhancement planning includes the identification of revenue sources, assessment of revenue, and collection of revenue, debt, and credit management. According to Fjeldstad et al. (2010), while referring to a study in Tanzania, found that LGs needed to meet certain minimum conditions to access development funds. The scholar goes ahead and argues that such conditions were intended to reinforce good governance, for instance approved annual plan and budget; submission of final audits on time; no adverse opinion audit certificate awarded to the latest accounts of the council; and submission of quarterly financial reports. Such requirements were seen as minimum safeguards for handling funds and aimed to entrench accountability on the part of the staff and leaders of the councils. Tregilgas (2006) stressed that LG failed to avoid unrealistic increases from revenue enhancement activities, which made the realization of revenue and service delivery more of a dream than a reality. The study aims to investigate the effect of local revenue management on service delivery in Mbale City.

METHODOLOGY

Research design

The study used a cross-sectional and correlational survey design to gather information from a sample of beneficiaries to construct quantitative descriptors of the attributes of the larger population of which the entities are members (Groves et al., 2004). In addition, the mixed method triangulation involving both qualitative and quantitative approaches will be used where the qualitative approach will be used to elicit non-numeric information about key events in the research settings and the quantitative approach will help the researcher to obtain numeric facts about the study hence helping the researcher to numerically provide conclusive study findings.

Population of the Study

The population comprised 176 respondents and consisted of (1) town clerk, (1), senior assistant town clerk, (1), physical planner, (1) chief finance officer, (1) community development officer, and (1) assistant community development officers and (170) local community members.

Sample Size

A sample was a finite part of a statistical population whose properties were studied to gain information about the whole. A sample size was a subset of a population. The sample size for the study will be calculated using Krejcie & Morgan (1970) and a population of 176 a sample size of 124 respondents.

Table 1: Accessible population, sample size, and sampling technique

Category of respondents	Accessible Population	Sample size	Sampling Technique
City Clerk	1	1	Purposive
Senior Assistant City Clerk	1	1	Purposive
Physical Planner	1	1	Purposive
Chief Finance Officer	1	1	Purposive
Community Development Officers	2	2	Purposive
Local Community Members	170	118	Simple random
Total	176	124	

Source: Mbale City Council Records (2022) and determined using Krejcie & Morgan (1970) as cited in Amin (2005).

Sampling techniques and procedures

Purposive sampling technique

A purposive sample will be used to select respondents who possess similar characteristics to form a sample. The technique allowed the selection of certain units or cases based on a specific purpose rather than randomly (Tashakkori & Teddlie, 2003). Purposive sampling will be used to identify respondents who are used to provide non-numeric information through interviews. The technique will be used to select the town clerk, senior assistant town clerk, physical planner, chief finance officer, and community development officers.

Simple random technique

Simple random sampling was a technique that is used to select respondents, where each respondent had an equal chance to be selected to form a sample. The technique was unbiased and allowed for the generalizations of findings. This technique was used to select the local community members.

Data collection methods

The study used three methods, namely the questionnaire, interview, and documentary review method, to aid data collection. Below were details for each method.

Questionnaire survey method

The questionnaire method was used to collect quantified data that covers a bigger area over a short period (Kothari, 2009). The method will be used as it will be standardized to avoid falsifications of responses. The questionnaire method will be short, concise, and precise. The method was used to capture information from a large group of respondents, it's convenient and cheaper in terms of costs involved.

Interview method

The method involved the use of semi semi-structured interview approach to collect qualitative data. The method helped to collect sensitive information about the study, which is not possible to get using a questionnaire (Mugenda & Mugenda, 1999). The method was used to collect qualitative data that cannot be obtained using any other instrument, it also helped to obtain more detailed information about the study, however its seemed to be time consuming as information was captured from highly designated respondents and takes more resources to execute as schedules, meetings would always be fixed and reschedules time and again.

Documentary method

This method was used to elicit secondary information about local revenue management and service delivery. This method supported the eliciting of information from MCC revenue reports, peer-reviewed reports on financial reports, Section 35 of the Local Government Act Cap 243, Amendment (2010), Mbale City Council Five-Year Development Plan, and MCC Auditor reports for FY 2019/20 and FY 2020/21. The method provided more factual and reliable secondary or already documented information that can be used to enrich the study.

Data collection instruments

The study used three instruments, namely a questionnaire, an interview guide, and a documentary review checklist. Details were provided.

