Int. j. adv. multidisc. res. stud. 2026; 6(1):1384-1400

Received: 07-12-2025
Accepted: 17-01-2026

International Journal of Advanced Multidisciplinary Research and Studies

ISSN: 2583-049X

Assessing the Effectiveness of Revenue Collection on the Financial Sustainability of Rural Councils: A Case Study of Mwandi Local Authority

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Abstract

Effective revenue collection is vital for the financial sustainability and developmental progress of rural councils. This study focused on the Mwandi Local Authority in Zambia, driven by the need to enhance revenue generation management systems to support local government initiatives and improve service delivery. The rationale behind this research was to establish the challenges faced by rural councils in generating sufficient revenue for developmental projects and ensuring efficient staff performance. The primary objectives of this study were threefold: to determine the effectiveness of local government institutional capacity in revenue collection, to examine the effects of tax evasion on revenue collection in local government revenue collection, and to establish strategies to improve revenue collection in Mwandi Town Council. The descriptive research design was employed in conducted a case study integrating mixed- methods where both qualitative and quantitative analysis of data with key stakeholders was used, these included council staff. This approach provided a comprehensive examination of the revenue collection systems and their impacts on council revenue collection and developmental outcomes thereafter. The results of this study identified key weaknesses in the current revenue generation management system, that local government institutional capacity were poor. Secondly, tax evasion on revenue collection diminished local government intervention. Therefore, proposing plausible recommendations for improvement in rural council revenue collection system, that there is need to review the structural and operational frameworks governing the local council revenue collection, tighten treasury control over rural councils revenue sources, strengthen legislative oversight and the public audit functions, plug loose areas in income tax frameworks, instituting transparency in national revenue remittance processes as well as delinking of the political arm in public administration. The implications of this research are significant, contributing to a better understanding of how effective revenue collection can enhance the financial health and developmental capacity of rural areas within council's realm.

Keywords: Local Authority, Institutional Capacity, Revenue Collection, Rural Council

1. Introduction

1.1 Background

Effective local government is the pillar of development and sustainability in local communities as well as individual socio-economic wellbeing. It is responsible for aspects of everyday life that people care about deeply such as good services delivery (Victorian Government, 2012). It is obvious that in order to deliver such services, any government needs adequate revenue generation (Ijeoma, 2010) [42]. However, it should be noted that a successful development of any country depends in largerly on the efficiency, integrity, and effectiveness with which the state raises, manages, and expends public resources (Hegarty and Maggi, 2009) [39]. These resources are responsible for financing different development activities in both economic and social in the process of fostering economic growth and social development (Bakibinga *et al*., 2018) [18].

Local governments are constitutionally empowered to control, regulate and also raise revenues from activities in their jurisdiction. In doing so, they impose some taxes and rates on these economic activities as a way of generating funds for their operations. The Constitution and Local Government Act No. 2 of 2019 also provides for sources of local revenue where LGs should benefit. Thus Awitta, (2010) [16] defined revenue collection as the amount of money that an Entity receives during a specific period. It is the "top line" or "gross income" figure from which costs are subtracted to determine net income. Revenue

collection can be defined as income that an organization receives from its normal business activities, usually from the sale of goods and services to customers. In the same vain, the SEATINI and KIWEPI Report (2017) defined revenue collection as the assessment, billing, enhancement and the enforcement of taxes to be paid by the tax payers to the local government.

Mwandi Town Council has equally been affected by policy changes, especially that it is a rural based local authority with its major economic activity being the fishing industry and agriculture. These two economic activities require to be supported by good road network to ensure smooth delivery of the respective products. A review of the financial reports of the council for the financial year ended December 2022 showed that only 44% (Forty-four per cent) of budgeted collections were collected to support the council operations, making the council depend on central government remittances to ensure service delivery is met. Some of the challenges are high costs for collection, frauds, underpayment and leakages in revenue. Despite the above reforms, globally, various researchers and audit findings revealed that almost all Local authorities rely on Central government (C.G) grants in order to run well their operations as well as developmental activities, an indication that without those grants almost all Local governments could collapse (McCluskey, *et al*., 2019). Therefore, the researcher examines the effectiveness of revenue collection in Local authorities to see which kind of systems used in revenue collection in Mwandi Town Council.

1.2 Statement of Problem

The Government of the Republic of Zambia has been implementing reforms to improve the way Local Governments (LGs) are financed to implement their mandates as enshrined in the law(s) governing them. Local government are mandated to collect revenue in order to bridge the funding gaps between central government transfers and the actual amount of funds budgeted by the local government. Local governments with no exception of location continue to experience low levels of revenue generation and maintenance most of which are man-made and therefore avoidable. Despite the numerous rules and regulations, the varying and deepening levels in revenue generation and collection still occur across all councils in the country. A number of revenue sources for local revenues remain untapped, subsequently, distorting planning as revenue targets are not based on actual examined potential and thus making it elusive to determine its effectiveness. There is a low overall collection of local revenues by Zambian rural local councils including district councils with only 22% of the local revenue potential is being collected which raises questions as to what effect will it have on community development and sustainability. This undermines the whole essence of decentralization, aims at strengthening the autonomy of local governments (Bakibinga *et al*, 2018) [18]. Needless to say, therefore, there is a need to examine the effectiveness of revenue collection in Mwandi Town; the rationale which dictated undertaking this research study.

1.3 General Objective

The general objective of this study examined the effectiveness of revenue collection in rural councils taking Mwandi Town Council as a case study.

1.3.1 Specific Objectives

1. To assess the effectiveness of Mwandi Local Authority's institutional capacity in revenue collection and its influence on financial sustainability.
2. To analyze the effects of tax evasion on revenue collection performance and the financial stability of Mwandi Local Authority.
3. To identify strategies to enhance revenue collection for improved financial sustainability in Mwandi Local Authority.

1.4 Research Questions

i. i.How effective is the local government institutional capacity in revenue collection?

ii.What are the effects of tax evasion on revenue collection in local government revenue collection?

iii.What strategies can improve revenue collection in Mwandi Town Council?

1.5 Conceptual Framework

The conceptual framework guiding this study illustrates the interaction between the independent variables—Institutional Capacity, Tax Evasion, and Revenue Collection Strategies—and the dependent variable, Financial Sustainability of Mwandi Local Authority. A conceptual framework is essential because it visually and theoretically explains how and why the chosen variables influence one another, thus providing a foundation for data interpretation (Miles, Huberman & Saldaña, 2014). In this study, the framework clarifies how administrative systems, taxpayer behaviour, and revenue-enhancing mechanisms collectively shape the council's overall financial health.

Independent Variables:

Institutional Capacity

Institutional capacity refers to the availability of skilled personnel, adequate infrastructure, strong administrative systems, and technological tools necessary to support effective revenue collection. It includes factors such as staff competence, availability of transport for field operations, use of computerized systems, and internal controls that promote accountability and transparency. A well-developed institutional capacity enhances an organization's ability to perform core functions efficiently, reducing leakages and improving compliance (Grindle, 1996). In local authorities, institutional capacity is often the foundation upon which all revenue operations depend, because without functional systems, enforcement becomes weak and monitoring becomes inconsistent.

Tax Evasion

Tax evasion involves deliberate actions by taxpayers or agents to avoid paying legally required revenue, such as concealing income, falsifying receipts, or refusing to remit fees. It is considered one of the most damaging challenges to domestic revenue mobilization and significantly reduces the revenue base available to local authorities (Alm & McKee, 2004). When evasion becomes widespread, it creates a culture of non-compliance where taxpayers feel justified in avoiding payments because others are also not complying.

Revenue Collection Strategies

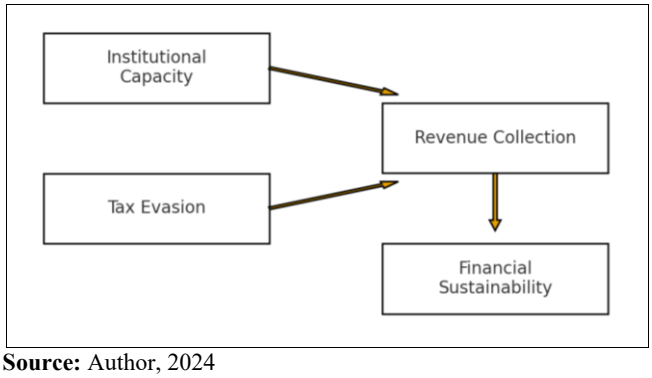
Revenue collection strategies encompass deliberate interventions designed to improve compliance, enhance

efficiency, and minimize revenue leakages. These strategies may include automation of billing systems, regular audits, community sensitization efforts, enforcement mechanisms, and diversification of revenue streams. According to Bird and Zolt (2008), effective revenue strategies significantly increase compliance when they are transparent, well-communicated, and supported by enforcement. Strategies also act as managerial tools that guide staff operations, ensuring consistency and accountability in daily revenue activities.

Dependent Variable

Financial Sustainability

Financial sustainability refers to the ability of the council to mobilize adequate and predictable financial resources to meet both operational and developmental obligations. A financially sustainable local authority is one that can maintain service delivery, support infrastructure development, and finance administrative functions without relying excessively on external funding. This stability promotes long-term planning and enhances public confidence in local governance systems (Municipal Finance Officers Association, 2013).



