

## Moderating Role of Corporate Governance in the Control Mechanisms-Revenue Collection Nexus: Evidence from Tanzanian Local Authorities

Faiza Hamidu Msheri<sup>1</sup>, Kuah Yoke Chin<sup>2\*</sup>, Leong Lai Ying<sup>3</sup>

<sup>1</sup>Teh Hong Piow, Faculty of Business and Finance (THP FBF), Universiti Tunku Abdul Rahman, Jalan Universiti, Bandar Barat, 31900 Kampar, Perak, Malaysia.

Email: msherifaiza@gmail.com

<sup>2</sup>Teh Hong Piow, Faculty of Business and Finance (THP FBF), Universiti Tunku Abdul Rahman, Jalan Universiti, Bandar Barat, 31900 Kampar, Perak, Malaysia.

Email: kuahyc@utar.edu.my

<sup>3</sup>Teh Hong Piow, Faculty of Business and Finance (THP FBF), Universiti Tunku Abdul Rahman, Jalan Universiti, Bandar Barat, 31900 Kampar, Perak, Malaysia.

Email: leongly@utar.edu.my

### ABSTRACT

Local Government Authorities (LGAs) in Tanzania depend on self-generated revenues and transfers from the central government, yet many still fail to meet their own-source revenue targets despite a number of reforms. Prior studies examined internal controls, human capital, information systems, or governance in isolation, providing limited insight into their combined effects and the role of governance in conditioning these relationships. In contrast, this study jointly analyses these resources and the moderating role of corporate governance on revenue performance in LGAs. Guided by the COSO internal control framework, Agency Theory and the Resource-Based View, the study employs Partial Least Squares Structural Equation Modelling (PLS-SEM) on 358 responses from internal auditors, finance and revenue officers, and managers across 36 LGAs. Results reveal that Corporate Governance, Financial Management Information Systems (FMIS), Human Capital Management (HCM), and Risk Assessment (RA) each exert significant positive effects on revenue collection. Moderation analysis shows that governance strengthens the effect of FMIS but diminishes the contribution of HCM, while its interaction with RA is not significant. These outcomes underline the nuanced role of governance—supporting technology-based systems yet sometimes substituting for human capital. Theoretically, the study extends the COSO framework by demonstrating asymmetric interactions between governance and organisational resources. Practically, it highlights the need for LGAs to align governance structures, staff capabilities, FMIS, and risk-management processes to strengthen own-source revenue collection.

### CORRESPONDING

#### AUTHOR (\*):

Kuah Yoke Chin

(kuahyc@utar.edu.my)

### KEYWORDS:

Revenue Collection

Corporate Governance

Control Mechanisms

Local Government Authorities

(LGAs)

Tanzania

### CITATION:

Faiza, H. M., Kuah, Y. C., & Leong, L. Y. (2025).

Moderating Role of Corporate Governance in

the Control Mechanisms-Revenue Collection

Nexus: Evidence from Tanzanian Local

Authorities. *Malaysian Journal of Social*

*Sciences and Humanities (MJSSH)*, 10(11),

e003680.

<https://doi.org/10.47405/mjssh.v10i11.3680>

**Contribution/Originality:** This paper contributes to literature by indicating that corporate governance asymmetrically moderates internal controls effects on revenue collection in Tanzanian local authorities. The study's key contribution is finding governance leaves risk assessment unaffected, amplifies FMIS and dampens HCM. This paper is among few studies integrating COSO, Agency and RBV theories

## 1. Introduction

Local governments can only function effectively when they're able to generate and manage their own revenue consistently, without having to rely too much on central government transfers (Lameck & Kinemo, 2021; Sinde, 2023). For a revenue system to work well at the local level, it needs to be fair, efficient, transparent, and relatively easy to administer—while also strong enough to bring in sufficient funds (Junquera-Varela & Lucas-Mas, 2024). In Tanzania, efforts such as the Local Government Reform Programme (LGRP) and the Public Financial Management Reform Programme (PFMRP) have been introduced over time to improve these areas, especially by moving toward digital systems (Lameck & Kinemo, 2021; Ministry of Finance and Planning (MoFP), 2022).

Local Government Authorities in Tanzania primarily depend on two funding sources: self-generated revenue, including property taxes, business licenses, and market fees, and transfers from the national government (Lameck & Kinemo, 2021; Hyera et al., 2025a). Enhancing own-source revenues is expected to enable councils to function with greater autonomy and address local needs more effectively (Mgonja & Poncian, 2019). Nonetheless, a significant number of LGAs continue to rely extensively on central transfers (Kessy, 2020), and their revenue performance frequently varies annually (Affroumou, 2025). The government has implemented systems such as Local Government Revenue Collection Information systems-LGRCIS and enhanced financial platforms like Financial Management Information Systems (FMIS/Epicor) to strengthen financial controls in response to these challenges. According to the Controller and Auditor General (CAG) reports, despite these efforts, results have been inconsistent, primarily due to variations in the implementation and management of these tools by councils (Controller and Auditor General (CAG), 2023a; 2024).

In this context, four areas are particularly significant in influencing the effectiveness of LGAs' revenue collection, these include: Financial Management Information System (FMIS), risk assessment (RA), human capital management (HCM), and corporate governance (COG). Risk Assessment enables local governments to identify and manage potential threats that may impede revenue collection (Controller and Auditor General, 2022; 2023a). Financial Management Information Systems aim to minimize manual labour, enhance transaction traceability, and improve the efficiency of financial reconciliation (Controller and Auditor General, 2024; Ministry of Finance and Planning (MoFP), 2022). Human Capital Management is equally significant, as it involves employing personnel with the requisite skills, particularly in ICT, tax rules and regulations, and ensuring adherence to established procedures (Bunyasi et al., 2023). The role of Corporate Governance encompasses mechanisms such as audit committees and council oversight bodies. When operating effectively, these governance structures ensure the implementation of RA, FMIS, and HCM practices with integrity and consistency, thereby enhancing revenue outcomes (Temba et al., 2023; Suluo et al., 2024).

### 1.1. Revenue-Collection Challenges in LGAs

Despite ongoing reforms, 36 of the 184 LGAs in Tanzania have missed revenue collection targets across consecutive years, and their income streams remain unstable (Controller and Auditor General, 2024). These revenue gaps have practical consequences; essential services often suffer, with delayed projects, shortages of key supplies, and other disruptions frequently reported (Controller and Auditor General, 2023b; Tanzania Investment and Consultant Group, 2024). A persistent issue relates to how risk is assessed and managed; in several councils, risk reviews of the revenue process are not part of regular practice. Problems like delayed banking, missing receipts, weak financial reconciliations, or failure to follow up on arrears tend to be addressed only after they've already caused damage. Instead of being systematically identified and prevented, these issues are often caught reactively during audits or when losses have already occurred (Controller and Auditor General, 2022; 2023a; Hyera et al., 2025a, 2025b).

Also, a significant challenge encountered by LGAs in revenue collection is the limited and inconsistent use of FMIS. Despite the introduction of digital tools such as e-revenue platforms, numerous councils continue to depend on manual processes due to challenges in system integration, forged receipts, and data loss (Njogela et al., 2023). Incomplete adoption diminishes data accuracy, delays reconciliations, and hinders audits (Controller and Auditor General, 2022). This also restricts LGAs' capacity to monitor transactions, enforce accountability and mitigate fraud (Ofosu-Mensah Ababio et al., 2023). In the absence of reliable financial software, transparency is compromised, resulting in the diminished advantages of automation and directly impacting revenue performance negatively and inconsistently.

HCM constraints remain a serious barrier to effective revenue collection in many LGAs. Numerous councils face shortages of qualified staff, including auditors, ICT personnel, and revenue officers. Where staff are available, training is often inadequate, performance oversight is weak, and roles are poorly defined (Controller and Auditor General, 2020; John, 2024). This limits the effectiveness of even well-designed systems. In addition, poor motivation and resistance to new technologies reduce productivity and accountability (Njogela et al., 2023). As Malinowski (2023) notes, the capacity and quality of local government staff are directly tied to fiscal outcomes, meaning these limitations have clear consequences on revenue performance.

Poor COG substantially hinders revenue collection initiatives in local government areas. Transparency, accountability, and independent auditing are recognized as factors that enhance financial performance (Temba et al., 2023). However, numerous councils experience issues such as independence and training of audit committees, unclear accountability structures, and insufficient follow-up on audit findings (Controller and Auditor General, 2023a; 2024). Instances of conflicts of interest and inadequate oversight facilitate mismanagement and result in revenue leakages. In the absence of effective governance structures, issues related to risk management, FMIS, and staffing remain unresolved (Suluo et al., 2024). Governance failures exacerbate systemic weaknesses and result in underperformance, ultimately causing missed revenue targets and ongoing dependence on central government transfers.

## 1.2. Research Gap and Objectives

Despite the recognized importance of internal control systems in improving revenue collection (Quoc-Trung, 2021; Tarekegn et al., 2020; Thyaka & Kavale, 2021), empirical evidence remains fragmented across different streams of literature. Studies on FMIS frequently associate digital tools with improvements in transparency and enhanced accountability in financial reporting (Njogela et al., 2023; Ofosu-Mensah Ababio et al., 2023). Studies on HCM highlight the significance of enhancing staff capacity, ensuring ICT proficiency, and committing to ongoing training (Musah et al., 2022; Otoo et al., 2023; John, 2024). Furthermore, the literature on corporate governance emphasizes the significance of independent boards and effective audit committees in enhancing oversight and promoting performance improvements in the corporate private sectors (Temba et al., 2023; Suluo et al., 2024; Mamo, 2022).