Questionnaires

The instrument aided in the collection of quantified data from the field of study. The questions designed in the instrument quantified ones on local revenue management and service delivery. These questions were designed based on a five-point Likert-type scale to measure variables. The five-point Likert-type scale provides less bias in mean, variance, covariance, correlation coefficient, and the reliability of scores (Krieg, 1999). This instrument was used to obtain information from the local community members (see Appendix I). In addition, using questionnaires helped to elicit primary information; respondents provided their opinions from alternative answers and also expressed their feelings about the study.

Interview guide

This instrument was used to collect qualitative primary information. The instrument was designed with open-ended questions on local revenue management and service delivery. The instrument guided the researcher where questions would be orally read to key respondents, where feedback would be obtained, and recorded in a notebook. This instrument was used on a chief administrative officer, the chief finance officer, and local tax officers.

Documentary review checklists

This instrument was designed in the form of a list of secondary data sources that were reviewed to get information about local revenue management and service delivery. The following documents were reviewed, namely MCC revenue reports, peer-reviewed report on financial reports, Section 35 of the Local Government Act Cap 243, Amendment (2010), Mbale City Council Five-Year Development Plan, and MCC Auditor reports for FY 2014/15 and FY 2020/21

Reliability and Validity of the Research Instruments

Reliability Instrument

The researcher demonstrated dependability and reliability by ensuring there was a synergy between the purpose of the study, research questions, Methodology, and theoretical framework, which helped to generate dependable findings.

Validity of Research Instruments

Validity of research instruments was tested, discussed by the questionnaires with research colleagues, and then the instruments were used. Besides, the researcher used the advice given by a professional researcher who stated that self-constructed measurement instruments would be applied, tested, used, and used to determine the validity, reliability, and feasibility.

Validity of Instrument

It's the extent to which an instrument is intended to measure or the extent to which an instrument truly measures (Amin, 2005). Adequate measures were taken to ensure that the questionnaire fulfilled content validity. To ensure that the instrument collects data as per its intention, the researcher distributed copies to experts, including the supervisor and colleagues with more experience, to rate the valid items in the questionnaire. According to Amin (2005). Content Validity Index (CVI) must be greater than or equal to 0.7, and this was calculated as:

$$\mathrm{CVI} = \frac{\text{Number of items rated as relevant}}{\text{Total number of items in the Questionnaire}} \frac{33}{40} = 0.83$$

The value of CVI obtained, which was a measure of the validity of the instrument, was interpreted based on George and Mallery's (2003) scale. Accordingly, a value of 0.83 obtained is greater than the Standard Value of 0.7, which indicates that the items were extremely relevant for the kind of data that was needed by the study.

Reliability of the Instrument

The degree to which an instrument is supposed to measure or consistently measure is referred to as reliability. Therefore, before the instrument was used, a pilot study was conducted in a location different from the actual area of study. The pre-test results were then substituted with the final findings using Pearson's Correlation Coefficient formula. According to Amin (2005), reliability is the dependability of the instrument so that it should consistently measure what it is intended to measure. George and Mallery (2003) explain that a reliable instrument is expected to give a value of 0.7. The summary below shows how reliability is calculated using the formula:

$$r = \frac{N \sum XY - \sum X \sum Y}{\sqrt{N (\sum X^2) - (\sum X)^2 . N (\sum Y^2) - (\sum Y)^2}}$$

Where: N = Total number of pairs of pre-test and re-test scores

X= Pre-test scores

Y = Re-test scores

XY = Product of pre-test scores and re-test scores

$\sum X$ = Sum of the pre-test scores

$\sum Y$ = Sum of the re-test scores

$\sum XY$ = *Sum of the product of pre-test scores and re-test scores*

Data Collection Procedure

An introductory letter from the Team was received. After permission was granted, I made appointments for several days to collect the data from the area under study. The expected data was collected using administering questionnaires and interviews to the participants.

Data Processing

The data obtained was processed in a computer, tallied, put in a frequency table, and changed into percentages, presented in the form of academic tables.

Data analysis

Analysis of data was done both qualitatively and quantitatively, as indicated below.

Qualitative analysis

Data from all interviews were collected, analyzed, and presented qualitatively. The information was presented narratively using quotes and themes (Teddlie & Tashakkori, 2003). The qualitative findings were used to supplement the data from the questionnaires.

