

The Role of Disciplinary Authorities in Promoting Revenue Integrity in Tanzanian Local Government Authorities: A Case Study of Ludewa District Council

Mathan Laiseck Chalamila

Ludewa District Council Legal Service Unit Njombe Tanzania

ABSTRACT: This article examines the role of disciplinary mechanisms in promoting revenue integrity within Tanzanian local government authorities (LGAs). Revenue integrity defined as the lawful, accurate, and accountable assessment, collection, recording, and remittance of public funds—is fundamental to fiscal decentralization and effective service delivery. In Tanzania, LGAs derive authority to mobilize own-source revenues from the Local Government Finances Act (Cap. 290), which establishes both administrative duties and criminal sanctions for misconduct in revenue collection. Despite this framework, audit findings and sectoral assessments consistently reveal weaknesses, including unremitted collections, inadequate enforcement of electronic revenue systems, and revenue leakages attributable to poor oversight and unethical conduct.

The article argues that disciplinary mechanisms—comprising statutory sanctions, internal administrative controls, performance management systems, audit functions, and anti-corruption enforcement—serve as essential instruments for safeguarding revenue systems. Properly designed and enforced, these mechanisms deter fraud, strengthen compliance with statutory obligations, reinforce internal controls, and enhance transparency and accountability. The analysis further demonstrates that disciplinary credibility influences taxpayer perceptions of fairness and institutional legitimacy, thereby indirectly supporting voluntary compliance.

The paper concludes that revenue integrity in Tanzanian LGAs cannot be sustained through technological reforms or legal frameworks alone. It requires consistent enforcement of disciplinary measures, capacity building for revenue personnel, integration with external oversight institutions, and a governance culture grounded in accountability. Strengthening disciplinary architecture is therefore not merely corrective but foundational to improving fiscal performance and upholding the rule of law in decentralized governance.

KEYWORDS: Local Government Authorities, Disciplinary mechanisms, Internal controls, own source revenues.

INTRODUCTION

Revenue integrity within local government is a core component of good governance, accountability, and the sustainable delivery of public services. For Tanzanian local government authorities (LGAs), which operate under a framework that mandates collection of own-source revenues (rates, fees, licenses, charges) pursuant to the Local Government Finances Act¹, integrity in revenue mobilization is not an administrative nicety but a legal obligation and fiscal imperative. The integrity of revenue processes underpins fiscal autonomy, reduces dependency on central government transfers, and strengthens public trust in decentralized governance². A sound revenue collection enables the government to meet its goals of socio-economic development projects as well as to cover its expectations³. A number of initiatives has been taken to ensure revenue collection is raised including the introduction of the electronic revenue collection system known as TAUSI⁴. Revenue integrity denotes to the principles of legality, transparency, accountability, efficiency and ethical behavior in the collection, administration and utilization of public funds at local government level. Inefficiency of public funds controls has been associated with significant uncollected or misused revenues in local government

¹ [Cap 290, R.E 2023]

² C.V. Carolina, Roles and Responsibilities of Local Governments in Managing Revenue, *Syiah Kuala Law Journal*, (April 2025), Vol.9, No.1 pp 91-101 at p 91.

³ Kapongo. G.G and Mutalemwa, D. Factors contributing to the success of Local Government Revenue Collection Information System (LGRICIS) in Local Government Authorities: A Case of Ludewa District Council, Tanzania, *African Journal of Empirical Research*, (2024), Vol.5, No.3, pp 510-518 at p 510.

⁴ Cosmas, U.F., (et al). Strategies to improve own source revenue collection in Morogoro Municipal Council- Tanzania, *Journal of Policy and Leadership*, (2025), Vol.11, No.2, pp 42-66 at p 56.

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authorities and hence affecting service delivery and development results⁵. The disciplinary enforcement mechanisms under the law are very specific where the accountable officers are held for surcharge or disciplinary liable for the loss or sum concerned⁶. The role of disciplinary authorities in promoting local government revenue integrity in a multi-faceted and is a statutory obligation, internal control and a public sector governance reform. Through its enforcement conduct standards functions as a deterrent against malpractices in local government revenues basing on the obligations of both parties⁷.

The Local Government Finances Act⁸ confers on LGAs statutory powers to assess, levy, and collect various forms of local taxes, fees, licenses, and charges. The statute also criminalizes specific misconduct in the revenue collection context⁹, including failure by appointed rate collectors to remit collected funds, deliberate misreporting of collections, and failure to discharge duties imposed by law. The Act prescribes sanctions — fines, imprisonment, or both — for such offences, providing a statutory basis for enforcing revenue integrity and disciplining revenue actors¹⁰.