However, most prior studies in Africa and elsewhere treat risk assessment merely as a checklist component of internal control rather than exploring how its practical application influences revenue performance in public entities. Similarly, FMIS is often analyzed as a binary “adopted vs. not adopted” variable instead of assessing its intensity and integration into routine revenue operations. Human capital management, though widely discussed in corporate settings, is rarely examined in the public sector as a holistic enabler that links systems, controls, and staff performance. Furthermore, corporate governance is typically studied as a direct determinant of performance, with limited evidence on its *moderating role* in shaping how internal controls and institutional capacities affect revenue outcomes in public local settings.

In light of these interrelated gaps, this study addresses the following critical questions: How do the internal control mechanisms, specifically risk assessment, human capital management, corporate governance, and financial management information systems, affect revenue collection in LGAs? To what extent does corporate governance influence the relationships between these internal control mechanisms and revenue performance? *General Objective:* To examine the influence of internal control mechanisms, specifically risk assessment, human capital management, and financial management information systems, on revenue collection in LGAs, and to assess the moderating role of corporate governance in these relationships. Hence, this study focuses on the following specific objectives;

- i. To determine the effects of risk assessment, human capital management, and financial management information systems on revenue collection in LGAs.
- ii. To assess the moderating influence of Corporate Governance on the relationship between these internal-control mechanisms and revenue collection.

## 2. Literature Review

### 2.1. Theoretical Background

This study is anchored on three complementary theoretical perspectives: Agency Theory, the COSO Framework, and the Resource-Based View (RBV), which together provide an integrated explanation of how internal control mechanisms influence revenue collection within LGAs. These theories guide both the conceptualization of variables and the interpretation of their interrelationships in public financial management and governance contexts (Samson et al., 2024; Iravonga et al., 2023).

Agency Theory is particularly relevant for understanding challenges in revenue administration. It focuses on conflicts of interest between principals, such as citizens or higher-level government entities and agents, namely public officials or managers, who are entrusted with managing resources on their behalf (Panda & Leepsa, 2017). When discretion and information asymmetry exist, agents may pursue personal interests that diverge from organizational goals. Effective internal control mechanisms reduce such agency problems by promoting transparency, accountability, and oversight (Salah, 2020; Bostan et al., 2018; Aljabhan, 2023). For instance, risk assessment enables LGAs to identify and mitigate potential threats to revenue performance, while Financial Management Information Systems (FMIS) minimize information asymmetry by providing real-time financial data that can be monitored by both management and oversight bodies (Celestine & Matiku, 2021; Sausi et al., 2021). Hence, internal controls become instruments for aligning agent behaviour with institutional objectives, fostering greater fiscal accountability.

The COSO Framework offers a structured and process-oriented understanding of internal control. It identifies five core components: control environment, risk assessment, control activities, information and communication, and monitoring, which collectively enhance organizational effectiveness (Olaniyi & Omubo, 2023; Al Astal, 2025). Among these, risk assessment ensures systematic identification and evaluation of threats to revenue generation. FMIS supports information and communication through digital integration, and human capital management ensures that skilled personnel execute control activities efficiently (Inegbedion et al., 2020; Salah, 2020). By emphasizing interdependence among these components, COSO underscores that internal controls function not as isolated tasks but as an integrated system that promotes accountability, operational efficiency, and financial performance (Turgeeva, 2024). In this study, COSO provides the structural foundation linking internal control elements to improved revenue collection outcomes.

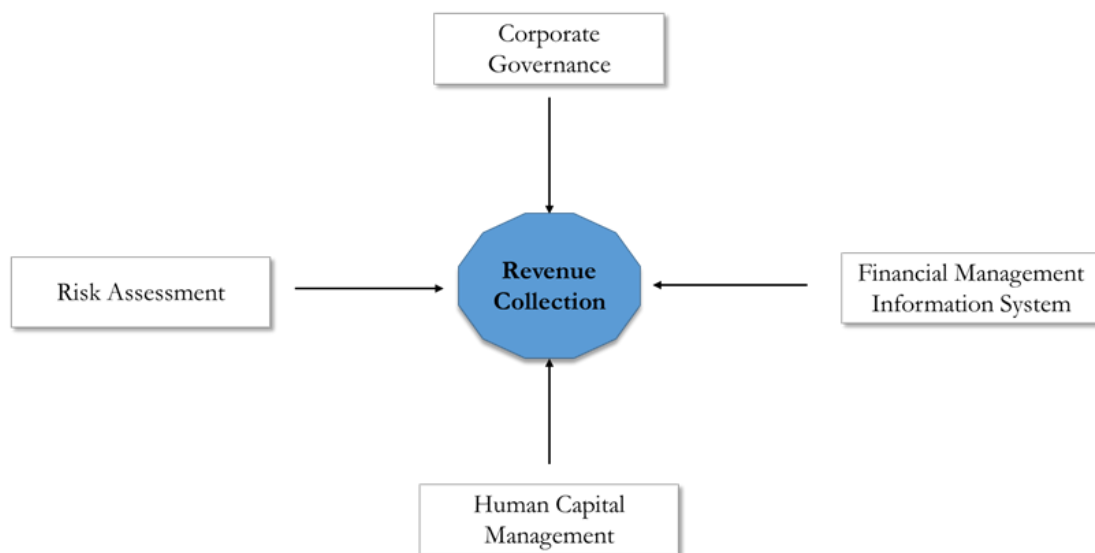
The Resource-Based View (RBV) complements the above perspectives by focusing on the internal strengths of an organization. RBV posits that sustainable performance depends on the possession and strategic utilization of valuable, rare, inimitable, and non-substitutable (VRIN) resources (Nayak et al., 2023). In the context of LGAs, human capital, FMIS, and internal controls represent critical organizational assets. Well-trained and motivated employees constitute a strategic resource that enhances efficiency in revenue management, while an integrated FMIS provides a technological advantage that facilitates data-driven decision-making and reduces manual errors (Lubis, 2022; Nayak et al., 2023). Institutionalized risk assessment mechanisms further strengthen organizational resilience by anticipating and managing uncertainties that may disrupt revenue flows (Celestine & Matiku, 2021).

Taken together, these three theories form a holistic explanatory framework (see Figure 1). Agency Theory emphasizes accountability and control over agent behavior, COSO provides the procedural architecture for effective internal control, and RBV highlights the strategic value of resources such as human capital and information systems. Their integration suggests that efficient revenue collection is not merely a technical or administrative activity but rather the outcome of a dynamic interaction between governance structures, control mechanisms, and organizational capabilities. This theoretical synthesis provides a strong foundation for analyzing the link between internal control mechanisms, corporate governance, and revenue performance in Tanzanian LGAs.

The variables constituting the conceptual model (Figure 1) collectively represent the theoretical basis for effective revenue collection within LGAs. Risk assessment aligns with the COSO framework by ensuring that potential threats to financial performance are systematically identified, evaluated, and mitigated through preventive controls. Human capital management (HCM) reflects the Resource-Based View (RBV) perspective, emphasizing that skilled and motivated personnel constitute valuable, rare, and inimitable resources essential for operational efficiency.

Financial Management Information Systems (FMIS) address agency concerns by enhancing transparency, reducing information asymmetry, and strengthening accountability between managers and oversight bodies. Corporate governance, in turn, provides the overarching structure of oversight, ensuring that the actions of agents remain aligned with institutional goals and ethical standards, in accordance with both Agency Theory and COSO principles. Collectively, these constructs form a coherent framework in which governance, human capability, technological systems, and risk-management practices reinforce one another to strengthen internal controls and enhance revenue performance.

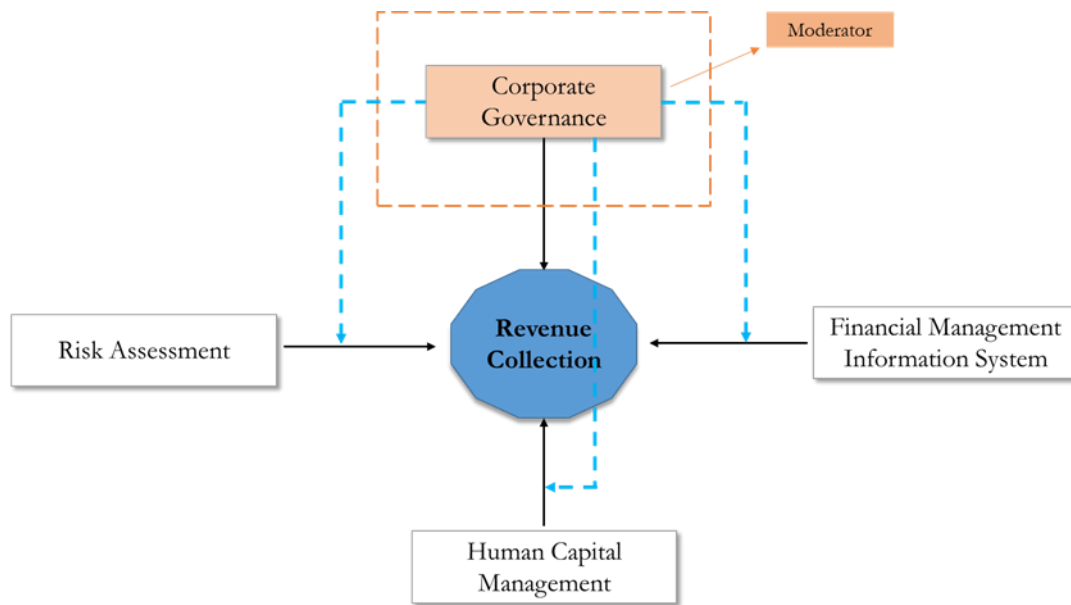
Figure 1: Internal Control Mechanism (ICMs) Dynamic Model



Extending the internal control mechanisms (ICM) model to incorporate Corporate Governance as a moderator allows exploring how governance conditions influence the strength of internal controls' effects on revenue collection. While risk assessment, human capital management, and FMIS directly contribute to performance, governance provides the supervisory environment (oversight, accountability, and compliance structures) that can amplify or dampen these relationships.