Quantitative data analysis

Filled questionnaires were collected, sorted, coded, and entered into SPSS, a statistical package. The quantified data collected was checked for incompleteness and inconsistency, and thereafter descriptive statistics were made, namely frequencies, mean and standard deviation scores, and percentages. Additionally, inferential statistics, namely Pearson's correlation coefficient, were used to establish the relationships between local revenue management and service delivery. The correlation results fall between -1 and 1, where scores falling between 0 and -

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1 reveal a negative relationship and scores between 0 and – reveal a positive relationship. The results were used to determine the strength and direction of the relationship between revenue management and service delivery. The regression technique was used to determine the variance between the variables.

Measurement of variables

This study used both the ordinal and nominal scales to measure the variables. The ordinal scale was used to measure local revenue management and service delivery. These variables were measured as they were closed questions since these would designed to measure based on a five-point Likert-type scale namely SA (5) = strongly agree, A (4)=agree, NS(3)= not sure, D(2)=disagree and SD(1)= strongly disagree. On the other hand, the nominal scale was used to measure bio-data variables, namely age, gender, among others.

Ethical consideration

The ethical issues considered for the study included respondents' informed consent, where a formal note was attached to questionnaires and interviews, and which guided the study. The issue of bias was highly avoided, where opinions of respondents were respected, hence objectivity. Privacy and confidentiality would be observed, whereby all information provided and the anonymity of respondents would be respected, so whereby their identity would not be disclosed.

Ethical approval

An introductory letter was sought from Team University and written permission to collect data.

Informed consent

The purpose and nature of the study were well explained to the respondents, after which they were required to voluntarily consent to participate in the study.

RESULTS/DISCUSSION

Demographic Data from Respondents

Table 2: Demographic data regarding gender, religion, and place of residence for them and their parents

CONTENT	DESCRIPTION	FREQUENCY	PERCENTAGE (%)
Gender	Male	31	62
	Female	19	38
Religion	Catholic	16	32
	Protestant	21	42
	Muslim	09	18
	Other	04	08
Residence	Urban	04	08
	Rural	46	92

Source: Field Survey

Table 2, 62% of the respondents were male and 38% were female. This helped the researcher in that both genders were catered for. The religious aspects were not considered because whether you lie in which religion, insecurity would never segregate or leave you out.

Socio-Demographic Characteristics

Table 3: Respondents' demographic characteristics N= 75

		Frequency	Percent
Age	18-25	21	20
	26-33	29	27
	34-41	25	29
	42 and above	20	19
Marital status	Married	40	47
	Divorced/separated	24	32
	Widowed	20	19
Occupation	Unemployed	35	42
	Employed	24	32
	Self-employed	26	31

Source: Field Survey

Table 3, 20% of the respondents were aged between 18 and 25 years, 27% were aged between 26 and 33 years, 29% were aged between 34 and 41 years, and 19% were aged 42 years and above. This implied that persons of all categories of age categories were captured, which gave unbiased information. 47% of the women were married, 32% were divorced or separated, while 19% were widowed. This implied that Mbale City's population were made of vast experiences of the service delivery status, thus many of the divorced women came as a result of welfare imbalance in the households and the community at large. 42% of the respondents were unemployed, 32% were employed, while 31% were self-employed. This implied that many people in Mbale City were not employed due to inadequate job opportunities.

Revenue enhancement planning and service delivery in Mbale City

Revenue enhancement planning formed dimension one of revenue management. This dimension was categorized into three indicators, namely identification of revenue sources, assessment, and enforcement, which were used to design questions that were asked on revenue enhancement planning. For interpretation purposes, scores, mean score above three (> 3.00), reveal agree, and scores below three (< 3.00) reveal disagree. The standard deviation score of less than one (<1.00) reveals commonalities, and above one (>1.00) reveals divergences in opinions.

