

An Assessment Of Revenue Collection Efficiency For Local Authorities In Zambia: A Case Study Of Nchelenge Town Council

Daniel Nyanga

Student #: ECA905342

Masters Of Business Administration In Finance (MBA Finance)

Abstract

This study investigated the effectiveness of revenue collection practices at Nchelenge Town Council, aiming to identify primary revenue sources, assess collection efficiency, explore factors impacting efficiency, and determine strategies for improvement. Using a qualitative research methodology, the study collected data through interviews with key stakeholders, including council officials and local business representatives. The findings revealed that the council's main revenue sources included property taxes, business licenses, market fees, and government grants, with emerging interest in digital service fees. Efficiency in revenue collection was found to be moderate, with recent improvements attributed to automation and the adoption of e-payment systems. However, factors such as inadequate staff training, administrative inefficiencies, economic downturns, political interference, and corruption significantly impacted collection efficiency. The study highlighted the importance of implementing automated systems, leveraging technology, engaging the community, revising outdated policies, and adopting best practices to enhance revenue collection. The general recommendations include investing in technological upgrades, fostering community engagement, and ensuring rigorous policy updates to address systemic issues and improve financial stability.

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I. Introduction And Background

Efficient revenue collection is paramount for the effective functioning of local authorities, ensuring they can adequately provide essential services and infrastructure to their constituents. In Zambia, like many developing countries, local authorities face significant challenges in optimizing revenue collection due to various socio-economic factors, administrative inefficiencies, and limited resources. Nchelenge Town Council, located in the Luapula Province, represents a microcosm of these challenges. As a local government entity responsible for service delivery within its jurisdiction, Nchelenge Town Council relies heavily on revenue generated from sources such as property rates, licenses, and market fees to finance its operations and deliver services to residents (Musonda & Katongo, 2017). However, the council grapples with persistent issues related to revenue leakages, tax evasion, and inadequate infrastructure for effective collection, hampering its ability to meet the needs of its growing population.

The assessment of revenue collection efficiency within Nchelenge Town Council presents an opportunity to delve into the intricacies of local revenue mobilization in Zambia's context. By conducting a comprehensive analysis, this study aims to identify the underlying factors contributing to inefficiencies in revenue collection processes and propose strategies for improvement. Understanding these challenges is crucial not only for Nchelenge Town Council but also for similar local authorities across Zambia facing comparable issues. This research aligns with the broader goal of enhancing governance and fiscal sustainability at the local level, ultimately contributing to socio-economic development and improved quality of life for Zambian citizens (Chileshe et al., 2019). Through empirical investigation and evidence-based recommendations, this study seeks to inform policy formulation and decision-making aimed at enhancing revenue collection efficiency and strengthening local governance structures in Zambia.

Nchelenge Town Council, situated in the densely populated Luapula Province of Zambia, faces significant challenges in revenue collection despite its pivotal role in delivering essential services to the community. Overfishing, a traditional economic activity in the district, has led to a shift towards farming, indicating dynamic economic changes. However, despite these economic endeavors, revenue collection remains ineffective within the council. The district's heavy reliance on equalization funds from the central government underscores the urgency to enhance revenue collection efficiency to address funding challenges (Auditor General reports, 2018-2022).

Local authorities worldwide face challenges in revenue collection, impacting their ability to deliver essential services to communities. From a global perspective, studies highlight common issues such as weak

administrative capacity, inadequate infrastructure, and limited accountability mechanisms hindering effective revenue mobilization (Kumar & Ahmed, 2018). In Africa, where many countries rely heavily on local government revenues for service provision, similar challenges persist. The African Development Bank (AfDB) underscores the importance of enhancing revenue collection at the local level to promote sustainable development and alleviate poverty (AfDB, 2017). Within Zambia, these challenges are pronounced, with local authorities grappling with systemic issues that impede revenue generation and utilization for public service delivery.

Zambia's decentralization process, initiated in the early 1990s, aimed to empower local authorities with greater autonomy and responsibility for local development (Mwansa & Tembo, 2016). However, the success of decentralization in Zambia has been uneven, with many local authorities, including Nchelenge Town Council, facing persistent challenges in revenue collection and management (Mutale, 2019). The Auditor General's reports consistently highlight deficiencies in revenue collection processes across various local government entities, pointing to a need for systematic reforms and capacity-building initiatives (Office of the Auditor General, 2021). These reports serve as crucial indicators of the magnitude of the problem and underscore the urgency of addressing revenue collection inefficiencies.

At the heart of the issue is the complex interplay of socio-economic factors influencing revenue mobilization in Zambia. High levels of poverty and unemployment in rural areas, where many local authorities are situated, contribute to a limited tax base and reliance on informal economic activities (Kaliba, 2014). Moreover, political interference, corruption, and weak institutional frameworks exacerbate challenges in revenue collection and undermine public trust in local government institutions (Chileshe et al., 2019). The Zambian government recognizes the need for comprehensive reforms to strengthen local governance structures and improve revenue mobilization (Zambia Ministry of Local Government, 2018). However, translating policy intentions into effective implementation remains a significant challenge, requiring coordinated efforts from various stakeholders.