This moderating perspective is a distinct contribution, as prior research has mainly addressed direct effects and others based on the private sector. Exploring this interaction responds to a significant knowledge gap and offers deeper insight into the complex performance dynamics, especially in the context of a developing economy like Tanzania. Hence, as illustrated in Figure 2, corporate governance is expected to influence how ICMs translate into improved revenue outcomes, thereby extending theoretical understanding and practical implications for public financial management.

Figure 2: Internal Control Mechanisms (ICMs) Model Extension



## 2.2. Empirical Review and Hypotheses Development

### 2.2.1. Revenue collection

Revenue collection refers to the process and systems through which government authorities mobilize funds from taxes, fees, levies, and other sources to finance public services. In the public sector, efficient revenue administration is vital for fiscal sustainability and for reducing dependence on central transfers (Chambega et al., 2024). Inefficiencies in revenue collection often arise from weak internal controls, corruption, and poor taxpayer compliance (Samson et al., 2024). Strengthening internal control systems enhances transparency, accountability, and operational discipline. Empirical studies show that integrating technology and effective human-resource management increases compliance and minimizes leakage (Iravonga et al., 2023; Yertas, 2024). Consequently, revenue collection is not merely an administrative activity but a strategic process that reflects institutional integrity and the capacity to deliver sustainable development outcomes.

### 2.2.2. Risk Assessment and Revenue Collection

Risk assessment involves identifying, analysing, and prioritizing potential threats that could hinder organizational objectives such as effective revenue mobilization. Within internal control systems, it detects and mitigates risks related to tax fraud, evasion, and system failure (Celestine & Matiku, 2021). Weak risk-management practices contribute to revenue leakages and fiscal instability (Samson et al., 2024). Edmond et al. (2023) found that systematic risk identification improves compliance and reduces uncertainty, while Aljabhan (2023) emphasized that prioritizing risks by likelihood and impact enables better allocation of resources. Empirical evidence therefore supports that a strong risk-assessment framework, as promoted under COSO principles, enhances resilience and accountability in local-government revenue processes.

Risk analysis techniques further enhance fiscal performance by allowing revenue officials to estimate both the probability and potential impact of identified risks, thereby guiding

the efficient allocation of resources toward high-priority areas (Farkas et al., 2020). Studies also reveal that public-sector entities and financial institutions adopting systematic risk-management frameworks experience better performance relative to those relying on ad hoc approaches (Samson et al., 2024; Makkawi, 2021). Moreover, good governance environments reinforce risk assessment by fostering transparency, accountability, and compliance in financial operations (Hassan et al., 2021). This relationship aligns with the COSO framework, which emphasizes risk identification and mitigation as essential to internal control, and with agency theory, which emphasizes the importance of control mechanisms in reducing information asymmetry and managerial discretion. Therefore, early detection and mitigation of risks reduce financial uncertainty and strengthen fiscal sustainability within LGAs. Thus, based on the above literature discussions study proposes the following hypothesis:

Ha1: Risk assessment predicts a positive effect on revenue collection.

### *2.2.3. Human Capital Management and Revenue Collection*

HCM focuses on acquiring, developing, and retaining skilled and ethical personnel who drive organisational effectiveness (Wujarso & Dameria, 2023). In revenue administration, capable staff ensure that control procedures are correctly implemented and that systems operate efficiently (Inegbedion et al., 2020). Competent employees reduce errors, minimise fraud, and foster compliance with financial policies. Empirical studies indicate that staff training, motivation, and ethical conduct directly improve revenue performance and compliance (Obeng-Tuaah, 2025; Wujarso & Dameria, 2023). From the RBV perspective, human capital is a distinctive and non-substitutable resource that provides a sustained advantage in managing financial operations (Nayak et al., 2023), while in Agency Theory, ethical and competent employees help minimise opportunistic behaviour and strengthen accountability.

HCM improves organisational performance by ensuring that institutions have a qualified, motivated, and committed workforce capable of executing revenue functions effectively (Bunyasi et al., 2023; Hyera et al., 2025b). Training and development programmes provide employees with the technical competence to process transactions accurately, identify variances, and use appropriate collection methods (Jain & Ahuja, 2019; Ngatunga, 2020). Continuous learning enhances adaptation to advanced technologies and new regulations, and employee engagement has been shown to increase diligence in revenue-related activities (Abel et al., 2023; Desta et al., 2022). Thus, an effective HCM anchored in accuracy, accountability, and continuous advancement is anticipated to strengthen revenue collection in LGAs. In view of the above literature, this study proposes:

Ha2: Human capital management predicts a positive impact on revenue collection.

### *2.2.4. Financial Management Information System and Revenue Collection*

FMIS integrates software, networks, and databases to support timely and accurate financial management. Empirical evidence shows that FMIS adoption reduces fraud, enhances reporting accuracy, and improves compliance through automation (Salah, 2020; Irvonga et al., 2023). By enabling real-time transaction monitoring, FMIS increases transparency and limits information asymmetry between managers and oversight bodies, consistent with the premises of Agency Theory (Yang et al., 2022). Supratikta et al. (2024) confirm that FMIS implementation positively affects efficiency and accountability in

public financial management. In line with the Resource-Based View (Barney, 1991), FMIS constitutes a strategic technological resource that, when effectively utilized, yields sustainable operational advantages (Bostan et al., 2018).

In Tanzanian LGAs, digital platforms such as the Government Electronic Payment Gateway (GePG) and TAUSI have been adopted to streamline revenue administration and enhance control over financial transactions (Celestine & Matiku, 2021). Research shows that FMIS reduces human errors, improves data accuracy, and supports real-time decision-making (Sausi et al., 2021). Further, empirical studies revealed that FMIS implementation increases revenue collection and minimises revenue leakages in LGAs (Kasoga, 2020; Celestine & Matiku, 2021). By digitising reporting and payment processes, FMIS ensures timely reconciliation, transparency, and accountability, collectively improving revenue outcomes and reinforcing governance objectives. Accordingly, this study hypothesises that:

Ha3: Financial Management Information System predicts a significant positive effect on Revenue Collection.

#### *2.2.5. Corporate Governance and Revenue Collection*

Corporate governance refers to the structures, processes, and practices that guide decision-making and accountability within organisations. Strong governance structures promote fairness, oversight, and compliance with financial regulations, which in turn enhance financial performance (Ali & Khan, 2022; Al-Hiyari et al. 2024). Empirical studies confirm that effective audit committees, board independence, and disclosure practices reduce agency conflicts and corruption risks (Musah et al., 2022; Muchoki, 2020). Governance mechanisms also interact with internal control mechanisms, particularly FMIS and risk assessment, to reinforce institutional accountability and regulatory compliance. From the RBV lens, governance represents a strategic capability that strengthens public trust and institutional legitimacy (Nayak et al., 2023). Empirically, well-structured governance improves taxpayer confidence, compliance levels, and overall fiscal sustainability through more effective revenue collection (Ali & Khan, 2022).

Corporate governance has consistently been associated with improved efficiency and enhanced revenue performance across both public and private institutions (Temba et al., 2023). In public entities, adherence to established governance principles leads to streamlined financial processes, reduced operational costs, and greater discipline in fiscal management (Kigen & Ndegwa, 2021). Theoretically, this relationship aligns with Agency Theory, which highlights the importance of governance mechanisms in reducing information asymmetry and curbing opportunistic behaviour, and with the COSO Framework, which emphasises governance as the foundation for effective internal control systems. By embedding transparency and accountability within revenue operations, corporate governance is expected to support better revenue outcomes. Thus, the study hypothesises that:

Hc: Corporate governance predicts a positive impact on revenue collection.

#### *2.2.6. Moderating Role of Corporate Governance*

Corporate governance provides the institutional means through which public organisations exercise control, accountability, and transparency over the use of human

and financial resources (Efunniyi et al., 2024). Within the context of internal control mechanisms, corporate governance functions as an overarching moderator, shaping how risk assessment, FMIS, and HCM contribute to revenue outcomes. Agency Theory posits that strong governance mitigates information asymmetry and opportunistic behaviour (Al-Faryan, 2024; Al-Hiyari et al., 2024), while the COSO framework positions governance as a foundation for effective internal control systems (Al Astal et al., 2024). Hence, corporate governance can either strengthen or weaken the influence of these mechanisms on revenue collection.

First, governance is expected to influence the relationship between risk assessment and revenue collection by embedding transparency, accountability, and oversight in the management of risks (Collins & Joseph, 2025; Kigen & Ndegwa, 2021). Active governance structures ensure that risk identification, analysis, and mitigation processes are systematically enforced, enabling timely responses to financial threats (Al Astal et al., 2024). Contrary, weak governance may hinder risk management implementation, resulting in inefficiencies and increased exposure to fiscal risks. Empirical studies confirm that environments characterised by strong governance and coordinated internal controls experience fewer cases of mismanagement and leakages, ultimately improving revenue performance (Musah et al., 2022; Samson et al., 2024; Otoo et al., 2024). Accordingly, the study proposes:

Hb1: Corporate governance predicts a significant influence on the relationship between risk assessment and revenue collection.