Source: Author, 2024

Fig 1: Conceptual Framework Model

Conceptual Model Explanation

Institutional Capacity → Revenue Collection Efficiency

Strong institutional capacity improves the ability of the council to accurately assess revenue due, monitor payments, enforce compliance, and maintain transparency in revenue processes. When institutions have trained staff and access to adequate tools, they can effectively identify taxpayers, collect payments, and reconcile records. This reduces delays and minimizes opportunities for leakages that often occur when systems are weak.

Tax Evasion → Revenue Loss → Financial Instability

High levels of tax evasion directly reduce the amount of revenue collected, weakening the council's ability to deliver essential services. When taxpayers refuse to comply, the local authority must either divert resources to enforcement or reduce planned activities due to insufficient funds.

Revenue Collection Strategies → Improved Compliance → Increased Revenue

Implementation of effective revenue collection strategies increases taxpayer compliance through improved communication, accountability, and enforcement. Automation and digital systems reduce human interference and errors, while community awareness improves voluntary compliance by educating taxpayers on their obligations.

Revenue Collection (Mediator) → Financial Sustainability

Revenue collection acts as a mediator between institutional capacity, tax evasion, revenue strategies, and the financial sustainability of the council. Even if institutional capacity is strong and strategies are well designed, financial sustainability will only improve if these efforts translate into increased actual revenues. Effective revenue collection ensures that potential revenue is converted into financial resources that support operations and development.

1.6 Significance of study

To the researcher, the research would be used by policy makers, academicians and researchers as knowledge base or literature in the areas of effectiveness of revenue collection; the effect of institutional capacity on revenue collection, tax evasion, tax avoidance and corruption, and strategies to improve revenue collection in rural local councils.

This study is important in its attempt to examine the effectiveness of revenue collection in rural councils using Mwandi town council as a case study. The strategies and recommendations that will be made at the end of this study would assist leadership and supervisors in Mwandi Town Council both politically and administratively to effectively deal with challenges they face in ensuring effective revenue collection and allocation.

It is anticipated that the results of the research would demonstrate and aid the local authorities including the public in the town council to design policies and strategies which would ensure effective revenue collection by public officials of towns which could be utilized as a strategic framework designed to serve as a guide in all rural councils. As a result, leading to service delivery improvement in all or within council's reach.

1.7 Scope of Study

As a case study, the study examines the effectiveness of revenue collection in rural council - the case of Mwandi town council. A case study has been chosen because "the case study allows an examination to retain the holistic and meaningful characteristics of real-life events - such as individual life cycles, organizational and managerial processes, neighborhood change, international relations, and the maturation of industries".

1.8 Operational Definitions of Concepts

Strategy: A method or plan chosen to bring about a desired future, such as achievement of a goal or solution to a problem. It is the art and science of planning and marshalling resources for their most efficient and effective use.

Revenue: is the state's income from which public expenses are met. It is the income generated from sale of goods and services associated with the main operations of an organization before any cost or expenses are deducted.

Local Revenue: is revenue that can only be levied on citizens of an area by the collection agency of that respective jurisdiction.

Local Government Authority: A Local Government Authority (LGA) or a council is a body corporate that is established and governed by the Local Government Act, No. 2 of 2019 of the Laws of Zambia. The main objective of establishing Councils is to provide services on behalf of

Central Government to residents within their areas of jurisdictions. In this dissertation, the words Local council and Local Government Authority mean one and the same.

2. Literature Review

This chapter reviews existing literature on the study variables: examining the effectiveness of revenue collection in Mwandi town council. The chapter is divided into sections covering; the effectiveness of local government institutional capacity in revenue collection; the effects of tax evasion on revenue collection in local government revenue collection; strategies to improve revenue collection; research critique and gap.

2.1 The effectiveness of Mwandi Local Authority's institutional capacity in revenue collection andits influence on financial sustainability

Institutions can be understood as settled, widely prevalent and standardized habits and conventions defining social practices (Hamilton *et al*., 2013) [36] and more formally as constitutional and operational rules governing different kinds of organizations (Parsons, 2013). The notion of capacity can be viewed as the ability of individuals, organisations, or societies to set and implement development objectives on a sustainable basis (Land, 2000). Capacity is also viewed as a continuous process by which individuals, groups, institutions, organisations and societies enhance their abilities to identify and meet development challenges in a sustainable manner. Capacity is the ability to perform functions, solve problems, and set and achieve objectives (Fukuda and Lopes, 2013).

Capacity can be viewed from two main perspectives; individual and organizational. Individual capacities, understood in terms of skills and aptitudes (usually acquired through training) are considered as a necessary but not sufficient part of the capacity equation. Institutional capacity is likewise influenced, not only by internal structures, systems and procedures, but by the collective capabilities of staff, and by external factors in the wider "institutional" environment - such as the policy framework, and other political, economic and cultural factors. These may constrain or support performance and influence issues of organizational credibility and legitimacy (Land, 2000). Institutional capacity is likewise influenced, not only by internal structures, systems and procedures, but by the collective capabilities of staff, and by external factors in the wider "institutional" environment - such as the policy framework, and other political, economic and cultural factors. These may constrain or support performance and influence issues of organizational credibility and legitimacy.

Kirabo *et al*., (2013) observed that among the objectives of the decentralization, improving the capacity of local councils to plan, finance and manage the delivery of services is one of the major goals. They add that globally, local governance enhances the delivery of goods and services. Institutional factors, such as political, social, legal and economic conditions are important for the analysis of public finance issues, but they are especially important for the analysis of fiscal decentralization.

Well-developed institutions enjoy an enabling environment of key players using available resources to generate revenue. This study adopts the definition by Kayise *et al*., (2013) which looks at institutional capacity as the ability to implement and improve revenue administration focusing on efficiency and effectiveness. The study by Kirabo *et al*., (2013) established that institutional capacity influences positively local revenue generation. Institutional capacity focused on: human capacity, financial capacity, infrastructural capacity, revenue collection methods; taxpayers' awareness of their civic duties and obligations and the regulatory framework. The human capacity was found inadequate in terms of numbers and placement. Both the political and technical teams were found requiring continuous capacity building to increase their effectiveness and efficiency. Local governments are the closest unit of the grassroots communities as they are not only undertaking to institutionalize the governance system and create enabling environment to promote the democratic values and public participation mainly from marginal section in decision making process, but also accelerate the economic development so that they enhance the peoples' capacity and enable them to influence the local governments representatives for responsive governance. In a study by Acharya (2018) [11], observed that Nepali society remains frustrated and dissatisfied at the citizen level, and dishonorization and dishonesty in the political and bureaucratic domain as these attributes have created the extreme risk to institutional capacity development of the local governments.

2.2 The effects of tax evasion on revenue collection performance and the financial stability of Mwandi Local Authority

Tax evasion is the illegal withholding or underpayment of taxes, typically accomplished by intentionally providing false or no evidence to tax authorities. Tax evasion is said to have a severe detrimental influence on the local government revenue collection. It is therefore imperative to note that taxation is a mandatory expense or transfer of resources from the individual to the public sector paid based on criteria and without regard to specific advantages received to achieve some of the country's economic and social goals (Olaoye *et al*., 2018; Faheem and Alzoubi, 2019 [34]; Tarfa *et al*., 2020). Furthermore, taxation is a public duty and a contribution levied by the government on its subjects and businesses to empower them to finance or operate public facilities and fulfil other social responsibilities. Consequently, taxes are the primary foundation of government revenue. But there are different problems in collecting appropriate taxes. Most researchers agreed that taxation is compulsory payment by taxpayers to public investments.

Tax evasion is defined as the illegal utilization of the tax system to one's advantage to lower the amount of tax using illegal means. Tax evasion also refers to any criminal endeavor to avoid paying taxes (Helhel and Ahmed, 2014) [38]. Tax evasion significantly impact the total revenue and affects the country's development (Kamau *et al*., 2012; Amani and Harelimana, 2017 [15]). Tax avoidance is the dynamic tactic by which a taxpayer attempts to reduce or eliminate his tax liability without actually breaking the law (Badara, 2012 [17]; Olsen *et al*., 2019). Such misbehaviour has produced a massive gap between actual and projected revenue. Ilham and Hayon (2019) and Quick (2020) argue that if people can avoid paying the tax to which they should logically be subject within the general scope of the tax, the theoretical justice of the tax is lost to a great extent. The above researchers and others assured that tax evasion is a

hazardous activity that seriously harms local government revenue collection.

2.3 To identify strategies to enhance revenue collection for improved financial sustainability in Mwandi Local Authority

Abba *et al*., (2015) examined the relationship between Expenditure and Internally Generated Revenue in local governments. They found that expenditure has significant impact on local government internally generated revenue. Their study recommends that Proper accountability and transparency should be adopted in incurring expenditure (capital and recurrent) in the local government. This may include community participation on project to be executed in the local government, disclosing what has been generated as IGR over a period of time. They also recommend that capital expenditure in the local government should be encouraged. Some of the recurrent expenditure that does not contribute significantly to the revenue generation in the local government should be minimized. Such recurrent expenditures are those in the office of the chairman, secretary, legislative arm and personal management should be minimized, so that the amount can be allocated for capital expenditure.