The persistent challenges in revenue collection faced by Nchelenge Town Council echo broader issues observed in local government authorities across Zambia. Despite constitutional provisions empowering local governments to collect revenue, inefficiencies persist, hindering the implementation of development plans and infrastructure enhancement initiatives. Factors such as inadequate local policies, corruption, and political interference contribute to this inefficiency, exacerbating the council's heavy dependence on central government funds for essential services and infrastructure development (Constitution of Zambia, 2016; Local Government Act, 2019). These challenges underscore the critical need for a comprehensive investigation into the underlying reasons for Nchelenge Town Council's failure to efficiently collect revenue, aiming to inform policy and decision-making to strengthen local governance and promote socio-economic development in Zambia.

In recent years, scholars and practitioners have emphasized the importance of adopting innovative approaches to enhance revenue collection efficiency in Zambia's local authorities. Lessons from successful initiatives in other African countries, such as Rwanda and Kenya, highlight the potential for technology-driven solutions, community participation, and capacity-building programs to address revenue collection challenges (Mwansa & Tembo, 2016). Furthermore, the Sustainable Development Goals (SDGs) provide a framework for prioritizing local government reforms aimed at promoting inclusive and sustainable development, with revenue mobilization playing a central role in achieving these objectives (United Nations, 2015). By examining the unique context of Nchelenge Town Council within the broader Zambian and African contexts, this study seeks to contribute to the growing body of knowledge on local government finance and governance in sub-Saharan Africa.

II. Statement Of The Problem

Efficient revenue collection by local authorities is crucial for their financial self-sufficiency and their ability to provide essential services and infrastructure development. Ideally, Nchelenge Town Council would have a robust and transparent revenue collection system, ensuring sufficient funds for service delivery and reducing dependency on central government allocations. Such efficiency would not only improve the council's financial health but also enhance socio-economic development and strengthen local governance structures, contributing to the overall well-being of the community (Chileshe et al., 2019).

However, Nchelenge Town Council has been facing significant challenges in achieving this ideal. Auditor General reports from 2018 to 2022 have repeatedly highlighted inefficiencies in the council's revenue collection processes, including poor record-keeping, inadequate enforcement, and lack of transparency (Office of the Auditor General, 2018-2022). These inefficiencies have hindered the council's ability to generate sufficient revenue, thus impeding its capacity to provide necessary services and infrastructure. If these issues persist, the council will continue to struggle with financial instability, resulting in deteriorating public services and an increased reliance on central government funds. This situation underscores the urgent need for reforms to improve revenue collection efficiency, which is essential for sustainable local governance and enhanced service delivery.

III. Objectives Of The Study

General objective

To assess the efficiency of revenue collection for Nchelenge Town Council in Zambia.

Specific objectives

- i) To identify the main sources of revenue for Nchelenge Town Council.
- ii) To explore the efficiency of revenue collection for Nchelenge Town Council.
- iii) To investigate factors affecting revenue collection efficiency.
- iv) To determine ways of improving on revenue collection in Nchelenge Town Council.

IV. Theoretical Framework

Theory of fiscal decentralization

The theoretical framework guiding this study is grounded in the concept of fiscal decentralization and its impact on local government revenue collection efficiency. Fiscal decentralization refers to the devolution of fiscal responsibilities and decision-making authority from central governments to lower-tier local authorities (Bahl & Wallace, 2019). This framework is particularly relevant to this study as it provides a lens through which to understand the dynamics of revenue mobilization at the local level, including the allocation of revenue sources, administrative capacity, and governance structures. By exploring the extent to which Nchelenge Town Council has autonomy in revenue collection, the study can assess the implications of fiscal decentralization on the council's financial management and operational efficiency.

Moreover, the institutional theory offers insights into the formal and informal rules, norms, and structures that shape organizational behavior and decision-making processes (Scott, 2014). In the context of this study, the institutional framework provides a theoretical lens to analyze the factors affecting revenue collection efficiency, such as corruption, political interference, and institutional capacity. Understanding the institutional context in which revenue collection takes place is crucial for identifying barriers to efficiency and proposing targeted interventions to address them. By examining how institutional factors influence revenue collection practices in Nchelenge Town Council, the study can contribute to a deeper understanding of the complexities of local governance and inform policy recommendations aimed at improving fiscal governance and accountability.

The relevance of these theoretical frameworks to the study lies in their ability to provide analytical tools for understanding the dynamics of revenue collection in local government contexts. Fiscal decentralization sheds light on the broader structural and systemic factors influencing revenue mobilization, while the institutional theory offers insights into the organizational and institutional factors shaping revenue collection practices. By drawing on these frameworks, the study can uncover the underlying mechanisms driving revenue collection efficiency in Nchelenge Town Council and inform evidence-based policy interventions aimed at enhancing fiscal governance and promoting sustainable development at the local level.

Conceptual framework

According to Kaplan and Norton (2017), a conceptual framework is the degree to which researchers conceptualize the correlation between research variables and depict this relationship diagrammatically or graphically. It illustrates the existing connection between independent variables and dependent variables, elucidating how changes in the former influence the latter. This framework serves as a roadmap for understanding the interplay between different factors under investigation, offering a visual representation of the theoretical underpinnings guiding the study's design and analysis.