Second, corporate governance moderates the relationship between HCM and revenue collection by ensuring that human resource policies and practices are aligned with organisational goals and accountability standards (Lajili et al., 2020; Nurhasanah et al., 2023). Governance establishes ethical guidelines, merit-based promotion, and performance evaluation mechanisms that enhance employee motivation and commitment toward achieving revenue objectives (Musah et al., 2022; Temba et al., 2023). From a theoretical standpoint, Agency Theory explains this moderating role through governance-driven monitoring and incentive mechanisms, while RBV suggests that effective governance transforms human capital into a strategic asset that strengthens revenue generation and long-term financial sustainability (Oliveira et al., 2021). Yet, rigid governance structures may also restrict staff discretion and innovation, potentially weakening the positive effect of HCM on revenue outcomes. Thus, it is hypothesised that:

Hb2: Corporate governance predicts a significant influence on the relationship between human capital management and revenue collection.

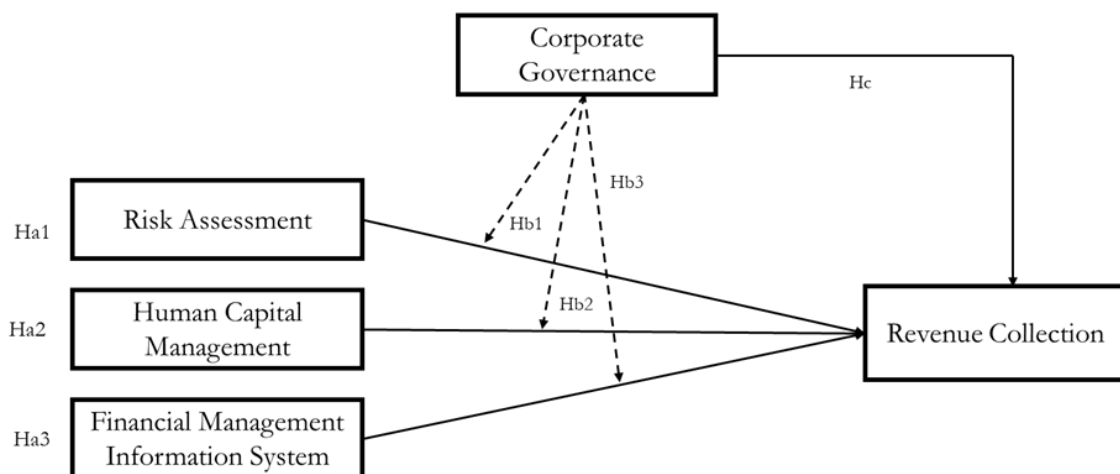
Third, effective corporate governance is expected to enhance the relationship between FMIS and revenue collection by promoting openness, accountability, and oversight in financial operations (Sausi et al., 2021; Collins & Joseph, 2025). Governance ensures that FMIS implementation adheres to institutional standards and provides real-time, accurate, and transparent data for decision-making (Iravonga et al., 2023). In LGAs, mechanisms such as audit committees, monitoring policies, and periodic financial reviews strengthen FMIS performance by minimising fraud, enforcing compliance, and ensuring responsible use of financial data (Salah, 2020; Msimbano, 2024). Empirical research confirms that effective governance frameworks amplify the positive impact of technology-based systems on financial accountability and efficiency (Sausi et al., 2021). Theoretically, COSO positions governance as the control environment under which technological controls

operate effectively, while Agency Theory views FMIS as a governance tool that reduces information asymmetry and enhances reporting transparency. Therefore, when governance is robust, FMIS is expected to contribute more strongly to improved revenue outcomes. The study therefore postulates:

Hb3: Corporate governance predicts a significant influence on the relationship between Financial Management Information Systems and revenue collection.

In summary, the conceptual model (Figure 3) acknowledges that three key internal control mechanisms, Risk Assessment, HCM, and FMIS, directly enhance revenue collection in LGAs (Ha1–Ha3). Corporate governance is expected to have its own positive direct effect on revenue collection (Hc) and to moderate the relationships between these mechanisms and revenue outcomes (Hb1–Hb3). In strong governance contexts, risk-management practices, human capital strategies, and FMIS implementation should be better aligned with organisational goals, thereby improving transparency, compliance, and fiscal performance in LGAs (Lameck & Kinemo, 2021). At the same time, the model recognises that these theoretical relationships may be weakened in practice by contextual limitations such as weak governance structures, political interference, and limited managerial autonomy (Hyera et al., 2025c). Also, inadequate resources, insufficient staff training, and slow adoption of digital systems may further undermine the effectiveness of internal control mechanisms, leading to unexpected outcomes (Celestine & Matiku, 2021; Controller and Auditor General, 2024).

Figure 3: Conceptual Framework based on Agency, COSO, and RBV theories



### 3. Research Methods

#### 3.1. Research Procedure

The study adopted a quantitative research approach grounded in the positivist philosophy, aimed at establishing relationships between internal control mechanisms and revenue collection (Hair et al., 2021). A cross-sectional survey design was employed to collect primary data from 36 LGAs in Tanzania that had consistently underperformed in revenue collection over the three consecutive years, providing a comprehensive snapshot of practices at a specific point in time. This design was appropriate for examining cause-and-effect relationships and enhancing the generalizability of findings across a large target population (Creswell & Creswell, 2017). Data were collected from revenue

administrators and managers through questionnaires adopted from previous studies to ensure validity. This methodological approach facilitated empirical testing of hypotheses within a practical framework, linking risk assessment, human capital management, financial management information systems, and corporate governance to revenue outcomes. This procedure provided a reliable foundation for analyzing how variations in internal controls influence revenue collection efficiency in LGAs.

### 3.2. Sampling Method

A multistage cluster sampling technique was used to ensure diversity and representativeness. In the first stage, LGAs were grouped into five geographical zones (Eastern, Northern, Lake, Central, and Southern). The second stage identified underperforming LGAs based on consistent revenue shortfalls, while the third allocated proportional samples across zones. Within each LGA, simple random sampling was applied to select respondents, minimizing bias. The total study population was about 1,583, derived from 36 of 184 LGAs. Using Krejcie and Morgan's table of 1970 for finite populations at a 95% confidence level, in relation to recent recommendations on sample size determination for survey research (e.g., [Memon et al., 2020](#); [Rahman, 2023](#)), the minimum required sample was 310. This was inflated by 20% to 372 questionnaires to enhance response adequacy. Participants included internal auditors, finance officers, revenue officers, and managers, ensuring functional diversity and strengthening reliability and generalizability. Follow-up reminders were used to reduce non-response bias.

### 3.3. Research Instrument and Data Collection

A structured questionnaire was developed from established literature to measure the study constructs. It comprised two sections: demographic information (Section A) and construct-related items (Section B). All items were assessed on a five-point Likert scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree). Reliability was established through composite reliability scores above 0.7, while convergent validity was confirmed with AVE values exceeding 0.5. Discriminant validity was also tested. A pilot study of 33 respondents was conducted to refine wording and improve clarity ([Hair et al., 2021](#)). Additionally, five (5) financial management experts reviewed the instrument for content validity, ensuring suitability and accuracy for the LGA context. Data were collected over three months (March-May 2025) using a cross-sectional survey with both drop-off/pick-up and online Google Forms methods to improve participation. Links were shared via official emails and WhatsApp groups for remote respondents. Each participant had 2–3 days to complete the survey, followed by reminders to enhance response rates. Data were coded, edited, and cleaned to ensure accuracy before analysis.

### 3.4. Analytical Method

The study employed Partial Least Squares Structural Equation Modelling (PLS-SEM) as the analytical method due to its suitability for testing complex relationships among latent variables ([Hair et al., 2021](#); [Becker et al., 2025](#)). The measurement model was evaluated for reliability and validity based on established guidelines. The outer loadings were used to assess indicator reliability, with values of 0.70 or more regarded as appropriate ([Hair et al., 2021](#)). Internal consistency was assessed using composite reliability (CR), with values above 0.70 considered satisfactory ([Hair et al., 2022](#)). Convergent validity was examined using the average variance extracted (AVE), where thresholds of at least 0.50

imply that constructs describe more than half of the variance of their indicators (Fornell & Larcker, 1981). Furthermore, discriminant validity was assessed through the Fornell-Larcker criterion, HTMT, in line with recent PLS-SEM guidelines (Hair et al., 2019; Hair et al., 2021). After validating the adequacy of the measurement model, the structural model was used to evaluate both direct and moderating effects on internal control mechanisms on revenue collection.

### 3.5. Data Preparation

A total of 432 questionnaires were distributed, targeting a return of 372 responses. Of these, 364 were collected (84.26%), while six (6) were excluded—four incomplete manual forms and two online duplicates, yielding 358 valid responses for analysis. Data were edited, coded, and screened for missing values, inconsistencies, and outliers to ensure readiness for PLS-SEM analysis (Hair et al., 2021). This rigorous cleaning process improved data accuracy and enhanced the reliability of subsequent statistical tests.

### 3.6. Common Method Bias (CMB)

Because this revenue collection model relied on self-reported data gathered through a single survey instrument, the possibility of CMB may be possible (Podsakoff et al., 2024). Several procedural strategies were implemented to reduce this risk. These include neutral item wording, omission of construct names, and assurance of anonymity, which reduced evaluation apprehension and social desirability bias (Podsakoff et al., 2024). Statistically, both Harman's single-factor test and full Collinearity assessment were performed. The first factor explained only 23.2% of variance, below the 50% threshold, while VIF values ranged from 1.00 to 1.97, confirming the absence of problematic bias (Kock et al., 2021; Hair et al., 2021). Hence, CMB was not considered a serious issue, validating the suitability of the data for subsequent PLS-SEM analysis.

