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REVENUE COLLECTION EFFICIENCY AND LOCAL FINANCIAL PERFORMANCE: EVIDENCE FROM MCHINJI DISTRICT COUNCIL, MALAWI

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A B S T R A C T

This paper evaluates revenue growth based on the efficiency of operations. The study evaluated the performance of the local revenue management system at Mchinji District Council. It explores whether or not this system is an effective management tool and how it affects financial performance. Despite its location on the border along the strategic route, the council experiences an ongoing and unrealized fiscal gap. The gap relates to high external dependency and low internal revenue generation. For this reason, there is a call for resilience given the heavy dependence on central transfers and the stagnation in internal revenue. This research follows the Public Financial Management theory paradigm. It also uses an explanatory sequential mixed-method case study approach, using linear regression analysis and thematic analysis through SPSS and NVivo, respectively. Results show a strong relationship between operational efficiency and an increase in revenue collection. This was seen via a correlation (R2) of 80%. Qualitative results highlighted a dependency trap and lack of coverage of local tax bases. It also uncovers the operational efficiency mediating factor. The paper surprisingly saw systems like IFMS in place, yet 70% of processes were heavily dependent on manual records, leading to high revenue leakages. Logistical paralysis as well as an accountability vacuum in end-user processes were identified as inhibitors. The author argues the local authority, Mchinji, is soon to become fragile to expansion. The researcher hence strongly recommends cultural and civil service changes, along with the decommissioning of faulty ICT equipment.

1. INTRODUCTION

1.1 Background

The viability of decentralization schemes around the world ultimately depends on the financial capacity of local government authorities. As maintained by the Teremetskyi et al. (2021) the fiscal capacity of local governments constitutes the key pillar. It provides the financial oxygen required to perform responsibilities. This is particularly relevant in developing economies. Revenues from local income and property taxes are instrumental in the provision of basic social services. Examples of such facilities are: primary healthcare, basic education and upkeep of local infrastructure, which are basic human necessities (Chasukwa et al., 2013).

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However, aside from the immediate service delivery needs, if the district is to remain politically and administratively autonomous to perform effectively, any system of domestic resource mobilization must be strong (Chingamtolo et al., 2024). A healthy base of internal revenue will alleviate a level of dependence on central government transfers. Central government funding appears to be cyclical, volatile, and unpredictable due to factors such as bureaucratic delays, political trends, and national fiscal crises (Mwale, 2025). The capacity of self-funding makes the district council much freer to initiate projects. This meets constituency demands (rather than a top-down agenda originating from the capital city). In this way, the building of streamlined, accountable, modern revenue-raising capacities should be viewed as a structural step in the long-term viability of the local governance system (Olowu & Smoke, 1992).

1.2 Mchinji District Council: A Strategic Profile

Mchinji District Council is in a unique and strategic position that has implications on the administrative and economic development of the district (Mangisoni, 2008). Being directly on the western border, it is the entry and exit point for international trade or transit between Malawi and Zambia and the rest of the Southern African Development Community (SADC) Region. The strategic position is an advantage to have a vibrant economic potential. It makes the district superior to many inland districts in the country. The district is heavily involved in cross-border trade, agricultural trade and transportation services, which present rewarding and under-tapped revenue sources.

The council is, in fact, under a legal obligation to manage a wide range of income sources. These include the usual property rates (ground rent and city rates), charges levied at various trade stations at the district borders, various business and sports licenses, liquor licenses, and amounts paid for services rendered. In principle, the high volume of goods and people traffic at the Mchinji border should result in a considerable and expanding treasure. Yet, despite these intrinsic financial benefits, internal revenue generation does not realize the full degree of the Council's potential.

The Councils remain in a perpetual state of financial imbalance (Ronald, 2024). The internal collections are inadequate to cover the most fundamental operating needs, poor staff salaries and vehicle maintenance. This is the root cause of the prevailing reliance on external Grants and central government subventions (Briceño-Garmendia et al., 2009). This form of reliance vis-à-vis external sources places the Council in a position of a resource gap. The council cannot substantially grow to facilitate local development projects, as well as respond to sudden emergencies (Chinsinga, 2005). Mchinji District Council rarely meets humanitarian issues, infrastructure projects, and general upgrade of living standards of the people in the area.

