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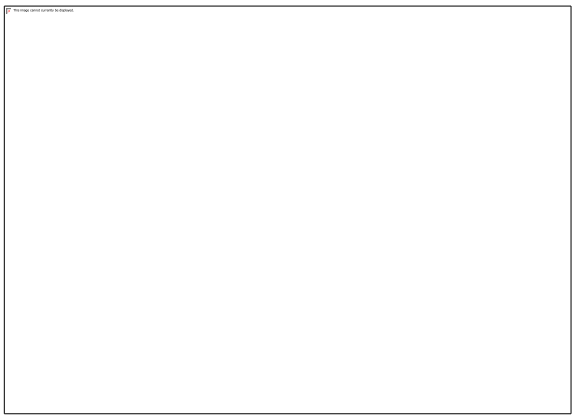

RESEARCH PROJECT

ASSESS FACTORS CONTRIBUTING TO LOW REVENUE COLLECTION IN RURAL DISTRICT COUNCILS. A CASE STUDY OF THE PFURA RURAL DISTRICT COUNCIL

Name: Mitchelle Tseriwa

Registration number: B222711B

A DISSERTATION SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE BACHELOR OF ACCOUNTANCY HONOURS DEGREE OF BINDURA UNIVEERSITY OF SCIENCE EDUCATION.

SUPERVISOR: MR MASINIRE

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RELEASE FORM

Name of student:	B222711B
Title of the research project:	Assess factors contributing to low revenue collection in Rural District Councils. A case study of Pfura Rural District Council.
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DECLARATION

I, Mitchelle Tseriwa, confirm that this research report arose from my individual research efforts, except where cited within the acknowledgements, bibliography or via commentary throughout this report, and that it was not submitted previously, wholly or in any form, for any other degree from any university.

Name of student **Mitchelle Tseriwa**

Date **June 2026**

APPROVAL FORM

By signing this form, I acknowledge that Bindura University of Science Education has read and endorsed the project entitled ***"Investigating Factors Contributing to Low Revenues for Rural District Councils"*** Project submitted by: B222711B in order to obtain fulfillment of the Bachelor of Accountancy Honours Degree.

Student	Signature	Date
Mitchelle Tseriwa		22/06/2026
Supervisor	Signature	Date
Mr Masinire		26/08/2026
Chairperson	Signature	Date
Mr Manyani		26/08/2026

DEDICATIONS

I want to dedicate the study to my parents, workmates and friends for their constant encouragement to be able to think, understand and express myself. Without their inspiration, guidance and support it would not have been possible for me to do this research.

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I would like to thank God, University officials and Pfura District Council for your generosity in authorizing this research. Thank you to my family and friends for your assistance throughout this journey. I extend wish to also expressed my gratitude to Mr. Masinire my supervisor for allowing me to undertake this research and all of the guidance and assistance he provided me with to successfully develop and complete my research findings.

ABSTRACT

This study aims to investigate the causes of limited revenue generation in rural councils, using Pfura Rural Council as a case study. Ongoing challenges with revenue collection have degraded the council's financial position and its ability to provide essential services to the community. This is a significant issue for the council. The study seeks to identify the problems involved in collecting revenue and how they affect the council's financial standing. Another aim is to evaluate the council's current revenue collection practices and examine how collecting revenue from the community will help maintain the ongoing financial stability of rural councils. The research was conducted using a case study methodology, employing both quantitative and qualitative approaches to explore the researcher's problem areas. The study targeted 60 respondents working at the rural district council. A Raosoft sampling calculator was used to determine a sample size of 53. Random and stratified sampling techniques were used in this study. The findings indicate that inadequate revenue collection negatively impacts the council's financial performance, the level of service provision, and overall financial sustainability. The key recommendations made by the research were to implement a computerized revenue collection system, develop effective strategies for raising and managing debt, and deliver more public awareness programs to improve taxpayers' compliance, enhance service delivery, and increase revenue generation.

Key terms: Revenue collection, financial sustainability, financial performance, revenue collection systems, taxpayer compliance, Pfura Rural District Council.

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CHAPTER I

INTRODUCTION

1.0. Introduction

This chapter provides an overview of revenue collection issues worldwide, examining them at levels global, continental, regional, national, and local. The chapter includes a statement of the problem, research objectives, a statement of hypotheses, the significance of the study, an explanation of how assumptions, limitations, and delimitations may relate to this study, and a definition of terms for use in this study.

1.1. Background to the Study

Studies across the world suggest that low revenue collection is the result of a range of factors that are interrelated. The World Bank and the International Monetary Fund report (2025) shows that weak governance systems, corruption, accountability weaknesses, inefficient billing systems, tax evasion and absence of technological infrastructure remain a threat to the performance of local governments in many countries in terms of revenue generation. Research in India, Indonesia, Brazil and the Philippines has revealed that many local governments use legacy revenue collection processes with manual methods, which allow for revenue leakages and financial mismanagement (Chitalu, 2024). In many rural areas, residents are reluctant to pay taxes and service fees due to the weak performance and lack of accountability of local governments (Motshwene, 2024). Poor policy implementation and political interference reduce the efficiency of local revenue administration systems in some instances (Mwiinde, 2024). The issues facing the world have led to governments, policy makers and academics to constantly pursue research into why revenues are not being collected and to seek ways to improve financial sustainability at the local level.

In Africa, financial resource mobilization is one of the biggest challenges in the administration of local government and rural development (Shilenge, 2025). Decentralization policies have been incorporated in many African countries to decentralize administrative and financial responsibilities from a central government to local governments (Sinjwala, 2024). Local governments were

expected to marshal local resources to best meet local needs efficiently and effectively. The reforms, however, have failed to transform the situation of rural local authorities in Africa, such that most of them face poor revenue collection, which hinders their ability to provide basic services and undertake development initiatives (Omweri, 2024). There is also a high level of poverty, unemployment, poor institutionalization and few economic activities in the rural areas, which makes the situation worse (Katadatu, 2024).

Research conducted in Nigeria and Kenya has shown that corrupt practices in local governments affect revenue collection, while improper financial management, lack of well-trained staff, and taxpayer education, as well as enforcement systems, are all shortcomings in the collection process (Dorasamy, 2024). The Nigerian government has faced accountability issues and revenue leakages because of corruption among its revenue collectors. Manual collection systems, political interference, and refusal by residents to pay rates and levies remain challenges for rural county governments in Kenya (Nyirongo, 2024). Evidence from the studies conducted in Uganda and Tanzania indicate that the capacity of the institutions in the tax administration, as well as transparency in the process, renders citizens less trusting of the administration and less likely to pay taxes (Victor, 2024). Moreover, the revenue generated within local governments is often not enough to meet their needs, thus relying on grants and transfers, which is especially true in Africa.

Economic instability, unemployment, inflation, and poor economic productivity in the Southern African region remain to be a recurring challenge to local governments' financial health (Iddrisu, 2026). In Zambia, Malawi, Mozambique, and South Africa, rural district councils have faced difficulties with maintaining sufficient revenue sources to support their operations and delivery of services (Yu, 2024). The economic situation of many local authorities in the region is challenging due to low industrial activity, low household incomes and high poverty rates, which all harm the income that can be generated in terms of tax and service charges paid by the residents of these local authorities (Nkhata, 2025). This has led councils to often be unable to fund the development of infrastructure, roads, waste management and water supply services.

Poor debt recovery systems, lack of monitoring of revenue collectors, and weak accountability systems were found to cause substantial revenue leakages in rural councils in Zambia (Chitalu, 2024). The shortfalls in revenue have been affecting local authorities in Malawi, which suffer from

weak administrative systems and a lack of compliance by the taxpayers. Even though municipalities in South Africa have relatively sophisticated revenue collection systems, they have faced problems of non-payment of municipal rates, corruption and political interference in the administration of municipal spending (Dorasamy, 2024). Moreover, economic crisis in some Southern African countries has led to a decline in business activities and job creation, which in turn has affected the tax base for local governments (Omweri, 2024). The regional experiences highlight that the availability of low revenues continues to be a significant challenge to local governance and rural development, and that more studies are needed to find sustainable options for revenue enhancement.

Local governments have a pivotal role in facilitating rural and urban development by providing public services and managing community development projects in Zimbabwe (Takawira, 2025). Under the Rural District Councils Act [Chapter 29:13], the rural district councils were set up to enable decentralized governance and better service delivery in rural areas. These councils expect that they will raise revenue through rates, levies, licenses, rentals, user charges and other local taxes (Ndlovu, 2025). But over the years, government revenue collection has been a problem in many rural district councils in Zimbabwe because of Zimbabwe's prolonged economic challenges. The capacity of the residents and businesses to pay their financial obligations to local authorities (Dorasamy, 2024) has been significantly reduced due to economic decline, inflation, company closures, unemployment and increasing poverty levels.

Based on the findings of a few studies done in Zimbabwe, weak financial management systems and corruption amongst rural district councils are partly to blame for failure to collect adequate revenue, while outdated billing systems and ineffective enforcement measures are also cited (Tashu, 2024). In the districts of Chivi, Gokwe, Beitbridge, Mudzi and others, residents were found to be reluctant to pay council charges due to their dissatisfaction with the services offered and a lack of accountability regarding the council's services (Chitalu, 2024). To date, a lot of councils still use manual collection systems for revenue, which opens the doors for revenue leakages and fraud. Low levels of staff training, inadequate supervision of revenue collectors and inadequate internal control systems have also been responsible for the poor revenue performance in many councils in Zimbabwe (Chigutei, 2026). In Zimbabwe, the majority of the rural district councils have not been able to maintain roads, water systems, clinics and schools, etc.

In Zimbabwe, most rural district councils have not been able to maintain roads, water systems, clinics and schools. Further research studies are needed to address these challenges. The council's senior councilors have voiced their concern over the revenue collection problems and inability to collect revenue as planned by the council for the period of 2023 to 2025 in the Pfura Rural District Council. The revenue collection performance decreased from about 68% in 2023 to nearly 61% in 2024 before dropping further to about 54% in 2025 (Financial review report, 2025). Over the same period, debtor arrears are reported to have risen by over 20% and revenue received from rates, levies and business licenses has fallen precipitously, as people have gone into arrears, businesses have closed up and there has been a marked reduction in economic activities within the district (Operational performance report, 2024). This revenue reduction pattern has significantly made the council management worried about the council's financial sustainability and operational efficiency.

Revenue collection remains low in 2023-25, which is said to have caused the slowdown in the delivery of services and failure to complete infrastructure development projects in the district. Poor funding has resulted in insufficient development project completion rates of more than 45% in 2023, nearly 52% in 2024 and around 58% in 2025, according to internal audit reports (2026). During the same time, it is said service delivery efficiency in other areas like water supply, refuse collection and road maintenance has worsened by nearly 35%. Issues of revenue leakages due to inefficiency of manual processes, poor debt recovery, corruption, and inadequate monitoring of revenue collectors have also been raised (Financial review report, 2025). Although these trends observed in the revenue collection from 2023 to 2025 show a declining revenue situation, there is little empirical research specifically investigating the factors driving low revenue collection at Pfura Rural District Council. Further research was felt to be necessary for the above-mentioned issues.

1.1. Statement of the problem

Pfura Rural District Council has been facing chronic problems with the collection of revenues, impacting financial sustainability and capacity to deliver services. Due to the rising of debtor arrears, non-payment of rates and levies by the residents, reduction in economic activities and business closures in the district, Council has reportedly not met its revenue targets. This has posed

challenges in funding operations, efficient operation of infrastructure and development of community projects. The issue also has been linked to outdated manual revenue collection systems, inadequate debt recovery systems, corruption and low compliance levels by taxpayers. There are reportedly deteriorations in service delivery in various services including road maintenance, refuse collection, water supply, and development of infrastructure. There is little empirical evidence specifically looking at the causes of the poor revenue collection performance at Pfura Rural District Council, despite the presence of these problems. This compelled the need to carry out this research.

1.2. Purpose of the study.

This study aims to find out the causes of low revenue collection in rural district councils, with Pfura Rural District Council as a case study. The study sought to attain the following sub-research objectives:

1.2.1. To examine factors contributing to low revenue collection at Pfura Rural District Council.
1.2.2. To examine the effects of low revenue collection on the financial performance of Pfura Rural District Council.
1.2.3. To assess the effectiveness of the revenue collection systems used by Pfura Rural District Council.
1.2.4. To determine the effects of revenue collection on the financial sustainability of Pfura Rural District Council.

1.3. Research question(s)

1.3.1. What are the factors contributing to low revenue collection at Pfura Rural District Council?
1.3.2. How does low revenue collection affect the financial performance of Pfura Rural District Council?
1.3.3. What is the effectiveness of the revenue collection systems used by Pfura Rural District Council?
1.3.4. What are the effects of revenue collection on the financial sustainability of Pfura Rural District Council?

1.4. Statement of the hypothesis

HO: Revenue collection has no impact on service delivery at Pfura Rural District Council.

H1: Revenue collection has an impact on service delivery at Pfura Rural District Council.

1.5. Significance of the study

1.5.1. To Pfura Rural District Council

The study may provide the Pfura Rural District Council with insights on how to improve its processes and systems used to generate revenue, recover outstanding debts and provide financial sustainability to the organization. The study results may also enable the council to improve its internal controls and reduce revenue leakages while also providing better service delivery for the community.

1.5.2. To Policymakers

The research findings may assist policymakers with the development of policies and make informed decisions relating to the improvement of financial management systems within local government in Zimbabwe**,** improving accountability, transparency and efficiency in how local governments are managed.