Despite this legal framework, fiscal audits reveal persistent weaknesses in revenue administration across LGAs. Reports of uncollected revenues, unbanked receipts from electronic collection devices, weak enforcement of Electronic Fiscal Device (EFD) requirements, and underperformance by contracted agents underscore the need for stronger compliance and disciplinary ecosystems within LGAs¹¹.

METHODOLOGY

Given the nature of the study, this article applied the doctrinal legal analysis complimented by empirical methodology. With doctrinal legal research methodology involves the systematic analysis of primary legal sources governing revenue administration in Tanzania. This method focuses on statutes and case laws where they are critically analyzed in revealing a statement of the law relevant to a particular matter¹². It includes the Local Government Finance Act, the Local Government (District Authorities) Act, the Local Government (Urban Authorities) Act and the Public Audit Act¹³. This article describes the role of disciplinary authorities in the administration of local government revenues. The application of the historical approach was to outline the challenges faced local government authorities in revenue administration. This article has censoriously assessed how local government laws has been enforced by the local government authorities to enhance compliance in revenue collection with the focus of increasing local government revenues. This is conducted with the focus of establishing the extent to which disciplinary authorities address the current issue of raising revenues to a particular local government authority. In complementing doctrinal method, empirical method was employed to establish the effectiveness of the law in practical aspect on the role of disciplinary authorities in promoting revenue integrity in local government authorities. This has addressed the transformational mechanism where with the introduction of new administration action has taken to enforce the law against that non-compliance with the law¹⁴.

Legal and Institutional Context

The governance framework of revenue integrity in local government authorities is rooted in constitutional principles, statutory laws regulating local government finances and public service conduct and the institutional oversight mechanisms responsible for ensuring accountability in public revenue administration¹⁵. Together these two frameworks establish the powers, responsibilities and procedures through which disciplinary authorities¹⁶ enforce financial discipline and integrity in local government revenue management. The constitutional establishes the office of the Controller and Auditor General whose mandate is to carry annual auditing all government revenues and expenditures at both central and local government authorities¹⁷. The Local Government

⁵ D.W Hyera (et al). Contribution of revenue enhancement plans to fiscal performance: A study of Local Government Authorities in Tanzania, (2025), vol.14, No.3, pp 242-252 at p 243.

⁶ Ibid, s 58(2).

⁷ K.M. Shabangu, (et al). Critical Consideration of Effective Discipline Management in the Public Sector, *Administratio Publica*, (December, 2022), Vol.30, No.4, pp 72-95 at p 72.

⁸ Ibid

⁹ Ibid. section 38

¹⁰ Ibid section 71

¹¹ Annual General Report on PO-RALG, Regional Administration and Local Government Authorities, March, 2025.

¹² Gawas V.M. Doctrinal legal research method a guiding principle in reforming the law and legal system towards the research development, *International Law Journal*, September 2017, Vol.3, No.5 pp 128-130 at p 129.

¹³ [Cap 418, R.E 2023]

¹⁴ Leeuw. F.L and Schmeets, H. *Empirical legal Research: A Guidance Book for Lawyers, Legislators and Regulators*, Edward Elgar Publishing, UK, (2016), DOI: 10.4337/9781782549413 at p 59.

¹⁵ Joint Evaluation Report. Tanzania: Public Expenditure Review Annual Consulting Meeting on Local Government Fiduciary Assessment held on 12th-13th May, 2006 at White Sand Hotel, DSM.

¹⁶ S 6(5) of the Public Service Act [Cap 298, R.E 2023]

¹⁷ Article 143(2)(c) of the Constitutional of the United Republic of Tanzania, 1977.

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Finance Act¹⁸ is the substantive statute regulating the imposition, assessment, collection, custody and accounting of revenues for local government authorities¹⁹. The law provides sources of revenues for the local government authorities and places explicit responsibilities to accounting officers (Council Directors) to ensure that all revenues due are properly assessed and collected²⁰. Where responsible officers fail to discharge their duties or where losses arise due negligence or misconduct, disciplinary authorities may initiate proceedings to enforce accountability. The Public Service Act is another component of the legal framework which governs employment, promotion and disciplinary control of the public servants²¹. In this law public servants including those working under the LGAs are required to maintain high standards of integrity, professionalism and accountability in discharging their duties. The law empowers disciplinary authorities to investigate misconduct, including financial mismanagement, corruption, negligence and abuse of office. Measure taken by disciplinary authority may be warnings, suspension, demotion and dismissal²². Handling of disciplinary procedures is detailed provided under the Public Service Regulations²³ which provides for appeals and raising complaints within the public service. The regulations provide for the due process requirements of investigations, notification of charges, the right to be heard and appeal mechanisms²⁴.