However, Namaliya (2017) confirmed that Africa has a high rate of revenue under-collection especially in public water utility companies. He added that addressing inefficiencies in collecting water fee revenues will facilitate positive social change by increasing profits, growing the water business and reducing the crime rate by employing more people. While Moffat and Anyumba (2017) explored the revenue enhancement strategies in Rural parts of South Africa. Their findings were that the major constraints to revenue enhancement in rural municipalities are attributed to ineffective municipal business model and structural constraints. As for Katunzi and Mfungo (2020) focused at engaging small taxpayers in the enhancement of revenue collection for local government authorities in Tanzania. They observed that targeted revenues as planned by local governments are not met. The resulting deficit in revenues in Tanzania are caused by poor tax- compliance on small taxpayers who in turn are the most beneficiaries of the services provided by local authorities. However, strategies to engage them and an extent to which they should feel engaged in the exercise of revenue collection seem not to be fully explored in Tanzania.

An article written by Resultist Consulting (2021) suggests that the proper revenue strategy aligns revenue collection, and client experience teams around a singular goal: good or optimum service provision and enhanced revenue collection could be achieved. Without a strategic roadmap, healthy and sustained growth simply cannot flourish, which is why organisations put so much emphasis on the planning process. The right strategy would ensure you achieve your revenue and profit goals. It would be a foundation for selecting and developing the right team, the right software and tools, developing effective processes, remarkable products and services. Khan *et al*., (2011) conducted a diagnostic on tax gadget restructuring as a vital determinant of nations' revenue collection and found out that restructuring the tax gadget at the federal level is critical to enhancing economic reforms of an economy. Moreover, direct tax reforms at the federal level provides key element of vast reforms in terms of economic development not only in developed economies but in also developing economies as well. To this end, Panday (2006) asserted that in economies like India, the tax reforms are geared towards correcting the monetary imbalances that has existed for several decades because of the ever-increasing Value.

Mushimbwa (2020) examined of strategies of local revenue collection in local government authorities in Gwembe district council. The study found that the current strategies are not yielding the expected results in local revenue collection. The inability to mobilize sufficient local revenue by local authorities can be seen merely as a symptom of more deep-seated socioeconomic and institutional constraints. Thus, setting up a cross-cutting task force within the council that will look at revenue collection; tax payer sensitization regarding the need to pay taxes on time and also feedback on overall council performance; updating tax payer database; reviewing expenditure needs; outsourcing the revenue collection function in remote areas; and in house training of revenue collectors to keep them abreast with developments in new legislation, as measures to enhance local revenue collection.

2.4 Establishment of Research Gap

Studies on effective revenue collection have been done to assess the factors affecting revenue collection, ineffective revenue structures, automation and revenue performance and determinants of revenue management and effective strategies to collect revenue. The myriads of studies reviewed above reveal that effective revenue collection has largely been explored as a finance concept and not necessarily from a governance perspective. This, despite the fact that revenue is a critical component of any governance process. From the above studies, it is evident that adequate research is yet to be conducted on the effectiveness of revenue collection strategies in the Zambian context. Moreover, the studies already done excluded some essential concepts of effectiveness in terms of revenue collection that form the basis of the present study. A literature and contextual gap thus exist that this study aims to fill. This study, therefore, aimed at examining the effectiveness of revenue collection in rural councils of Zambia.

3. Research Methodology

3.1 Research Design

This study had adopted a descriptive research design in conducting case study survey. This refers to a type of study in which the quantitative and qualitative data collection, results, and integration are used to provide in-depth evidence for a case or develop cases for comparative analysis (Creswell and Poth, 2018; Lindsay-Smith *et al*., 2018). George (2021) also supported the use of case study design in behavioural, health, and social sciences regularly, particularly in multidisciplinary contexts and challenging situational or societal investigations. Lindsay-Smith *et al*., (2018) held that, data collected using case study design provided a more complete picture of the research issue. Migiro and Magangi (2011) held that case design generally acknowledged research methodologies; the design encouraged researchers to combine a variety of approaches to gather and interpret data within a single study because it recognized the limitations of using a single method.

3.2 Target Population
The population of Mwandi District is estimated at 39,315 people with 19,624 males and 19,691 females according to the 2022 Census of Population and Housing Preliminary Report (Mwandi Town Council, 2022). And this population is served by the total headcount of the employees at the local authority. The local authority (Mwandi) consists of four departments each with sections to serve their assigned functions. Combing all the sections within these department, the total number of employee at Mwandi local authority are 51 (Mwandi Town Council, 2022).
Because the study had focused on Mwandi rural council as a case study, target population comprised of employees from Mwandi Rural Council. Therefore, data was collected and gathered from these participants at local government authority who are much authorized to collect revenue in the country.

3.3 Sampling Design
The study employed a purposeful sampling techniques. This technique was chosen because it involves identifying and selecting individuals or groups of individuals that are especially knowledgeable about or experienced with a phenomenon of interest (Cresswell and Plano, 2011). In addition to knowledge and experience, the importance of availability and willingness to participate, and the ability to communicate experiences and opinions in an articulate, expressive, and reflective manner (Bernard, 2002; Spradley, 1979). In contrast, probabilistic or random sampling is used to ensure the generalizability of findings by minimizing the potential for bias in selection and to control for the potential influence of known and unknown confounders.

3.4 Sampling Size determination
A sample size is a statistical value estimated to represent the parent population of one entire case in a particular study. Sample size determination is the technique of electing the number of observations to include in a sample (Singh and Masuku, 2014). In this study, sample size is significant as it aimed at make inferences about the population from a sample. We adopted a general conclusion, "the sample size used in a study is determined based on the cost of data collection, and based on sufficient statistical power' (Singh and Masuku, 2014). Therefore, the study used Cochran's (1977) formula of sample size determination that is:

$$n = Z2(SD)2:$$

$$e2$$

Where Z is a critical value of confidence = 90% it is 1.645, SD standard deviation of variable and this is assumed, e (d) is allowed error.

$$n = 1.962(25)2 = 24.01$$

3.5 Data Collection methods
The task of data collection begins after the research problem has been defined and research design/ plan chalked out (Kothari, 2004). This entails that, the research instruments are prepared first before the task of data collection has begun. In this sense, the researcher first prepared all the required research instruments before the task of data collection begun. The study used a semi- structured questionnaire containing qualitative and quantitative questions.

3.6 Data Analysis
Data analysis is simply the process of converting the gathered data to meaningful information (Taherdoost, 2020). Different techniques such as modelling to reach trends, relationships, and therefore conclusions to address the decision-making process are employed in this process (Start, 2006). However, data was prepared first before proceeding to the analysis process. Data preparation in this was considered as a process in which collected data was converted to the numerical format which is machine-readable to be used in specific analysing programs, that was Excel Microsoft.

3.7 Triangulation
According to Noble and Heale (2019), research triangulation refers to the process that helps to increase the credibility and validity of research. In other words, research triangulation fundamentally aims at validating the results of this study. Triangulation is probable because, sometimes makes use of mixed methods to achieve the aim of validating research findings. However, triangulation is not the same as mixed methods. Mixed methods basically combine quantitative and qualitative research approaches in getting research questions answered; while triangulation describes how the researcher makes use of all the multiple approaches in the study to extract the required information as well as critically analysing findings (Social Sciences Research Laboratories, 2018). As such, it helps researchers in establishing validity and credibility. Social Sciences Research Laboratories (2018) exposes six ways researchers can achieve this; thus methodical triangulation, data triangulation, investigator triangulation, theoretical triangulation, environmental triangulation and multiple triangulation.

3.8 Limitations of the study
In this study, some limitations were anticipated and while other were identified. Firstly, the literature materials on the local government revenue collection system in Zambia is considered as of old generating systems. The following challenges were encountered during the study: Scientific works published on these aspects are inevitably disregarded because they could not increase the study's arguments' strength. Second, because the scope of the topics involves revenue collection in rural local authorities, the study anticipates not cover all that maybe relevant. And as such, some of those local councils disregarded for a qualitative sampling of literature may have provided some critical dimensions to the study. Finally, despite its contribution to knowledge, the proposed framework has not gone through the complete cycle of being launched for performance assessment and evaluation since this is at proposal level.
Therefore, it has been submitted as a conceptualized model or a theoretical framework ready to be tested, verified, and validated. However, the methodological approach adopted and the features of the proposed framework are such that it shows promise of a theoretical construct and the capacity of instigating further studies.

3.9 Ethical Considerations
The researcher took steps to safeguard the rights, interests and sensitivities of respondents/participants. During the

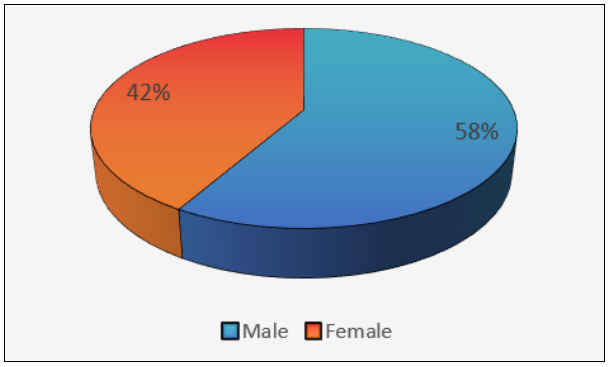
course of data collection, the researcher thoroughly explained and clarify the aim and the purposes of the study to the respondents/participants. According to Strydom (1998), ethics are a set of moral principle which is suggested by an individual or group and is subsequently widely accepted, and which offers rules and behavioural expectations about the most correct conduct towards experimental subjects and respondents. Therefore, this study seeks to conduct a noble study through upholding ethical values during the entire research process, and these include the following:

The study never exposed respondents/participants to any harm, be it physical, emotional and/or psychological. The researcher explained to the respondent what the research was all about, and how it would be beneficial to them and other primary and secondary stakeholders. Proper permission was obtained from the local authority to gather data. The purpose of the study was made known to the respondents. Participation in the study were not coerced or forced but given an opportunity to willingly participate. Anonymity of respondents was respected and during field work all forms of identification including names, email addresses, telephone numbers as well as home addresses of respondents were avoided.