1.5.3. To the Researcher

The research study can enable the researcher to develop an understanding and the knowledge related to research methodology; collection, analysis and interpretation of data; as well as to provide insight to the researcher regarding public finance, revenue collection and service delivery in rural district councils.

1.5.4. To the University

The study should contribute to the body of knowledge related to revenue collection and the management of public funds in rural district councils. The study can serve as a reference source for students and lecturers in the field.

1.6. Assumptions

1.6.1. It was presumed that respondents were truthful and accurate in the data collection process.

1.6.2. The information from Pfura Rural District Council records and reports was assumed to be accurate and pertinent to the study.

1.6.3. The study takes the view that the factors found in the study had a direct impact on revenue collection at Pfura Rural District Council.

1.6.4. The assumption was that the experience and opinion of the sample selected was indicative of the target population.

1.7. Delimitations of the study

The study was delimited to Pfura Rural District Council and focused on revenue collection and its implications for the council's financial performance. The study specifically targeted revenue collectors, management, councilors, and other relevant stakeholders involved in revenue collection and financial management within the council. The study covered the period from 2023 to 2025, during which Pfura Rural District Council experienced challenges associated with low revenue collection. Conceptually, the study was delimited to examining the factors contributing to low revenue collection and assessing how these factors affected the financial performance of Pfura Rural District Council. The study therefore focused specifically on revenue collection-related factors and their implications for the council's financial performance, rather than examining the broader financial management activities of the council.

1.8. Limitations

1.8.1. Confidentiality - some respondents were hesitant to give data on the grounds of confidentiality and fear of sharing the weaknesses of the council internally. In response, the researcher explained to the respondents that the information would be kept confidential and would only be used for academic purposes.

1.8.2. Consent - The researcher encountered problems in obtaining consent from some respondents due to busy schedules and fear of being victimized. Formal permission was sought from council management and the purpose of the study was well explained to the respondents to reduce this constraint.

1.8.3. Limited time -The researcher had limited time to complete a lot of fieldwork and sample. The researcher adopted a research timetable and conducted activities of data collection properly.

1.9. Definition of terms

1.9.1. Revenue collection is the practice of local authorities in collecting revenue from fees, charges, rates, taxes, licences and services to cover their costs and development. Quality public services and good infrastructure can only be achieved if revenue is collected efficiently (Chitalu, 2024).

1.9.2. Revenue collection systems are systems and processes in place for an organization to collect, record, monitor and manage revenue. These systems aid in enhancing accountability minimize revenue leakages (Katadatu, 2024).

1.9.3. Debt recovery mechanisms are those strategies and procedures that are used by an organization to recover outstanding payments from debtors. Effective debt recovery tools help businesses enhance their cash flow and financial stability (Mwiinde, 2024).

1.9.4. Service delivery is the delivery of public services, including road maintenance, water supply, refuse collection, infrastructure development and the like by a local authority. Good service delivery enhances the quality of life in the community (Ndlovu, 2025).

1.10. Summary.

This chapter provides information on the issue of revenue collection. It starts with a discussion of worldwide, continental, regional, national and local perspectives of the revenue collection process. There is also a discussion of the problem statement, research objectives, statement of hypothesis, significance of study, assumptions, delimitations and limitations and definitions of terms. The research identified that low levels of revenue collection have a major impact on financial sustainability and services to users in Pfura Rural District Council. Therefore, the need for the study has been established.

CHAPTER II

LITERATURE REVIEW

2.0. Introduction

The related literature on the factors contributing to the low revenue collection in the rural district Councils in the study area is reviewed. The chapter analysed the thoughts and opinions of previous scholars and researchers regarding revenue collection and financial management in local authorities. It also reviewed the literature, both theoretical and empirical, to gain a better understanding of the study and the gaps in the literature. Additionally, the chapter introduced the theoretical framework, the conceptual framework and a chapter summary.

2.1. Theoretical literature review

Systems and institutional theory were covered in this chapter.

2.1.1 Systems theory

In the 1940s, the general systems theory developed by Ludwig von Bertalanffy led to the creation of Systems Theory. The theory explains that an organization is made up of several interconnected parts that work together to achieve common goals and objectives. Based on the theory, each department in an organization plays a certain role, but all departments need to work together to make the organization work well (Chong, 2023). Rural district councils have departments that are interrelated and work towards the effective delivery of services and revenue collection, including finance, administration, engineering, human resources and public relations. Thus, the performance of one department will impact on the performance of the entire council system (Yu, 2023). The theory is based on the premise that good revenue collection is achieved through the smooth coordination of institutional systems, resources, employees and working procedures.

The proper system of billing, efficient communication and facilities for transportation, trained staff, and the establishment of a management system are needed for collecting revenue in rural district councils (Javanmardi, 2023). The Systems Theory also readers that there are internal and

external environmental factors that impact organizations (Ozili, 2026). Internal factors include management efficiency and availability of equipment, while external factors include population growth and community attitudes towards council operations (Yang, 2023). Rural district councils are frequently in challenging circumstances with poor roads, remote communities, low levels of infrastructure development and low incomes for residents. All the above challenges make it hard for councils to reach all ratepayers and to effectively collect revenue (Abdullahi, 2026).

In the practical aspect, many rural district councils have low revenue collection due to poor operational systems (Chigutei, 2026); this is certainly the case in Kenya. Others have a shortage of transport to reach some remote communities, and others have an outdated manual billing system where information is lost and prone to error. There can also be problems with coordination between departments, which can lead to late billing, inadequate follow-up on overdue accounts, and inadequate customer service. When bills are not paid on time or when the council and community do not communicate effectively residents could be getting the message that they should not pay the rates (Kast, 2025).

Operational weaknesses mean that revenue collection systems are less efficient and have a negative impact on council income. The value of systems theory for this study is that it can describe the relationship between revenue collection problems in the institutions and operational inefficiencies. The theory allows the researcher to gain an understanding of how lack of staff, lack of transport, poor coordination between departments, weak communication systems and poor billing procedures impact the council's rate and levy collection. The applicability of the theory in this research is perceived as a practical tool for examining the effectiveness of internal systems that are implemented in the process of revenue collection (Panahandehpour, 2023). The theory would be helpful to analyze whether administrative inefficiencies and resource constraints are significant factors in the low revenue collection in the study. This theory suggested the need for more research studies.

2.1.2 Institutional Theory

John Meyer and Brian Rowan came up with the Institutional Theory in the 1970s. The theory is based on the premise that organizations follow certain rules, structures, norms and procedures that direct their activities and shape their performance (Abdullahi, 2026). Institutions are effective

when they are well-governed with clear operations, accountability and professional standards. In local governments like a rural district council, institutional arrangements shape the collection, management and use of revenue to finance service provision as well as development (Amanda, 2024). The theory is that if an organization has good institutional systems, it will have a better chance of effectively accomplishing its goals, whereas an organization without good governance systems will have poor performance (Chigutei, 2026). Revenue collection in rural district councils is dependent on effective financial management systems, competent staff, transparency and enforcement of the council by-laws. The Councils expect that they have proper processes set in place for residents to be billed, they are able to collect their payments, record the transactions, and follow up with the defaulters (Chitalu, 2024).

Additionally, there is a need for effective supervision of revenue officers and proper monitoring of council funds to ensure there is accountability and efficiency in the revenue collection processes. The Institutional Theory also explains that the weakness of the institutions may be due to corruption, political interference, lack of accountability, poor leadership, and ineffective policy implementation (Chong, 2023). These deficiencies have adverse impacts on councils' capacity to ensure adequate revenue collection and management. Rural district councils may have corrupt revenue collectors, which can lead to funds being misappropriated or revenue not being reported (Dong, 2023). Political interference can also hinder councils from collecting rates and levies from defaulters, and particularly be an obstacle to collecting rates and levies from influential community members. This undermines people's trust in the council and affects the ability of revenue collection systems (Javanmardi, 2023).

From a practical perspective, if governance and administrative issues are poor, then the rural district council may not be able to generate enough revenue. There are councils that do not have up-to-date financial policies and effective auditing processes, making it hard to monitor what is happening in the revenue collection processes (Iddrisu, 2026). Poorly trained revenue collection agents can also result in customer service issues, incorrect billings and weak debt collection workflows. Residents can also opt out of paying rates if they feel that the council is not using the funds correctly, or if they don't see any developments in their communities (Chong, 2023). Non-transparency and lack of accountability, therefore, make it less likely that council residents do what they are supposed to do.

Institutional theory is relevant in this study because it helps to explain the factors affecting revenue collection in terms of governance and institutional weaknesses (Nkhata, 2025). The theory allows the study to examine the impact of corruption, ineffective leadership, lack of accountability and failure to enforce council by-laws on rate and levy collection (Amanda, 2024). The relevance of the theory to the study is that it gives a practical tool to use to determine the strength and effectiveness of the council's institutional systems. The theory can be applied in the study to investigate if poor governance structures, weak supervision and weak financial management systems are driving low revenue collection (Chigutei, 2026). The theory also helps in the identification of institutional reforms to improve transparency in council operations to boost revenue collection performance.

2.2. Factors contributing to low revenue collection at rural district councils.

2.2.1. The poor billing and record-keeping system

The revenue collection problems of rural district councils can be attributed to a number of factors, one of which is poor billing and record-keeping systems. While many councils continue to use manual payment records, invoice management, and resident and business details, these systems are inefficient (Motshwene, 2024). Such manual techniques are frequently time consuming, prone to error, and can lose or have information altered, lost, or misplaced. Some councils do not have up-to-date databases of properties, households, and commercial activity in their areas (Sililo, 2024). This means that some residents and businesses are missing from the billing system, which results in the loss of potential revenue. Ineffective billing systems also cause delays in issuing bills and informing residents about unpaid bills (Kapasa, 2026). Not receiving bills timely or incorrect information may be the reason some residents cannot pay rates and levies.

Council property records are inaccurate, bills have been duplicated and the calculation process for revenue errors creates arguments between council and residents, leading to a loss of trust in the revenue collection process. These vulnerabilities make the implementation of the law difficult and contribute to the high rate of non-payment of accounts among rural district councils (Mwiinde, 2024). Lack of record-keeping also impacts councils' ability to track payment trends and flag defaulters. Councils have a difficult time tracking down outstanding arrears and enforcing

obligations for payment where there are no financial records (Chigutei, 2026). Revenue officers might have more time devoted to gathering missing data than to collection time. Sometimes, the problem with inadequate records leaves the door open for corruption and manipulation of financial records by unscrupulous employees (Chong, 2023). These inefficiencies lead to a less accountable council and diminish council revenue systems.

Poor revenue administration in many rural district councils is also caused by the absence of digital technologies and computerized systems. Some councils are not equipped with computers, the Internet or electronic payment systems that allow them to be efficient in revenue management (Dong, 2023). The payment of council charges may not be achieved in time or may not be paid by residents in remote areas due to payment service problems. While modern billing systems are crucial for enhancing accuracy, tracking payments, and minimizing administrative mistakes, they are not always accessible due to financial constraints in rural areas (Iddrisu, 2026). Inappropriate billing and record-keeping practices have a negative impact on revenue collection because they detract from these rural district councils' efficiency, administrative efficiency, and accountability. Poor billing practices, out-of-date systems, and mistakes in billing records are among the factors that lead to low billing compliance among both residents and businesses (Chong, 2023). Failure to enhance record management systems in councils can lead to increasing arrears and financial instability, making it challenging to provide services and develop projects (Sililo, 2024).

2.2.2 Economic hardships among residents

The economic difficulties of local people are a major factor in the low-income generation of rural districts' councils. Subsistence agriculture, informal trading and seasonal employment are the main sources of livelihood for most of the rural people (Dong, 2023). These economic activities create low and unreliable incomes, which in turn makes it hard for residents to meet financial obligations to councils. Households are faced with financial constraints during dry periods, bad harvests, when there is inflation or joblessness, and they allocate their funds to necessities like school fees, food, healthcare and other essentials, leaving less money for council rates and levies as opposed to paying these during normal times (Abdullahi, 2026). In many rural areas, an unstable economic situation reduces residents' capacity to pay for services. When agricultural production is reduced because of climate change and/or inadequate rains, households become income deficient, and they

are unable to raise the necessary resources to pay development levies and service charges (Amanda, 2024). Small-scale businesses in rural areas can also find it hard to continue in bad economic times, thus having less revenue from business licenses and commercial operations. Economic instability consequently has a direct impact on the finances of its residents and businesses within the council's jurisdictions (Victor, 2024).

Poverty also emerged as a problem in rural areas which led to resistance and non-compliance in the collecting of revenue. The council charges may be an additional burden for some residents as they already face difficulties in meeting basic household needs (Chigutei, 2026). In some instances, residents knowingly do not pay their required charges knowing that they cannot afford them. This allows for a situation where council has to have a significant amount of unpaid arrears and this limits their ability to fund operations and deliver services to communities (Abdullahi, 2026). In addition to this, rural district council's difficulties in revenue collection are compounded by hyperinflation and increased cost-of-living. Households and businesses find it hard to afford their council payments when prices keep rising, as this diminishes their purchasing power (Amanda, 2024).

Empirical research studies showed that Councils might not be able to adjust their revenue collection systems to the prevailing economic conditions (Chitalu, 2024). Residents might not be willing to pay rates and levies due to the outdated valuation methods and unrealistic charges, which they feel are unfair and unaffordable (Dong, 2023). This means that the economic difficulties experienced by residents deter governments from contributing revenue to rural district councils, as residents are less able to contribute revenue through rates, development levies and service charges. Arrears and reduced revenue inflows are caused by poverty, unemployment, inflation and low agricultural productivity (Iddrisu, 2026). Economically disadvantaged councils often find it difficult to secure sufficient income to produce services and development projects.