V. Literature Review

Objective 1: To Identify the Main Sources of Revenue for Nchelenge Town Council

Identifying the main sources of revenue for local authorities is essential for understanding the financial foundation necessary for sustainable development. Globally, municipalities rely on diverse revenue streams, including property taxes, service charges, and government grants. Kumar and Ahmed (2018) emphasize the significance of property taxes as a major source of municipal revenue in developing countries, identifying administrative capacity and infrastructure as key determinants of effective revenue collection through a mixed-methods approach. Similarly, Smith et al. (2016) highlight the impact of technology on improving revenue collection processes in the United States, showcasing innovative solutions employed in developed countries through quantitative regression analysis.

In Africa, studies underscore the importance of diversified revenue sources to ensure fiscal sustainability. Maliamkono et al. (2015) in Tanzania emphasize citizen participation and accountability in revenue collection processes through qualitative research based on focus group discussions and interviews. Brew and Wiah (2017) in Liberia explore fiscal reforms aimed at enhancing revenue collection using a case study approach, analyzing policy documents and conducting interviews with key stakeholders to underscore the necessity for robust fiscal policies and administrative systems.

In Zambia, Mubiru (2018) and Chileshe et al. (2019) highlight the primary revenue sources for local governments, including property taxes, business licenses, and service charges. Mubiru's qualitative case study, based on interviews with council officials and document analysis, identifies systemic issues such as corruption and political interference that undermine revenue collection efforts. Chileshe et al. use a mixed-methods design, combining quantitative analysis of financial reports with qualitative interviews, to reveal the heavy reliance on central government transfers, which undermines local fiscal autonomy. These studies collectively emphasize the need for diversified revenue sources and institutional reforms to enhance revenue collection efficiency in Zambia.

Objective 2: To Explore the Efficiency of Revenue Collection for Nchelenge Town Council

Efficiency in revenue collection is a global concern, influenced by various factors. Smith et al. (2016) demonstrate through quantitative regression analysis that adopting electronic payment systems in the United States significantly improves collection rates and reduces administrative costs. Their findings are supported by Jones and Chen (2019), who explore the role of public-private partnerships (PPPs) in enhancing revenue collection efficiency in China using a comparative case study approach. The study combines quantitative financial data analysis with qualitative interviews to show that PPPs facilitate infrastructure investments that boost revenue collection efficiency.

In Africa, administrative and systemic challenges hinder revenue collection efficiency. Nziramasanga (2019) examines the impact of political instability on revenue collection in Zimbabwe through a mixed-methods study, using surveys and in-depth interviews to reveal that political factors significantly disrupt revenue mobilization efforts. This is echoed by Brew and Wiah (2017) in Liberia, whose qualitative research highlights the importance of stable governance structures and institutional reforms to mitigate revenue collection challenges.

In Zambia, Chileshe et al. (2019) and Mubiru (2018) identify administrative inefficiencies and corruption as critical factors affecting revenue collection efficiency. Chileshe et al.'s mixed-methods study combines quantitative analysis of financial records with qualitative interviews to highlight the need for comprehensive reforms to enhance transparency and accountability. Mubiru's qualitative case study emphasizes the importance of strengthening governance structures to address underlying systemic issues and improve revenue collection efficiency.

Objective 3: To Investigate Factors Affecting Revenue Collection Efficiency

Several factors influence the efficiency of revenue collection, ranging from institutional and administrative to socio-economic and political influences. Hegarty and Maggi (2019) highlight the importance of resource management for economic growth and social development through qualitative research based on case studies from various countries. Their study employs a combination of document analysis and expert interviews to identify effective resource allocation as a critical factor in improving revenue collection efficiency.

In India, Singh and Gupta (2021) examine the implementation of digital payment systems in local government revenue collection through a mixed-methods study. Using surveys to collect quantitative data on revenue trends before and after digitalization, complemented by qualitative interviews with municipal officials, they demonstrate that digital payment systems significantly enhance revenue collection efficiency by reducing leakages and improving transparency. This aligns with the findings of Smith et al. (2016), who highlight the transformative potential of technology in improving fiscal administration in the United States.

In Africa, socio-economic and political factors significantly impact revenue collection. Brew and Wiah (2017) in Liberia emphasize the importance of citizen participation and accountability in revenue collection processes through qualitative research based on interviews and document analysis. Nziramasanga (2019) in Zimbabwe reveals the nuanced dynamics of political instability on revenue collection efficiency through a mixed-methods study, underscoring the need for stable governance structures and institutional reforms.

In Zambia, Mubiru (2018) and Chileshe et al. (2019) identify corruption and political interference as critical factors affecting revenue collection efficiency. Mubiru's qualitative case study, based on interviews and document analysis, emphasizes the need for institutional reforms to enhance transparency and accountability. Chileshe et al.'s mixed-methods study highlights administrative inefficiencies and reliance on central government funds as major barriers to efficient revenue collection, recommending capacity-building initiatives to strengthen administrative efficiency.

Objective 4: To Determine Ways of Improving Revenue Collection in Nchelenge Town Council

Improving revenue collection requires a multifaceted approach, incorporating administrative, technological, and policy reforms. Smith et al. (2016) suggest that adopting advanced technology, such as electronic payment systems and data analytics, can significantly enhance revenue collection efficiency through

quantitative regression analysis. Their findings are supported by Singh and Gupta (2021), who demonstrate the positive impact of digital payment systems on revenue collection efficiency in Indian municipalities through a mixed-methods study.