Table 4: Statements about revenue enhancement planning

Statements about revenue enhancement planning	SD 1	D 2	UD 3	A 4	SA 5	Mean	Std Dev
Revenue enhancement planning is a key component used to ensure timely revenue management	17% (12)	1% (1)	6% (4)	32% (23)	44% (32)	3.08	1.110
Identifying revenue sources helps the Mbale City Council to realize more local revenue	14% (10)	1% (1)	29% (21)	47% (34)	8% (6)	3.35	1.128
The revenue planning process entails an assessment of how much tax the local community should pay	18% (13)	6% (4)	4% (3)	24% (17)	49% (35)	3.90	1.090
Tax assessment is fairly done to enable the local community commit itself to paying the tax	25% (18)	8% (6)	42% (30)	22% (16)	2.8% (2)	2.85	1.158
There is enforcement deployed by the Mbale City Council to ensure timely revenue collection	19% (14)	5% (7)	49% (35)	19% (14)	6% (4)	3.85	1.122

Source: Field data

Table 4, revenue enhancement planning is a key component used to ensure timely revenue management with 76% agreement score, mean = 3.08, 6% were undecided and 17% disagreed which suggest that timely planning in terms of revenue objectives, setting revenue goals and courses of actions on how such revenue would be collected among others would increase Mbale City Council revenue base to support the delivery of public services within the City Council.

To affirm the findings, one interviewee revealed that: "*There is no way a local council can realize local revenue without frequently engaging in its planning that is revenue enhancement planning is a critical activity under budgeting.*"

Relative to the above scores, 55% agreed that identifying revenue sources helped the Mbale City Council to realize more local revenue. This can further be supported by a mean score of 3.35 and a standard deviation score of 1.128, which were computed; however, up to a tune of 29% were undecided, and 15% disagreed. The findings highlight local sources, for instance, parking and construction fees, license fees, among others, as Mbale City Council sources of revenue, which, to a great extent, contribute to the local revenue base that supports the delivery of local services. "*As a local council, we are obliged to collect local taxes that we use as local taxes to support service delivery; however, such collection is based on the number of identified local sources.*"

Statistics representing 73% (mean=3.90) suggest that the revenue planning process entails assessment of how much tax the local community should pay, while 6% of respondents were unaware of assessment, and 24% of respondents disagreed, respectively. In addition, 64% respondents agreed that tax assessment was fairly done to enable the local community commit itself to paying the tax however, 25% disagreed and 8% were undecided which suggests that Mbale City local agents elicit information on local businesses, gauge or do assessments on how much local tax that business operators are due. This increases local revenue collection, which is used to facilitate service delivery. To complement the above findings was a Mbale City official who voiced out that:

"*The issue of assessment as a component of revenue enhancement planning helps the* Mbale City *ensure that it properly identifies local revenue sources, provides timely assessment of revenue and its collection, and ensures debt*

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and credit management. These, when well handled, result in improved local revenue bases". These findings concur with Byrnes (2006), who acknowledged that to curb and reverse the declining local revenue, many LGs need to come up with revenue enhancement plans that entail identifying revenue sources, among others, to increase the revenue base.

Lastly, under revenue planning mean score = 3.85, and 68% of respondents agreed that enforcement is deployed by Mbale City Council to ensure timely revenue collection, 19% disagreed, and 5% were undecided. These findings are in agreement with findings presented by Norton and Kaplan (2012), who argue that LGs should ensure that local revenue is well collected through timely enforcement. The scholars argue that to ensure a smooth financial health of an organization, several interrelated factors need to be considered; they argue that using strategic plans to enforce inclusiveness fulfills the objectives of an organization. This task requires setting goals, which have to do with the quality of service, with other drivers directed at attaining organizational goals. The issue of deploying tax assessment teams to oversee the collection of local taxes is one of the key paths that can be followed to improve tax collections in localities, including town councils. Nonetheless, much as respondents agreed to that effect, some disagreed or were undecided, which signals a loophole in the revenue enhancement planning. The loophole could be linked to the untimely assessment and logistical support that is required to motivate the local revenue assessment team that is mandated to conduct the assessment. This is a widening gap that needs attention.

The findings also reveal how Mbale City considers local revenue as a main source of revenue, and therefore, the need to improve its collection through deploying enforcement. In one of the related interviews held, an interviewee observed that: "*The situation is not always good as the local community is time and again made aware to clear their tax obligations on time; however, some have failed an act that portrays intent to evade taxes, hence were deployed enforcers*".

Another interviewee said, "*Local revenue collection is not an easy task; to realize local revenue, enforcement must be done and is therefore inevitable, yet the town council needs local revenue to foster service delivery*".