1.4 Problem Statement

There is a knowledge gap regarding the efficiency of operations at Mchinji District Council. The gap also extends to a need to know how operational efficiency affects revenue growth. The funding gap that Mchinji District Council faces is ongoing and growing, and as a result, its operational viability is at risk. The district is endowed with a vibrant and active economy, but its revenue collection mechanisms leave much to be desired. Almost every stage of the revenue cycle- the tax assessment, the taxpayer registration, and the acknowledgement of the collected revenues is mostly manual. It is largely based on pen-and-paper administration and collection. As a result, the process is slow, spoiled by clerical errors and is completely vulnerable to human manipulation.

The problem is exacerbated by the accuracy of information. Property registers and valuation rolls prepared by the Council are often ten or more years out of date. New commercial properties are not subject to the commercial property tax or are being assessed on historic values from the early 2000's. This results in a significant measurable shortfall in potential property tax revenue. In addition, Council has inadequately covered local bylaws and has no up-to-date monitoring system such as Point of Sale (POS) or an integrated digital file.

Due to this technological gap, extensive collection loss occurs at various points, especially in rural markets with little supervision. This has resulted in the Council not achieving budget targets every year; a phenomenon which is also observed in regional overall research by the Kibiki et al. (2026) on "leakage" as the most killer of local government finance. Such failure in revenue collection has a big effect on failure in service delivery and even infrastructure. Thus, there was a need for this study (Mwale, 2025). The reason was to cover the dire need of examining the system's and financial performance issues of the Council.

1.5 Expected Benefits

This research is of value to three Communities. For the Mchinji District Council, it is a Diagnostic Mapping exercise that identifies precisely where the money is lost and how to recoup through modernization. For the Policy Makers in Ministry of Local Government, it becomes a case study of the Border District Paradox. It can that can be used for improving national decentralization policies. However, for the Academic Community, the research adds to the ever-growing literature on PFM in developing economies, emphasizing how mediating socioeconomic variables (such as operational efficiency) influences the outcomes of a financial digitization application.

2. LITERATURE REVIEW

The study is based on the Public Financial Management

(PFM) theory that offers a suitable concept to analyse how public sector institutions mobilise, allocate, control and account for financial resources to meet development objectives (David, 2017). The PFM paradigm is applicable to local authorities because public resource management is grounded on accountability, transparency, internal control and evidence-based decision making. Under this paradigm, the legitimacy of a local government institution is centred on its capacity to show, using evidenced based data, where the monies come from and how they are used to benefit the public at large (Goddard et al., 2016).

Using the PFM theory of revenue collection to Mchinji District council, it can be concluded that the identification of software, registers or procedures on the administrative side does not solely constitute an effective revenue collection system; instead, it should be a means of good governance. A strong governance mechanism reduces financial leakage, increase accountability and trace revenue commitments to local revenue receipts. To ensure that local revenues are predictably collected, forward looking internal controls, clear prescribes segregation of duties, transparent record keeping and auditing processes that do not involve revenue loss through error, manipulation or poor supervision should be introduced (Gumisiriza & Mukasa, 2022).

PFM theory explains the reason behind the existence of a structural fiscal gap for the councils between the service delivery mandates and the revenues to fund them. In Mchinji, the theory suggests that an efficient revenue system would result in less fluctuation of revenues which would then result in predictable and stable levels of revenue. This will enable the council to undertake long term planning, invest in capital projects and avoid reactive budgeting. This theory further emphasises that so long as the fiscal discipline builds the creditworthiness of the council and sustains the social contract with local citizens, they are likely to comply to the local taxes and fees (Dafflon & Beer-Tóth, 2009).

2.1 Empirical Review of Regional Landscape

Empirical literature on other parts of Africa has demonstrated that the revenue collection challenges faced by Mchinji District Council are not unique to this district council. For Instance, several local Councils across Africa and the world in general are still struggling to move away from paper based and other unintegrated revenue collection systems to integrated electronic revenue collection systems (Kessy, 2019). Local revenue administration studies suggest that paper based systems are vulnerable to clerical errors, weak reconciliation, delayed reporting and bureaucratic blind spots that are a recipe for revenue leakages (Chingamtolo et al., 2024). In SubSahara African context, manual receipts have been pointed out as a major causes of leakages as supervisor can hardly monitor day to day cash collections and field activities on real time (Kessy, 2019).