Jones and Chen (2019) in China recommend public-private partnerships as a strategy to improve revenue collection. Their comparative case study approach, combining quantitative financial data analysis and qualitative interviews, shows that PPPs can provide the necessary investments and expertise to enhance municipal revenue systems. Similarly, Maliamkono et al. (2015) in Tanzania highlight the importance of citizen participation and accountability in revenue collection processes through qualitative research based on focus group discussions and interviews.

In Zambia, Mubiru (2018) and Chileshe et al. (2019) emphasize the need for comprehensive institutional reforms to improve revenue collection. Mubiru's qualitative case study recommends enhancing governance structures to reduce corruption and political interference, while Chileshe et al.'s mixed-methods study suggests capacity-building initiatives to strengthen administrative efficiency. Both studies highlight the importance of reducing dependency on central government transfers to promote local fiscal autonomy and improve revenue collection efficiency.

VI. Research Methodology

Research Approach

The research approach employed in this study is inductive in nature, which is particularly suited for qualitative research. This methodological choice involves the collection and analysis of empirical data without the constraints of pre-formulated hypotheses. Instead, it allows for patterns, themes, and insights to emerge organically from the data gathered from the unique context of Nchelenge Town Council. This approach is essential in understanding the nuanced factors influencing revenue collection efficiency within the local government authority.

According to Creswell (2018), an inductive approach is well-suited for qualitative studies as it allows researchers to build theories and concepts based on the data collected. By engaging deeply with the experiences and perspectives of the stakeholders involved in the revenue collection processes at Nchelenge Town Council, the study aims to uncover underlying issues, challenges, and opportunities that may not be apparent through deductive methods. This bottom-up approach facilitates a rich, detailed understanding of the context-specific dynamics at play, ultimately contributing to the advancement of knowledge in the field of local government revenue collection.

Research Strategy

In order to comprehensively explore revenue collection efficiency, a case study strategy was deemed most suitable for this study. Case studies offer researchers an invaluable opportunity to immerse themselves in real-life contexts, allowing for an in-depth examination of complex phenomena such as revenue collection dynamics within local government authorities (Yin, 2014). By selecting Nchelenge Town Council as the focus of the case study, the research aimed to uncover the nuanced intricacies of revenue collection processes, identify the factors influencing efficiency, and propose potential avenues for improvement.

The case study approach enabled the research to delve deeply into the specific context of Nchelenge Town Council, considering its unique institutional, social, and economic dynamics. By closely examining the council's revenue collection practices, the study sought to uncover both the challenges and opportunities inherent in its operational processes. Through this in-depth analysis, the research aimed to generate insights that could inform policy and practice not only within Nchelenge Town Council but also in similar local government settings facing analogous challenges.

Sampling Frame

The sampling frame encompassed a diverse range of stakeholders directly involved in or affected by revenue collection within Nchelenge Town Council. This included council officials responsible for revenue management, taxpayers, business owners operating within the municipality, and community members utilizing council services. By including stakeholders from various sectors, the study sought to capture a comprehensive understanding of revenue collection dynamics and its impacts.

Sample Size and Sampling Techniques

In this qualitative study, purposive sampling was employed to select participants who could provide rich and detailed insights into the revenue collection processes at Nchelenge Town Council. This method was chosen because it allows for the selection of individuals with specific knowledge and experience relevant to the research objectives, ensuring that the data collected is both relevant and comprehensive. Unlike quantitative research, where sample size is often determined using statistical formulas, qualitative research relies on the

principle of data saturation. Data saturation occurs when additional data collection no longer yields new information or insights, signaling that the sample size is sufficient to address the research questions (Guest, Bunce, & Johnson, 2006).

For this study, the final sample consisted of 75 participants, chosen to reflect a range of roles within the council to capture diverse perspectives on revenue collection efficiency. This approach ensures that the study covers various aspects of the revenue collection process, from strategic oversight to day-to-day management. The sample size was guided by the need to achieve data saturation and to provide a comprehensive understanding of the challenges and opportunities within the council.

Data Collection Techniques

Data collection for this study employed semi-structured interviews with key stakeholders directly involved in revenue collection processes within Nchelenge Town Council. The selection of semi-structured interviews was deliberate, as it offered a balance between guided questioning and the opportunity for participants to express nuanced perspectives freely. Key stakeholders, including council officials, tax assessors, business owners, and community members, were identified and invited to participate in the interviews.

The semi-structured nature of the interviews allowed for in-depth exploration of participants' experiences, perceptions, and insights related to revenue collection efficiency. Questions were carefully crafted to cover various aspects, such as the effectiveness of current revenue collection methods, challenges encountered in the process, perceptions of fairness and transparency, and recommendations for improvement. By engaging directly with stakeholders, the study aimed to capture diverse viewpoints and uncover underlying factors influencing revenue collection practices in Nchelenge Town Council.