Correlation results for revenue enhancement planning and service delivery

Table 5: Correlation results for revenue enhancement planning

		Revenue enhancement Plan	Service delivery
Revenue enhancement plan	Pearson Correlation	1	.530**
	Sig. (2-tailed)	72	.000
	N		72
Service delivery	Pearson Correlation	.512**	
	Sig. (2-tailed)	.000	
	N	72	

***. Correlation is significant at the 0.05 level (2-tailed).*

Table 5, found out that a significant positive relationship existed between revenue enhancement plan and service delivery (.512**) in Mbale City Council which suggests that identifying more revenue sources, providing fair assessment and timely enforcement would provide local revenue to improve service delivery.

Regression results for revenue enhancement planning and service delivery

The regression analysis was used to determine the variance that revenue enhancement planning had on service delivery at Mbale City Council.

Table 6: Regression results for revenue enhancement planning

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.51	2.281	.270	.86105

a. Predictors: (Constant), revenue enhancement planning

Table 6, Results presented include R as .530, R squared as .281, adjusted R square as .270, and standard error of the estimate as .86105 using the predictor, revenue enhancement planning. The R^2 value of .281 suggests a 28.1% variance that revenue enhancement planning had on service delivery in Mbale City Council, while the remaining percentage of 71.9% could be attributed to other factors not studied. Lastly, revenue enhancement planning was found to have a significant positive effect on service delivery. It can be said that revenue enhancement planning significantly affects service delivery; therefore, the hypothesis was accepted (h1) and the null hypothesis (h0) rejected.

Effect of revenue mobilization and collection on service delivery in Mbale City

Table 7 shows the effect of public revenue mobilization on service delivery in Mbale City.

SN	Statement	SA	A	N	D	SD	Mean	St De
1	Mbale City conducts sensitization of the communities on their tax obligations	63.6%	18.2%	0%	9.1%	9.1%	4.18	1.346
2	Meetings are conducted with the Town Agents in the mobilization of local revenue	45.5%	36.4%	0%	18.2%	0%	3.82	1.413
3	The City tax team conducts an assessment	27.3%	27.3%	9.1%	27.3%	9.1%	3.00	1.137
4	There is a tax enforcement team in Mbale City that collects revenue	72.7%	18.2%	9.1%	0%	0%	1.36	.648
5	All businesses operating in Mbale City are formally registered by the City officials	9.1%	27.3%	9.1%	54.5%	0%	3.55	.995

Source: field data. Merge (A and SA and D and SD), then leave out N.

Table 7, 81.8% disagreed with the statement that Mbale City conducts sensitization of the communities on their tax obligations, while only 18.2% agreed with the statement. The study furthermore revealed that the respondents disagreed that Meetings are conducted with the Town agents in mobilization of local revenue; the statement is not statistically significant since the deviation (1.4.13) from the mean (3.82). The standard deviation shows that there was no agreement among the respondents on the statement; respondents disagreed that the sub-county tax team conducts assessments. The statement was also not statistically significant since the deviation (1.137) from the mean (3.00). The standard deviation shows that there was no consensus on the item among the respondents in the study. Respondents agreed that there is a tax enforcement team in Mbale City that collects revenue; the statement was statistically significant since the deviation (0.648) from the mean (1.36) was less than 1. The standard deviation shows that there was consensus among the respondents in the study. All businesses operating in Mbale City are formally registered by the sub-county officials. The statement was statistically significant since the deviation (0.995) from the mean (3.55) was less than 1. The standard deviation shows that there was consensus on the statement among the respondents.

Qualitatively, the study revealed that public revenue mobilization has a significant effect on service delivery in Mbale City. One of the key information informants said that;

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"If we do not mobilise local revenue, we may not be able to extend public servicesto the communities, for example, the drilling of boreholes. So, as a sub-county, we have a tax task force team that enforces the different business entities to comply with thetax requirements. Mobilization of local revenue, for example, market dues, enables the sub-county to clear the allowances of the counselors."

Correlation results for public revenue mobilization and service delivery

Table 8: Correlation results for public revenue mobilization

		Public revenue mobilization	Service delivery
Public revenue mobilization	Pearson Correlation	1	.342**
	Sig. (2-tailed)	72	.003
	N		72
Service delivery	Pearson Correlation	.342**	1
	Sig. (2-tailed)	.003	72
	N	72	

Table 8, The study found out that a significant positive relationship existed between public revenue mobilization and service delivery (.342**) in Mbale City, which suggests that motivating Mbale City staff, encouraging capacity building, and recruitment of skilled staff would provide a stable local revenue base to support service delivery.