### 3.7. Ethics Approval and Consent to Participate

Ethical approval was obtained from Universiti Tunku Abdul Rahman (UTAR) and the Tanzania Commission for Science and Technology (COSTECH). Participants gave informed consent, and confidentiality was maintained throughout. Trained research assistants upheld ethical standards of respect, transparency, and respondent protection, ensuring the study's integrity and credibility. Approval documents are available upon request.

## 4. Results

### 4.1. Descriptive Analysis

Valid questionnaires analyzed amounted to 358, representing an 82.9% effective response rate. The responses were drawn from 36 Local Government Authorities (LGAs) across 17 regions of Tanzania, ensuring broad geographical coverage. Tabora recorded the highest participation (48, 13.4%), followed by Tanga (42, 11.7%) and Mtwara (31, 8.7%), while other districts such as Handeni, Korogwe, Longido, and Moshi Municipality contributed between four and eight responses. From the demographic characteristics, as presented in Table 1, indicating respondents' profile most participants were aged between 26–45 years (80.2%), reflecting a relatively young and active workforce. Male respondents (78.5%) dominated the sample, consistent with gender disparities in LGA

administrative roles (National Bureau of Statistics (NBS), 2022). The majority held bachelor's degrees (68.7%), and nearly half had 1–5 years of working experience (45.3%), indicating adequate professional exposure. Finance and business officers, revenue officers, and internal auditors accounted for over 60% of the total respondents, ensuring representation from key financial management functions. Additionally, only one-quarter (24.3%) held professional certifications, such as CPA or ICT qualifications, highlighting the need for enhanced staff capacity in LGAs.

Table 1: Demographic Characteristics of Respondents (N = 358)

Demographic Variable	Frequency	Percentage (%)
<b>Age</b>		
25 and below	4	1.12
26–35 years	165	46.09
36–45 years	122	34.08
46–55 years	59	16.48
Above 55 years	8	2.23
Total	358	100
<b>Gender</b>		
Male	281	78.5
Female	77	21.5
Total	358	100
<b>Academic Qualification</b>		
Bachelor	246	68.72
Master's	58	16.2
Certificate	35	9.78
Diploma	18	5.03
PhD	1	0.28
Total	358	100
<b>Professional Qualification</b>		
None	271	75.7
CPA	76	21.23
ACCA	5	1.4
ICT	5	1.4
Others (Engineering)	1	0.28
Total	358	100
<b>Working Experience in LGA</b>		
Less than 1 year	22	6.15
1–5 years	162	45.25
6–10 years	95	26.54
11–15 years	52	14.53
Above 15 years	27	7.54
Total	358	100
<b>Position in the Council</b>		
Finance & Business Officer	77	21.51
Revenue Officer	75	20.95
Internal Auditor	70	19.55
Council Member	59	16.48
IT Manager	37	10.34

Treasurer	32	8.94
Chief Executive Officer	6	1.68
Others (ICT Officer)	2	0.56
Total	358	100

## 4.2. Measurement and Structural Model PLS-SEM Analysis

The measurement model was assessed in accordance with the reliability and validity criteria indicated in Section 3.4 (Analytical method). All item loadings exceeded 0.70, ranging from 0.713 to 0.848, suggesting that the observed variables strongly represent their respective latent constructs. For instance, the loadings for Corporate Governance (0.760–0.772), FMIS (0.801–0.848), HCM (0.720–0.805), Risk Assessment (0.733–0.791), and Revenue Collection (0.713–0.783) all met the recommended thresholds. Variance Inflation Factor (VIF) values were below 2.0, far below the critical threshold of 5.0, demonstrating that multicollinearity is not a concern within the model (Hair et al., 2021; Sarstedt et al., 2022).

Internal consistency reliability was evaluated via Cronbach's Alpha and Composite Reliability (CR). Cronbach's Alpha values ranged from 0.628 to 0.762. Although the Alpha for some constructs (e.g., Revenue Collection at 0.628) was slightly below the conventional 0.70 benchmark. Values above 0.60 are often regarded as acceptable in exploratory or early-stage research (Hair et al., 2019; Hair et al., 2021). However, CR is viewed as a more appropriate and less biased reliability estimate than Cronbach's Alpha (Hair et al., 2019; Hair et al., 2021); its values ranged from 0.801 to 0.861, all exceeding the 0.70 threshold. In line with PLS-SEM guidelines, CR values therefore indicate adequate internal consistency. Additionally, Convergent validity was assessed using AVE; the AVE values ranged from 0.574 to 0.674, all surpassing the recommended cut-off of 0.50. This confirms that a substantial portion of the variance in indicators is explained by their respective constructs, satisfying convergent validity (Hair et al., 2021). Table 2 indicates the (measurement model item loadings, construct reliability and convergent validity), and effect size ( $F^2$ ), explanatory power ( $R^2$ ) and predictive relevance ( $Q^2$ ).

Table 2: Statistical Assessment – PLS-SEM

Construct Items	Loadings	VIF	Cronbach's Alpha	CR	AVE	$F^2$	$R^2$	$Q^2$
Corporate Governance			0.644	0.804	0.578	0.029		
COG1	0.772	1.578						
COG2	0.760	1.562						
COG3	0.768	1.101						
Financial Management Information System			0.762	0.861	0.674	0.019		
FMIS1	0.848	1.973						
FMIS2	0.812	1.930						
FMIS3	0.801	1.290						
Human Capital Management			0.681	0.820	0.604	0.036		
HCM1	0.805	1.438						
HCM2	0.720	1.392						
HCM3	0.804	1.229						

Risk Assessment			0.634	0.810	0.574	0.028
RA1	0.750	1.200				
RA2	0.733	1.284				
RA3	0.791	1.268				
Revenue Collection			0.628	0.801	0.576	0.298 0.239
RC1	0.713	1.157				
RC2	0.783	1.403				
RC3	0.774	1.304				

Note: Corporate Governance – COG, Financial Management Information System – FMIS, Human Capital Management – HCM, Risk Assessment – RA, Revenue Collection – RC.

Discriminant validity was validated using the Heterotrait-Monotrait (HTMT) ratio and the [Fornell and Lacker \(1981\)](#) criterion. The HTMT values as shown in [Table 3](#) were all below the conservative threshold of 0.85, with values ranging from 0.267 to 0.678. Likewise, the Fornel-Lacker results, [Table 4](#) reports that the square root of AVE exceed inter-construct correlations, implying that each construct is empirically distinct from the others. This further affirms discriminant validity and the absence of construct overlap ([Hair et al., 2021](#)).

Table 3: Discriminant validity Heterotrait-monotrait ratio (HTMT) – Matrix

	COG	FMIS	HCM	RC	RA	COG x RA	COG x HCM
<b>COG</b>							
<b>FMIS</b>	0.611						
<b>HCM</b>	0.299	0.453					
<b>RC</b>	0.473	0.476	0.488				
<b>RA</b>	0.427	0.482	0.678	0.582			
<b>COG x RA</b>	0.267	0.398	0.276	0.369	0.332		
<b>COG x HCM</b>	0.278	0.302	0.088	0.430	0.329	0.729	
<b>COG x FMIS</b>	0.496	0.483	0.223	0.250	0.340	0.627	0.598

Note: Corporate Governance – COG, Financial Management Information System – FMIS, Human Capital Management – HCM, Risk Assessment – RA, Revenue Collection – RC.

Table 4: [Fornell and Larcker \(1981\)](#) criterion

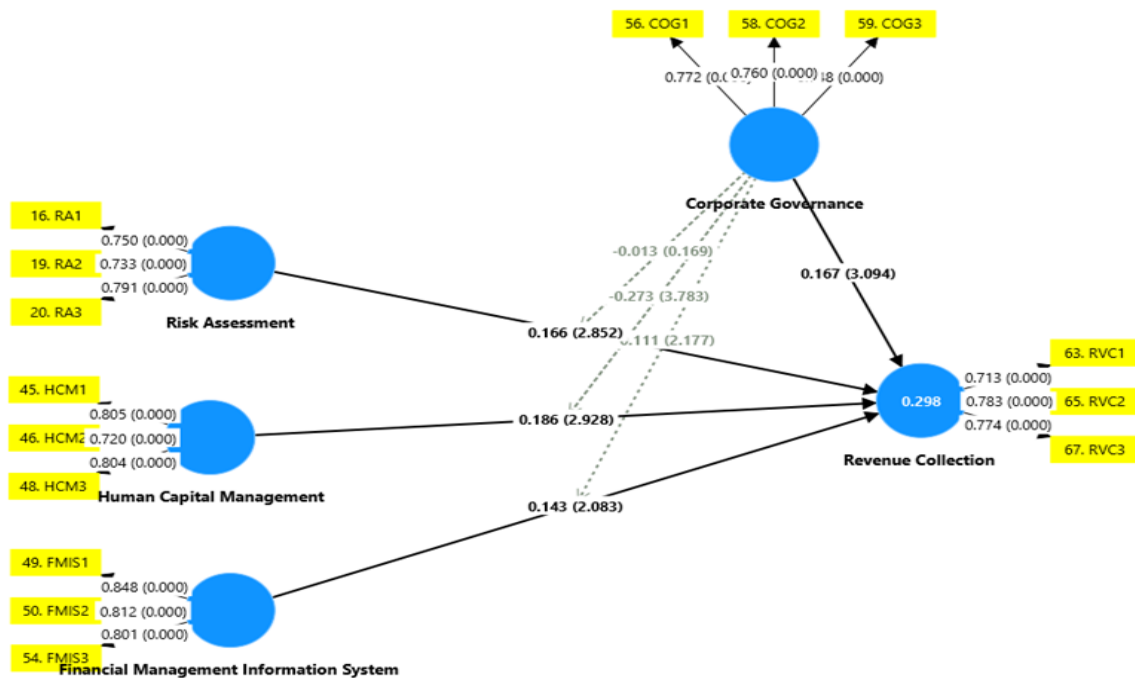
	COG	FMIS	HCM	RC	RA
<b>COG</b>	0.760				
<b>FMIS</b>	0.434	0.821			
<b>HCM</b>	0.207	0.330	0.777		
<b>RC</b>	0.310	0.342	0.334	0.757	
<b>RA</b>	0.263	0.341	0.449	0.376	0.759

Note: Corporate Governance – COG, Financial Management Information System – FMIS, Human Capital Management – HCM, Risk Assessment – RA, Revenue Collection – RC.