2.2.3 Corruption and mismanagement of funds

Research in Africa showed that corruption and mismanagement of council funds are significant causes of low revenue collection in the rural district councils. Corruption, defined as the use of a position for personal gain through fraudulent financial transactions and the misuse of public resources, is a problem among council officials (Amanda, 2024). In certain rural district councils,

revenue collectors cannot deliver all the proceeds to the council accounts, can issue bogus receipts and can manipulate financial records for their private gain. This leads to direct loss of revenue and undermines the financial stability of councils (Chong, 2023). The mismanagement of funds also has a negative impact on providing essential services and public trust on the part of councils. Collected revenue can be used for unnecessary spending, individual use or for projects that do not serve the community (Abdullahi, 2026). Loss of confidence by the residents in the local authority due to perceived misuse of council funds leads to a loss of willingness to pay rates and levies. The lack of transparency in financial management thus, has negative effects on residents and businesses' compliance (Dorasamy, 2024).

Inadequate accountability and efficiency in council revenue systems are also exacerbated by corruption. Potential dishonest employees can work together with the residents or business owners to not pay the rates and levies and instead receive a bribe (Sililo, 2024). In certain instances, influential people might be granted special exemptions from paying due taxes due to petty corruption and biasness in the council system. This can result in inequalities and foster a culture of non-compliance where residents feel council systems are unfair and poorly managed (Amanda, 2024). There are also opportunities for corruption in rural district councils due to weak controls and weak supervision. Some Councils have weak audit systems, monitoring mechanisms, and accountability systems to identify any financial irregularities (Chitalu, 2024).

The studies found that revenue collectors and finance officers are not properly supervised, which leads to the risk of fraud and misuse of council funds. If left unsupervised, councils have difficulty in recouping revenues and financial discipline in their institutions (Chong, 2023). Thus, funds are mismanaged and corruption is a factor that decreases the accountability, public trust and non-compliance of the residents, resulting in low revenue collection (Amanda, 2024). Councils that are vulnerable to corruption are likely to suffer financial instability, ineffective service delivery and loss of trust from citizens. These are important for enhancing the performance of revenue collection in rural district councils (Abdullahi, 2026) through strengthening TAM.

2.2.4 Poor service delivery

Empirical studies showed that poor service delivery is another big problem that impedes revenue collection in rural district councils. The major services expected of councils are to create roads,

collect garbage, supply water, provide public lighting, and build health facilities from the collected funds (Shilenge, 2025). If councils do not deliver these services effectively, residents feel dissatisfied and are not willing to pay rates and levies. Communities will assess councils based on the quality and prominence of development projects and services they provide in their districts (Amanda, 2024). When services are inadequate, the public's trust in the work of the council is undermined. Residents may ask what they are paying rates and development levies for when the roads are still in need of repair, water service is unpredictable, and garbage pick-up is not efficient (Chigutei, 2026). In many rural district councils, the infrastructure and public facilities are not developed and maintained and communities are frustrated. This can lead to a decline in services, which can result in the deliberate withholding of payment as a protest against poor service delivery (Amanda, 2024).

Councils and communities also have a negative relationship with each other due to poor service delivery. Councils are seen as ineffective institutions that do not meet the needs of the people, and even collect taxes from their citizens (Iddrisu, 2026). A lack of communication and feedback between residents and councils, and between councils and residents, further exacerbates mistrust and dissatisfaction. The lack of cooperation from residents to revenue collection agencies or the delay in revenue collection activities is partly attributed to the lack of the council's responsibility (Chigutei, 2026). Reduced revenue, due to low revenue collection, can also influence service delivery, which can lead to a vicious circle of service delivery problems. Underfunded councils have trouble keeping up with road maintenance, water system repairs and development work (Chitalu, 2024). Inadequate services then further reduce residents' willingness to pay for rates and levies, which leads to continued erosion of council revenues. This cycle undermines rural district councils' financial sustainability and hinders their capacity to deliver on community expectations (Dorasamy, 2024). Thus, weak service delivery leads to a decline in revenue collection through its impact on public trust, lack of residents' collaboration, and disincentive to honor payment commitments (Victor, 2024). Councils that don't get service delivery right have to face the prospect of rising arrears, community opposition, and falling revenues.

2.2.5. Low compliance to council by-laws.

Low revenue collection in rural district councils is partly due to the weak implementation of council by-laws. Council by-laws are laws that are created to inform locals and businesses what they must do, which includes paying rates, licenses, and development levies (Chigutei, 2026). However, many Councils are not managing these effectively because of poor administrative systems, political pressures and lack of resources. This could lead to residents not adhering to their payments since they are aware of the very little risks involved if they do not pay (Dorasamy, 2024). Penalties and legal proceedings against those who don't pay rates and levies are seldom used by authorities in many rural district councils. When trying to impose a payment regime, some councils are wary of conflicts with communities and/or politicians (Amanda, 2024). Poor enforcement regimes allow residents to postpone or simply avoid making payments since they wouldn't be punished. This fosters an attitude of non-compliance, with the consequence that the defaulters keep piling up loans without serious repercussions (Abdullahi, 2026).

There is also limited monitoring and follow-up mechanisms, which further hampers the enforcement of council by-laws. There are limitations in terms of the frequency of revenue officer visits to communities due to transport needs and inadequate staffing (Dorasamy, 2024). Councils face a challenge in effectively monitoring businesses and households in remote rural areas, and are not always able to identify defaulters or collect outstanding payments. Lack of accountability and effectiveness in revenue collection systems is also caused by poor supervision of the officers in charge of enforcement (Chitalu, 2024). Another reason for the lack of enforcement of council regulations is the political interference. Political leaders discourage councils from taking action against defaulters to ensure political popularity and community support (Chong, 2023). It is also possible that influential people and local elites can interfere in enforcement processes by shielding defaulters from legal action or penalties. These practices erode the power of councils and make it harder to enforce revenue collection strategies (Chigutei, 2026).

2.2.6 Lack of skilled personnel and resources

The lack of skilled people and resources has a negative impact on the revenue collection in rural district councils. To ensure good revenue collection, trained personnel who understand financial management, billing systems, and debt recovery protocol should be employed (Chigutei, 2026).

But many rural district councils have small staff and lack professional training and technical skills to run their revenue administration efficiently. There is a risk of errors in billing, record keeping and financial reporting by inexperienced staff, which may hinder systems of revenue collection (Dong, 2023). If the staffing levels are not adequate, this also puts pressure on the work of the existing staff. In areas of high, dispersed populations and where transport facilities are not available, a small number of revenue officers are expected to cover large areas (Abdullahi, 2026). This inhibits effective bills distribution, follow-up on bills defaulters and revenue collection monitoring by the councils. This can result in some people not being billed and not being known to be unpaid for a long period of time.

It was observed that a significant number of rural district councils are not equipped with vehicles, computers, internet and modern technologies for the collection of money, which are essential to good governance. Poor connectivity to remote areas due to limited transport capacity, and slow processing of payments, and financial reporting through manual systems (Chong, 2023). These operational constraints make revenue collection systems less efficient and more costly. Low wages and other working conditions may also impact employee motivation and performance (Chigutei, 2026). Demoralization amongst council staff is caused by late pay, poor incentives, and limited opportunities for career development. Employee morale is negatively affecting their commitment and productivity to earn revenue (Dong, 2023).

2.2.7. The impact of low revenue collection on the finances of Rural District Councils.

Worldwide, research has shown varying perspectives about the impact of low revenue collection on local authorities and rural district councils' financial performance (Amanda, 2024). The low revenue collection in India strongly suggests that the financial sustainability of councils is undermined directly by low revenue collection, as councils rely on internally generated revenue like rates, levies, licences and service charges to finance their development activities and operations (Abdullahi, 2026). Financial performance of councils is not only measured by the quality of the revenue generated but also by the level of support from government, donor funding, financial management systems, and governance, among others (Chitalu, 2024). The differences in these views indicate that the impact of low revenue collection can be different across various countries and regions depending on the economic conditions, institutional capacity and

government policies of the respective regions. At the international level, numerous researchers in developed countries believe that low-income generation has a negative impact on the ability of local authorities to deliver effective public services and to maintain infrastructure.

The results showed that local governments need to have regular sources of income to support the development of roads, water supply systems, waste management systems, health facilities, and community development projects (Dong, 2023). They argue that councils that have insufficient sources of revenue can have negative impacts such as budget deficits, implementation delays in development programmes and deteriorating public infrastructure (Chitalu, 2024). Investor confidence is also expected to be undermined by poor financial performance because investors are not willing to invest in the area where local authorities are unable to provide basic services such as road maintenance and sanitation (Iddrisu, 2026). Other global studies suggest that inadequate collection of revenue is linked to organizational performance and financial insecurity in local governments (Amanda, 2024). Research undertaken in France demonstrated that in cases of falling revenue, councils have difficulty in paying employees' wages, acquiring equipment for their operations, and maintaining public facilities (Javanmardi, 2023). Additionally, financial constraints could also force councils to delay development projects that would otherwise improve the lives of their citizens, creating further poverty and economic growth challenges within communities (Dorasamy, 2024).

Findings confirmed that the local government in some countries remains functional even though local revenue collection is weak due to the receipt of grants and subsidies from the central government and equalization funds from the central government. (Victor, 2024) From this point of view, councils with good financial management systems and effective budgeting practices can still have a good financial performance despite limited internally generated revenue (Chigutei, 2026). Additional research in Germany has also shown that weak governance, ineffective expenditure management, and corruption can be more detrimental to financial performance than low revenues (Victor, 2024). African scholars have broadly concluded that low revenue collection has serious negative impacts on the performance of local governments from a continental perspective. The majority of African rural district councils operate in a context of poverty, unemployment, low industrial base and high informal sectors (Abdullahi, 2026).

The results of research identified that Councils have significant issues with funding for programmes of service delivery, infrastructure and development programmes. The shortage of financial resources by local authorities is a problem in many African countries for providing clean water, maintenance of roads, collection of refuse and public health services (Shilenge, 2025). Poor revenue performance has led to increased reliance on central government support. In some cases, rural district councils with a weak revenue base are highly dependent on grants and financial assistance from the national government to sustain their operations (Chigutei, 2026). Government transfers, however, are often not sufficient or are late, putting another added strain on councils' finances. This dependency reduces the autonomy and effectiveness of local government since municipalities are not able to fund development activities within their communities on their own (Chong, 2023). Financial instability has impacts on long-term planning and limits the capacity of councils to operate effectively in addressing community needs.

African scholars, however, have a different point of view as they argue that the main reason for poor financial performance in local authorities is not due to low revenue collection but rather due to poor governance, corruption and weak accountability systems (Shilenge, 2025). These researchers believe that some councils are able to raise a significant level of revenue but have not used the resources well due to financial mismanagement and misuse of funds. There is potential for enhanced financial performance, even in lower revenue contexts, through improving transparency, strengthening auditing systems, and promoting accountability (Chitalu, 2024). Researchers suggest that low revenue collection has adversely influenced the capacity of rural district councils and municipalities in a region when compared to the rest of Southern Africa. The results draw a conclusion that many local governments in the region face difficulties in maintaining service levels due to the decline of revenue sources, economic instability, and growing demand for services from the population (Dong, 2023). Rural district councils lack financial resources for working on roads, ensuring a sustainable water supply and community development projects. Low revenue generation leads to debts, delayed payment of wages and poor maintenance of public facilities in many rural communities (Chitalu, 2024).

Others have also suggested that financial problems of rural district councils in Southern Africa are also due to historical and structural inequalities. Compared to urban areas, rural areas tend to lack development of commercial activities, have less industrial development, and lower property values (Chong, 2023). The rural councils have fewer revenue streams and have lower capacity in generating income from rates & licences (Dorasamy, 2024). The scholars say that the low revenue collection in rural district councils is not just due to administrative shortcomings, but rather a symptom of the overall socio-economic inequalities that plague rural communities. To enhance the financial performance of local authorities, it is critical to improve economic development in the rural areas (Kast, 2025). At the national level in Zimbabwe, researchers are adamant that low revenue collection has had adverse effects on the financial performance of the rural district councils and urban local authorities (ULAs) (Amanda, 2024).

It was concluded that many councils experience inadequate revenue generation due to economic challenges, unemployment, inflation, political interference, corruption and non-payment of rates and levies by ratepayers (Chitalu, 2024). These difficulties make it more difficult to generate revenue from within the organization to pay for services and infrastructure. This leads to challenges in many councils to keep the roads, refuse collection, water supply services and other basic services of public interest in good working order (Abdullahi, 2026). The researchers also say low revenue collection has been a factor in service delivery issues and a lack of trust in public institutions in Zimbabwe. The failure of councils to deliver tangible developments and high-quality services tends to create resistance in the community and result in unwillingness to pay rates and levies (Dong, 2023). This then forms a vicious circle; low levels of service delivery discourage revenue payments, and low levels of revenue payments further weaken service delivery. Empirical studies showed that the relationship between low revenue collection and financial performance is close in rural district councils in Zimbabwe (Motshwene, 2024).

Others, however, point out that effective governance and institutional changes offer rural district councils a way to enhance their financial performance in Zimbabwe. The need for better billing systems, better debt recovery systems, transparency and greater community involvement in council operations (Chigutei, 2026). Abdullahi (2026) explained that holding councils accountable and maintaining good communication with citizens boosts compliance with payment obligations and

helps enhance financial sustainability. From this viewpoint, good governance and institutional efficiency are key to enhancing the financial performance of rural district councils even in the face of economic constraints (Dorasamy, 2024). The difference in perspectives of the researchers opens the door for more research studies.