4. Presentation of Research Findings

This chapter has been structured in such a way that quantitative findings are presented graphically (Charts and tables) and qualitative findings presented as narratives. This chapter is divided in four sub titles. The first part presents bio-data or socio-demographic information of respondents. The second sub-title presents findings from the first objective.Similarly, the second and third sub-title presents results from the second and third objectives respectively.

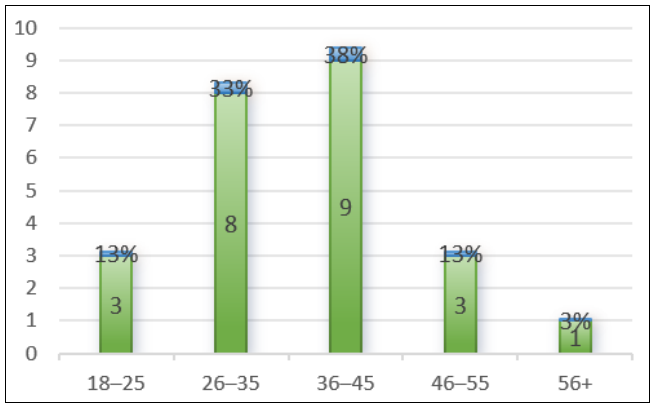
4.1 Presentation of results on background characteristics of the respondents



Source: Field Data, 2024

Fig 4.1.1: Gender of Respondents

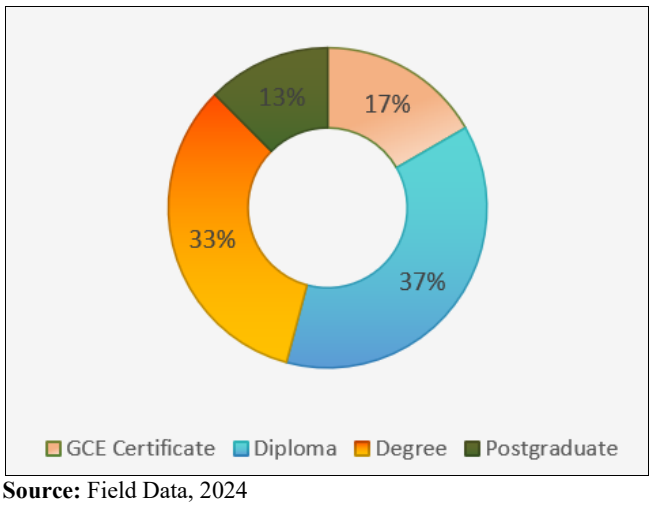
The results show that 58% of the respondents were male, while 42% were female. This distribution suggests a moderate gender imbalance, which is common in many local councils where administrative and revenue roles are often dominated by men. However, the representation of women is still substantial, indicating progress towards gender inclusiveness in public institutions. The presence of both genders in significant proportions enhances diversity of perspectives within the findings.



Source: Field Data, 2024

Fig 4.1.2: Age of Respondents

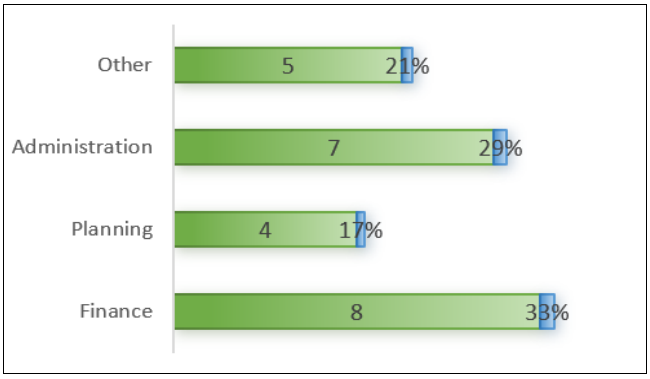
The majority of respondents fall within the 36–45 age range (38%), followed closely by those aged 26–35 (33%). This indicates that the workforce is largely composed of mid-career professionals who have substantial experience in local government operations. The presence of younger employees (18–25) at 13% suggests emerging participation from early-career staff. Older groups (46–55 and 56+) constitute a smaller portion, reflecting possible retirement transitions or limited senior staffing. Age distribution can influence familiarity with technology, openness to reforms, and enforcement approaches.



Source: Field Data, 2024

Fig 4.1.3: Highest Education Level

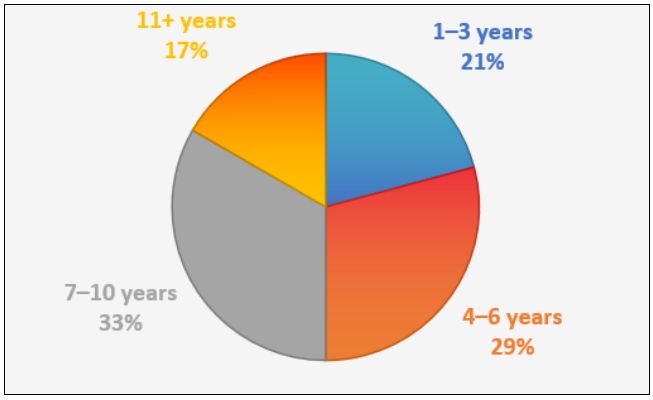
Most respondents hold either a Diploma (38%) or a Degree (33%), showing that the workforce is relatively well-educated. This level of qualification is important for understanding administrative processes and revenue systems. The presence of 17% with only a GCE Certificate may indicate that some junior officers or field collectors occupy positions requiring minimal academic training. Meanwhile, 12% of respondents having postgraduate qualifications shows some advanced capacity within the council. Educational diversity can influence the effectiveness of training programs, technology adoption, and policy interpretation.



Source: Field Data, 2024

Fig 4.1.4: Department of Respondents

Respondents mainly come from the Finance Department (33%) and Administration (29%), which is expected given the study's focus on revenue collection. These departments are the most involved in billing, assessments, and enforcement tasks. The presence of Planning staff (17%) adds valuable insights related to development projects and budgeting. The "Other" category (21%) includes departments such as licensing, procurement, or public health, reflecting a broad institutional representation. This diversity ensures that findings capture cross-departmental perspectives, which is important for understanding institutional capacity holistically.

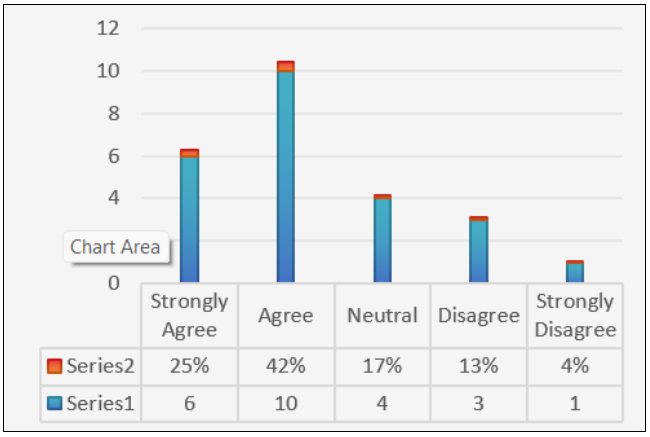


Source: Field Data, 2024

Fig 4.1.5: Years of Work Experience

Experience levels show that 33% of respondents have worked between 7–10 years, suggesting a stable workforce familiar with council operations. Another 29% have 4–6 years of experience, indicating a strong mid-level workforce. The 21% with 1–3 years reflect staff who are newer and may require additional training. Meanwhile, 17% have over 11 years of experience, representing institutional memory and long-term familiarity with revenue-related challenges.

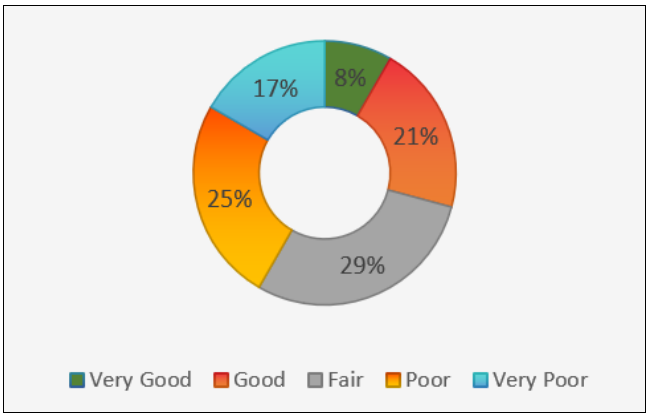
4.2 Presentation of findings on institutional capacity



Source: Field Data, 2024

Fig 4.2.1: The council has well-developed revenue collection policies

Findings indicate that 67% of respondents (Strongly Agree + Agree) believe the council has well-developed revenue collection policies. This suggests that the foundation for revenue management exists and is recognized by most employees. However, the fact that 17% are neutral and another 17% disagree indicates inconsistencies in how these policies are communicated or implemented across departments. This mixed perception may reflect gaps in policy dissemination or uneven enforcement practices. The presence of a small percentage of strong disagreement highlights the possibility of outdated procedures or unclear guidelines in certain units.