The literature also indicates that digitalisation can positively impact revenue performance when implementation supported by a reasonable degree of effectiveness. Electronic platforms that include Integrated Financial Management System can enable revenue managers to have direct access to revenue information anytime, generate and identify collection short falls proactively and improve reconciliation. For example, a Director of Finance can quickly recognise a shortfall at a collection point rather than wait until month-end to report the anomaly so that corrective measures can be taken. Since collection administrators can monitor revenue collection in realtime, then digital arrangement will indeed be more robust than manual system.

Supporting the regional perspective, evidence from Uganda backs it up. Besigomwe (2025) noted that the mechanisation of market fees and parking permits streamlined collection by removing instances of duplicating manual receipts and curtailment of commission fraud. Digitalisation of these systems reinforce confidence in the tax administration because taxpayers will have assurances through a printed SMS or electronic ticket confirming that the tax has been credited in a legit public account. It follows then that literature at this level advocates for harnessing technology to increase revenue collection but only if the system is institutionalised and maintained with supervisions and operational capacity

2.2 Empirical Review on Malawian Context

In the Malawian context, the pressure to improve own source revenue mobilisation is even more pressing. Literature by the Centre for Good Governance demonstrates that only a small proportion of total national receipts goes from the central government to local councils through central transfers (Hussein, 2017). The consequence for local councils such as Mchinji is a huge funding gap between their needs and available resources which will have to be filled through improved internal resource mobilisation.

In a district like Mchinji, where by virtue of its position along high volume trade border, there is a discrepancy between observed economic activity and actual revenue collection. This discrepancy reflects a fiscal paradox. Heavy dependence on central transfers leads to a collapse of council's financial independence and turning it into a mere spending agent of the central government with no independent authority. However in such an environment, the internal revenue collection system and efficiency with which it is being operated becomes the critical infrastructure to kickstart a council from mere survival to developmental autonomy.

Overall, the literature indicates a close relationship between the revenue collection system; the efficiency of revenue collection process and revenue performance. A revenue system is the technical backbone of the process supporting billing, receipting, recording and reporting (Nurcahyani & Fambudi, 2024). The system can only produce results when supported by capable staff, logistics, effective supervision, consistent application and utilisation of the available tool (Hasan, & Akter, 2022). In situations of lack of transport for collectors, obsolete records, mistrust of the council by taxpayers, and unimplemented audit recommendations, the revenue system's contribution to revenue enhancement cannot be fully realized. This study therefore concludes that the problem of finance at Mchinji District Council is not lack of revenue potentials, but failure in the framework that translate potential into collections. Improving operational efficiency is in a position to permit the council to release the value contained within the revenue collection framework, leading to improvements in performance through lower leakage, higher compliance and ontime collection, as well as strengthening internal controls. This synthesis provides the foundation for the conceptual framework of the study and frame the methodology and data analysis to follow.

2.3 Conceptual Framework: Path to Financial Performance

The conceptual framework for this study assumes that simply moving from a technical revenue collection system to better financial performance is not automatic. Instead, the enabling operational environment with human capacity, logistics, supervision, and accountability, allows the use of the system to become effective. The framework thus bridges the revenue collection system as the independent variable (IV) and financial performance as the dependent variable (DV) through operational efficiency as the mediating variable; against contextual challenges as the moderating variable. The revenue collection system is the technical and institution mechanisms by which Mchinji District Council determines taxpayer identification and liability assessment, generation of bills, collection of receipts, recording of transactions and handing over of collected revenues to council accounts. This aspect considers the implementation of property register, database of taxpayers, utilization of IFMIS and point of sales (POS) system. It also stresses on the reliability of the system of receipt controls, and the services provided to clients. The system is the heart of revenue administration, but weak process flow can undermine improvement in revenue collection.

Operational efficiency is the mediating variable as it explains the translation of the revenue collection system into financial outcomes. In this paper operational efficiency refers to the councils' responsiveness and adequate management of human and capital resources to enable speedy, reliable, cost effective and accountable revenue transactions. For instance, a functional digital billing system will be of little value if bills fail to reach revenue points, or collectors have no motorised means of reaching the markets, or receipts are still issued manually, or Supervision is too weak to promote timely remittance. Efficiency therefore determines whether the technical system becomes operational and a practicable tool for improved collections.

Contextual challenges are factors that moderate the relationship of revenue system to financial performance. These are staffing levels, technical skills, political pressure, taxpayers attitude, logistics, and transportation problems. Technical competencies and logistics determine the impact of the system. Low technical expertise and field presence diminish the councils capacity to translate the economic activity into collectible revenue.

