

### Abstract

The study observed the relationship between government revenue collection and expenditure in relation to service delivery in Local governments with the case of Tabora District Council (TDC).

The study was a quantitative and qualitative research design. Random sampling technique was used to select 26 respondents comprised by Councillors, Ward Executive Officers (WEOs), Village Executive Officers (VEOs) and Final beneficiaries. Purposive sampling was used to select 22 district officers. In total the study involved 48 respondents.

Data were collected from both primary and secondary sources by use of structured questionnaires with mainly closed ended questions. The findings revealed that public expenditure utilized by TDC was not assuring quality service provisions to the people due to misappropriation of public funds. It was also observed that the capacity of TDC to generate its own source revenue was very low; Central government grants transfer was shown as the major funding source, this implied that the council lose its autonomy and acted as a signalling that the TDC cannot stand by its own.

The implementation of development projects in TDC was restrained by a number of factors, but most distinguished, poor public expenditure management, weak capacity of revenue collections, political interference and failure to involve lower level citizens within their localities in budgeting process. The study recommended various measures to be taken by the Central Government and TDC. Central Government should transfer grants to LGAs basing on the priorities of the citizens, in particular TDC through ALAT should emphasis on the importance of the national budget resources to be shared equally between central government and local governments so that local governments do not have to depend on conditional grants.

The Tabora District should improve its capacity of revenue collections by widening its tax base, revenue laws and by- laws should be reviewed and passed through legal frame work, so as to be effective and enforceable. Moreover TDC has to install strong internal control system and effective follow up mechanism to identify misuse of public funds.