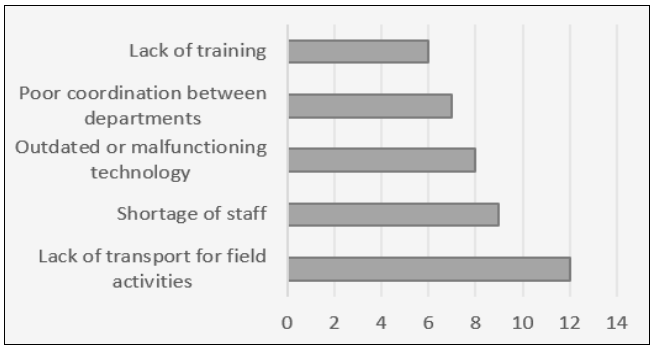


Source: Field Data, 2024

Fig 4.2.2: How would you describe the level of staff training in revenue collection procedures

The data indicates that the majority of respondents rated staff training as either "Fair" (29%) or "Poor" (25%). Only 29% (combining "Very Good" and "Good") believed that

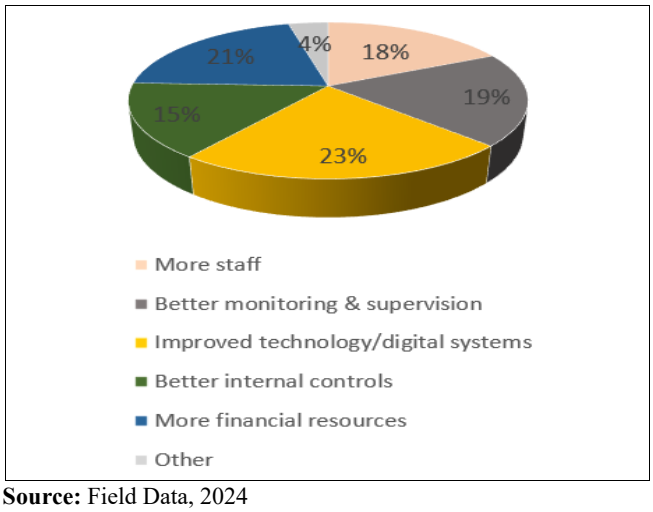
training is satisfactory. The high percentage of "Very Poor" responses (17%) suggests that some employees feel significantly unprepared for revenue-related tasks. These findings align with Section 2.1, where respondents mentioned inadequate tools, because training and equipment tend to be affected by the same resource limitations. Weak training reduces procedural consistency, increases reporting errors, and undermines enforcement activities, which may explain why tax evasion remains high in Mwandi.



Source: Field Data, 2024

Fig 4.2.3: Challenges faced in performing revenue collection tasks

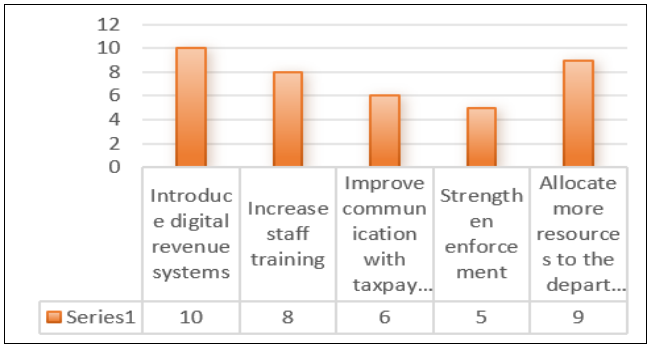
Open-ended responses reveal several recurring challenges that directly affect the efficiency of revenue collection. The most frequently mentioned issue—cited by 12 respondents—was the lack of transport for field inspections and community follow-ups. This challenge severely limits the council's ability to enforce compliance, particularly in remote areas where traders operate without supervision. Staff shortages were also mentioned by 9 respondents, supporting the earlier findings that human resource limitations affect capacity. Outdated technology was another major theme, reflecting the limited digital infrastructure highlighted in Section 1. Weak departmental coordination also emerged as a structural challenge, as poor communication and inefficiencies slow down reporting.



Source: Field Data, 2024

Fig 4.2.4: Areas needing improvement to strengthen institutional capacity

The most frequently selected improvement area was the need for improved technology, chosen by 75% of respondents. This aligns with earlier findings indicating that current systems are outdated or under-resourced. Increased financial resources (67%) and better monitoring (63%) also ranked highly, showing that respondents view capacity-building as dependent on funding and effective oversight. The call for additional staff (58%) confirms widespread concerns regarding human resource shortages. Better internal controls (50%) reflect the perception that corruption and inconsistent procedures weaken the council's revenue system. The results clearly indicate that institutional weaknesses are not isolated—they affect technology, staffing, monitoring, funding, and accountability simultaneously.

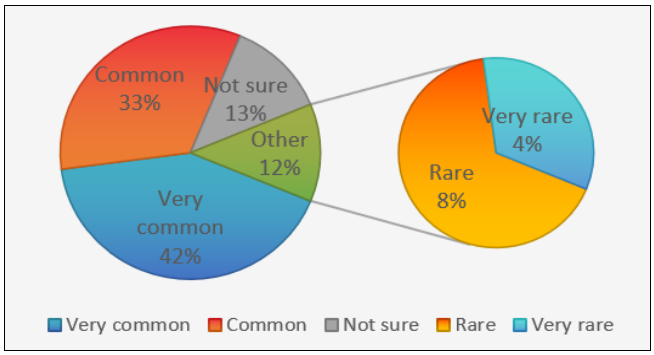


Source: Field Data, 2024

Fig 4.2.5: Suggested improvements

Respondents provided detailed suggestions that align closely with earlier challenges and improvement areas. Many emphasized the need for digital revenue systems to reduce fraud, improve efficiency, and standardize procedures. Several respondents proposed increased training, recognizing that skills gaps affect staff confidence and performance. Improved communication with taxpayers was also mentioned, indicating that misunderstandings and lack of information contribute to non-compliance. Strengthening enforcement was another common suggestion, demonstrating that staff believe current penalties and follow-up systems are too weak to deter evasion.

4.3 Presentation of findings on the effects of tax evasion on revenue collection performance and the financial stability of Mwandi Local Authority

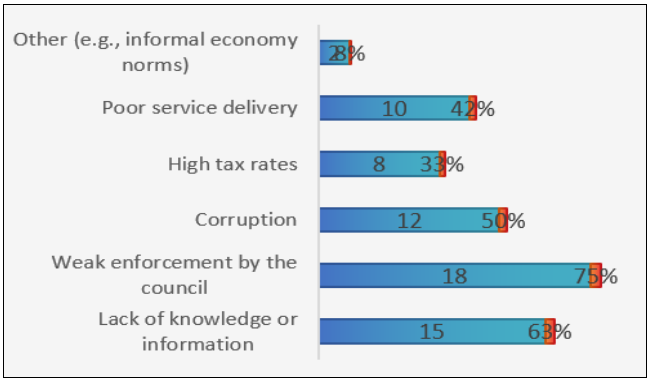


Source: Field Data, 2024

Fig 4.3.1: How common do you think tax evasion is among traders and businesses in Mwandi

Forty-two percent of respondents consider tax evasion to be "very common," and another 33% rate it as "common," meaning a combined 75% of staff perceive evasion as a widespread problem. This high level of perceived prevalence is consistent with respondents' qualitative comments about traders operating in informal spaces and

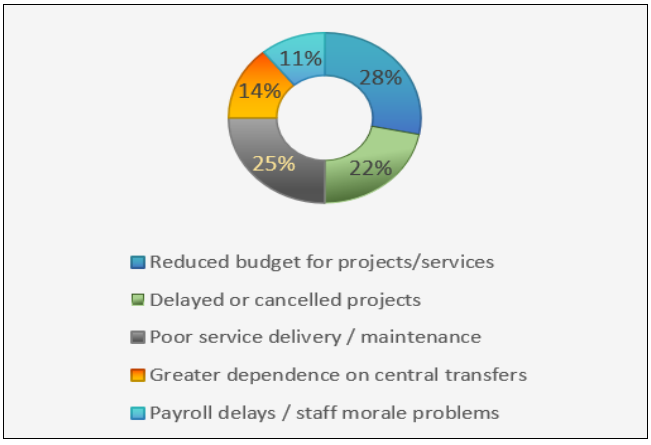
avoiding formal receipts. The small group who reported "rare" or "very rare" may be staff in departments that interact less with market traders (for example, planning), which explains their limited exposure. The 13% who are "not sure" suggests some employees lack direct enforcement duties or access to data that would allow them to judge prevalence accurately.



Source: Field Data, 2024

Fig 4.3.2: Which of the following do you think are the main reasons why people evade paying taxes? (multiple response)

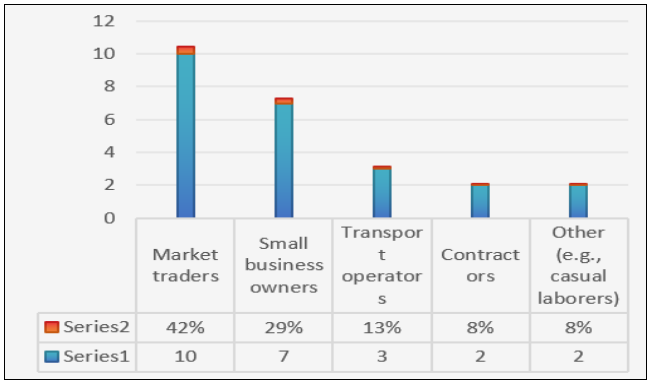
Respondents most frequently selected weak enforcement (75%) and lack of knowledge (63%) as the primary drivers of tax evasion, which shows that both supply-side (administrative) and demand-side (taxpayer awareness) factors are important. Half of respondents (50%) identified corruption as a contributor, indicating internal integrity issues that can undermine collection even when procedures exist on paper. A third (33%) blamed high tax rates, suggesting that perceived affordability and fairness also influence compliance decisions, particularly among small operators. Poor service delivery (42%) was also significant—this aligns with the idea that taxpayers are less willing to pay when they do not see value for money.