The dependent variable in this framework is financial performance. The financial indicators used to measure performance are based on the council's overall financial strength, rather than cash balances.

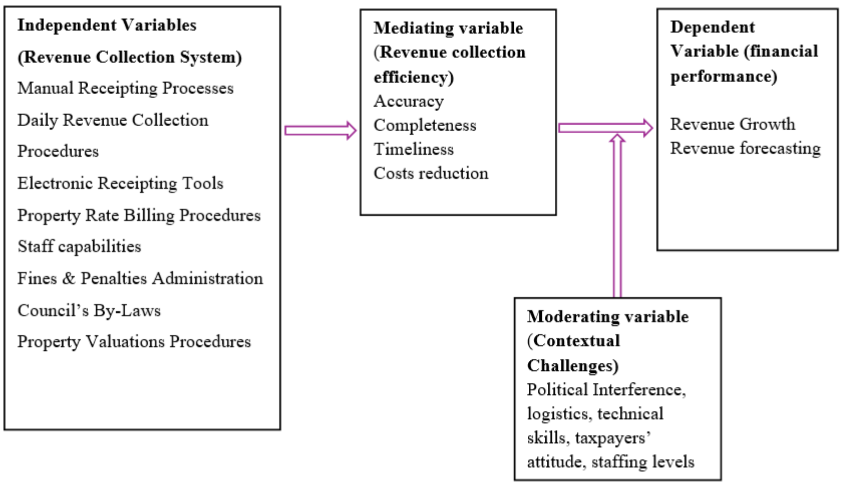

Figure 1. The conceptual framework showing relationships between revenue collection systems and financial performance with operational efficiency acting as a mediating variable and contextual challenges influencing the strength of this relationship.

These indicators include growth of annual revenues, reduction in variance between budget forecasted and actual collections, Fiscal autonomy on the basis of internally generated revenue need to central government transfers. Thus, this framework hypothesises that better financial performance depends on the quality of the revenue system as well as the efficiency in the implementation of the revenue system within Mchinji District Council. The research model is shown below.

3. METHODOLOGY

This study employed a mixed methods case study approach in investigating the relation among revenue collection system, operational efficiency and financial performance in Mchinji District Council. The choice of case study methodology was justified because the study wanted to analyse financial trends and their operational circumstances. The use of a single local authority provided a link between theory and practice of Public Financial Management with respect to revenue collection in a developing country district council.

The research considered the issue of the relationship between the technical features of a revenue collection system and financial performance through operational efficiency. The revenue collection system was used in the study as the independent variable, while financial performance was used as the dependent variable and operational efficiency the mediating variable. Through the case study approach, the research was also able to take into account macro issues such as Mchinji's border location, the nature of informal trades, the capacity of the system in terms of staffing, transport, and administration. The data was sourced from a triangular approach of top down administrative auditing approach and bottom up operational fieldwork. An administrative audit was complemented with a desk appraisal of the Council's official records comprising of Integrated Financial Management System (IFMS) data, audited financial statements, and published financial status reports on annual budget implementation. The data was used to measure revenue growth trends, budget variances and deficits in expected versus received revenue.

The operational fieldwork supplemented the documentary review by providing some understanding on cause of the figures derived from the audit. Questionnaires to the council’s staff and taxpayers were used to identify the weaknesses in the collection process, such as low coverage of digital systems and heavy reliance on manual ledgers. Also, meetings were held with the markets merchants associations and various entrepreneurs within the district to evaluate the social contract between the council and the taxpayer for the nature and scope of the data and goods and services paid for.

A multistage sampling method was used. All council employees in the revenue administration section were sampled by census. They directly reach the ends of the revenue collection and management process; thus, they knew the process well. The taxpayers were sampled by convenience as a result of their constant mobility, and the difficulty of establishing a sampling frame within the trading centres. Finally, a maximum of 10 members from the executive management team were purposively selected for the study, because they perform critical strategic functions of revenue mobilization and have extensive knowledge of the revenue collection and management systems of the council. The total final number of respondents was 160. With a combination of several approaches, such a sizable sample managed to generate detailed and complementary data from the administrators of revenue and both the revenue collectors and the users.