Data Analysis

The data analysis for this qualitative study employed thematic analysis, a method well-suited for identifying, analyzing, and reporting patterns or themes within qualitative data (Braun & Clarke, 2006). Thematic analysis allows for a detailed examination of data to uncover meaningful patterns related to revenue collection efficiency at Nchelenge Town Council. This method was chosen for its flexibility and ability to provide a rich, nuanced understanding of complex issues by systematically organizing and describing the data in detail (Braun & Clarke, 2019).

The thematic analysis process involved six key steps:

1. Familiarization with the Data: This initial step involved immersing oneself in the data by reading and re-reading the transcripts to gain a deep understanding of the content and context (Braun & Clarke, 2006). This phase is crucial for identifying preliminary ideas and themes.
2. Generating Initial Codes: The data were then coded systematically. Coding involved segmenting the data into meaningful units and labeling these segments with codes that represent specific aspects of the data (Braun & Clarke, 2019). This process helps in organizing data into manageable chunks.
3. Searching for Themes: Codes were reviewed and grouped into potential themes that capture broader patterns in the data. This step involved collating all the data relevant to each potential theme to ensure that themes are coherent and comprehensive (Braun & Clarke, 2006).
4. Reviewing Themes: The identified themes were then reviewed to ensure they accurately represent the data and that there is a clear relationship between the themes and the dataset as a whole. This involves refining the themes and checking their validity (Braun & Clarke, 2019).
5. Defining and Naming Themes: Each theme was defined and named to reflect its content and significance clearly. This step involves developing a detailed analysis of each theme and ensuring that it provides insight into the research questions (Braun & Clarke, 2006).
6. Writing Up: The final step involved writing a detailed report that presents the findings in relation to the research questions. This report includes an interpretation of the themes and how they contribute to understanding the revenue collection efficiency (Braun & Clarke, 2019).

This systematic approach to thematic analysis provided a structured framework for exploring the complexities of revenue collection within the council, facilitating a thorough and insightful examination of the qualitative data.

VII. Presentation Of Research Findings

To identify the main sources of revenue for Nchelenge Town Council

Thematic Analysis Table

Theme Code Representative Quote

Property Taxes PT "Property taxes are a major source of revenue for the council." (Respondent 1, 2024)

Business Licenses (Respondent 3, 2024)	BL	"We rely heavily on business licenses issued to local enterprises."
Market Fees	MF	"Fees collected from market stalls contribute significantly." (Respondent 2, 2024)
Grants and Transfers	GT	"Government grants and transfers play a crucial role." (Respondent 4, 2024)
New Revenue Sources (Respondent 5, 2024)	NRS	"We are exploring digital service fees as a new revenue stream."

Thematic Analysis

Property Taxes (PT): Respondents consistently identified property taxes as a significant revenue source for Nchelenge Town Council. This finding aligns with broader literature on municipal finance, where property taxes are often a primary and stable source of revenue for local governments. The predictability of property tax revenues allows for better financial planning and stability, which is essential for the council’s budgeting and service delivery.

Business Licenses (BL): Business licenses also emerged as a crucial revenue source. Respondents highlighted the importance of local businesses in contributing to the council's budget through various licensing fees. This revenue stream not only supports the council’s financial health but also encourages formalization and regulation of local businesses, fostering an organized business environment.

Market Fees (MF): The collection of fees from market stalls is another significant contributor to the council’s revenue. Respondents emphasized the importance of local markets as economic hubs. Efficient management of these markets and the associated fees can significantly bolster the council's financial resources. This revenue is vital for maintaining market infrastructure and services, which in turn supports local commerce.

Grants and Transfers (GT): Government grants and transfers are pivotal in supplementing the council's revenue. Respondents noted that these funds are critical for financing large-scale projects and essential services. These external funds often fill the gap between locally generated revenues and the financial requirements for comprehensive service delivery and infrastructure development.

New Revenue Sources (NRS): Emerging revenue sources, such as digital service fees, are being explored to diversify the council’s revenue streams. This proactive approach indicates an understanding of the need to adapt to changing economic conditions and technological advancements. Diversification of revenue sources can reduce the council’s reliance on traditional funding streams and enhance financial resilience.

To explore the efficiency of revenue collection for Nchelenge Town Council

Thematic Analysis Table

Theme	Code	Representative Quote
Current Efficiency (Respondent 6, 2024)	CE	"Our current revenue collection efficiency is moderate but improving."
Collection Mechanisms (Respondent 7, 2024)	CM	"We have automated many of our collection processes." (Respondent 7, 2024)
Successful Practices (Respondent 8, 2024)	SP	"Regular audits have improved transparency and efficiency." (Respondent 8, 2024)
Performance Indicators (Respondent 9, 2024)	PI	"We use collection rates and outstanding balances as KPIs." (Respondent 9, 2024)
Recent Reforms (Respondent 10, 2024)	RR	"Introducing e-payment systems has boosted collection efficiency." (Respondent 10, 2024)

Thematic Analysis

Current Efficiency (CE): The overall sentiment among respondents is that while revenue collection efficiency at Nchelenge Town Council is currently moderate, there are positive signs of improvement. This reflects an ongoing effort to enhance collection processes and tackle inefficiencies. The moderate efficiency level suggests that there is substantial room for improvement, particularly in streamlining processes and adopting new technologies.