Source: Field Data, 2024

Fig 4.3.3: Explain how tax evasion affects the operations of your department or the council as a whole

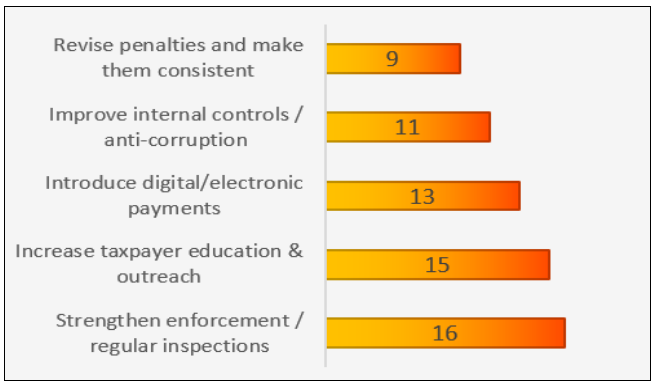
Open responses show that the most commonly cited impact is reduced budget availability (18 mentions), which directly constrains investment in infrastructure, equipment, and staff development. Many respondents explained that when expected local revenues fall short, planned road works, market rehabilitation, or sanitation projects are delayed or cancelled—reflected in 14 mentions—creating a visible decline in service quality. Sixteen respondents tied evasion to poor routine service delivery, such as irregular waste collection and market cleaning, which further erodes taxpayer confidence and may create a vicious cycle of non-payment. Several staff noted that the council becomes more dependent on erratic central government transfers (9 mentions), which undermines local autonomy and planning reliability. Some respondents (7 mentions) described how delayed revenues can lead to payroll or incentive payment problems, harming staff morale and enforcement effectiveness. In sum, the qualitative feedback strongly triangulates the quantitative perception that evasion has direct, multi-level operational consequences for the council.



Source: Field Data, 2024

Fig 4.3.4: In your view, which groups are most likely to evade paying taxes in Mwandi

Respondents most commonly pointed to market traders (42%) and small business owners (29%) as the groups most prone to evasion, which is consistent with Mwandi's economic structure where informal and micro-enterprises dominate. This matches the earlier finding that lack of taxpayer knowledge and weak enforcement affect traders operating in busy market environments. Transport operators and contractors were less frequently cited, perhaps because their transactions are larger but more traceable, or because oversight mechanisms differ for those groups. The "Other" category (8%) suggests that casual laborers and very small-scale operators also slip outside formal reporting systems. The distribution implies that compliance interventions should prioritise markets and small enterprises through targeted outreach, simplified registration, and point-of-sale or mobile payment options that reduce friction in payment.

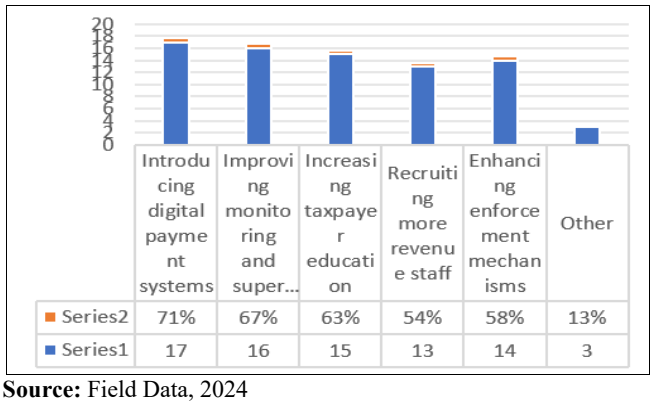


Source: Field Data, 2024

Fig 4.3.5: What do you think the council can do to reduce tax evasion

Respondents offered a set of practical, complementary remedies focused mostly on strengthening enforcement (16 mentions) and boosting taxpayer education (15 mentions), underscoring the dual need to increase both deterrence and voluntary compliance. The high number of suggestions for digital or electronic payment options (13 mentions) again triangulates earlier findings that technology can reduce leakages and make compliance easier for busy traders. Several staff stressed internal control improvements and anti-corruption measures (11 mentions) to ensure that enforcement is fair, transparent, and not undermined by staff misconduct. A smaller but important group suggested revising the penalty regime (9 mentions), arguing for clearer, consistently applied sanctions that are proportionate and announced publicly.

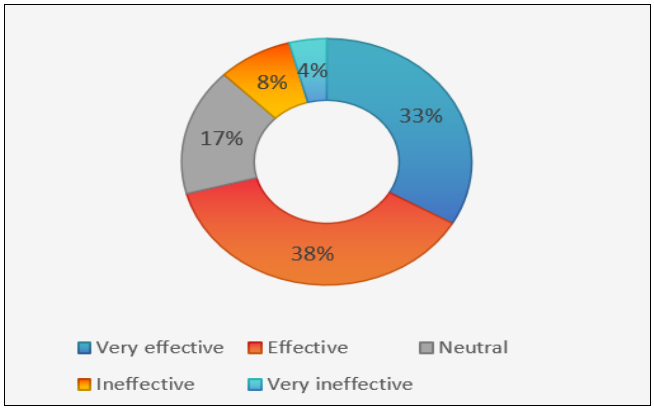
4.4 Presentation of findings on strategies for improving revenue collection



Source: Field Data, 2024

Fig 4.4.1: Which strategies do you think can help improve revenue collection in Mwandi? (multiple response)

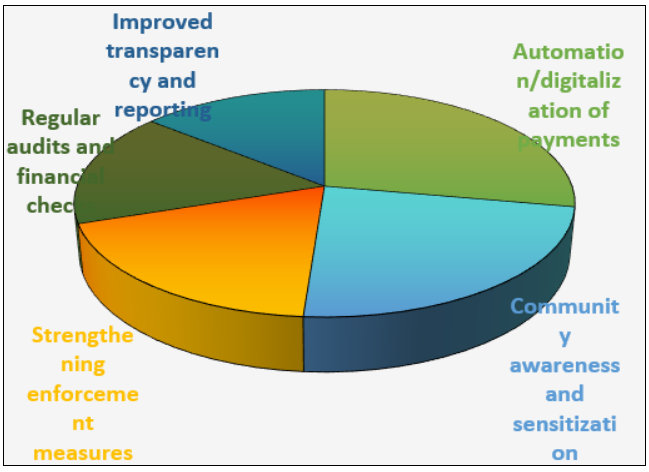
The findings indicate that digital payment systems were the most frequently selected strategy (71%), suggesting strong support for technological transformation among council staff. This aligns with earlier findings in Section 2 where respondents identified outdated technology as a major barrier to effective revenue collection. Improving monitoring and supervision (67%) also ranked highly, reinforcing the perception that weak oversight contributes to inefficiencies and leakages. The importance placed on taxpayer education (63%) reflects a belief that many residents do not fully understand payment procedures, tax categories, or penalties for non-compliance. Additionally, the selection of "recruiting more staff" by 54% of respondents suggests persistent human resource gaps that limit fieldwork and follow-ups. Enhancing enforcement (58%) was also widely supported, demonstrating that staff view stronger and more consistent penalties as essential for increasing compliance.



Source: Field Data, 2024

Fig 4.4.2: How effective do you think training and capacity-building programs would be in improving revenue collection

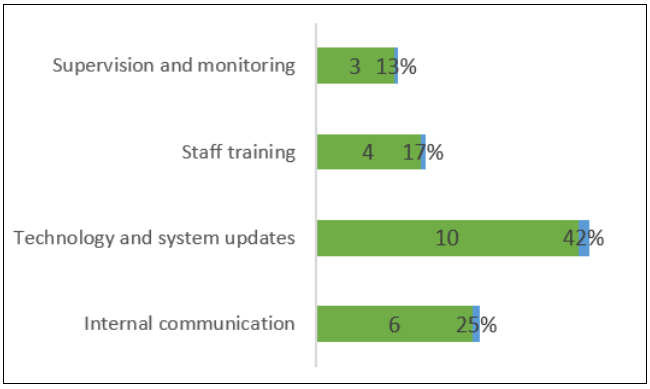
The results show that the majority of respondents (71%) believe that training and capacity-building programs would be "effective" or "very effective" in strengthening revenue collection. This corresponds with earlier findings that staff shortages and skill gaps limit performance in enforcement and reporting processes. The respondents who selected "neutral" (17%) may reflect staff who feel that training alone is insufficient without resources such as tools, transport, and functional technology. The small percentage who rated training as "ineffective" or "very ineffective" may have experienced training programs that were poorly organized, too theoretical, or not implemented consistently. The overall positive perception indicates that staff value skill development but also recognize that training must be accompanied by structural improvements in equipment, supervision, and technology. These findings reinforce literature that emphasizes the role of capacity-building in improving public financial management in local authorities. Ultimately, improving knowledge and competence among staff could significantly increase accuracy, transparency, and compliance levels in revenue administration.