At institutional level, disciplinary authorities in LGAs are exercised through several administrative bodies depending with the appointing authorities²⁵. At the local government level, the Council Director possess managerial and disciplinary powers for all officers within the council, where proceedings are initiated for conducting preliminary enquiry and investigations and tabling the inquiry report to the Full Council meeting for approval²⁶.

Disciplinary Mechanisms: Definitions and Functions

In the context of local government, “disciplinary mechanisms” refer to formal and informal processes, institutional rules, and enforcement actions that monitor, control, sanction, and correct deviations from expected conduct by revenue officials, outsourced collectors, and public servants involved in revenue handling²⁷. These mechanisms range from internal human resources policies (performance appraisals and sanctions) to statutory criminal penalties, and from internal audit functions to external oversight by audit institutions and anti-corruption bodies²⁸.

The Role Disciplinary Mechanisms in Promoting Revenue Integrity of Disciplinary

a) Ensuring Compliance with Statutory Duties

By imposing financial and criminal liabilities for non-compliance with duties (for example, failing to remit collected funds or falsifying returns), disciplinary sanctions deter misconduct and align individual behavior with legal mandates²⁹. The Local Government Finances Act explicitly criminalizes conduct by revenue collectors that undermines revenue integrity³⁰.

b) Strengthening Internal Controls.

Internal disciplinary rules, such as performance benchmarks, reporting requirements, and corrective action protocols, reinforce control systems (financial management information systems, reconciliations, audit trails) that detect irregularities early and facilitate corrective action. Research indicates that robust internal controls, when paired with active monitoring, have a measurable impact on revenue performance³¹.

c) Enabling Accountability and Transparency.

Disciplinary measures, when enforced transparently and consistently, enhance accountability by signaling that all revenue actors are answerable for their actions. In the absence of credible disciplinary enforcement, revenue systems are vulnerable to corruption,

¹⁸ Ibid note 1

¹⁹ Ibid.

²⁰ Ibid note 1, s 39

²¹ Ibid note 12.

²² Regulation 42(1) of the Public Service Regulation, 2022.

²³ GN.No.444 dated 24th June, 2022.

²⁴ Part V of the Regulation provides for disciplinary issues.

²⁵ Ibid s 6(5).

²⁶ Ibid.

²⁷ M.H. Rivalani, Managing Destructive Workplace Deviance: A case of farmworkers in the South African Farming context, *International Journal of Applied Research in Business and Management*, (July 2024), Vol,05, No.02, ISSN 2700-8983.

²⁸ M. McKenzie and B. Marx, Turnaround for Municipal distress resolution: An audit outcomes approach, *South African Journal of Accounting Research* (2024), Vol.38, No.2 pp 174-208, Doi: 10.1080/10291954.2023.2294536 at p 175.

²⁹ M. Kweyamba (et al), Effectiveness of Disciplinary Procedures and Fairness in the Administration of Justice in Tanzania’s Public Service, *Revue Algerienne d’Economie de gestion* (2025), Vol.19, No.01, pp 156-176 at page 158

³⁰ Section 38

³¹ A.E Anthony and C.J Wafule, Effects of disciplinary procedures and code of discipline on employee performance in an organization: The case of county education office human resource department, *Turkana County*, (2014), vol.1 No.3 pp 15-24 at p 17.

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collusion, and tax evasion. Scholarly analyses cite unethical conduct and corruption among revenue collection staff as contributors to shortfalls in local revenue performance³².

d) Reinforcing Public Trust and Taxpayer Compliance.

Visible enforcement of disciplinary norms can improve taxpayer perceptions of fairness and legitimacy in revenue systems. This is particularly relevant where tax evasion and resistance to payment are driven by perceptions of tolerance for misconduct among officials. While evidence on behavioral responses in Tanzania's LGAs is limited, global fiscal governance research suggests that perceived enforcement of rules is correlated with higher voluntary compliance³³.

Operationalizing Disciplinary Mechanisms

For disciplinary mechanisms to be effective, they must be integrated into broader revenue governance practices:

a) Institutional Frameworks and Codes of Conduct.

In ensuring that public funds are collected, recorded, managed and used honestly should not only rely on statutory authorities, but with strong structured institutional arrangements and enforceable ethical standards. Local government authorities are administratively governed by The Local Government (District Authorities) Act³⁴ and the Local Government (Urban Authorities) Act³⁵ are two distinct legislations applicable to rural and urban areas respectively; together with the Local Government Finance Act³⁶ they define revenue powers, administrative structures, financial management responsibilities and oversight obligations. The local authority laws establish council committees³⁷ which provides an internal control for reducing opportunities for fraud and misappropriation of funds. Governance of councils must develop and enforce clear codes of conduct and job descriptions that outline duties, performance standards, and sanctions for breaches. These codes should align with public service regulation and anti-corruption statutes which provides for disciplinary proceedings³⁸.

b) Performance Monitoring and Evaluation.