Table 9, Regression results for public revenue mobilization and service delivery

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.342[a]	.117	.104	.90398

a. Predictors: (Constant), public revenue mobilization

Results presented include R as .342, R squared as .117, adjusted R square as .104 and standard error 3of the estimate as .90398 using the predictor; public revenue mobilization The R^2 value of .104 suggests a 10.4% variance that public revenue mobilization had on service delivery in Mbale City while the remaining percentage of 89.6% could be attributed to other factors not studied. To conclude, hypothesis two, that public revenue mobilization significantly affects service delivery, was accepted (h1) and the null hypothesis (h0) rejected based on the inferential results presented that suggest a significant positive effect of public revenue mobilization on service delivery.

Revenue expenditure control and service delivery in Mbale City Council.

Revenue expenditure control constituted the final or third independent variable dimension and was categorized into three indicators namely, entails budget implementation reviews, quarterly audit reports, and quarterly progress performance reports.

Table 10: Statements about revenue expenditure control

Statements about revenue expenditure control	SD 1	D 2	UD 3	A 4	SA 5	Mean	Std Dev
Mbale City Council has several measures in place to ensure revenue expenditure control	17% (12)	8% (6)	21% (15)	50% (36)	1% (1)	3.85	1.030

All funds allocated to cater for key priority activities within the Town Council are in line with controls	15% (11)	7% (5)	21% (15)	54% (39)	3% (2)	3.89	1.001
As a way of ensuring revenue expenditure control, routine quarterly audits are conducted, which have positively contributed to more local revenue realized	15% (11)	8% (6)	19% (14)	54% (39)	3% (2)	3.86	.997
The conducted audits have helped in controlling revenue expenditure gaps	18% (13)	7% (5)	17% (12)	57% (41)	1% (1)	3.76	.986
Quarterly review reports are routinely done within the City Council	15% (11)	7% (5)	19% (14)	56% (40)	3% (2)	3.88	.992
The quarterly review reports are intended to improve the management of revenue	15% (11)	7% (5)	19% (14)	57% (41)	1% (1)	3.85	.959

Source: Field data

Table 10, Findings revealed that nearly half of the respondents (mean=3.85) that participated in the study agreed that Mbale City Council had measures in place to ensure revenue expenditure control however 21% were neutral and 25% disagreed meaning that the measures were in place but hopefully they were not adhered to which suggests allocation of local revenue to other less demanding activities other than service delivery. The findings are by Todd (2009), who argues that accountability as a revenue control is often best strengthened by working through a multi-stakeholder approach involving citizens, government, and service providers.

Equally, many respondents mean = 3.89; with a standard deviation of 1.001; 57% agreed, 21% undecided and 22% disagreed respectively that all funds allocated to cater for key priority activities within the Town Council are in line with controls meaning that public funds were allocated to specific City Council activities in the budget and accountability was mandatory hence service delivery. Many respondents, 57% (41), agreed that as a way of ensuring revenue expenditure control, routine quarterly audits are conducted, which positively contributed to more local revenue realized, 19% (14) were neutral, and 23% (17) disagreed. Similarly, 58% (42) agreed that the audits have helped in controlling, revenue expenditure gaps however, 25% (18) disagreed and 17% (12) reserved their opinions thus the results reveal that checks were made against what had been advanced and what was spent entirely on an activity to establish whether there was value for money as well as services extended to the Mbale City. In one of the documents reviewed, it was highlighted that many City Council officials have been receiving public funds however, accountability is still a widening administrative problem (Mbale Town Council Auditor reports for Financial Year, 2014/15).

A mean score of 3.88 and 59% revealed that the majority of respondents agreed that quarterly review reports are routinely done within the Town Council however, 19% were reserved, and 24% disagreed. In addition, the standard deviation score of .959, and 58% of respondents agreed that quarterly review reports are intended to improve the management of revenue, 22% disagreed, and 19% neither agreed nor disagreed. The Mbale City Council's quarterly reports were intended to formally show how the Mbale City Council has progressed in times of revenue management and how much revenue has been spent on the delivery of local services. One respondent from the focus group discussion said that:

"Mbale City through the revenue collected provides services for example sinking boreholes for the community, they carry out light grading of the roads, they use that revenue to make sure that daily monitoring is carried out in Health Centre III and Health Centre IVs to verify attendance of the health staff and how its also used to verify the attendance of teachers in classes. This is done by the minister of education at the sub-county in conjunction with the inspector of schools from the district headquarters."