2.2.8. The effectiveness of the revenue collection systems used by Rural District Councils.

Previous research showed mixed results on the performance of revenue collection systems adopted by rural district councils. When well-managed, existing revenue collection mechanisms are effective in producing the revenue needed for service delivery and development (Amanda, 2024). The study results highlight that most revenue collection systems implemented by rural district councils have failed to meet their objectives due to corruption, inadequacy and poor administration of revenue collection systems, combined with poor enforcement of the systems (Mugano, 2024). These contrasting views have led to the discussion of the effectiveness of the revenue collection system in rural district councils, sparking debate in the research community and urging for additional research into the matter (Amanda, 2024). Hand-counted revenue collection still works, particularly in rural areas where technology and banking facilities are lacking (Chong, 2023). Literature findings showed that manual systems enable citizens to communicate with councilors in real time, thereby raising awareness of citizens regarding their payment obligations (Abdullahi, 2026).

The revenue officers visit communities to hand out bills, discuss council rates and check on the payment of the bills by the defaulters. This view is supported by research that suggests that face-to-face interactions foster a stronger bond between councils and communities, leading to greater adherence to payment commitments (Dorasamy, 2024). They also claim that manual systems are appropriate in remote rural areas where digital payment systems, electricity, and internet services are not widely available. Empirical research showed that manual revenue collection systems are accessible and easier to use in rural areas with low technological infrastructure. According to Katadatu (2024), manual systems were successful in certain local authorities as the people were used to manual cash payments and billing methods. The effectiveness of manual systems was also enhanced through good supervision and accountability. Notably, Chitalu (2024) found that manual revenue collection systems are ineffective, time-consuming, and susceptible to corruption.

Results showed that the manual system led to slow billing, inaccurate financial information, repeated information and poor tracking of payments, which negatively impacted the financial performance of local authorities (Amanda, 2024). Empirical studies also confirmed that ERC systems enhance the efficiency, transparency and accountability of local governments. The use of computerised billing systems, mobile payment systems and electronic databases had a positive impact on bolstering payment monitoring and on billing accuracy, according to Sinjwala (2024). Electronic systems were also determined to be another way to cut off opportunities for corruption by minimizing cash handling. Omweri (2024), on the other hand, found that internet connectivity, poor financial resources and lack of technical skills are factors that make it difficult and expensive to implement electronic systems in many of the rural councils. It also revealed that a section of the public had not used digital payment systems and a small number of council employees were not properly trained to effectively use computer systems.

Empirical evidence also revealed that governance systems, accountability and supervision have a positive effect on revenue collection performance, irrespective of the method of revenue collection. Fostered by good leadership and financial management systems, strong revenue performance and accountability have been observed in local authorities (Amanda, 2024). But Shilenge et al. 2025 found that governance reforms are not enough without modernization of revenue collection systems. The research was able to conclude that the manual systems were inefficient, delayed billing times and affected the sustainability of the finances in local government. Empirical studies also showed that good delivery of services is a key determinant of good revenue collection, as residents are more willing to pay rates and levies when they are satisfied with the level of public service provided.

Sustaining public trust, participation, and better service delivery improved compliance with payment obligations, as revealed by Kapasa et al. (2026). Takawira and Sibanda (2025) however, found that in cases where service delivery had improved, it was negatively impacting on the residents' capacity to pay council charges because of poverty, economic hardship and lack of financial resources. The varied results illustrate the lack of consensus on the best way of generating revenue for rural district councils, highlighting the need for more research to be conducted at the local level.

2.2.9. The impact of revenue collection on the financial sustainability of rural district Councils.

Studies on local government finance show that good revenue collection is a vital factor in increasing the financial sustainability of rural district councils. Dorasamy (2024) said that internally generated revenue helps councils to provide for services, keep infrastructure in good shape, and help develop services in the communities. This is also confirmed by Mugano (2024), who noted that stable revenue is needed to ensure institutional stability and enhance the capacity of councils to respond to emergency and community needs. Besides, Kapasa (2026) found that good collection enhances service delivery by providing adequate funding for local authorities' infrastructure development and operations. In a similar trend, Mwiinde (2024) found that implementing an efficient revenue management system enhanced the financial performance and budgeting capability of local councils. The results indicate that effective revenue collection systems have a positive impact on the financial sustainability of rural district councils.

Ndlovu (2025) also reported that the belief that tax collection enhances public trust in and accountability of political leaders contributes to effective local governance, whereby residents are more willing to pay rates and levies when the political leaders are visible in development projects and offer satisfactory public services. Tashu (2024) also found that transparency measures and community engagement boosted the trust between councils and their communities, leading to high compliance rates with payment obligations. Similarly, Amanda (2024) established that good financial management practices led to good accountability and better institutional sustainability within the local municipalities. Chigutei (2026), however, noted that high revenue collection doesn't necessarily mean financial sustainability, as corruption, misuse of funds and poor expenditure management are still prevalent in some councils. Van der Waldt (2024) established that poor application of the recommendations on financial management had a negative impact on accountability and financial performance in local authorities. These conflicting results leave scope for more research into whether revenues can provide sufficient financial sustainability in rural district councils.

Other studies showed that economic conditions have an effect on the link between revenue collection and financial sustainability. Iddrisu (2026) showed that poverty, unemployment,

inflation and poor economic activity made it difficult for the people and businesses in the community to pay council charges and levies regularly. Additionally, weak economic activities and fund management systems were identified as having a negative impact on financial sustainability in local governments by Nyirongo (2024). Additionally, unsustainable revenue strategies negatively impacted the financial performance of local authorities and their capacity to deliver services, as reported by Sililo (2024). But Kapasa (2026) pointed out that better revenue collection was a positive influence on financial sustainability as it boosted the availability of infrastructure maintenance and community development programmes. These varying views suggest that while revenue collection can be a source of financial sustainability, economic factors can present challenges to its success, and more research is needed.

The ability of modern revenue collection systems to enhance financial sustainability has also resulted in divergent opinions among scholars. Sinjwala (2024) reported that the use of Computerised Billing Systems (CBS) and Electronic Payment Platforms (ePP) increased transparency, enhanced record management and minimized corruption within local authorities. This was corroborated by Victor (2024) who found digital systems to enhance efficiency and accountability in delivering local government services. Furthermore, when effectively implemented, technological systems contribute to the effective functioning of organizations and enhance the efficiency of their operations, as pointed out by Yu et al. (2023). Contrary to this, Omweri (2024) asserted that technological systems are unlikely to substantially contribute to financial sustainability of rural councils due to poor infrastructure, limited internet connectivity, lack of technical skills and financial constraints in implementing and maintaining digital systems.

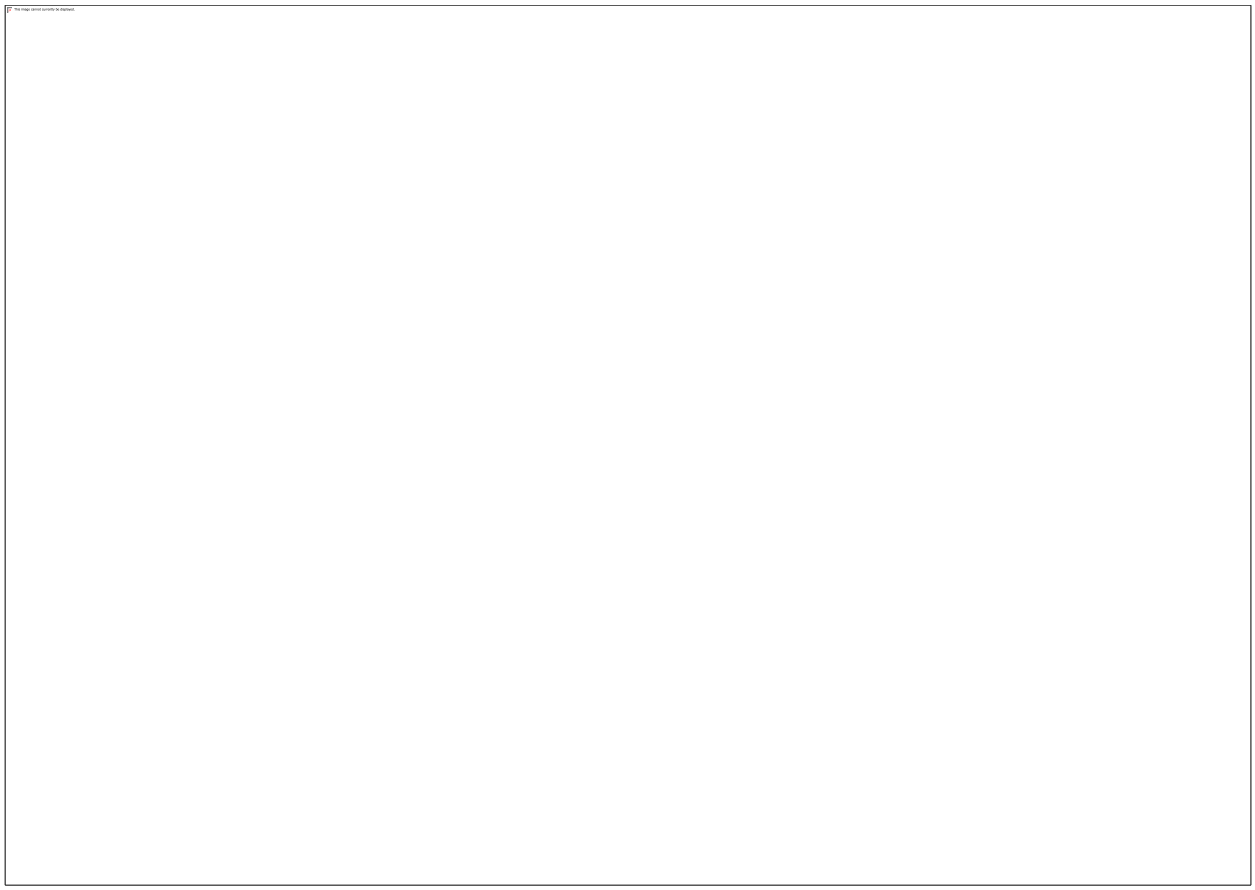
Chitalu (2024) also reported that weak revenue collection processes and administrative inefficiencies were other constraints that negatively influenced revenue performance of local authorities. These conflicting results indicate that there is no consensus about the effectiveness of modern revenue collection systems and hence scope for further research in rural district councils. The studies also found that a number of rural district councils are still financially unstable from a regional and national standpoint despite the improvement of their revenue collection systems. Takawira (2025) identified that Zimbabwean local authorities economic instability, non-payment of rates, obsolete billing systems, corruption, and political interference hurt the financial sustainability of local authorities. This was also confirmed by Shilenge (2025), who found that

weak revenue mobilization systems and limited financial resources hindered effective service delivery in the municipalities.

In addition, Nkhata (2025) discovered that financial problems in the local government bodies had a negative impact on the efficiency of operations and employees' welfare. It is, however, suggested by Dorasamy (2024) that enhancing financial management systems, accountability structures and strategies for revenue mobilization at the local government level will enhance institutional sustainability. The different views among scholars indicate that there is no common understanding about the level of contribution of revenue collection towards financial sustainability and hence the scope for further research in the rural district councils.

2.3. Conceptual literature review

The conceptual framework provides a roadmap of the independent variable and the dependent variable of the study on factors that are responsible for the low revenue collection in rural district councils. The independent variables are factors that cause low revenue collection. This includes weak revenue collection systems and procedures, weak billing and record keeping, weak enforcement and follow-up on the revenue debtors, and weak staffing and capacity. Poorly designed revenue collection systems and procedures can cause leakages, delays, and lack of accountability in the process of collecting revenues (Amanda, 2024).



Source: (Chitalu, 2024)

Figure 2.1. conceptual framework.

Inadequate billing and record-keeping may culminate in wrong financial documents and identification of defaulters. Enforcement and follow-up are not robust enough to ensure compliance from the residents and/or businesses that are expected to pay council charges and service fees. The council also has insufficient staffing and inadequate skills of its employees, which impacts its ability to effectively operate and supervise its revenue collection activities, according to Abdullahi (2026). Low revenue collection in rural district councils is the dependent variable in this study, specifically the Pfura Rural District Council. Low revenue collection is reflected through low locally generated revenue, high revenue arrears, low collection rates, inability to meet financial obligations and fund service delivery, as well as financial constraints and budget deficits.

The consequences of these outcomes have a negative impact on the financial performance and sustainability of the council, affecting the quality of public service provision and the council's development projects. The framework also acknowledges control of variables that could affect the relationship between the independent and dependent variables. These include economic conditions of the district, level of government support and grants, political leadership and governance, population size and growth, level of public awareness and education (Chong, 2023), among others. These variables can either make the activity of revenue collection more or less effective in the council. The conceptual framework illustrates that inefficiencies in revenue collection and institutional capacity are major factors in low revenue collection and have a direct impact on the financial performance and sustainability of Pfura Rural District Council.