Collection Mechanisms (CM): Automation of revenue collection processes has been a significant step forward. Respondents noted that automation reduces manual errors and speeds up transaction times, which are critical for enhancing efficiency. Automated systems facilitate better record-keeping and tracking, ensuring that revenues are collected accurately and timely. This modernization of processes is a clear indicator of the council’s commitment to improving its revenue collection mechanisms.

Successful Practices (SP): Regular audits have been identified as a successful practice that has markedly improved transparency and efficiency. Audits help in identifying discrepancies and areas of improvement, thereby fostering accountability. This practice not only builds trust among stakeholders but also ensures that all due revenues are collected and properly recorded, minimizing losses.

Performance Indicators (PI): The use of key performance indicators (KPIs) such as collection rates and outstanding balances is critical for measuring efficiency. These metrics provide a clear picture of the effectiveness of revenue collection strategies and highlight areas needing attention. By monitoring these indicators, the council can make data-driven decisions to optimize its revenue collection efforts.

Recent Reforms (RR): Recent initiatives, particularly the introduction of e-payment systems, have significantly enhanced revenue collection efficiency. Respondents highlighted that e-payment systems offer convenience for payers and reduce the administrative burden on the council. The positive outcomes of these reforms underscore the importance of embracing technology in modernizing revenue collection processes.

To investigate factors affecting revenue collection efficiency

Thematic Analysis Table

Theme	Code	Representative Quote
Institutional Factors (Respondent 11, 2024)	IF	"Lack of training among staff affects our collection efficiency."
Administrative Factors (Respondent 12, 2024)	AF	"Inadequate administrative processes hamper our efficiency." (Respondent 12, 2024)
Socio-Economic Factors (Respondent 13, 2024)	SEF	"Economic downturns impact our revenue collection efforts." (Respondent 13, 2024)
Political Interference (Respondent 14, 2024)	PI	"Political interference sometimes disrupts our processes." (Respondent 14, 2024)
Corruption (Respondent 15, 2024)	C	"Instances of corruption have undermined our collection efficiency." (Respondent 15, 2024)

Thematic Analysis

Institutional Factors (IF): One of the prominent factors affecting revenue collection efficiency is the lack of adequate training among staff. Respondents pointed out that well-trained personnel are crucial for efficient revenue collection. Gaps in training lead to mistakes and inefficiencies, underscoring the need for continuous professional development and capacity-building programs for staff involved in revenue collection.

Administrative Factors (AF): Inadequate administrative processes also significantly hamper revenue collection efficiency. Respondents highlighted issues such as outdated procedures and bureaucratic hurdles that slow down the collection process. Streamlining administrative processes and updating procedural frameworks are essential steps to mitigate these inefficiencies.

Socio-Economic Factors (SEF): Economic conditions play a critical role in revenue collection. Respondents noted that economic downturns directly impact the ability of businesses and individuals to pay taxes and fees, leading to reduced revenue. This highlights the need for flexible revenue collection strategies that can adapt to changing economic landscapes and support taxpayers during tough economic times.

Political Interference (PI): Political interference is a significant challenge mentioned by respondents. Such interference can disrupt established processes and create inefficiencies. Instances where political agendas override administrative protocols lead to inconsistencies and reduce the effectiveness of revenue collection efforts. This calls for measures to insulate revenue collection processes from undue political influence.

Corruption (C): Corruption is a critical issue undermining revenue collection efficiency. Respondents pointed out that instances of corruption erode public trust and lead to substantial revenue losses. Addressing corruption through stringent anti-corruption measures, transparent practices, and accountability mechanisms is essential for improving revenue collection efficiency.

To determine ways of improving on revenue collection in Nchelenge Town Council

Thematic Analysis Table

Theme	Code	Representative Quote
Strategies for Improvement (Respondent 16, 2024)	SI	"Implementing automated systems could significantly improve efficiency." (Respondent 16, 2024)
Leveraging Technology (Respondent 17, 2024)	LT	"Technology, especially e-payment platforms, is key to improving collection." (Respondent 17, 2024)
Community Engagement (Respondent 18, 2024)	CE	"Engaging the community ensures compliance and improves collections." (Respondent 18, 2024)
Policy Changes (Respondent 19, 2024)	PC	"Revising outdated policies will enhance our revenue collection framework." (Respondent 19, 2024)
Best Practices (Respondent 20, 2024)	BP	"We can learn from best practices in other councils and countries." (Respondent 20, 2024)

Thematic Analysis

Strategies for Improvement (SI): Implementing automated systems is identified as a key strategy for enhancing revenue collection efficiency. Respondents believe that automation reduces human error, expedites processes, and ensures accurate record-keeping. This strategy involves investing in technology that can streamline and standardize revenue collection practices across the council.

Leveraging Technology (LT): Technology, particularly e-payment platforms, is seen as crucial for improving revenue collection processes. Respondents highlighted that e-payment systems offer convenience for citizens and efficiency for the council. These platforms can handle large volumes of transactions with minimal errors, making the collection process more efficient and user-friendly.

Community Engagement (CE): Community engagement is essential for improving revenue collection. Respondents emphasized that educating and involving the community fosters a sense of responsibility and compliance. When citizens understand the importance of paying taxes and fees, and see the tangible benefits of their contributions, they are more likely to comply voluntarily, leading to improved revenue collection.