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Another key informant said that;
"Mbale City does Construction of feeder roads, construction of schools, Mbale City provides safe water to the area, and pays 25% of locally raised revenue to the lower levels if the City constructs public toilets to maintain good sanitation and hygiene in the community."

Further, the respondents said that the services offered by Mbale City to the community meet the national standards. One of the respondents indicated a
"Yes, for example, these services are done by the works department and are done in line with the guidelines from the Ministry of Works. The tools that are used to measure teacher attendance in schools are those that are set in the guidelines of the Ministry of Education and Sports. Provision of water to the people of Mbale City is in strict adherence with the rules of the Ministry of Water. Whereby it is tasted before consumption by the locals, and the area of coverage," Justine, this is off the topic, we are not looking at the tools to assess teachers. You need to give your work time and read through to see that there is coherence, other I see a challenge ahead of us. The discussions are not coming out well, specifically when it comes to the third objective, where we agree to use the focus group discussions. We need to be consistent with the methodology.

Table 11, Correlation results for revenue expenditure control and service delivery

		Revenue Expenditure Control	Service delivery
Revenue exp. Control	Pearson Correlation	1	.472**
	Sig. (2-tailed)	72	.000 72
	N		
Service delivery	Pearson Correlation	.427**	1
	Sig. (2-tailed)	.000	72
	N	72	

***. Correlation is significant at the 0.05 level (2-tailed).*

Table 11, The study found out that a significant positive relationship existed between revenue expenditure control and service delivery (.472**) in Mbale City which suggests that conducting budget implementation reviews, producing quarterly audit ad well as progress performance reports would provide a sounding local revenue base to support service delivery.

Table 12, Regression results for revenue expenditure control and service delivery

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.427[a]	.183	.171	.86961

a. Predictors: (Constant), revenue expenditure control

Table 12, Results presented include R as .427, R squared as .1873, adjusted R square as .171, and standard error of the estimate as .86961 using the predictor, revenue expenditure control. The R2 value of .183 suggests an 18.3% variance in revenue expenditure control on service delivery in Mbale City Council, while the remaining percentage of 81.7% could be attributed to other factors not studied. Finally, correlation and regression results suggest a significant positive effect of revenue expenditure on service delivery; therefore, hypothesis three that revenue expenditure control significantly affects service delivery was accepted (h1) and the null hypothesis (h0) rejected.

CONCLUSIONS

Revenue assessment has led to listing of all the local revenue sources available to Mable City, has led revenue estimation for each local revenue source as it is computed, has failed to control the unrealistic increase in revenue estimation, has promoted the revenue inflow for each of the local revenue source in the district, has failed to identify the cost ineffective revenue sources in the district.

Revenue collection has helped in the redistribution of wealth/income through collecting taxes like LST, LGHT, and property rates, which are paid by those who earn more than the rest.

Planning and budgeting have played a great role in management of local revenue, planning and budgeting has highlighted strategies intended to enable the district to boost their local revenue component in MCC, and laid out the anticipated spending that will be done by all the departments during the upcoming FY.

RECOMMENDATIONS

- Mbale City Council should introduce cost-effective mechanisms in revenue enhancement and mobilization to reduce administrative costs through checking and scrutinizing all proposed expenditures to ensure that they are reasonable and are not likely to exceed 10% of revenue collected.
- MCC should issue rules and regulations regarding the control of revenue management costs that is. The administrative costs of revenue mobilization should not exceed 10% of revenue collection costs.
- Building the capacity and strengthening the local revenue database systems would help to promote record management, accountability, and transparency in revenue assessment and enumeration procedures.
- Educate and create awareness among the masses on the newly introduced revenue from alternative sources and their importance in the provision of service delivery and development.

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LIST OF ABBREVIATIONS

MC: Mbale City.
FY : Financial Year
LGs : Local Governments
SPSS : Statistical Package for Social Sciences
LG : Local Government

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CONFLICT OF INTEREST

The author did not declare any conflict of interest.

DATA AVAILABILITY

Data is available upon request.

AUTHOR CONTRIBUTIONS

Ithungo Kenneth collected data and drafted the manuscript of the study
Dr. Ssedangi Mohammed supervised the study

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Ithungo Kenneth is a student of a degree of master of Science degree in finance at Team University.

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