2.4. Empirical literature review

2.4.1. Studies Conducted in Africa

Many studies in Africa have dealt with the determinants of local authority revenue collection. Kucherera (2024) employed a mixed-methods case study design which utilised questionnaires, interviews and document analysis. The study found that there was a significant relationship between weak revenue systems and low revenue collection, based on the linear regression analysis showing a value of p= 0.043 and R2= 0.50. The study showed a positive relationship between improved monitoring systems in improving revenue collection, whereas poor administration and weak enforcement hurt revenue performance. Madhovi (2024) also employed a mixed-methods approach and discovered that while there were improvements in financial management due to greater accountability, there was a lack of accountability due to opposition among residents to paying council charges, leading to a decrease in revenue mobilization. Mupedzi et al (2024) used a case study design and established that the good performance of billing systems positively contributed to the revenue generation process, while bad planning practices and weak debtor management contributed to poor revenue performance by councils.

In Ghana, Haligah (2024) found that strong supervision and training had positive impacts on employee motivation, which in turn contributed to revenue efficiency, while weak supervision and training had negative effects on revenue collection. Fosu (2024) adopted a survey research design and found that there was a positive effect on the internally-generated funds of the accountability

systems; the negative effect of corruption and dependence on government transfers was evidenced by the lower value of the R-value, which is below 0.70. In Tanzania, Nuluva (2024) adopted a descriptive research design and determined that weak accountability systems led to weak revenue performance, whereas staff training and robust enforcement efforts were found to positively impact revenue collection.

2.4.2. Studies Conducted Outside Africa

Factors influencing revenue collection and financial sustainability of local authorities have also been studied outside Africa. The study employed the empirical research design with the data collected from the household survey and financial records (Foster and Hope, 2023). The results of the regression analysis showed that there is a statistically significant relationship between effective payment systems and revenue sustainability, with the value of p-value 0.042, R-squared 0.56. The study also concluded that positive results of effective payment systems included better infrastructure maintenance, and negative results included affordability challenges affecting access to services. It was concluded from the findings of Homme (2024) that an effective administrative system improves revenue performance of revenue, while a weak administrative system has a negative impact on service delivery efficiency. Siciliani (2024) adopted a panel data analysis design and found that good monitoring systems had significant positive effects on institutional efficiency, and weak monitoring frameworks had significant negative effects on revenue administration. Yuan and Keeves (2023) used a multilevel analytical design, and their findings were that organizational structures and institutional capacity were positive for operational performance, and poor management systems were negative for operational performance. A descriptive survey design was used by Ngicuru et al. (2024) and the results showed that technology and accountability systems enhanced revenue collection efficiency, while poor governance and lack of capacity of the employees harmed revenue administration.

2.4.3. Studies Conducted Globally

Many research studies focused on the impact of revenue collection systems and financial sustainability of LAs. Using policy review and document analysis designs, Zhou and Madhekeni (2024) identified that strong institutional changes were associated with an improvement in fiscal management and weak monitoring systems and administrative loopholes were associated with

negative revenue leakages. The regression analysis revealed a p-value of 0.033, indicating a strong relationship between the revenue systems and financial performance, and an R-squared value of 0.62. In the case of Chimwanda et al (2025), they used a statistical research design and found that effective revenue systems positively impacted service delivery and financial sustainability, while ineffective revenue administration had the opposite effect, resulting in weak performance of local authorities. Zhou and Chilunjika (2024) conducted a mixed-methods study and revealed a positive relationship between strong revenue bases and self-financing capacity, while weak economic conditions hurt financial independence. The descriptive survey design was employed by Zivanai et al. (2025), and they determined that the transparency of the billing system and the efficient billing system enhanced the efficiency of revenue collection, but resistance by residents and corrupt elements hindered revenue performance. Using a qualitative case study method, Darare (2024) concluded that transformational leadership positively enhanced revenue collection strategies, while weak leadership negatively had an impact on operational efficiency. Using a comparative global case study design, Mohammed (2024) found that accountability systems contributed to improving financial sustainability, while political interference and insufficient legal enforcement had a negative impact on revenue collection efficiency.

2.8. Literature Gap

The literature reviewed indicates that various studies have been undertaken on revenue collection and financial management in local authorities in Africa and worldwide. The major issues that were discussed as causes of poor revenue collection were the existence of corruption, the lack of enforcement systems, monitoring, accountability, and low motivation of employees. Other research focused on financial sustainability, governance and institutional efficiency in municipalities and councillors. But there was a lack of agreement among researchers on the best approach to enhancing revenue collection and financial sustainability among local governments. A few scholars claimed that better systems of revenue collection and technological modernization would bring about greater efficiency, transparency and accountability in financial sustainability. The study by Sinjwala (2024) and Victor (2024) highlighted how computerised billing systems and electronic payment platforms can aid in the fight against corruption and enhance revenue administration.

Omweri (2024), on the other hand, maintained that technological systems may not be of much benefit in rural councils as there is poor infrastructure, limited internet access, financial constraint and lack of technical expertise. This divergence of opinion was a gap in the effectiveness and sustainability of the modern systems of revenue collection in rural district councils. There was also some tension regarding the role of revenue collection concerning financial sustainability. Dorasamy (2024) and Mugano (2024) asserted that good revenue collection has a positive impact on service delivery, budgeting and institutional sustainability of local authorities. The research by Chigutei (2026) and Sililo (2024), however indicated that while many councils are collecting high revenues, they are still not financially sustainable due to corruption, misuse of funds, poor expenditure management and political interference. The conflicting results produced uncertainty about the role played by revenue collection in achieving sustainable financial performance in rural district councils. Methodological gaps were identified as well in the reviewed literature. In most of the previous studies, quantitative methods like surveys, regression analysis and descriptive statistics were used, whereas qualitative methods were not used extensively. Thus, the different views and methodological constraints provided an opportunity for the subsequent investigations of the causes of low revenue collection and financial sustainability in rural district councils.

2.9. Chapter summary

The chapter examined what the current literature has to say about the issues causing a lack of proper collection of funds by the local government councils within the study area. It examined the opinions and ideas of previous researchers and scholars regarding the financial management of local authorities and their ability to collect revenues, along with reviewing both theoretical and empirical literature in order to become familiar with the gaps in the literature regarding the subject. It provided the theories and conceptual framework for the study as well as a summary of what was contained in the chapter.

CHAPTER III

RESEARCH METHODOLOGY

3.0. Introduction

In this chapter, research methods used to analyse the factors impacting the revenue collected by rural district councils and specifically used to collect data specific to the Pfura rural district council were reviewed. The chapter described the research methodology and reasons for each instrument selection so as to be able to adequately collect the necessary data to answer the research objectives, including population, sample and research instrument justification. This chapter included data collection processes.

3.1. Research design

A case study research design was used in this study. The design was used because it can take an in-depth look at how low revenues were being collected from the rural district council. The researcher used both quantitative and qualitative approaches in data collection to ensure that they collected as much information from their respondents as possible. Case study design is a theoretical design involving the in-depth examination of an individual or group of people or an individual or group of organizations during a defined time frame (Chigutei, 2026). The researcher was able to gather a significant amount of detail and comprehensive information about the issues, if there were any, that the council faces with respect to the collection of revenue due to the use of a case study design by the researcher. In addition, the use of multiple data collection methods allowed the researcher to use triangulation and improve the data's reliability and validity. However, the case study design has limitations, as the results of this work cannot be generalized to other rural district authorities. The design's other drawback was its length due to the amount of research and analysis required for a large amount of data provided to researchers by many people. However, this design was appropriate for the Pfura Rural District Council because it helped to understand many of the various factors that would normally contribute to low revenue collected or methods of collecting revenue from those who would pay for services provided by councils as well as how the methods

of collecting these revenues can help in creating better communities through providing adequate finance for community projects.

3.2. Population and Sampling

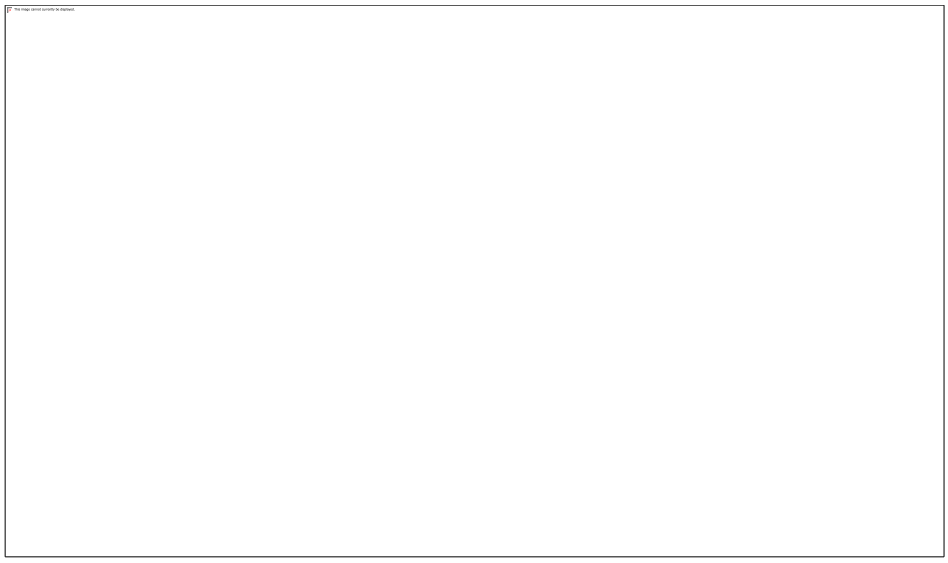
3.2.1. Population

This study sought to focus on 60 participants who had a pre-requisite understanding of the potential factors that could be contributing to the poor revenue collection in rural district councils, with the specific context of Pfura Rural District Council. The study surveyed finance managers and assistants, accountants and accounting officers, councilors, internal auditors and executive directors. The justification for choosing these employees was that they had the know-how of the inherent factors that contribute to low revenue collection. In addition, these respondents experience revenue-related issues often, and some of them daily.

3.2.2. Sampling

The total number of respondents was 53 among the 60 people in the target population, which represents 88% of the population. The Raosoft sampling calculator was used to get the necessary sample size required for the study. The Raosoft sampling calculator was selected because it is commonly used in research to calculate representative sample sizes for a specific population, margin of error and level of confidence. The number of samples was deemed adequate in that it made up a significant percentage of the target population, thus enhancing the reliability and validity of the results. The researcher used 53 respondents that allowed the researcher to get sufficient information from the respondents. The number of subjects chosen was adequate to realize the aims of the research. Figure 2.1. The size of the sample is indicated below.

Figure 2.1. Sample size calculator



The targeted population and sample sizes are shown in the table below:

Table 3.1. Population and sample

	Target population	**Sample size**	**Sample %**
Finance managers and assistants	9	7	78%
Accountants and accounting officers	28	25	89%
Councilors	12	10	83%
Internal auditors	6	6	100%
Executive directors	5	5	100%
Total	**60**	**53**	**88%**

Source: Raw data computation (2026)

A total of 60 people were targeted and 53 were sampled using the Raosoft sampling formula, giving an aggregated sample percentage of 88%.

3.2.3. Sampling procedure

Stratified random sampling technique was used for the study, where the target population was segmented into various sub-groups based on their positions and responsibilities. Strata were formed. Stratified random sampling was appropriate because the target population was not homogeneous, as the respondents were doing different duties related to revenue collection. This method allowed the researcher to make it sure that all the important categories of respondents were

well covered in the study. This helped to make the sample more representative, and the researcher to gain comprehensive information from various departments engaged in revenue collection and financial sustainability. The technique also minimized sampling bias by ensuring that respondents were drawn from all relevant groups and not just one department or group of employees. Stratified random sampling also helped to ensure that findings were reliable and valid because it allowed the researcher to obtain a balanced representation of views and experiences from respondents with varying knowledge and roles within the council. The technique used was, therefore, appropriate for this study, as it ensured that all important participants in the council's financial operations were represented equally.

The simple random sampling method was also employed to sample the respondents within each stratum. Simple random sampling was used because it provided each member in each category an equal chance of being selected for the study. The technique reduced the bias of selection and ensured the fairness of selection of respondents for the study. It also helped the researcher not to pamper his own taste, favouritism and discrimination in choosing the participants from the various strata. Simple random sampling was used to enhance the study's objectivity since the respondents were selected without the researchers' manipulation. This technique was useful in improving the validity and reliability of the results since the respondents selected well represent the characteristics, experiences and views of the target population. Simple random sampling was found suitable as it allowed the researcher to obtain objective, representative and unbiased data on the factors which affect low revenue collection and financial sustainability in the rural district council.

3.3. Research Instruments

Questionnaires and interviews were used to collect data from data sources.

3.3.1. Research questionnaire

One of the data collection instruments was the research questionnaire. Questions were deemed necessary due to their ability of the researcher to gather information from a large sample of respondents within a short time (Amanda, 2024). Questionnaires were also economical in terms of time and expense, and were appropriate for the study because the researcher did not need to travel

much and use a lot of supplies to obtain the massive amount of data she needed. This instrument allowed the questions to be filled in privately and independently by each respondent, contributing to the increase in confidentiality and ensuring that the respondents gave honest answers. Data were more uniform following the use of questionnaires, as everyone was asked the same questions in the same format by the researcher. This enhanced reliability, consistency and validity of the results from the study. The instrument was also convenient to administer and easy to complete as the respondents completed the questionnaires at their own speed.

3.3.1.1. Closed-ended questions

The study employed a closed-ended/structured type of question in the questionnaire. The use of closed questions was given as a justification because it led to concrete and direct replies that were simple to classify, quantify and analyse using statistics. The closed questions were also effective at preventing irrelevant answers and allowed the researcher to compare responses from different participants relatively better. It saved time answering the question and in formulating the question for both the researcher and the respondent, as only a simple, direct answer was required. Structured questions allowed data to be easily coded, tabulated and analyzed statistically, which encouraged accuracy and consistency in the data analysis process. The questions also helped the researcher gain measurable data on the various factors that hinder the collection of revenue, financial performance and the capacity of the council to be financially sustainable. Given this, closed-ended questions were appropriate to use as this facilitated the analysis of the quantitative data obtained while conducting the study.