Source: Field Data, 2024

Fig 4.4.3: What strategies would you recommend to improve revenue collection

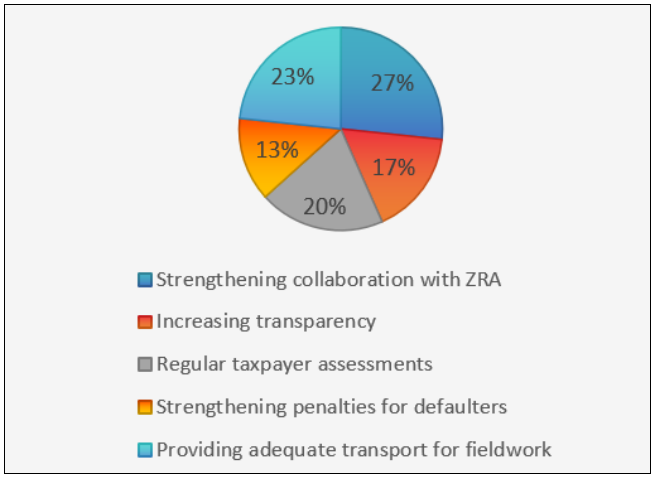
Respondents consistently emphasized the need for automation and digitalization, with 12 mentions, highlighting a belief that electronic systems reduce fraud, streamline processes, and make payments easier for the public. Community sensitization (10 mentions) was also common, suggesting that awareness gaps are a key driver of non-compliance, especially among informal traders and rural residents. Strengthened enforcement (8 mentions) reflects earlier findings in Section 3, where weak enforcement was identified as the leading cause of tax evasion. Regular audits (7 mentions) speak to the need for systematic verification of collections and departmental activities to reduce misreporting and internal leakages. Improved transparency (6 mentions) indicates that staff believe clearer communication about how revenue is used could build public trust and willingness to pay.



Source: Field Data, 2024

Fig 4.4.4: Which areas need the most attention to improve revenue collection

With 42% of respondents selecting "Technology and system updates," it is clear that system modernization is the highest-priority need for improving revenue collection. This finding is consistent with earlier themes in Sections 2 and 3, where outdated systems were listed among the major challenges affecting accuracy and enforcement. Internal communication was selected by 25% of respondents, reflecting concerns about coordination and information-sharing between departments. Staff training (17%) was considered less urgent in this section, possibly because respondents expect training to be more effective after structural issues—such as adequate systems and tools—are addressed. Supervision and monitoring, identified by 13%, remains important but may be overshadowed by the need for modernization.



Source: Field Data, 2024

Fig 4.4.5: Any other suggestions to strengthen revenue collection

Respondents emphasized the importance of collaboration with the Zambia Revenue Authority (8 mentions), which suggests that staff see inter-agency cooperation as vital for tracking businesses and improving compliance. Transparency was mentioned five times, indicating that some staff believe public trust in the council is insufficient and may discourage voluntary payment. Regular taxpayer assessments (6 mentions) reflect the need for up-to-date information on businesses and traders, which supports better planning and enforcement. Strengthened penalties for defaulters (4 mentions) suggest that current enforcement measures lack the deterrent effect needed to address persistent tax evasion. Providing adequate transport for fieldwork (7 mentions) confirms earlier findings that inadequate logistics hinder physical inspections and follow-up visits. Together, the suggestions reinforce the idea that effective revenue collection requires better coordination, strong governance, and adequate resources for field operations.

4.5 Discussion of Research Findings

4.5.1 Discussion of Findings on Demographic Characteristics

The demographic characteristics of respondents provide the essential context for understanding the patterns observed in institutional capacity, tax evasion, and revenue collection strategies. The majority of respondents were between the ages of 26–45, which typically represents the most active and experienced workforce segment in public institutions. This age distribution suggests that many respondents have

substantial exposure to revenue-related tasks, making their assessments relevant and informed. Their responses likely reflect both professional maturity and operational familiarity. The presence of younger respondents, particularly those aged 18–25, provides additional diversity in perspectives, particularly on the adoption of technology and modern practices.

Education levels among respondents further shape their capacity to understand and engage in revenue collection practices. Most respondents held diplomas or degrees, showing that the council employs individuals with adequate academic grounding for administrative work. Higher levels of education correlate with improved ability to understand procedures, interpret policy, and apply digital systems.

Work experience distribution also played a significant role in the interpretation of findings. Many respondents had between 4–10 years of experience, which implies sufficient familiarity with the council's revenue systems. This level of experience gives credibility to their assessments of challenges such as inadequate tools, weak enforcement, and limited technological capacity. Experienced staff members have witnessed past reforms—or lack thereof—and are therefore able to compare current practices with previous periods. The presence of relatively new staff (1–3 years) also enriches the data by providing fresh insights unburdened by institutional bias.

The demographic characteristics collectively point to a workforce that is experienced, moderately educated, and operationally familiar with revenue collection processes. This demographic mix reinforces the validity of the study's findings and enhances their applicability to policy decisions. The diverse profiles of respondents mean that their insights capture the complexities of institutional capacity, enforcement, and strategy implementation. This richness ensures that the discussion extends beyond surface-level interpretation and provides depth, relevance, and operational meaning. Overall, the demographic findings set a strong foundation for interpreting the specific results in Sections 2, 3, and 4.

4.5.2 Discussion of Findings on Institutional Capacity

The findings on institutional capacity reveal that Mwandi Town Council faces substantial limitations that weaken its ability to collect revenue effectively. A significant proportion of respondents indicated that their departments lack adequate tools and equipment, including computers, printers, transport, and receipt books. This shortage directly affects operational efficiency by slowing down field activities, reducing accuracy, and increasing reliance on manual processes that are prone to errors. The fact that only 29% believed their departments had adequate tools highlights how deeply resource shortages affect revenue operations. These results align with literature showing that weak material capacity undermines decentralization efforts and reduces local revenue performance.

Staff training emerged as another critical component of institutional capacity. Most respondents rated training as "fair" or "poor," indicating widespread dissatisfaction with skills development. Training gaps contribute to procedural inconsistency, weak reporting, and limited enforcement—issues that were also highlighted in qualitative responses. This pattern corresponds with earlier findings in Sections 3 and 4 where respondents emphasized taxpayer education and enforcement improvements.

The qualitative analysis on challenges faced by staff revealed additional insights into institutional weaknesses. Many respondents cited the lack of transport as a major challenge, explaining that field inspections, monitoring, and follow-ups are hindered by mobility constraints. Transport shortages particularly affect enforcement activities, such as collecting levies, monitoring trading spaces, and tracing businesses that evade taxes. This limitation is compounded by staff shortages, which respondents also highlighted as a major concern.

Respondents also emphasized weaknesses in internal controls, oversight, and coordination across departments. Poor departmental communication was cited as a barrier to efficient revenue tracking, while weak controls were associated with opportunities for corruption and loss of funds. These findings are consistent with the literature, which highlights that robust internal controls reduce leakages and improve accountability. The multiple references to corruption, weak supervision, and irregular monitoring suggest that institutional capacity challenges go beyond resource limitations—they extend into governance and accountability. Such issues directly affect public trust and taxpayer compliance, as residents perceive revenue systems to be ineffective or unfair. This lack of confidence may partly explain the high levels of tax evasion observed in the findings.

Respondents identified technology gaps as a major institutional bottleneck. The lack of digital systems reduces efficiency, increases fraud risk, and contributes to inconsistencies in records. This finding aligns with global literature emphasizing the importance of automation in improving local revenue collection. Digital solutions can facilitate accurate billing, automate receipts, reduce cash handling, and increase transparency—features that respondents strongly supported. The overwhelming preference for digital systems in recommended strategies shows that staff recognize their transformative potential. Therefore, addressing technological gaps is not just a modernization effort; it is a necessary component of institutional reform.

4.5.3 Discussion of Findings on Tax Evasion

Findings indicate that tax evasion is widely perceived as a major challenge in Mwandi, with 75% of respondents describing it as "very common" or "common." This perception reflects consistent operational realities in which traders and small business owners evade payment through informal operations, non-registration, and avoidance of council officers. The widespread nature of tax evasion suggests deep-rooted behavioural and structural issues. Respondents' views also reflect the council's limited enforcement capacity, which allows non-compliant behaviour to persist unchallenged. Literature shows that tax evasion increases when taxpayers believe enforcement is weak or inconsistent.

Respondents identified several reasons for tax evasion, with weak enforcement and lack of taxpayer knowledge ranking highest. Weak enforcement undermines deterrence and signals to taxpayers that evasion carries minimal consequences. This aligns with literature showing that compliance increases when enforcement is visible and predictable. Lack of taxpayer information further contributes to evasion as traders may not understand payment requirements or penalties.

Qualitative responses on the effects of tax evasion revealed severe operational impacts. Respondents noted that evasion reduces the council's revenue base, leading to delayed projects and poor service delivery. Reduced financial resources also increase dependence on central government transfers, which limits local autonomy and delays critical development interventions. Respondents further noted that evasion results in poor maintenance of facilities, such as markets, roads, and sanitation systems. Literature supports these observations, showing that revenue shortfalls constrain development planning and weaken accountability.

Respondents pointed to market traders and small business owners as the groups most likely to evade taxes. This is consistent with the economic structure of many rural towns where informal sector activities dominate. Informal traders often lack registration, operate in dispersed locations, and may not fully understand their tax obligations. This makes them difficult to monitor and regulate. Literature indicates that informal sector taxation requires tailored strategies such as simplified tax categories and awareness campaigns. This aligns with respondents' recommendations for increased taxpayer education. These findings indicate that targeted interventions for informal traders could significantly reduce evasion.