Data was analysed as per a sequential explanatory model; the first stage of analysis involved the quantitative data (financial report data and survey data) using SPSS. A simple linear regression was used to examine and interpret the relationship between the revenue system success factors and performance indicators of financial performance. The second stage focused on quantitative data, where responses from the interviewees were analysed using thematic analysis as suggested by Braun and Clarke (2006). Thematic analysis is a method comprising systematic steps that help to identify patterns within data. After data familiarisation, codes were developed to capture emerging patterns across aspects of administration, enforcement, staff skills, and taxpayer attitudes. The interpretation of these themes gave more understanding of the contextual and operational aspects which influence revenue collection in the Council.

Methodological triangulation was used through the use of multiple data sources, including questionnaires and financial records of Mchinji District Council. The research also ensures that the data collected was consistent by cross-verifying survey responses with audited financial statements and official council reports. This approach further improved both the reliability and credibility of the finding

Throughout the study, attention to ethical practices was taken into account. Participants were made aware of the process of the study and voluntary participation could be withdrawn at any time without penalty. Since the study centered around details regarding the finances and administration of the council, individuals identities were protected and data collected was protected both digitally and physically by password protected security and locked filing cabinets respectively. The researcher was granted entry through a letter approval from the University of Malawi Ethical Review Committee. Additionally, as a result of the approval, access was granted to the council files and area's within the administration.

4. FINDINGS AND RESULTS

The evidence demonstrates that the revenue performance of Mchinji District Council can be explained by a relatively strong but incomplete correlation between the revenue collection system and financial performance. The validation of the quantitative results by statistical tests and the extension of the findings through explanation of operation and institutional details through qualitative analysis provide a comprehensive result that can be applied in situations similar to Mchinji District Council. The regression analysis gives an Rsquared value of 0.80, which means that 80 percent of variation in financial performance can be explained by the revenue collection system. These figures would lead one to believe that the system is relatively strong, but that about 20 percent of the variation is unexplained and can be attributed to the human, operational, and contextual complexities that influence the system's ability to achieve the potential measured. The table below shows the results of regression analysis conducted for this study.

Table 1. Regression results showing the relationship between the revenue collection system and financial performance at Mchinji District Council.

Model statistic	Result	Interpretation
Regression model	Financial performance = -7.00E+12 + 3.00E+09 (Revenue collection system)	The positive coefficient shows that improvements in the revenue collection system lead to better financial performance.
Intercept	-7.00E+12	The perceived baseline level for fiancial performance, when revenue collection system variable is equal to zero.
Slope coefficient	3.00E+09	It is estimated that for an incremental one unit change in the measurement of revenue collection system, financial performance (measured as efficiency) increases by MWK3.00 billion.
R-squared (R^2)	0.80	The regression analysis indicates that total revenue rose substantially over the study period, with financial year accounting for about 80% of the variation in revenue. Still, the main factors affected by this growth were the growth in transfers from the central government and donor agencies, rather than the consistent growth in local generated revenue that would lead to fiscal autonomy.
Total sum of squares	7.00E+19	This is the total variation reflected in financial performance at Mchinji District Council.
Regression sum of squares	6.00E+19	The changes in the financial performance of Mchinji District Council are explained by the regression model.
Residual sum of squares	1.00E+19	Variation not explained by the model, which relates to the influence of other operational and contextual factors at Mchinji District Council.
F-statistic	10.00	The F-test confirms the regression model is significant and can explain the variation in financial performance, confirming the revenue collection system significantly contributes to the good financial performance of the Council.

To analyze financial trends in performance, a simple linear regression analysis was performed with total revenues (dependent variable) for each financial year. The purpose of the analysis was to see if total revenues showed a statistically significant increase over time and how much of the variation was as a result of that increase. The regression model produced an R2 coefficient of determination of 0.80 which implies that about 80% variation in total revenue for the period in consideration was associated with the course of time. This shows a strong trend of positive revenue growth for the period between the financial years 2021/22 to 2024/25. The regression coefficient implied that average total revenue rose by about MWK3.86 billion per annum.

The results of the table clearly show that the council enjoyed significant increase in total revenue collection throughout the study period. The excess magnitude of increases should, however, be taken with a pinch of salt as this growth was not solely as a result of local revenue generation. In fact, analysis on the composition of revenue showed that mainly an increasing proportion of total revenue growth came from the increase in transfers from central government as well as donor funding, both of which showed marked increases. Own source revenue such as property tax, and others were, in comparison, weak and inconsistent.