3.3.1.2. Open-ended questions

Open questions were also included in the questionnaire in the study. The justification for the use of open-ended questions was to allow respondents the space to express their views, opinions and experiences about the revenue collection system and financial sustainability of the council in as free a response as possible. Open-ended questions enabled the researcher to gain a deeper understanding and clarity on the answers rather than relying on closed-ended questions. The questions also provided insight into daily issues faced in revenue collection at the Council. Using open-ended questions, they were able to express their suggestions, explanations and

recommendations on how to enhance revenue collection systems and financial management practices. The questions helped the researcher to collect qualitative data which complemented the quantitative data collected using closed questions. Open and closed questions combined facilitated the researcher to receive comprehensive and balanced information with regard to the study.

3.3.2. Interviews

Interviews were also used as a tool to collect data. Justification for the use of interviews was that the information that the researcher needed was obtained first-hand and at the source of operations, that is, the money collection unit and the office of the council, from the respondents. Finally, the interviews allowed the researcher to follow up on each item and provide clarification as to the information being obtained for the study when respondents did not provide an entirely clear answer. The tool also allowed the respondents to articulate their ideas, opinions, and experiences in depth without constriction of predetermined answers. Furthermore, interviews allowed for a flexible approach and made it easier for the researcher to obtain more detailed qualitative data that is not easily available in the questionnaires. The interviews were thus used to supplement the data gathered from questionnaires and deepened the knowledge of the problems being studied.

3.4. Data Collection Procedures

To gather the data, the researcher secured the permission of the authorities concerned for the study and then the data of the respondents were collected. Appointments with participants were arranged using letters, telephones and face-to-face meetings to ensure they were made aware of the project and were aware of suitable times and dates to have an interview. Hand distribution of questionnaires was then selected as appropriate because the researcher was able to explain the purpose of the study, instructions to the study instrument and also would be able to clear questions if necessary. The selected participants were also interviewed on a face-to-face basis to gather detailed information on factors that affect revenue collection and financial sustainability in the council. The questionnaires were then intercepted in person by the researcher to minimize loss of instruments, ensure a high response rate and make sure that all questions were filled correctly. The procedures were systematic, organized, and appropriate as they helped the collection of data during the study to be executed in a timely, accurate, and reliable.

3.5. Processes for the presentation and analysis of data.

3.5.1. Data presentation procedures

Tables, graphs, frequencies and percentages were used to present data. The findings of the quantitative method were arranged into logical themes in relation to the study objectives. Use of tables and graphs made it easy for the researcher to present the findings in a very simple, clear and understandable format. Tables were used to summarise large amounts of information and graphs were used to enhance the visual interpretation of the data. The narrative presentation of qualitative results of the interviews was based on the themes that emerged from the respondents' views and experiences. Thematic presentation helped the researcher to present the opinions and experiences on revenue collection methods and financial sustainability in the council in an easy way.

3.5.2. Data analysis procedures

Descriptive statistics and linear regression analysis were used to analyse Quantitative data. Descriptive statistics were justified as they would provide the researcher with a good description on the views, opinions and characteristics of respondents being effective. Other variables like revenue collection systems, financial performance and financial sustainability were also correlated using linear regression analysis. Linear regression was appropriate, as the researcher could measure the relationships between the independent and dependent variables as well as the strength and direction of the relationships. The other advantage of the technique was that it informed the researcher about whether the factors that cause low revenue collection had a significant impact on ensuring financial sustainability within the council.

Thematic approach was applied in the analysis of the qualitative data obtained. Thematic analysis was conducted by grouping interview responses by similarities of response; themes and categories were generated. The researcher considered them indicative of the use of thematic analysis, as it helps identify patterns, opinions, and experiences the respondents reported regarding challenges facing their revenue collection systems within the council. The method also facilitated the researcher to discuss and report findings specifically, thus uncovering their meaning.

3.6. Summary

This chapter describes the methodology used for this research and the rationale for this particular research method to analyze the factors contributing to the poor collection of revenue within rural district councils. Additionally, this chapter details how the researcher arrived at the target population, how sample sizes were determined and sampling procedures used, as well as provides justification for what instruments were utilized as a means of data collection. Further, this chapter describes how the researcher collected data, and how quantitative and qualitative data were analyzed, presented and interpreted in the next chapter.

CHAPTER IV

DATA PRESENTATION, ANALYSIS AND DISCUSSION

4.0. Introduction

This chapter provides analysis, presentation and interpretation of all data collected as part of the research study to determine the reasons for the poor collection of revenue within rural district councils. Data collected as a result of both the questionnaire and interview respondents were accumulated, analyzed using frequency and percentage distributions and then regrouped to correspond with each of the study's objectives. Detailed reporting of all results collected during the field study is also provided in this chapter.

4.1. Response rate analysis

This section presents the response rate for questionnaires distributed and interviews conducted during the study.

Table 4.1. Questionnaire responses

	Distributed questionnaires	**Completed questionnaires**	**Response %**
Finance managers and assistants	7	7	100%
Accountants and accounting officers	25	23	92%
Councilors	10	8	80%
Internal auditors	6	5	83%
Executive directors	5	5	100%
Total	**53**	**48**	**91%**

Source: Raw data computation (2026)

The overall response rate is 91%. This means that the number of questionnaires distributed is 53 and the number of questionnaires returned was 48 (Table 4.1). The response rate was high, so respondents were willing to participate in the study, improving the reliability of the study findings since different categories of respondents with relevant knowledge and experience were used to

gather information. Managers and finance assistants of executive directors responded to the study at a 100% rate, reflecting a high commitment to the study and the ability to provide valuable data on financial management, budgeting and strategic issues relating to the revenue collection process. The response rate for accountants and accounting officers was 92%, and they provided valuable information on accounting systems, billing practices and revenue administration. The 83% and 80% response rates were obtained by the internal and council auditors respectively and they helped to provide information on the accountability systems, internal controls and revenue leakages, and the views of councilors with regard to policy implementation, service delivery, and residents' responses towards council charges and levies.

Table 4.2. Interview responses

	Planned	**Successful**	**Response %**
Finance managers and assistants	3	3	100%
Accountants and accounting officers	2	1	50%
Councilors	3	3	100%
Internal auditors	2	2	100%
Executive directors	2	1	50%
Total	**12**	**10**	**91%**

Source: Raw data computation (2026)

As indicated in Table 4.2, 12 interviews were planned, and 10 were actually performed, resulting in an 83% response rate. The level of response rate from the respondents indicated their willingness to cooperate with the study conducted, which increased the quality, reliability and credibility of the data that were obtained in the study, as noted by Chitalu (2024). The categories of Finance managers and assistants, councilors, and Internal auditors made a total of 100% response rate and accounting officers and executive directors had a 50% response rate. The interviews present detailed and specific data about the collection and accountability procedures, financial planning and financial sustainability on the council.

4.2. Demographic profile

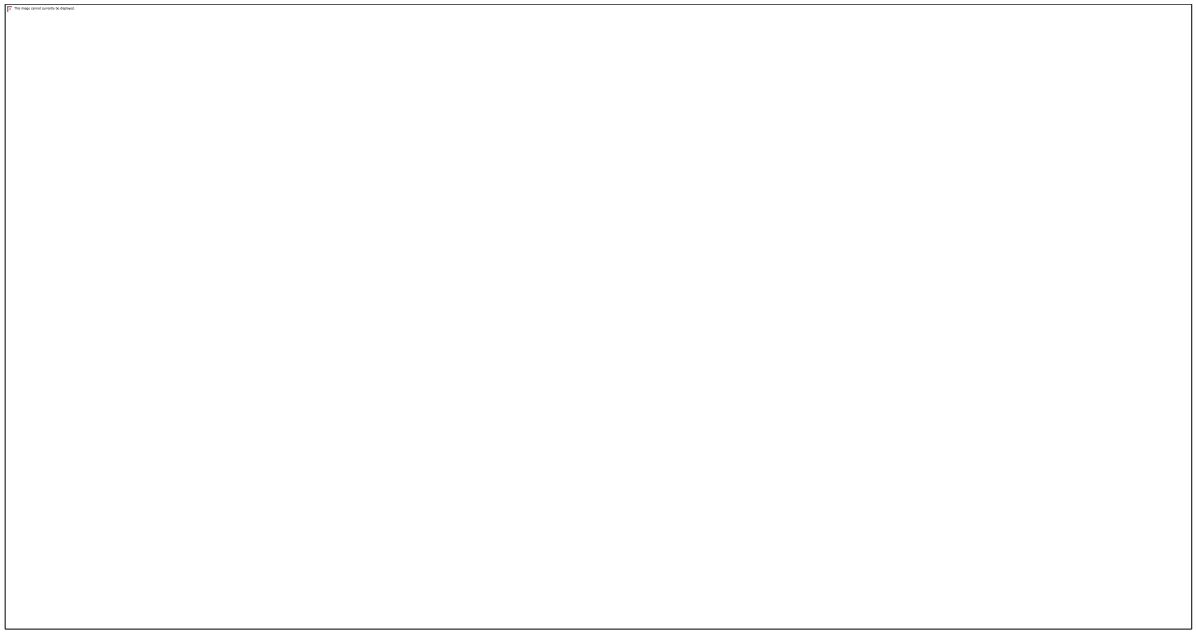
Figure 4.1. Gender affiliation



Source: Raw data computation (2026)

As seen in the results of Figure 4.1, 51% of the respondents were males and 49% were females. The results show that respondents in this study were roughly equal with men accounting for 48.6% and women 51.4%, providing greater diversity of opinions, which helps to strengthen the quality and reliability of information collected from the study. The equal gender distribution also minimized the confounding effect due to the gender bias of study results (Amanda, 2024).

Figure 4.2. Highest education level



Source: Raw data computation (2026)

It can be seen in Figure 4.2 that 45% of the respondents possessed a diploma qualification, 25% were in possession of an undergraduate degree, 17% possessed a post-graduate degree and 9% possessed other professional qualifications. 4% of them had O and A level qualifications. The findings suggest that most of the respondents were academically qualified and would be able to withstand questions and answers with a high sense of reliability and information concerning revenue collection, financial management & financial sustainability in the council.

Figure 4.3. Work experience



Source: Raw data computation (2026)

The results reported that 49% of the respondents had experience from 7-10 years, and 28% had 2-6 years of experience. In addition, 19% of the respondents had 11 years or more of work experience, whereas only 4% had less than 2 years of experience. This indicates that there was significant experience in the council from most of those who responded. Having such experienced respondents allowed for the gathering of data as they had sufficient knowledge and practical experience of revenue collection systems, financial management practices and operational challenges (Chitalu, 2024). Their continuing engagement with the council also helped them to give credible, accurate and informed answers, contributing to the validity and quality of the outcome of the research.

Figure 4.4. Age of respondents.



Source: Raw data computation (2026)

Findings showed that 64% of the respondents were aged between the age of 17 and 29 years. Overall, 32% of the respondents were aged 30 years or more, whereas only 4% of the respondents were less than 16 years. This finding shows that most of the respondents were within the active/productive age and were able to give meaningful and credible data for this study. Data collection from the respondents in these age groups was helpful as they would have enough awareness, experience, and knowledge on the issues that were intended to explore (Dorasamy, 2024).