Furthermore, the model demonstrated acceptable explanatory and predictive power. The R<sup>2</sup> value of 0.298 for revenue collection (see [Figure 4](#)) indicates that internal control mechanisms and corporate governance collectively explain about 30% of the variance in revenue collection. A moderate level consistent with public sector studies where performance is shaped by multiple institutional, policy, and economic factors ([Affroumou et al., 2025](#)). The Q<sup>2</sup> value of 0.239, being greater than zero, confirms the model’s predictive relevance for the endogenous construct ([Shmuel et al., 2019](#)). Overall, the results affirm that the measurement model achieved satisfactory reliability, convergent,

and discriminant validity, providing a sound basis for evaluating the structural relationships among the study constructs (Hair et al., 2021).

Figure 4: Structural Correlation Effect Model (P-values/t-values)



### 5. Discussions

The structural model was assessed by examining the significance and strength of the hypothesized paths. The results indicate that Corporate Governance exerts a significant positive effect on revenue collection ( $\beta = 0.167, p = 0.001$ ), supporting Hc. This finding implies that strong governance structures directly enhance revenue collection by promoting accountability, transparency, and operational efficiency within Local Government Authorities (LGAs). The result aligns with the Agency Theory perspective, as strong governance mechanisms reduce opportunistic behavior by ensuring oversight, clarifying responsibilities, and aligning managers' actions with organizational goals. Similarly, the COSO Framework stresses governance as an essential internal control component that supports ethical conduct and decision-making integrity. From the Resource-Based View (RBV), corporate governance is a strategic intangible resource that strengthens institutional credibility, public trust, and long-term organizational performance.

Empirically, the results validate prior findings that link good governance practices with improved financial management outcomes. Al-Hiyari et al. (2024) and Musah et al. (2022) reported that transparency and oversight significantly reduce corruption and revenue leakages. Muchoki (2020) found that governance strengthens internal systems such as FMIS and risk assessment, thereby improving compliance and efficiency. Likewise, Hassan et al. (2021), Kigen and Ndegwa (2021) observed that well-functioning governance frameworks foster accountability, operational discipline, and effective use of financial resources. Collectively, these studies affirm that sound corporate governance enhances fiscal sustainability and strengthens revenue performance in the public sector. In the Tanzanian context, this suggests that LGAs with transparent decision-making

processes, active audit committees, and independent oversight bodies are more capable of achieving revenue targets and maintaining financial integrity.

FMIS had a significant positive effect on revenue collection ( $\beta = 0.143, p = 0.019$ ), supporting Ha3 (see Figure 5). This result implies that a well-operated FMIS significantly enhances revenue collection by improving transparency, accuracy, and operational efficiency in Local Government Authorities (LGAs). From the Agency Theory view, FMIS reduces information asymmetry between managers and stakeholders by ensuring timely and accurate reporting. The COSO Framework also emphasizes the role of technology-based controls in strengthening accountability and minimizing human error, which will result in improving revenue outcomes. Within the Resource-Based View, FMIS signifies a strategic intangible resource that provides sustainable efficiency and financial discipline when institutionalized effectively (Barney, 1991).

This finding aligns with the previous research. Studies by Celestine and Matiku (2021) and Kasoga (2020) revealed that FMIS minimizes revenue leakages, enhances compliance, and strengthens transparency in Tanzanian LGAs through platforms such as GePG and TAUSI. Likewise, studies by Yang et al. (2022) and Sausi et al. (2021) revealed that automated systems improve accountability and reduce fraud opportunities in public financial management. Supratikta et al. (2024) further established that digitalization creates trust among rate/taxpayers and promotes voluntary compliance.

Overall, the findings confirm that adoption of FMIS modernizes public financial management by streamlining reporting and data management, reducing manual errors, and strengthening fiscal discipline factors necessary for sustainable revenue growth in Tanzanian LGAs (Dennis, 2025). Table 5 summarizes the structural path estimates, showing direct and moderation effect among constructs.

Table 5: Statistical Correlation Result

Correlation Effect	H	$\beta$	STDEV	T statistics	P values	Decision
COG → RC	Hc	0.167	0.054	3.094	0.001***	Supported
FMIS → RC	Ha3	0.143	0.068	2.083	0.019**	Supported
HCM → RC	Ha2	0.186	0.064	2.928	0.002**	Supported
RA → RC	Ha1	0.166	0.058	2.852	0.002**	Supported
COG x RA → RC	Hb1	-0.013	0.075	0.169	0.433	Not Supported
COG x HCM → RC	Hb2	-0.273	0.072	3.783	0.000***	Supported
COG x FMIS → RC	Hb3	0.111	0.051	2.177	0.015**	Supported

Note: P-value – 0.001\*\*\*, 0.05\*\*, 0.10\*. Corporate Governance – COG, Financial Management Information System – FMIS, Human Capital Management – HCM, Risk Assessment – RA, Revenue Collection – RC.

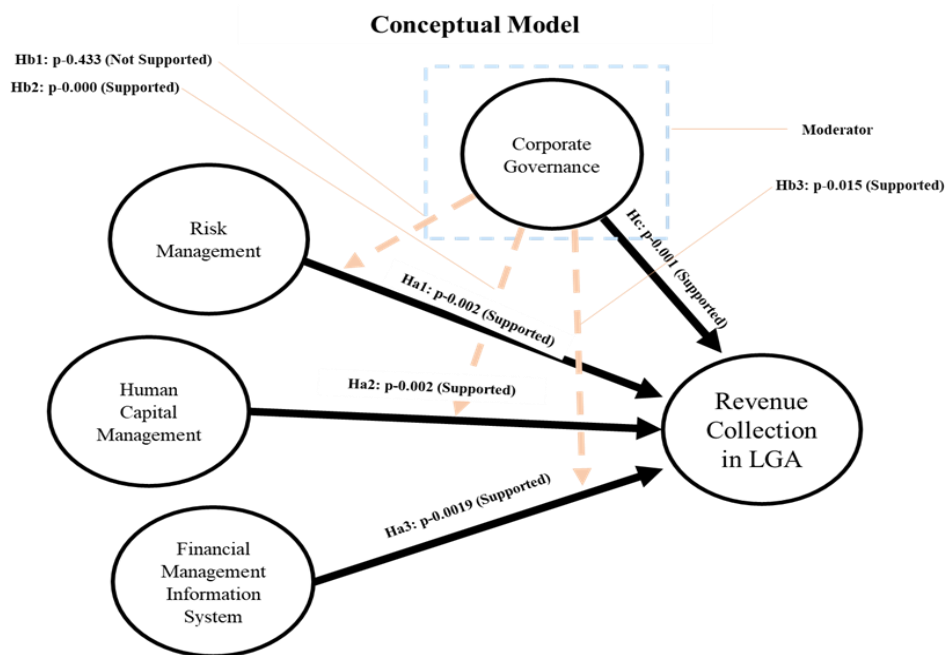
The relationship between human capital management and revenue collection exerted a significant positive effect ( $\beta = 0.186, p = 0.002$ ) (see Table 4). The finding shows that HCM plays a critical role in improving revenue collection by equipping staff with the necessary skills, knowledge, and motivation to perform effectively. Skilled personnel improve accuracy, minimize errors, and strengthen compliance, while motivated employees demonstrate higher commitment to accountability and service delivery, resulting in more efficient and accountable revenue administration in LGAs. The finding aligns with Agency Theory, which emphasizes that ethical and well-trained personnel alleviate agents'

opportunistic behaviour and strengthen accountability. Similarly, the COSO framework recognizes competent personnel as a cornerstone of effective internal control systems. From the RBV perspective, human resources are strategic assets that provide sustainable advantages in revenue management.

Previous studies support these claims, indicating that training and development improve employees’ technical abilities to process revenue accurately and detect irregularities (Bunyasi et al., 2023; Muhammad et al., 2023). Employees’ engagement strengthens diligence and aligns their efforts with the institutional goals, thereby increasing efficiency and compliance (Abel et al., 2023). In Tanzanian LGAs, effective HCM has been linked to reducing risks of fraud and strong adherence to financial regulations (Hyera et al., 2025b). Yertas (2024) further emphasize that investment in training and continuous learning improves performance and innovation, underscoring HCM’s central role in strengthening revenue outcomes.

Risk Assessment demonstrated a significant positive effect on revenue collection ( $\beta = 0.166, p = 0.002$ ), supporting Ha1 (see Figure 5). The results highlight that effective risk assessment significantly strengthens revenue collection in local government authorities (LGAs). By identifying vulnerabilities such as fraud, tax evasion, or system failures early, authorities can implement preventive measures that safeguard revenue streams and ensure financial stability. Such a proactive approach reduces uncertainty and strengthens the credibility of the LGA’s financial management. The result aligns with Agency Theory, as risk assessment reduces information asymmetry and agency conflicts by ensuring oversight in revenue management. Under the COSO Framework, risk assessment is a core internal control component that ensures the identification and evaluation of threats that may affect organizational financial objectives. From the RBV perspective, structured risk management represents a strategic capability that enhances organizational resilience and sustainability.

