

**Service Outsourcing and Revenue Collection Performance of Selected Local  
Government Authorities in Tanga region**  
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Recently most LGA's have adopted outsourcing as a strategy in revenue collection system in order to increase revenue and minimize operating costs associated in revenue collection. This being the case, therefore this study assessed the impact of service outsourcing on revenue collection performance of selected Local Government Authorities in Tanga Region. Specifically, the study focused on examining the difference between the amounts of revenue collected before and after outsourcing; determining the extent to which contract management practices for outsourcing of revenue collection services influences revenue collection performance; examining the influence of technology and information systems on revenue collection performance; and identifying the challenges faced by local government authorities in service outsourcing revenue collection. The study adopted a cross sectional research design in collecting data from selected LGA's in Tanga Region. The study developed hypothesis for its three specific objectives to establish the relationship between the variables. In order to achieve such relationship, paired sample t- test and Pearson's correlation statistical tools were used. From the analysis, finding revealed statistically significant at  $P < 0.05$  on difference in revenue collected before and after outsourcing, contract management practices and technology and information system hence null hypothesis was rejected. From the finding, study concluded that, service outsourcing is a viable tool for improving the revenue collection performance in LGA. Therefore, study recommends that, councils must conduct frequent monitoring and supervision of revenue collection points, proper training on the use of POS machines, improve ICT infrastructure and conducting a feasibility study on revenue sources before outsourcing among others.