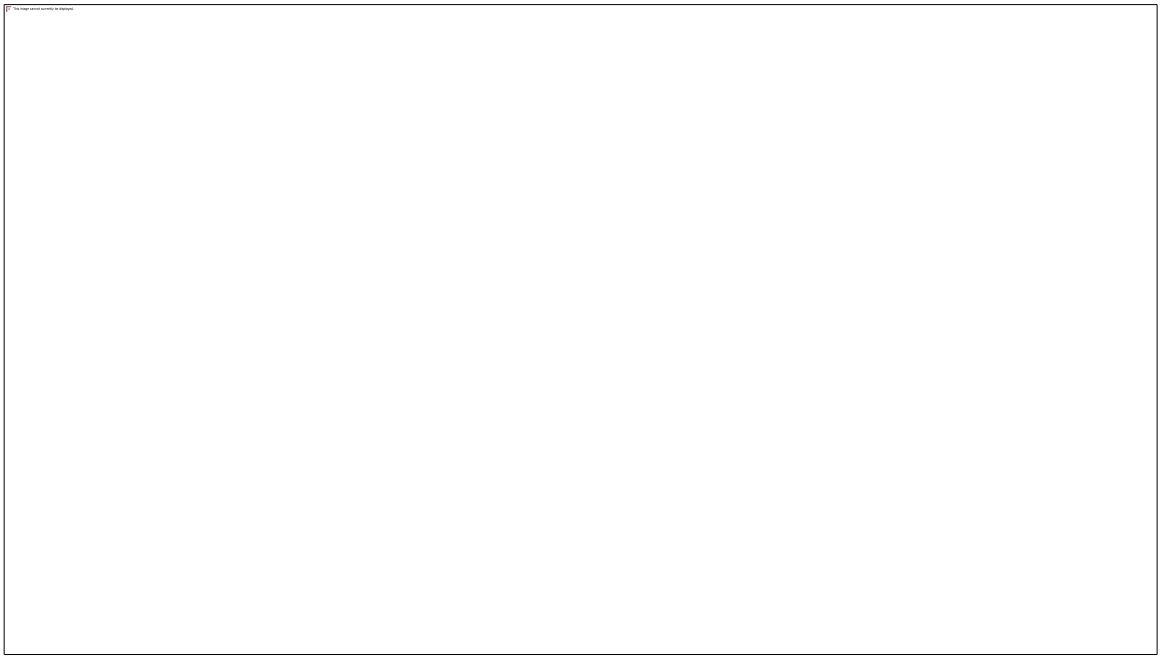
4.3. Factors contributing to low revenue collection at Pfura Rural District Council

4.3.1. Lack of skilled personnel and resources

Results indicated that 19% of the population expressed the problem as low revenue collection at Pfura Rural District Council, which was attributed to a shortage of skilled manpower and resources. That said, respondents felt that the council lacked operational resources, had outdated equipment, and training of staff to be able to function effectively in terms of revenue collection. The participants proposed reasons why the council has inadequately trained people for the effective collection of revenues. Lack of resources like computers and transport was also mentioned by Participant 4 as a hindrance to efficient revenue collection in remote areas. Participant 10 also

highlighted that the lack of skilled staff and operational resources results in revenue collection inaccuracies, low-quality monitoring of defaulters, slow revenue collection and ultimately low revenues. This is supported by the study carried out by Amanda (2024) that showed that the lack of financial management skills competencies and institutional resources affects the revenue administration performance of local governments. There are more details in the figure below:

Figure 4.5. Factors contributing to low revenue collection at Pfura Rural District Council



Source: Raw data computation (2026)

4.3.2. Weak enforcement of council by-laws

The survey results indicated that the weakness of enforcement of council by-laws (15%) was one of the factors that affected the low collection of revenue. The number of people who indicated that the council laws were not being enforced well suggests that some felt difficulty with council laws was a greater difficulty in regard to compliance with the payment of revenues. Many residents don't pay rates and levies because the council is not seen as stepping up to deny legal recourse to people who default on payments," respondents said. Participant 7 also said that the tendency for weak enforcement because of political interference is a problem and how difficult the council's officials find it to make businesses settle their debts or impose penalties that the council can bear.

Participants 4 also noted the problem that weak enforcement led to a culture of not paying, as there was limited accountability for the non-payment because of weak enforcement. This is in line with Chitalu (2024), who reported that there is a significant failure to enforce the policies and poor compliance mechanisms in local authorities impede revenue collection.

4.3.3. Poor service delivery

The results also showed that 17% of the respondents considered poor service delivery to be a factor that affects low revenue collections at the council. The statistics indicate that people connected failure of providing good services to the council with residents' unwillingness to pay rates and levies, a percentage that assumes many were answering based on "accepting" that association. Study respondents said people decline to pay rates because they do not perceive improvements in providing services in their communities. Roads aren't in good shape and garbage pickup is inconsistent, and that discourages residents from paying, explained Participant 9. All staff mentioned that poor service delivery erodes residents' trust in the council and lowers their willingness to meet their obligations to pay. Thus, the council is not able to produce sufficient funds to meet operating obligations. The results are congruent with Kapasa and Chibwe (2026), who found that lack of service leads citizens to refrain from paying charges and taxes to the municipality.

4.3.4. Mismanagement of funds, corruption.

The results showed that 19% of the respondents felt that corruption and funds misappropriation are problems in the revenue collection process in Pfura Rural District Council. This percentage suggests that there are enough respondents who feel that the poor visibility of and misuse of funds affects good revenue administration in the council. Some members of the public have lost confidence in the Council, because they feel that the funds that they contribute to are used for other purposes by the authorities. Participants 3, 5 and 7 have reported that corruption provides opportunities for siphoning off funds and for lack of accountability in the council. Results revealed that residents were deterred from paying rates and levies if they perceive their payment is not really going to be put to good use in their community. Nyirongo (2024) also notes that poor fund

management negatively impacts financial performance in local governments, thus confirming the results above.

4.3.5. Economic hardship of the community

The study results further revealed that 17% of respondents considered that economic hardship suffices to the residents as a cause of low revenue generation. This percentage suggests that respondents believed current economic conditions were restricting efforts of residents and businesses to meet their obligations. The participants got to understand that many residents are ready to pay the charges of the Council, but at the same time they are less able to pay these charges because of their low incomes, which are generated from unemployment and their high living costs. Participant 1 emphasized that most households set aside money before paying their school fees and council fees before paying for food. Participant 3 said the financial stresses of people and businesses contribute to non-compliance with council payments. This means that the council runs an income problem because of the lack of revenue mobilization to provide services and implement development programmes. The conclusion reached by this study is similar to the conclusion arrived at by Iddrisu and Twum (2026), which showed that socioeconomic factors have a great influence on internal revenue generation in local government.

4.3.6. Lack of billing and record keeping systems

The results also showed that 13% of the respondents said that poor billing systems and record-keeping were a factor in poor revenue collection. This percentage shows that some respondents felt that areas of weakness in Councils' financial administration systems had a negative impact on effective revenue collection. A survey of participants found that the council continues to struggle with manual records, resulting in lost information and bills being incorrect. Participant 10 also explained that records become outdated and pose problems for the council in recognising defaulters/effectively tracking payments. Participants 2 and 9 emphasized that inefficient billing and record-keeping cause owners to receive incorrect bills and loss of revenue, which consequently lowers the revenue base of the councils. This finding is linked to Sinjwala's (2024) result, which indicates that limited use of the ITC in district councils is negatively affecting the level of efficiency in revenue collection.

Table 4.3. Descriptive statistics key



Source: primary data sources (2026)

Table 4.4. The effects of low revenue collection on financial performance.



Source: SPSS V26

The mean score of the statement that low revenue collection negatively impacts the budgeting processes of council members was 4.71 with a Standard deviation of 0.056. The average score is in the strongly agree range. This means that poor collection of funds has a significant negative impact on effective budgeting and financial planning in the council, suggesting a strong desire from respondents. Inadequate revenue collection restricts the Council's capacity to fund sufficient development projects and programmes for the council. Participant 1 said low revenue is

challenging to make reasonable budgets, and Participant 2 said that the council faces difficulties when the planned projects cannot be carried out due to financial difficulties. The findings are consistent with the study carried out by Mwiinde (2024), which stated that weak revenue management reduces budgeting in local authorities and financial planning processes.

Mean score for the statement "Poor revenue collection hurts payments to employees and business operations was 4.68, with Standard Deviation (SD) of 0.040. The mean score suggested that the respondents strongly disagreed that the ability of the councils to pay salaries and also their operational activities is affected as a result of the inability to collect revenues. Funds may not be enough to operate the business and failure to collect in time may also present difficulties in paying the employees. Participant 3 described employees becoming demoralized because of delayed wages and Participant 4 reported that an impact on their daily activities is the burden on the council by insufficient operational funds because of salary delays. The findings here are in line with the findings by Nkhata and Daka (2025), who asserted that the challenges of insufficient revenue generation lead to delayed salary payments in local authorities, thus creating endogenous inefficiencies.

Agreement for the statement services delivery in the council is affected by low revenue collection was at 4.67 with a standard deviation of 0.076. The mean score reflects a high level of overall agreement among the respondents that inadequate revenue collection has a negative impact on service delivery in the council. Faced with poor financial resources, the councils are not able to provide adequate levels of services, including refuse collection, road maintenance, water supply etc. Residents frequently complain of poor service provision by the council due to a lack of adequate funds (Participant 5) and some of the development programmes are delayed in implementation because of a lack of revenue collection (Participant 6). This study aligns with that of Kapasa and Chibwe (2026), who found that low revenue collection negatively affects service delivery in local authorities.

It also found that lack of proper revenue collection has made it difficult for the councils to keep the infrastructure up and running, with a mean of 4.56 and a standard deviation of 0.067. The mean score is within the strongly agree band, suggesting that the respondents were strongly convinced that there is a council's inability to maintain its infrastructure due to inadequate revenue. Roads,

drainage, buildings and other public infrastructure are difficult for the council to maintain due to financial difficulties, and the lack of cohesion in the collection of council revenue being collected. Participant 7 reported that even though some roads are still damaged for a prolonged period, no funds are being provided by the council for maintaining them, and Participant 8 explained that infrastructure is not well maintained and this is affecting the economy of activities in the district. The results coincide with the findings of Dorasamy and Khan (2024), who stated that financial sustainability is critical to maintain the infrastructure and provide good services by the local governments.

4.4.1. Linear regression

Table 4.5. Model Summary

Model	R	R Square	Adjusted R-Square	Std. Error of the Estimate
1	.864[a]	.746	.721	.214

a. Predictors: Low revenue collection

b. Dependent Variable: Financial performance

The statistics show that there is a strong association between poor revenue collection and financial performance (R = 0.864). R Square (R2) is equal to .746 and this means that 74.6% of the differences in financial performance can be attributed to poor revenue collection. The R-squared adjusted for d.f. value of .721 also provides a fairly high degree of confidence when using the model to make predictions about poor revenue generation and financial performance outcomes.

Table 4.6. ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	18.432	1	4.608	6.547	.001[b]
	Residual	6.891	48	.157		
	Total	25.323	48			

a. Predictors: Low revenue collection

b. Dependent Variable: Financial performance

According to the ANOVA results, the regression model is statistically significant (F value = 6.547, p < .001). The evidence supports the hypothesis that there is a significant amount of negative impact on financial performance as a result of poor revenue collection in Pfura Rural District Council. Based on the observations, there are areas with significant revenue deficits due to poor revenue collection by the council. Therefore, we can conclude that poor revenue collection has a significantly negative impact on budgeting, service delivery, operational costs, and infrastructure maintenance.

Table 4.7. Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(constant)	2.654	.184	.691	3.214	.002
	Low revenue collection	.782	.096	.648	2.876	.001

b. Dependent Variable: Financial performance

It is noted that the financial performance constant is 2.654 with a critical value of 0.002, indicating that when other independent variables are kept constant, the level of financial performance would be equal to 2.654. The unstandardized regression coefficient for low revenue collection indicates that there is a 0.782 unit change in the financial performance based on a one unit increase in low revenue collection. The coefficient is significant at the 0.001 level, which indicates that there is a statistically significant relationship between low revenue collection and financial performance. Reduced revenue collection will have a large effect on the finances of the council.

Table 4.5. The effectiveness of the revenue collection systems used by Pfura Rural District Council.

Descriptive Statistics

	N	Mean	Std. Deviation
The council's revenue collection systems improve accountability.	48	4.45	0.056
Revenue collection systems used by the council are efficient.	48	4.76	0.078
The council's billing systems improve revenue collection performance.	48	4.79	0.098
The use of technology improves revenue collection within the council.	48	4.19	0.054
Revenue collection systems reduce revenue leakages within the council.	48	4.68	0.098
Valid N (listwise)	48	4.82	0.0102

Source: SPSS V26

The mean of the councils' rating of their ability to collect revenue through their billing systems was 4.79 and the standard deviation was 0.098. The mean score is within the strongly agree level, meaning respondents strongly agreed that the billing systems contribute to good performance in revenue collection as part of the council. An effective billing system can be used to correctly match taxpayers to the payment. Participant 1 said that an accurate billing system would improve collecting rates and levy. The results of this study corroborate Sinjwala (2024), who reported that the use of efficient ICTs is beneficial for the efficiency of revenue collection in local governments. The council's score was 4.76 with a standard deviation of 0.078 for the statement that the council's revenue collection system was efficient. The council's revenue collection systems are effective in enabling revenue mobilization activities. The systems help to enhance the management of records and monitoring of defaulters. Participant 3 said that efficient systems have minimized delays in processing payments. It is consistent with the studies of Victor (2024), which says that digital systems enhance the effectiveness of local government administration in financial management.

The mean score was 4.68 with an SD of 0.098 and it was the most accepted statement among the participants with regard to the revenue collection systems. On the question about how much the respondent agreed or disagreed with the statement that systems enable him/her to reduce revenue leakages and increase accountability, the mean score was strong, indicating that he or she strongly

agreed that the systems enabled reduction of revenue leakages and increase in accountability. Participants highlighted that automated systems provide a reduction in manipulation of records and greater transparency on revenue collection processes. Participant 5 said it would be good if there were proper systems to minimize exposure to corruption and loss of funds. The findings corroborate the research conducted by Nyirongo (2024), which established that good financial management improves financial control and reduces financial leakages in local governments. The mean score of the 155 councils for this question was 4.45, with the standard deviation being 0.056. Good systems enhance record-keeping and aiding to follow up on collected amounts. Participant 7 noted improved accountability with effective financial record keeping. In this regard, the findings corroborate those of Chigutei (2026) who stated that comprehensive and effective financial control systems help local governments enhance accountability.

The mean score for the council's use of technology to improve the collection of revenue was 4.19 with standard deviation (S.D.) = 0.054. The average score is in the agree range, which indicates that there is agreement that the use of technology is an added value to revenue collection in the council. Technological use enables greater ease of payment and more data handling, respondents explained. Participant 9 said that the digital payment system enhances residents' ease of timely payment of their rates and levies. As for this regard, Omweri (2024) noted that the roll-out of e-government systems improves the efficiency of local governments and local taxation.