To conclude then, while the regression results are indicative of enhanced financial performance through growth in total revenue, they cannot on their own conclusively confirm that enhancements to the revenue collection system directly resulted in the rise in revenue. What the results do however show, coupled with qualitative evidence, is that financial performance improved over the period studied while the qualitative data demonstrates that the revenue administration system characterized by continued use of manual procedures, an obsolete valuation roll, inadequate logistics and enforcement mechanisms hinders the council's capacity to fully explore the potential of internally generated revenue.

Therefore, the quantitative results need to be analysed in conjunction with the qualitative results. Although total revenue has increased significantly, the financial sustainability of the council would be limited unless it reduces its over dependence on governmental transfers. The data pointed to reforms in efficiency of the operations, revenue management, automation levels, and the enforcement structure, which would enhance the ability of local revenue mobilization to increase its role in securing long-term financial independence.

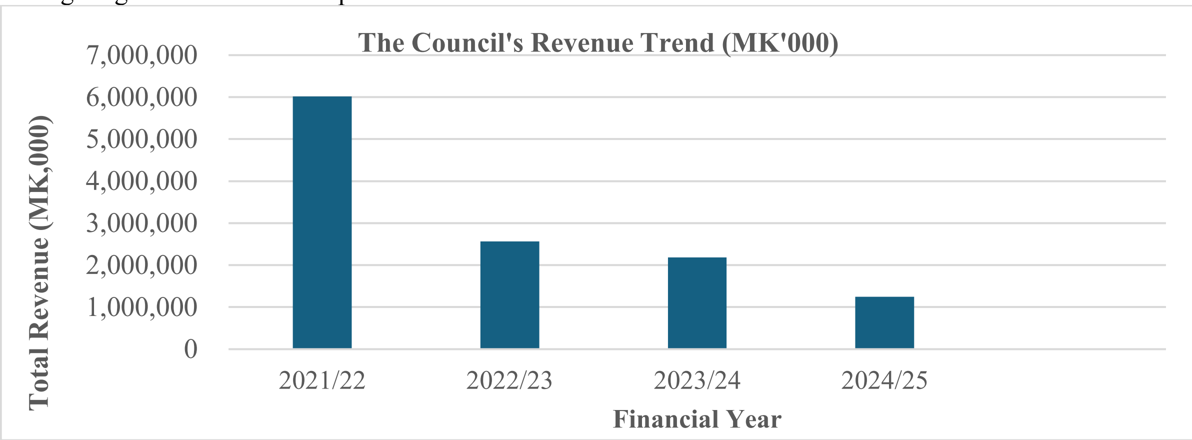

Figure 2. Revenue trends for Mchinji District Council from 2022 to 2025, showing nominal revenue growth over the four financial years

The results further uncovered a significant operational efficiency gap. The system was available through the Integrated Financial Management Information System but a great deal of revenue operations relied on pen and paper records. Vendors in the market stated that paper receipts were still generally handwritten and the majority of transactions from the rural trading centers were still recorded in cash before they were entered into the system. This resulted in what the report called a digital manual paradox reflecting that the system was there, but the operational procedures were not

A number of contextual factors hindered the connection made between the revenue system and financial performance. Transport faced the greatest challenge, and was experienced by most of the field revenue collectors interviewed. Without suitable motor cycles or utility vehicles to operate around, revenue collectors were frequently dependant on walking or public transportation, and were unable to cover much of the outer revenue zones. The study also identified the lack professionalisation on the part of frontline collectors, many of whom had not been trained on how to effectively argue with taxpayers, negotiate payment and resolve disputes, as another factor that fostered taxpayer resistance and also the likelihood of informal payments for services rendered.

Accountability and internal control issues proved to be the other significant obstacles. It was found that audit recommendations were not always implemented and that consequence management process for nonremittance or poor compliance was weak. This reduced transparency and facilitated the persistence of leakage. From a Public Financial Management perspective, such weaknesses compromised the internal control setting that is integral to revenue collection systems that support financial performance.

The findings further supported the hypothesis that efficiency has an impact on the social contract between the council and the taxpayers. When there was evidence of manual receipting, low transparency and obscured service visibility, the taxpayers were less willing to give voluntary compliance, resulting in a vicious cycle where low trust led to lower revenue collection which in turn led to poorer service delivery. The overall finding is that Mchinji District Council has strong revenue potential because of its strategic border location, but this potential is weakened by operational inefficiencies, outdated valuation rolls, inadequate logistics, continued manual processes, and weak accountability mechanisms.

