



**ACCOUNTING INFORMATION SYSTEMS AND REVENUE COLLECTION AT
LOCAL GOVERNMENTS, A CASE OF PALLISA DISTRICT LOCAL
GOVERNMENT**

BY

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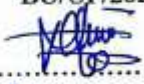
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DECLARATION

I hereby do consent that this research report is my own work and it has never been submitted for examination in this university for academic qualification.

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APPROVAL

This research report is submitted to faculty of management sciences Busitema University as a partial fulfillment for the award of Bachelor's degree in Business Administration (Accounting and Finance option) with my approval as an academic supervisor.

Mr. OKIROR ISMAEL

Signature.....



Date

14/08/25

DEDICATION

I dedicate this work to God, whose endless blessings made it possible to bring this report to life, to my parents Mr. Ojolo Alfred and Mrs. Namukose Hellen for their moral sustenance and inspiration. To all my siblings Enock, Isaac, Eunice, Suzan, and Agilas, friends, course mates and lecturers.

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LIST OF ACRONYMS

AIS	Accounting Information System
CVI	Content Validity Index
F/Y	Financial Year
GDP	Gross Domestic Product
ICT	Information Communications Technology
LAC	Latin America and the Caribbean
MOLG	Ministry of Local Government
OAG	Office of the Auditor General
OAGF	Office of Accountant General Federation
OECD	Organization for economic co-operation and development
PDLG	Pallisa District Local Government
SPSS	Statistical packages for social sciences
URA	Uganda Revenue Authority

ABSTRACT

This study examined the impacts of accounting information systems (AIS) on revenue collection in PDLG. The study was guided by the following objectives; find out the effects of system automation on revenue collection, to establish the impact of system quality on revenue collection, to ascertain the effect of attitude towards use on revenue collection in PDLG. The study used a cross-sectional research design and a quantitative approach. The sample size was 80, using simple random sampling techniques. Data was collected with the aid of a closed ended questionnaire and the statistical package for social sciences (SPSS) was employed to analyze data from which frequency tables, descriptive statistics (mean and standard deviation), reliability and validity, correlation and regression results were obtained. The study findings revealed that there is a positive and significant effect of automation of revenue collection on revenue collection; system quality on revenue collection; and attitude towards use on revenue collection. The study recommends that to improve revenue collection in District Local Governments, automation of revenue collection, system quality and attitude towards use should be embraced. Finally, the study concludes that there is a strong predictive power that automation of revenue collection, system quality and attitude towards use contribute towards enhancing revenue collection in PDLG.

CHAPTER ONE

INTRODUCTION

1.0 Introduction

This chapter lays the foundation for the study. It walks through the background, outlines the problem being addressed, spells out the study's goals, defines its scope, highlights why the research matters, introduces the conceptual framework, and clarifies key terms used throughout.

1.1 Background of the Study

Revenue collection is the process where a government agency charges individuals or the public for things like taxes, fines, or other official fees. This can include taxes, fees, fines, and, in a business context, amounts due from customers for sales made on credit (Campbell, 2019). Revenue collection plays a vital role in keeping any organization running. It brings in the funds needed to cover day-to-day expenses and helps fuel future growth and development. Businesses of all sizes need effective billing and collection processes to maintain a healthy cash flow (Were, 2023).

Globally, According to World Bank report 2023, revenue collection is especially critical in countries where tax income falls below 15% of GDP. This threshold is widely seen as a tipping point once reached, it can help make a state financially viable and set it on a path toward sustainable growth. Yet, the reality is stark: 86% of low-income countries and 43% of lower-middle-income countries still fall short of this benchmark. In countries affected by fragility, conflict, and violence, the average tax-to-GDP ratio was as low as 12.6 percent (World Bank, 2023). In Latin America and the Caribbean (LAC), according to OECD (2023) revenue statistics report, the average tax-to-GDP ratio in the Latin America and Caribbean region was 21.7% in 2021. Tax-to-GDP ratios across LAC vary significantly from just 12.7% in Panama to 33.5% in Brazil. Still, every country in the region falls below the OECD average of 34.1%, highlighting a persistent gap in revenue collection compared to more developed economies. In Malaysia a total baseline actual revenue collected in 2019 was RM 264.42b which fell sharply to RM 225.1b in 2020. This shows 14.8% total decline in revenue collection. Also, by the end of 2020/2025, the total revenue was RM322.05b in 2024, but only 16.5% of GDP. This is significantly lower than the regional average of 25% according to the World Bank's estimate (Zainul, 2025).

In Africa, revenue collection in Sub-Saharan Africa is relatively low, yet comparable to other regions with similar income levels. In 2021 the most recent year with comprehensive data

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