Table 4.5. The effects of revenue collection on financial sustainability

Descriptive Statistics			
	N	**Mean**	**Std. Deviation**
Effective revenue collection improves financial sustainability within the council.	48	4.35	0.038
Revenue collection enables the council to finance development projects.	48	4.67	0.067
Effective revenue collection improves service delivery within communities.	48	4.89	0.082

Improved revenue collection strengthens long-term financial planning.	48	4.56	0.078
Weak revenue collection negatively affects financial sustainability.	48	4.78	0.090
Valid N (listwise)	48	4.56	0.062

Source: SPSS V26

The mean score for effective revenue collection improving service delivery in the communities was 4.89 with a standard deviation of 0.082. The effectiveness of the process of getting revenue in places increases service delivery in communities. Those who responded noted that funds amounting to a sufficient level allow the council to complete services, including those for road maintenance, water supply and refuse collection. The respondent said that with better revenue generation, the council could have been able to meet people's needs. This finding corroborates that of Kapasa and Chibwe (2026), which shows that good revenue mobilization leads to better service delivery in local governments. The mean score for the statement Weak revenue collection is a negative influence on financial sustainability was 4.78 with a standard deviation of 0.090. The mean score suggests a high level of agreement with the question of councils' financial sustainability being impacted by poor revenue collection. Unholy allocations have placed a constraint on the capacities of the Councils to cover operating costs and keep development programmes running, respondents explained. Participant 4 observed that the council's finances suffer from being short of money due to low revenues. This is echoed by Dorasamy and Khan (2024) in their discussion on using effective revenue generation for financial sustainability in the local governments.

That revenue collection will allow the council to fund the development projects had a mean score of 4.67 and a standard deviation of 0.067. The respondents strongly agreed that effective revenue collection enables funding of development projects, as reflected by the mean score. The communities with collected revenues reported using the money to pay for infrastructure improvements and community development. Participant 6 explained that better revenue collection makes the councils more able to undertake development programmes. These findings are supported by Mugano, who says that, “Capacity building of local governments through

strengthening local government finance would enhance developmental capacity in local government.

Opinion about strengthening long-term financial planning via improved revenue collection was highly positively valued with a mean score of 4.56 and a standard deviation of 0.078. The council is able to make realistic budgets and plans for future income and expenditure with stable revenue flow. Participant 8 reported that regular revenue collection facilitates good financial decision-making and planning processes. This is corroborated by Mwiinde (2024), who noted that good revenue management enhances budgeting and financial planning in Local Governments. The mean of the answer to Effective revenue collection is a source of financial sustainability in the council was 4.35, with a mean score of 0.038. Good collection systems help to ensure financial sustainability in the council. Increased revenue collection enables the long-term sustainability of the council's operations and services, according to respondents. The financial sustainability will only be realized when the council is able to collect sufficient revenue regularly, Participant 10 added. The above findings are corroborated by Sibanda (2025), who emphasized the big role of effective Local Government finance systems in sustainable development and financial sustainability of Zimbabwean councils.

4.4. Chapter summary

In this chapter, the data collected for this study are presented and analyzed. Data obtained from the application of an online survey questionnaire and selected interviews of participants in the field of interest to ascertain what is contributing to the low levels of revenue collection in rural district councils. Data from this study were presented through various forms of display and included descriptive statistics such as frequencies and percentages. A detailed discussion of the results from the field study is presented in this chapter, along with a summary of the results. Furthermore, the main findings summary, conclusions and recommendations were covered in the next chapter.

CHAPTER V

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.0. Introduction

This chapter presents the summary, conclusions and recommendations of the study on the impact of revenue collection on the financial performance of Pfura Rural District Council. It summarizes the key findings on factors affecting revenue collection and their impact on the council's financial

performance from 2023 to 2025. Conclusions are drawn based on the study objectives, followed by recommendations aimed at improving revenue collection and financial performance.

5.1. Summary

The study aimed at evaluating the causes of low revenue collection in rural district councils on the case study of Pfura Rural District Council. The study wanted to know what causes low revenue collection in rural district councils, with the case study taken as Pfura is contributing to lower revenue collection in the rural district council. Specific factors studied were: Factors that led to low revenue collection, the impact of low revenue collection on financial performance, the effectiveness of the revenue collection system and the impact of revenue collection on financial sustainability within the council. The study was driven by the rising concerns of low revenue mobilisation, service delivery failures, financial instability and difficulties in maintaining developmental projects in district councils of the rural council. The case study research design was employed such that an in-depth examination of the systems of revenue collection, financial performance, Financial Sustainability of revenue collection at Pfura Rural District Council was carried out. The two techniques of research were employed such as qualitative research and quantitative research in order to get all the information from the respondents. The target population consisted of 60 respondents who were finance managers, finance assistants, councilors, internal auditors and executive directors.

Stratified random and simple random sampling techniques were used to obtain sample of 53 respondents. Research method used is qualitative by means of questionnaires and interviews and quantitative by descriptive statistics and linear regression analysis. Thematic analysis was employed to analyze qualitative data. The study was not without difficulty as some respondents were reluctant to give financial information because of their fear of victimization and concern about confidentiality. Further, due to busy work schedules and council duties, some respondents were hard to reach, delaying the data collection process. There were also difficulties with getting some of the financial documents as they were deemed to be confidential by the council.

In addition, the results of the study were not easily applicable to all rural district councils if further research were conducted since it was only in one district that the research was carried out. The

researcher was able to collect sufficient and relevant information needed to fulfil the objectives of the study despite the above constraints. Based on the results, strengthening financial management systems, making people more accountable to the Council, introducing greater use of technology and upholding Council by-laws are key in strengthening revenue collection and sustainable service delivery in local governments.

5.2. Conclusions

5.2.1 The conditions which lead into the poor revenue collection in Pfura Rural District Council.

The study therefore concluded that the weak performance of the Pfura Rural District Council in revenue collection is attributed to inadequate skilled personnel, corruption of funds, poor service delivery, poor billing and record-keeping system, inadequate by-laws system and failure to enforce by-laws by the council officials. Skilled personnel and corrupt practices create the biggest problems in effective administration of revenue in the council. The inefficiency of service delivery decreases residents' willingness to pay rates and other levies, but economic hardship decreases the residents' and businesses' ability to pay levies. Poor by-law enforcement leaves room for non-payment, and low billing efficiency leads to revenue leakage and inefficiencies.

5.2.2 Effects of low revenue collection on financial performance.

That means the researcher can infer that low revenue generation has adverse impacts on the financial performance of Pfura Rural District Council. When money isn't collected well, it can mess up the budgeting process and delay development projects. Low revenue collection also impacts the council's operations, such as salaries and wages and other operational activities. The research also identified a lack of resources or funding as a vulnerability in service delivery and the status of infrastructure services provided by councils. Results of the regression analysis showed that a dip in revenue collection has a significant impact on the council's financial performance.

5.2.3 The revenue collection system in terms of its effectiveness for Pfura Rural District Council.

The study concluded that the current council revenue collection framework works well in enhancing accountability and minimizing revenue leakages. The systems optimize the billing and

total performance of revenue collection. Use of technology enhances the payment process, record management and defaulter monitoring. It also found that the systems enhance transparency and financial control in the council.

5.2.4. Revenue collection can have impacts on financial sustainability.

The study concludes that good revenue collection leads to increased financial sustainability of a council. Revenue generation is linked to service provision and financial investment of, amongst others, development projects. Better revenues can make long-term financial planning more robust and improve a council's longer-term capacity for operations. The research also reinforced the correlation between low revenues and financial sustainability, and restricted the effectiveness of councils to provide essential services for their communities.

5.3. Recommendations

- The study suggests that the wildlife management staff in Pfura Rural District Council need to be recruited and trained in financial management and revenue administration. Staff training sessions should be held regularly to enhance the skills of billing, record custody and monitoring revenue. Apart from that, the Council should also allocate sufficient operational resources, including computers, transport and modern financial systems, to enhance the efficiency of revenue collection (Amanda, 2024).

- The study also suggests strengthening the enforcement of by-laws and policies of the council on revenue collection. Defaulters should be closely monitored and legal proceedings should be initiated against residents and non-residents who do not pay rates and levies. This would help in terms of compliance rate and further minimize revenue loss in the council (Chong, 2023).

- It also suggests that Council should regulate the governance of collected funds to a higher standard of accountability and transparency. Monitoring and audit mechanisms should be strong to minimize the risk of corruption, revenue leakages and misuse of funds. This will help to build citizens' confidence and get them to pay their dues (Iddrisu, 2026).

- It was recommended that Pfura Rural District Council develop service delivery in communities. With improvements to public services, including roads, refuse service, water supply, etc., people would have something to say when it comes to rates and levies, as they would feel a value for the services rendered by the council.

- The research also has recommended that to use modern technology and digital payment in collection processes, the council should adopt modern technology systems in the revenue collection process. Use of an electronic billing system, computerized data system, and Internet payment systems would ensure efficiency, improved accuracy, accountability, and monitoring of revenue collection activities.

The study further argues that additional studies should be carried out on the performance of digital financial systems and other revenue collection by rural district councils. In addition, further study needs to be done on how the financial sustainability of Zimbabwean local authorities can be increased.

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APPENDICIES

APPENDIX A: COVER LETTER

Faculty of Commerce.

Department of Accountancy.

Dear Respondent

My name is Mitchelle Tseriwa (Registration Number: B222711B) and I am currently pursuing a Bachelor of Accounting degree with honors at the University of Science Education. As a requirement for completion of my degree program, I am conducting a research project entitled ***"Assessing Factors Affecting Low Revenue Collection in Rural District Councils: A Case Study of PfuraRural District Council".*** The questionnaire will take approximately 15 to 20 minutes to complete. The responses you provide will remain confidential and are for academic purposes only. Your input is valuable to the success of this study and will be greatly appreciated.

Thank you for your contribution.
Kind regards

Name: Mitchelle Tseriwa
Cell No: 0784313581

APPENDIX B: RESEARCH QUESTIONNAIRE

When answering the closed questions, please check the correct box (√). Please answer the open-ended questions using your own words. You do not need to write your name on the questionnaire. Answer the questions by checking the appropriate box and writing the information in the lines provided.

Section A: Demographic information

1. Gender

Male ☐

Female ☐

2. Highest education level

Ordinary and advanced level holders' ☐

Diploma Holders ☐

Undergraduate degree holders ☐

Postgraduate degree holders ☐

Other Professional courses ☐

3. Work experience

Less than 2 years ☐

2 to 6 years ☐

7 to 10 years ☐

11 years and above ☐

4. Age of respondents

Less than 16 years ☐

17 to 29 years ☐

30 years and above ☐

SECTION B: The following questions relate to factors contributing to low revenue collection at Pfura Rural District Council. Indicate the extent to which you agree or disagree.

	Strongly disagree	**disagree**	**Neutral**	**Agree**	**Strongly agree**
Poor billing and record keeping systems	☐	☐	☐	☐	☐
Economic hardships among residents	☐	☐	☐	☐	☐
Corruption and mismanagement of funds	☐	☐	☐	☐	☐
Poor service delivery	☐	☐	☐	☐	☐
Weak enforcement of council by-laws	☐	☐	☐	☐	☐
Lack of skilled personnel and resources	☐	☐	☐	☐	☐

Section C: The following questions relate to the effects of low revenue collection on financial performance. Indicate the extent to which you agree or disagree.

	Strongly Disagree	**disagree**	**Neutral**	**Agree**	**Strongly agree**
Low revenue collection affects service delivery within the council.	☐	☐	☐	☐	☐
Poor revenue collection reduces the council's ability to maintain infrastructure.	☐	☐	☐	☐	☐
Low revenue collection negatively affects council budgeting processes.	☐	☐	☐	☐	☐
Poor revenue collection affects employee remuneration and operational activities.	☐	☐	☐	☐	☐

Section D: The following questions relate to the effectiveness of revenue collection systems. Indicate the extent to which you agree or disagree.

	Strongly disagree	**disagree**	**Neutral**	**Agree**	**Strongly agree**
The council's revenue collection systems improve accountability.	☐	☐	☐	☐	☐
Revenue collection systems used by the council are efficient.	☐	☐	☐	☐	☐
The council's billing systems improve revenue collection performance.	☐	☐	☐	☐	☐
The use of technology improves revenue collection within the council.	☐	☐	☐	☐	☐
Revenue collection systems reduce revenue leakages within the council.	☐	☐	☐	☐	☐

Section E: The following relates to the effects of revenue collection on financial sustainability. Indicate the extent to which you agree or disagree.

	Strongly disagree	**disagree**	**Neutral**	**Agree**	**Strongly agree**
Effective revenue collection improves financial sustainability within the council.	☐	☐	☐	☐	☐
Revenue collection enables the council to finance development projects.	☐	☐	☐	☐	☐
Effective revenue collection improves service delivery within communities.	☐	☐	☐	☐	☐
Improved revenue collection strengthens long-term financial planning.	☐	☐	☐	☐	☐

Weak revenue collection negatively affects financial sustainability.	☐	☐	☐	☐	☐

What challenges affect revenue collection within Pfura Rural District Council?

……

……

What measures can be implemented to improve revenue collection within the council?

……

……

THANK YOU

APPENDIX C: INTERVIEW GUIDE

Introduction

Hello. Thank you so much for agreeing to take part in this interview. I'm currently conducting research called ***"Assess Factors contributing to Low Revenue Collection within Rural (District) Councils: A Case Study of the Pfura (District) Council".*** Your responses would be kept completely confidential and would only be used for my academic studies. If you agree, I'm going to continue with the interview.

- What do you feel are the major factors which affect the low revenue (collections) at the Pfura (District) Council?
- How does low revenue collection impact on the overall financial performance of the Council?
- Do you feel that the council has effective revenue collection systems?
- What are the main challenges faced by the council with regards to its revenue collection systems being effective?
- How will the council's revenue collection affect the (council) financial sustainability?

THANK YOU