Figure 5: Conceptual Model



Prior studies confirm these results-[Edmond et al. \(2023\)](#), [Ainuzzahrah and Martani \(2023\)](#) found that early risk identification minimizes leakages and encourages compliance in local governments. [Celestine and Matiku \(2021\)](#), [Al-Shbail \(2020\)](#) observed risk assessment as vital for accountability and functional resilience. Similarly, [Makkawi \(2021\)](#) and [Samson et al. \(2024\)](#) emphasized that organizations applying structured risk management achieve higher efficiency and sustainability. Thus, these findings assert that embedding robust risk assessment practices reduces fiscal vulnerabilities, enhances taxpayer trust and confidence, and contributes to sustainable revenue generation in LGAs.

### 5.1. Moderating Role of Corporate Governance

Across the internal control mechanisms, the analysis observed mixed moderation effect patterns. Regarding risk assessment, the interaction between Corporate Governance and Risk Assessment on revenue collection was not significant ( $\beta = -0.013$ ,  $p = 0.433$ ). The finding does not support *Hb1*, indicating that governance does not modify the influence of risk assessment on revenue performance. This suggests that in Local Government Authorities (LGAs), risk assessment processes operate largely independently, driven by technical and procedural practices rather than strategic governance oversight. Governance frameworks may provide formal monitoring, but they neither weaken nor strengthen the effectiveness of risk management in enhancing revenue outcomes. From an Agency Theory perspective, this finding implies that operational risk controls in LGAs are less shaped by agency-driven accountability mechanisms. Within the COSO Framework, risk assessment and governance are distinct control components; thus, their weak interaction implies parallel rather than synergistic effects. The Resource-Based View (RBV) further noted that governance, though a potential institutional internal capability, does not always strengthen other control means when governance maturity is weak.

Previous studies have shown that strong governance enhances risk control through clear oversight and accountability. For example, [Al-Shbail \(2020\)](#) and [Kigen and Ndegwa \(2021\)](#) found that active audit committees and transparent reporting systems help detect and manage risks early, reducing financial losses. Similarly, [Collins and Joseph \(2025\)](#) reported that effective governance structures, such as sound governance oversight, strengthen compliance and reduce revenue leakages in public institutions. However, these studies come from environments with stronger governance systems than those found in Tanzanian LGAs. In Tanzania, risk assessment is mostly procedural and compliance-based, with little strategic input from governance ([Ali & Khan, 2022](#)). [Suluo et al. \(2024\)](#) caution that weak governance environments can dilute the integration of risk management with strategic oversight. Therefore, the absence of moderation suggests that governance and risk assessment function independently in revenue processes within LGAs.

In relation to human capital management (HCM), a significant but negative moderating effect was observed between corporate governance and human capital management (HCM) on revenue collection ( $\beta = -0.273$ ,  $p < 0.001$ ), indicating that stronger governance structures may weaken the positive HCM's contribution to revenue performance. This suggests a substitution effect, where strict governance rules, procedures-hierarchical decision-making, or excessive monitoring can limit staff autonomy and innovation, factors essential for effective revenue outcomes. The result supports *Hb2*, showing that while governance significantly moderates the HCM and revenue collection nexus, the direction is adverse. From an Agency Theory perspective, while governance enhances

accountability and reduces opportunism, excessive control may suppress employee initiative and open minds. The COSO Framework treats human capital and governance as complementary internal controls; however, the substitution effect observed here suggests that rigid governance may restrict human capital's contribution. Under the Resource-Based View (RBV), skilled personnel are valuable and inimitable resources, yet their potential advantage can be weakened when governance structures overshadow flexibility, reducing the innovative application of human capital.

Prior research often highlights corporate governance as a mechanism that strengthens the impact of human capital management on organizational performance. For instance, [Lajili et al. \(2020\)](#) and [Nurhasanah et al. \(2023\)](#) observed that governance ensures alignment between workforce capabilities and organizational goals, thereby enhancing accountability and output. Similarly, [Temba et al. \(2023\)](#) and [Zhou and Qi \(2023\)](#) suggest that governance structures can optimize training investments and capacity utilization. However, [Oliveira et al. \(2021\)](#) caution that excessive formal governance may constrain staff autonomy, reducing flexibility and innovation. This condition is mirrored in Tanzanian LGAs, where bureaucratic approval procedures and centralized monitoring often defeat the innovative potential of skilled personnel ([Controller and Auditor General, 2024](#)). Accordingly, governance in such localities appears to control rather than empower human capital, producing a dulling rather than an amplifying influence on revenue collection.

In contrast, the interaction between Corporate Governance and FMIS was significant and positive ( $\beta = 0.111$ ,  $p = 0.015$ ). The results indicate that governance strengthens the positive contribution of financial management information systems to revenue collection. In well-governed LGAs, FMIS becomes more effective by ensuring transparency, accountability, and reliable financial reporting. Governance oversight ensures that digital systems are used properly, maximizing their capacity to reduce leakages, improve compliance, and strengthen the overall fiscal performance. This finding supports Hb3, confirming that corporate governance significantly amplifies the effect of FMIS in enhancing revenue collection within Tanzanian LGAs. From the Agency Theory perspective, corporate governance provides oversight that minimizes opportunism in financial processes, enabling FMIS to function effectively. The COSO Framework positions governance and information systems as independent control measures; their interaction strengthens the LGAs' control environment. Within the Resource-Based View theory, FMIS represents a valuable technological resource whose strategic influence is magnified under strong governance, leading to sustainable revenue improvements.

Prior research validates these findings by confirming that corporate governance amplifies the role of FMIS in strengthening efficiency and financial accountability. [Sausi et al. \(2021\)](#) highlight that FMIS improves transparency and timeliness of financial reporting, and [Salah \(2020\)](#) adds that governance ensures integrity and reliability in the system's application, thereby improving financial discipline. [Collins and Joseph \(2025\)](#) and [Iravonga et al. \(2023\)](#) also demonstrate that strong oversight enhances the integration of FMIS in revenue systems, improving data accuracy and reducing fraud. Similarly, [Msimbano \(2024\)](#) concluded that effective governance safeguards accountability, ensuring FMIS outcomes translate into tangible benefits in compliance and fiscal performance. Collectively, these findings validate the synergy between governance and FMIS in public sector revenue collection.

## 5.2. Research Implications and Contributions

The findings imply that strengthening internal control systems and governance frameworks is vital for improving revenue collection in Tanzanian LGAs. The observed positive and significant effects of corporate governance, FMIS, HCM, and risk assessment validate that technology, skilled manpower, and effective oversight should operate as complementary drivers of revenue administration. Corporate governance emerged as a central element by having both direct and moderating effects, amplifying the potential of FMIS while weakening the influence of HCM. This underscores the importance of designing strong governance systems that enable innovation rather than constrain it. These findings hold implications for policymakers (PO-RALG and Ministry of Finance) as well as financial managers, revenue officers, and internal auditors in local government settings.

For policymakers and practitioners in financial management, accounting, and auditing, the findings suggest the following. First, governance frameworks should prioritize accountability, transparency, and ethical leadership to support the integration of FMIS across LGAs. Regular system audits and digital upgrades are essential to maintain reliable, fraud-resistant platforms. Second, investing in human capital is still key; training schemes that increase the skill base of staff in financial management, ICT, and risk management are required to align staff competencies with modern governance and control practices. Third, institutionalization of structured risk assessment must be emphasized, enabling early detection of revenue leakages, fraud, and inefficiencies. Financial managers should apply proactive data-driven mitigation strategies rather than reactive responses. Finally, balanced autonomy and accountability must guide LGAs' operations, providing professionals enough discretion to perform while preserving transparency in monitoring performance. Collectively, these findings call for an integrated reform approach in which skilled personnel, technology, and governance work in harmony to achieve sustainable revenue enhancement in LGAs.

Moreover, the study makes several unique contributions to literature and theory by examining the role of corporate governance as a moderating factor in the relationship between internal control mechanisms and revenue collection in Tanzanian LGAs. While previous studies largely assessed direct effects of governance, FMIS, HCM, and risk assessment, this study advances the debate by uncovering the differentiated moderating role of governance. Specifically, governance was shown to amplify the impact of FMIS on revenue outcomes while weakening the contribution of HCM.

Theoretically, such divergent moderating effects expand the Resource-Based View (RBV) by revealing that governance does not uniformly strengthen organizational resources but can also substitute for them in certain contexts. The findings also refine Agency Theory, highlighting that governance structures reduce opportunism but may unintentionally restrict managerial discretion and innovation. Further, the study extends the COSO framework by demonstrating asymmetrical interactions between governance and other control mechanisms, providing insight into how governance functions within multi-layered control systems.

Empirically, the study contributes to the limitedly investigated public-sector settings of developing economies by situating the internal control and governance dynamics within Tanzanian LGAs. This local grounding highlights how governance mechanisms shape the effectiveness of technological and human capital investments in economies characterized

by resource constraints, governance challenges, and ongoing fiscal reforms. Collectively, by validating the moderating role of governance, the study offers a unique extension of existing models of internal control and revenue performance, filling a gap in both African and global literature.

## **6. Conclusion**

This study assessed how control mechanisms (corporate governance, FMIS, HCM, and RA) influence revenue collection in Tanzanian LGAs, moderated by corporate governance. The findings show that all four variables have a significant positive direct effect on revenue collection, while corporate governance strengthens the effect of FMIS, weakens the influence of HCM, and does not significantly moderate risk assessment. Generally, the results emphasize that governance links with organizational resources in a context-dependent manner and that governance and internal control mechanisms work better when designed as an integrated strategy. The study provides both theoretical refinement COSO framework, Agency Theory, and RBV, and practical guidance for strengthening revenue management in decentralized public settings.