Policy Changes (PC): Revising and updating outdated policies is another crucial step for enhancing the revenue collection framework. Respondents noted that clear, current policies provide a solid foundation for effective revenue management. These changes ensure that the council's revenue collection practices are aligned with modern economic activities and legal standards.

Best Practices (BP): Adopting best practices from other councils and countries can provide valuable insights and strategies for improving revenue collection. Respondents suggested learning from successful models to implement tried-and-tested methods. This approach allows Nchelenge Town Council to benefit from the experiences and innovations of other municipalities, leading to more effective and efficient revenue collection processes.

VIII. Discussion Of Findings

To identify the main sources of revenue for Nchelenge Town Council

The findings from the thematic analysis reveal that the primary sources of revenue for Nchelenge Town Council include property taxes, business licenses, market fees, grants and transfers, and new revenue sources such as digital service fees. This identification aligns with global and regional literature, emphasizing the significance of diversified revenue streams for local governments.

Property Taxes (PT): The prominence of property taxes as a major revenue source for Nchelenge Town Council is consistent with global trends where property taxes serve as a stable and predictable revenue base. According to Kumar and Ahmed (2018), property taxes are a fundamental component of municipal revenue in developing countries. They highlight that effective property tax collection relies heavily on administrative capacity and robust infrastructure, which allows for accurate property valuation and efficient tax administration. In the context of Nchelenge, improving the administrative mechanisms for property tax collection could further stabilize the council's revenue stream.

Business Licenses (BL): The reliance on business licenses mirrors findings from various studies that underscore the importance of such fees in local government finance. Licensing fees not only generate revenue but also regulate and formalize business activities within the municipality. As highlighted by Smith et al. (2016), the use of technology can enhance the efficiency of business license issuance and fee collection, a strategy that could be beneficial for Nchelenge Town Council to adopt.

Market Fees (MF): Market fees represent a significant portion of the council's revenue, reflecting the economic role of local markets as hubs of commerce. The literature, such as the study by Brew and Wiah (2017) in Liberia, underscores the importance of efficient market management and fee collection systems. By investing in better infrastructure and management practices for local markets, Nchelenge can enhance its revenue from this source, similar to the approaches observed in other African municipalities.

Grants and Transfers (GT): The critical role of government grants and transfers is well-documented, with studies like those of Chileshe et al. (2019) highlighting the heavy reliance of Zambian local governments on central government funds. While these funds are essential for financing large-scale projects, over-dependence can undermine local fiscal autonomy. Therefore, Nchelenge Town Council should strive to balance these external funds with increased local revenue generation.

New Revenue Sources (NRS): Exploring new revenue streams, such as digital service fees, indicates a forward-thinking approach by the council. The shift towards digitalization is in line with global best practices where technology is leveraged to enhance revenue collection efficiency. Singh and Gupta (2021) demonstrate the positive impact of digital payment systems in Indian municipalities, suggesting that similar innovations could benefit Nchelenge by diversifying its revenue base and improving collection efficiency.

To explore the efficiency of revenue collection for Nchelenge Town Council

The efficiency of revenue collection at Nchelenge Town Council is influenced by several factors including current efficiency levels, collection mechanisms, successful practices, performance indicators, and recent reforms.

Current Efficiency (CE): Respondents noted that while the current efficiency of revenue collection is moderate, it shows signs of improvement. This incremental progress is crucial as it indicates that the council is actively working on enhancing its processes. Smith et al. (2016) highlight that efficiency improvements can be achieved through systematic reforms and technological adoption, suggesting that Nchelenge is on a positive trajectory.

Collection Mechanisms (CM): The automation of collection processes is a significant advancement for the council. Automated systems reduce errors and increase transaction speed, leading to higher efficiency. This finding aligns with the literature, such as the study by Jones and Chen (2019), which emphasizes the role of technology in streamlining revenue collection. Nchelenge's move towards automation reflects a global trend of modernizing municipal finance systems.

Successful Practices (SP): Regular audits have been effective in improving transparency and efficiency. Audits help identify discrepancies and areas for improvement, fostering accountability. This practice is consistent with best practices in municipal finance, where regular financial reviews ensure that revenue collection is accurate and efficient. By institutionalizing regular audits, Nchelenge Town Council can sustain and enhance its revenue collection efficiency.

Performance Indicators (PI): The use of key performance indicators (KPIs) such as collection rates and outstanding balances is essential for monitoring and improving efficiency. These indicators provide a clear measure of the council's performance and highlight areas needing attention. As noted by Brew and Wiah (2017), effective use of KPIs allows for data-driven decision-making, which is crucial for continuous improvement in revenue collection.

Recent Reforms (RR): The introduction of e-payment systems has significantly boosted revenue collection efficiency. E-payment platforms offer convenience for payers and reduce administrative burdens. This reform aligns with findings from studies like Singh and Gupta (2021), who demonstrated the positive impact of digital payment systems on revenue collection efficiency in Indian municipalities. For Nchelenge, continued investment in digital infrastructure will likely yield further improvements in efficiency.

To investigate factors affecting revenue collection efficiency

Several factors influence the efficiency of revenue collection for Nchelenge Town Council, including institutional, administrative, socio-economic factors, political interference, and corruption.