Respondents suggested strategies for reducing tax evasion, including stronger enforcement, better taxpayer education, and the introduction of digital payment systems. Strengthening enforcement was frequently mentioned, indicating the perceived need for regular inspections and strict penalties. Improved taxpayer education reflects the recognition that compliance increases when taxpayers understand procedures and benefits. Digital systems were seen as tools for reducing fraud, improving convenience, and strengthening accountability. Literature supports these strategies, noting that effective revenue systems combine enforcement, education, and automation. These findings show that staff understand the multifaceted nature of tax evasion and propose solutions that address both enforcement and behavioural aspects.

4.5.4 Discussion of Findings on Revenue Collection Strategies

Findings indicate strong support for modernizing revenue collection through digital systems, with 71% of respondents selecting digital payments as their preferred strategy. This suggests that staff recognize the potential of digital tools to reduce fraud, streamline processes, and increase efficiency. These findings correspond with earlier results showing that outdated technology is a major barrier to effective collection. Literature strongly supports digitalization as a method of improving local government revenue. Digital systems can automate receipts, reduce cash handling, and make taxpayer records more accurate. Respondents' support for digitalization implies readiness for technological reform if resources are provided. The findings therefore highlight the importance of prioritizing digital infrastructure.

Monitoring and supervision also emerged as critical strategies, with 67% of respondents selecting this area. Weak supervision was highlighted earlier as a contributor to both institutional inefficiency and tax evasion. Improved monitoring can help identify underperforming areas, reduce fraud, and strengthen accountability. Literature indicates that strong oversight enhances compliance and reduces leakages.

Respondents also supported taxpayer education, reflecting the belief that many residents lack information on payment requirements. Increased education can improve voluntary compliance by reducing confusion and increasing awareness of the importance of tax payments. This aligns with earlier findings in Section 3 where lack of taxpayer knowledge was mentioned as a major cause of evasion. Literature shows that public education strengthens taxpayer morale and helps create a culture of compliance. Staff views on taxpayer education highlight the need for targeted outreach programs, including market sensitization, community meetings, and public notices. These initiatives can help build trust and reduce resistance to payment.

Recruiting more staff was identified by 54% of respondents, reinforcing concerns about staffing shortages. Limited staff reduces the council's ability to conduct inspections, follow up with defaulters, and manage administrative tasks. Literature indicates that adequate staffing is essential for maintaining effective revenue collection systems. The finding that staff shortages hinder enforcement highlights the need for workforce expansion and better task allocation. Addressing human resource gaps will improve field coverage, reduce delays, and enhance monitoring.

Enforcement was also identified as a priority, with 58% of respondents selecting it as an essential strategy. Strong enforcement is necessary to deter evasion and ensure consistent compliance. Respondents' emphasis on enforcement reflects earlier findings that weak enforcement contributes to widespread evasion. Literature confirms that predictable and fair penalties increase compliance. Effective enforcement requires adequate training, resources, and the elimination of corrupt practices.

The open-ended responses further highlighted the need for improved transparency, collaboration with institutions such as the Zambia Revenue Authority, regular taxpayer assessments, and adequate transport for fieldwork. Transparency was repeatedly mentioned, reflecting concerns that lack of openness about how revenue is used undermines public trust. Collaboration with ZRA suggests the need for coordinated approaches to tracking businesses and reducing fraud.

5. Conclusion and Recommendations

5.1 Conclusion

The findings of this study demonstrate that the effectiveness of revenue collection in Mwandi Town Council is fundamentally shaped by the strength or weakness of its institutional capacity. The results revealed consistent gaps in tools, technology, human resources, training, and internal controls, all of which significantly undermine operational efficiency. Respondents repeatedly noted that inadequate equipment and outdated systems reduce accuracy and increase opportunities for errors and leakages. These capacity weaknesses explain why even well-designed revenue policies fail to translate into strong performance on the ground. The findings further show that without adequate funding, logistical support, and functional digital systems, staff are unable to enforce compliance or effectively monitor revenue sources. This means that institutional capacity is not simply a background factor—it is the foundation upon which all revenue efforts depend. Thus, the study concludes that institutional strengthening must be prioritized as a core strategy for achieving financial sustainability in Mwandi Town Council.

The study also concludes that tax evasion remains a major and persistent barrier to revenue collection in Mwandi, driven by both administrative and behavioural factors. A large majority of staff believe tax evasion is widespread, particularly among informal traders and small business owners, supporting the perception that non-compliance has become normalized in the local economy. Respondents identified weak enforcement, lack of taxpayer knowledge, corruption, and poor service delivery as key drivers of evasion. These findings indicate that taxpayers evade not only because they want to avoid payment but also because the system lacks clarity, fairness, and predictability. The study further concludes that tax evasion has severe consequences for the council's operations, contributing to delayed projects, poor service delivery, reduced development, and increased dependence on central government grants. Overall, the evidence shows that tax evasion is both a symptom and a cause of institutional weaknesses, creating a cycle of low compliance and poor service outcomes. Breaking this cycle requires coordinated administrative, behavioural, and governance reforms.

In conclusion, the study finds that the financial sustainability of Mwandi Town Council depends on addressing the structural, behavioural, and operational challenges revealed in this research. The results provide clear evidence that strengthening institutional capacity, reducing tax evasion, and adopting effective revenue strategies are essential for improving the council's revenue base. Without investments in technology, training, enforcement mechanisms, and community engagement, revenue performance will remain weak and unpredictable. The study further concludes that improving service delivery and transparency is equally important, as public trust significantly influences taxpayer compliance. The findings offer a clear roadmap for reform, showing exactly where capacity gaps exist and which strategies can yield the most impact. Ultimately, this study demonstrates that with targeted interventions and sustained commitment, Mwandi Town Council can significantly enhance its financial stability and improve its ability to deliver services to the community.

5.2 Recommendations

The researcher's recommendations are that there is need to:

Strengthen Institutional Capacity (Mwandi Town Council)

The Mwandi Town Council should allocate a dedicated portion of its annual budget—at least 15%—to improving revenue administration infrastructure, including computers, software, connectivity, and office equipment. This investment must begin in the upcoming financial year and should be accompanied by a procurement plan outlining timelines, responsible officers, and measurable outputs. The council should also formally adopt a quarterly training schedule to build the technical capacity of revenue officers, ensuring that all staff receive at least two training sessions annually. This recommendation is Specific, Measurable, Achievable, Relevant, and Time-bound (SMART), and directly addresses the operational gaps identified in staffing, training, and technological capability. Strengthening institutional capacity will improve efficiency, transparency, and overall revenue performance.

Enhance Enforcement Mechanisms and Accountability (Mwandi Town Council & Zambia Police)

The council should implement a strengthened enforcement framework that includes routine inspections, penalty enforcement, and collaboration with the Zambia Police for difficult or high-priority cases. A joint enforcement task force should be established and operational by the next quarter, with scheduled weekly market inspections and monthly compliance reports submitted to management. Revenue officers should be required to use standardized enforcement checklists and digital record-keeping to reduce opportunities for corruption. Cases of officer misconduct must be addressed through a formal disciplinary process reported to the Local Government Service Commission within 14 days. This recommendation enhances accountability, increases compliance, and responds to findings showing weak monitoring and high evasion.

Improve Transparency and Internal Controls (Mwandi Town Council & Ministry of Local Government)

The Mwandi Town Council should adopt an electronic receipting and reporting system to reduce manual handling of cash and minimize opportunities for fraud. The Ministry of Local Government should support this transition by providing technical assistance and subsidizing system implementation costs for rural councils. The council should also publish quarterly revenue performance reports on its notice boards and official communication platforms to promote transparency and rebuild taxpayer trust. In addition, internal audits should be conducted every quarter and submitted to the Ministry for review. These actions are SMART, feasible, and necessary for strengthening institutional integrity and reducing leakages.

Expand Taxpayer Education and Community Sensitization (Mwandi Town Council & Community Leaders)

The council should implement a structured community sensitization program to educate traders and residents on tax obligations, fee structures, and the benefits of compliance. This program should include monthly outreach sessions in markets, radio announcements, and informational materials distributed through ward leaders. Community leaders should be trained and involved in reinforcing tax messages at local meetings. The council should measure progress by tracking taxpayer knowledge levels and compliance rates before and after sensitization activities. This recommendation directly addresses the finding that limited awareness contributes significantly to tax evasion.

Increase Resource Mobilization and Strategic Partnerships (Mwandi Town Council, Ministry of Finance & Cooperating Partners)

Mwandi Town Council should develop a Revenue Enhancement Strategy to be approved by the Ministry of Local Government within six months. This strategy should outline specific revenue streams, investment needs, stakeholder roles, and performance indicators. The council should also pursue partnerships with NGOs, private organizations, and the Ministry of Finance to secure grants or technical support for digital systems, training, and

infrastructure development. By diversifying funding sources, the council will be able to implement reforms that would otherwise be impossible under its current budget.

6. Acknowledgment
It is worth noting that the researcher received support and guidance in order to come up with the research work of this magnitude. Therefore, I would like to acknowledge the following people for their unique support and guidance, my academic supervisor Mr. Clement Katongo for the meticulous guidance throughout the research process. The University for the general guidance.

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