The Accounting officer is responsible to ensure that Councilors are regularly kept informed with the financial affairs of the Council³⁹. Routine performance monitoring (e.g., monthly revenue targets, audit reconciliations, digital collections analytics) facilitates early detection of deviations and enables prompt disciplinary action like *Operation Mwambehesa* which led serious consequently to disciplinary action to some of the public servants⁴⁰. The Public Service Act⁴¹ and its regulation are statutory instruments that regulate public servants to adhere with code of conducts in conducting their business by ensuring they perform their duties with integrity, impartiality, diligence and financial accountability⁴².

c) Capacity Building

Training revenue officers and outsourced agents on legal obligations, ethical conduct, the use of electronic revenue systems, and compliance procedures enhances capacity to meet standards and reduces the incidence of inadvertent breaches⁴³. For effectively and lawfully revenue collection and expenditure in LGA capacity building is a structural prerequisite enhancement. Revenue officers require continuous training in tax assessment methodologies, property valuation, licensing frameworks, financial reporting standards and digital revenue systems⁴⁴. Capacity building should not be confined to task force only, this should be extended to leaders who must understand fiscal decentralization principles, performance management systems and accountability mechanisms⁴⁵. Where misconduct is identified, enforcement must be timely and proportionate. This includes administrative actions (reprimands, suspension, dismissal), financial penalties, and criminal prosecution where appropriate. The statutory framework under the Local Government Finances Act supports prosecuting malfeasance in revenue collection⁴⁶.

³² Ibid note 9 at p 159.

³³ Ibid

³⁴ [Cap 287, R.E 2023]

³⁵ [Cap 288, R.E 2023]

³⁶ Ibid

³⁷ See section 77 for Cap 287 and section 49 for Cap 288.

³⁸ Regulations 41 and 42 of the Public Service Regulation, 2022 GN No.444

³⁹ Regulation 7(g) of the Local Government Financial Memoranda, 2009.

⁴⁰ This is the led successful enforcement initiatives taken by the Ludewa District Commissioner Hon. Olivanus Paul Thomas to strengthen revenue collection, curbing revenue evasion within the district.

⁴¹ [Cap 298, R.E 2023]

⁴² Regulation 67 of the Public Service regulation provides for the effects of the violation of code of conducts.

⁴³ J. John, Assessing the factors for the effectiveness of the task force staff in revenue collection in Tanzania Local Government Authorities, Accounting and Business Review (2024), Vol.16, No.5. pp 80-94 at p 81.

⁴⁴ Y. Tan (et al), Intelligent Tax System: Automating Tax Audits and Improving Revenue Efficiency, Open Journal of Accounting, (July 2025), Vol.14, No.3 pp 156-169 at p 164.

⁴⁵ Ibid

⁴⁶ Ibid, s 38.

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d) Integration with External Oversight

Collaboration with the Office of the Controller and Auditor General, anti-corruption agencies, and central government ministries enhances the credibility of disciplinary actions and provides an escalation pathway for systemic violations⁴⁷.

CONCLUSION

In the Tanzanian context, disciplinary mechanisms are indispensable to ensuring revenue integrity within local authorities. Legal provisions that criminalize misconduct in revenue collection, when paired with robust internal controls, institutional monitoring, and credible enforcement, contribute to improved compliance, fiscal accountability, and trust in decentralized governance. Given documented challenges including uncollected revenues, unauthorized practices, and weak enforcement strengthening disciplinary systems should be a policy priority for LGAs aiming to maximize revenue performance and uphold the rule of law.

Promotion of revenue integrity in LGAs depends significantly on the string effectiveness of the disciplinary authorities operating within the established legal and institutional framework. The availability of oversight bodies such the Controller and Auditor General, Prevention and Combating of Corruption Bureau, the internal administrative structures within the LGA in Tanzania reinforce financial accountability by identifying irregularities and recommending the action to be taken. With these mechanisms, disciplinary authorities serve not only as enforcing agents but they serve as instruments of institutional integrity and deterrence against revenue mismanagement.

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⁴⁷ Section 184 of the Local Government (District Authorities) Act, [Cap 287, R.E 2023] and section 63 of the Local Government (Urban Authorities) Act, [Cap 288, R.E 2023]

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