Institutional Factors (IF): The lack of adequate training among staff is a significant barrier to efficient revenue collection. Well-trained personnel are crucial for effective implementation of collection processes. This finding aligns with the broader literature, such as the study by Hegarty and Maggi (2019), which highlights the importance of capacity building for improving revenue collection efficiency. Investing in continuous professional development for staff can address this gap.

Administrative Factors (AF): Inadequate administrative processes also hamper efficiency. Respondents highlighted outdated procedures and bureaucratic hurdles as key issues. This is consistent with findings by Mubiru (2018), who identified similar challenges in Zambian local governments. Streamlining administrative processes and updating procedural frameworks are essential steps for improving efficiency.

Socio-Economic Factors (SEF): Economic downturns impact the ability of businesses and individuals to pay taxes and fees, leading to reduced revenue. This finding is in line with Nziramasanga (2019), who examined the effects of economic instability on revenue collection in Zimbabwe. Flexible revenue collection strategies that can adapt to changing economic conditions are necessary to mitigate these impacts.

Political Interference (PI): Political interference disrupts established processes and reduces efficiency. Respondents noted that political agendas often override administrative protocols, leading to inconsistencies. This aligns with Brew and Wiah (2017), who emphasized the need for stable governance structures to ensure effective revenue collection. Measures to insulate revenue collection from political influence are crucial for maintaining efficiency.

Corruption (C): Corruption significantly undermines revenue collection efficiency. Instances of corruption erode public trust and lead to substantial revenue losses. Mubiru (2018) highlighted the pervasive impact of corruption on revenue collection in Zambia, emphasizing the need for stringent anti-corruption measures. Implementing transparent practices and accountability mechanisms is essential for addressing this issue.

To determine ways of improving on revenue collection in Nchelenge Town Council

Improving revenue collection requires a multifaceted approach, incorporating administrative, technological, and policy reforms, as well as community engagement and learning from best practices.

Strategies for Improvement (SI): Implementing automated systems is identified as a key strategy for enhancing efficiency. Automation reduces human error and expedites processes, ensuring accurate record-keeping. This strategy aligns with the findings of Smith et al. (2016), who emphasized the benefits of adopting advanced technology in revenue collection.

Leveraging Technology (LT): Technology, particularly e-payment platforms, is crucial for improving revenue collection processes. E-payment systems offer convenience for citizens and efficiency for the council. Singh and Gupta (2021) demonstrated the positive impact of such systems in Indian municipalities, suggesting similar benefits for Nchelenge.

Community Engagement (CE): Engaging the community ensures compliance and improves collections. Educating and involving citizens fosters a sense of responsibility and encourages voluntary compliance. Brew and Wiah (2017) highlighted the importance of citizen participation in revenue collection processes. By enhancing community engagement, Nchelenge can improve its revenue collection efforts.

Policy Changes (PC): Revising outdated policies is crucial for enhancing the revenue collection framework. Clear, current policies provide a solid foundation for effective revenue management. Chileshe et al. (2019) emphasized the importance of comprehensive reforms to align revenue collection practices with modern economic activities and legal standards.

Best Practices (BP): Learning from best practices in other councils and countries can provide valuable insights and strategies. Adopting successful models allows Nchelenge to implement tried-and-tested methods, leading to more effective and efficient revenue collection processes. This approach aligns with the recommendations of Jones and Chen (2019), who highlighted the benefits of comparative analysis and knowledge sharing in improving municipal finance systems.

IX. Conclusions

The study on revenue collection efficiency at Nchelenge Town Council has revealed several critical insights into the sources of revenue, the current state of collection efficiency, the factors affecting this efficiency, and potential strategies for improvement. Property taxes, business licenses, market fees, government grants and transfers, and emerging revenue streams such as digital service fees were identified as the primary sources of revenue. These findings align with broader municipal finance literature, emphasizing the importance of diversified and stable revenue sources for effective local governance and service delivery. The predictability of property tax revenues and the formalization benefits of business licenses highlight the council's need to strengthen administrative capacity and infrastructure.

Despite moderate efficiency in revenue collection, the council has shown a commitment to improvement through automation and recent reforms such as the introduction of e-payment systems. Regular audits and the use of key performance indicators are instrumental in fostering transparency and accountability, which are crucial for enhancing efficiency. However, the study also identified several challenges, including inadequate training of staff, outdated administrative processes, socio-economic conditions, political interference, and corruption. Addressing these issues requires targeted interventions, including continuous professional development, process streamlining, flexible revenue strategies, and robust anti-corruption measures.

The study concludes that improving revenue collection efficiency at Nchelenge Town Council necessitates a comprehensive and multifaceted approach. Implementing automated systems and leveraging technology, particularly e-payment platforms, are pivotal strategies for modernization and efficiency gains. Engaging the community to foster compliance and revising outdated policies to reflect current economic realities are essential steps. Furthermore, learning from best practices in other councils and countries can provide valuable insights for effective revenue management. By addressing the identified challenges and implementing these strategies, Nchelenge Town Council can significantly enhance its revenue collection efficiency, thereby improving its financial health and capacity to deliver essential services to its constituent.

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