5. DISCUSSION, CONCLUSION AND RECOMMENDATIONS

The findings of this study provide a fairly comprehensive picture of the financial situation of Mchinji District Council and demonstrate how local revenue performance is driven by the interaction of technology, smooth operation and institutional accountability. The results back up others who have argued for the use of digital revenue systems by demonstrating how they can increase predictability and strengthen financial management. In the case of Mchinji, the significant regression coefficient indicates that the revenue collection system has the potential to directly impact its financial performance but the case also shows that this is not simply a technology issue. The system can only improve financial performance when complemented with good logistics, the presence of trained personnel and supervisors and well maintained records.

While the study does concur with the modernisation argument that electronic systems could minimise leakage and better track revenue, it does not concur with the view which suggests that technology inherently enables better financial practices. At Mchinji District Council, the IFMIS and any associated system was in place, yet a number of transactions still proceeded through a manual process. This portrays that the performance deficit was not solely the technology, but lack of operational implementation. The council experiment portrays that digitally reform will therefore need to be accompanied by behavioural, administrative and logistical reform to generate substantial revenue gains.

The other important implication of the results is that of the dependency and the autonomy paradox facing the council. While the nominal revenue netted from estimates has increased over the period under consideration, this increase has not been well diversified and hence not strong enough to endow the council with full autonomy by the end of the period. The council has remained dependent on external funding in the form of central government transfers and donor support to sustain itself than raise a significant proportion of its revenue locally. Mchinji is thus vulnerable to external funds and continues to be more of an expenditure agent for external development than a fully autonomous local authority.

A further key dimension highlighted by the research is the bordertown effect. Mchinji's location offers significant revenue possibilities through crossborder trade, transportation, markets and business operations. but the needs of this dynamic environment are not adequately addressed by its revenue systems. Inflexible billing systems, outdated valuation rolls, and limited field presence cannot cope with the pace of border trade, leaving Mchinji unable to translate the dynamism of the local economy into increased revenue collection.

Another important finding is that operational efficiency is the important intervening factor between the revenue system and financial performance. Although the system can potentially support revenue growth, its performance becomes compromised if collectors do not have adequate transportation; if receipting is handled manually; if employees do not receive professional training; and if audit results are not followed up. This intervening paralysis is responsible for the reason why Mchinji District Council has not capitalised on its revenue potential, but has the appropriate institutional capacity for it to do so.

In conclusion, the financial position of the Mchinji District Council is one of fragile proliferation. The council seems to be expanding in nominal revenue, but the own source revenue base remains weak and under-developed. The process of transition from manual systems to completely computerized revenue administration has not been fully accomplished particularly at the last mile of collection. The short falls between the estimated and actual revenue collections are thus not a simple accounting issue; instead they are symptomatic of a host professional, logistics, technology and accountability deficiencies. If these deficiencies are not corrected, then the council will continue relying on external funds and would be unable to develop budgetary autonomy.

Based on these results, the research suggests that Mchinji District Council should finalise the shift to an entirely digital revenue collection system by the permanent discontinuation of manual carbon copy receipt books. The Council should use hand-held point of sale devices at all revenue points, including daily market fees. All transactions could be recorded electronically and it would make it more difficult for funds to be siphoned or misappropriated. It is further suggested that the Council should update their property valuation rolls and update its rates so that they are consistent with current market prices.

The Council should separately reclassify transport and digital equipment as revenue assets, instead of just regular costs of administration. Providing motorcycle, tablets, or other similar equipment to field collectors could improve coverage of market and streamline collection process in out of town trading centers. Besides, the Council should operationalize a professionalisation programme for the frontline staff, determining its content to include PFM, communication with taxpayers, dispute resolution, ethics and revenue accountability. This could enhance collectors' relationship with taxpayers and foster voluntary compliance.

Further recommendations from the assessment include improved strong Governance and oversight. Regular and surprise field reconciliations needs to be undertaken by the internal audit function and the council needs to have an explicit policy for remittances, requiring the amount remitted to be equivalent to the amount collected. Audit recommendations should be implemented by corrective action, and there should be a consequence management system in place in case of noncompliance. Finally, the council needs to improve civic transparency, publishing quarterly revenue reports in markets and other public spaces the local authority finds appropriate. If taxpayers know how much has been collected and how it has been spent, trust will increase, and the social contract may be part of the solution rather than the problem to revenue collection and growth.

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