### **6.1. Study Limitations and Recommendations**

Similar to other empirical studies, this research has certain limitations that suggest ways for further inquiry. First, because of its cross-sectional design, it restricts the ability to capture long-term dynamics and causal relationships between internal control mechanisms and revenue collection outcomes. Future studies could apply longitudinal approaches to examine how these relationships change over time and under different economic and policy environments. Second, the study is dedicated exclusively to Tanzanian LGAs, which may limit generalizability to countries with different contexts-governance structures, socio-economic environments, and institutional capacities. Therefore, comparative studies across regions or countries could widen a range of useful findings from the contextual effectiveness of governance and control systems. Third, the research is predominantly quantitative-focused, which, while rigorous, may have missed out some qualitative dimensions such as citizen trust (as taxpayers), employee perceptions, and political influences on revenue management. Alternatively, subsequent studies could adopt a mixed-method paradigm to capture these deeper perspectives.

As regards policy standpoint, policymakers should commit resources for capacity building, strengthen governance oversight, and expand the adoption of FMIS to enhance fiscal accountability. Addressing institutional and structural weaknesses will ensure that internal controls are effectively used to complement revenue collection efforts in local government authorities.

### **Ethics Approval and Consent to Participate**

Ethical approval was obtained from Universiti Tunku Abdul Rahman (UTAR) and the Tanzania Commission for Science and Technology (COSTECH). Participants gave informed consent, and confidentiality was maintained throughout. Trained research assistants upheld ethical standards of respect, transparency, and respondent protection, ensuring the study's integrity and credibility. Approval documents are available upon request.

## Acknowledgement

With heartfelt appreciations, the authors extend their acknowledgement to the Institute of Accountancy Arusha (IAA) for financial support of this publication through the HEET Project.

## Funding

This research was funded by the Institute of Accountancy Arusha (IAA) via the Higher Education for Economic Transformation (HEET) project. The funder had no role in the research process.

## Conflict of Interest

The authors declare there are no conflicts of interest.

## References

- Abel, D., Worku, T., & Wubshet, M. (2023). Linking aspects of human capital management, employee engagement, perceived organizational support, and self-reported employee job performance. *Organizational Psychology*, 13(2), 78–99.
- Affroumou, T. A., & Amedanou, I. (2025). Internal conflicts and the moderating role of property rights in sub-Saharan Africa: Implications for property taxation. *Journal of African Economies*, 34(2), 237–264. <https://doi.org/10.1093/jae/ejae007>
- Ainuzzahrah, N., & Martani, D. (2023). Boosting government assets as a revenue center: Risk and treatment. *Accounting and Finance Studies*, 3(4), 294–313.
- Al Astal, A.Y.M., Ateeq, A., Milhem, M., Shafie, D.I. (2025). Corporate governance and internal control Mechanisms: Developing a strategic framework. In: E. Aidhaen, A. Braganza, A., Hamdan, & W. Chen, W. (Eds.), *Business Sustainability with artificial intelligence (AI): Challenges and Opportunities*. (Studies in Systems, Decision and Control, Vol 566). Springer, [https://doi.org/10.1007/978-3-031-71318-7\\_51](https://doi.org/10.1007/978-3-031-71318-7_51)
- Al Astal, A.Y.M. (2025). The impact of internal control framework on overall organizational Effectiveness in Bahrain. In: R.K. Hamdan (Ed.), *Tech fusion in business and society* (Studies in Systems, Decision and Control, Vol 234). Springer. [https://doi.org/10.1007/978-3-031-84636-6\\_72](https://doi.org/10.1007/978-3-031-84636-6_72)
- Al-Faryan, M. A. S. (2024). Agency theory, corporate governance and corruption: an integrative literature review approach. *Cogent Social Sciences*, 10(1). <https://doi.org/10.1080/23311886.2024.2337893>
- Al-Hiyari, A., Kolsi, M. C., Lutfi, A., Shakkour, A. S. & Aljumah, A. I (2024). Information asymmetry and dividend payout in an emerging market: Does corporate governance quality matter?, *Journal of Open Innovation: Technology, Market, and Complexity*, 10(1), 100188. <https://doi.org/10.1016/j.joitmc.2023.100188>.
- Aljabhan, B. I. (2023). *Supply chain risk management: A case study of maritime firms in the Kingdom of Saudi Arabia* [Doctoral dissertation, Anglia Ruskin University]. ARU Figshare. [https://aru.figshare.com/articles/thesis/Supply\\_chain\\_risk\\_management\\_a\\_case\\_study\\_of\\_maritime\\_firms\\_in\\_the\\_Kingdom\\_of\\_Saudi\\_Arabia/23758947](https://aru.figshare.com/articles/thesis/Supply_chain_risk_management_a_case_study_of_maritime_firms_in_the_Kingdom_of_Saudi_Arabia/23758947)
- Al-Shbail, T. (2020). The impact of risk management on revenue protection: Empirical evidence from Jordan customs. *Transforming Government: People, Process and Policy*, 14(3), 453–474. <https://doi.org/10.1108/TG-02-2020-0025>

- Ali, N., & Khan, K. I. (2022). Corporate governance, financial accounting information, and control mechanisms: A way to combat corruption. *Journal of Business and Social Review in Emerging Economies*, 8(1), 197–208. <https://doi.org/10.26710/jbsee.v8i1.2201>
- Barney, J. (1991). Firm resources and sustained competitive advantage. *Journal of Management*, 17(1), 99–120. <https://doi.org/10.1177/014920639101700108>
- Becker, J., Cheah, J., Gholamzade, R., Ringle, C. M., & Sarstedt, M. (2025). PLS-SEM's most wanted guidance. *International Journal of Contemporary Hospitality Management*, 35(1), 321–346, doi: <https://doi.org/10.1108/IJCHM-04-2022-0474>
- Bostan, I., Bîrcă, A., Țurcanu, V., & Sandu, C. B. (2018). Systemic Approach to Management Control through Determining Factors. *Journal of Risk and Financial Management*, 11(4), 65. <https://doi.org/10.3390/jrfm11040065>
- Bunyasi, G., Nyamita, M. O., & Mutio, M. Y. (2023). Administrative strategies and revenue collection efficiency within the devolved governments in Kenya: Case of Machakos County. *International Journal of Finance and Accounting*, 12(1), 13–19. <https://doi.org/10.5923/j.ijfa.20231201.02>
- Celestine, J., & Matiku, E. (2021). Nexus between the internal control system and effectiveness in revenue collection in energy utilities in Tanzania. *Asian Journal of Economics, Business and Accounting*, 21(12), 56–67. <https://doi.org/10.9734/ajeba/2021/v21i1230428>
- Chambega, E., Mayala, N., & Amos, A. (2024). Contribution of the control numbers system on monitoring revenue collection at Kilimanjaro Christian Medical Centre, Tanzania. *Indian Journal of Economics and Finance (IJEF)*, 4(2). <http://dx.doi.org/10.2139/ssrn.5024413>
- Collins, W. J., & Joseph, K. (2025). The influence of corporate governance practices on the efficiency of tax revenue collection in Laikipia County Government, Kenya. *The International Journal of Humanities*. 10.24940/theijhss/2024/v12/i10/hs2410-011
- Controller and Auditor General (2020). *Annual general report on the audit of the local government authorities (LGAs) for the financial year 2019/2020* (United Republic of Tanzania). National Audit Office.
- Controller and Auditor General (2021). *Annual general report on the audit of the local government authorities (LGAs) for the financial year 2020/2021* (United Republic of Tanzania). National Audit Office.
- Controller and Auditor General (2022). *Annual general report on the audit of the local government authorities (LGAs) for the financial year 2021/2022* (United Republic of Tanzania). National Audit Office.
- Controller and Auditor General. (2023a). *Annual general report on the audit of the local government authorities (LGAs) for the financial year 2022/2023* (United Republic of Tanzania). National Audit Office.
- Controller and Auditor General. (2023b). *Development project audit report for the financial year 2022/2023* (United Republic of Tanzania). National Audit Office.
- Controller and Auditor General. (2024). *Annual general report on the audit of local government authorities for the year 2023/2024* (United Republic of Tanzania). National Audit Office.
- Creswell, J. W., & Creswell, J. D. (2017). *Research design: Qualitative, quantitative, and mixed methods approaches*. Sage publications.
- Dennis, M. (2025). *Effect of integration of information communication technology on performance of fraud investigators at Directorate of Criminal Investigations, Kenya* [Doctoral dissertation, Kenyatta University].
- Desta, A. G., Tadesse, W. M., & Mulusew, W. B. (2022). Aspects of human capital management and employee job performance: The mediation role of employee

- engagement. *International Journal of Business Science and Applied Management*, 17(3). <https://doi.org/10.20473/jmtt.v15i2.37616>.
- Edmond, S. S., Malenya, D. A., & Simiyu, D. E. J. (2023). Risk identification practices and revenue collection in county governments in Kenya: A case of the County Government of Bungoma. *International Journal of Research and Innovation in Social Science*, 7(10), 980–991. <https://dx.doi.org/10.47772/IJRISS.2023.701077>.
- Efunniyi, C. P., Abhulimen, A. O., Obiki-Osafiele, A. N., Osundare, O. S., Agu, E. E., & Adeniran, I. A. (2024). Strengthening corporate governance and financial compliance: Enhancing accountability and transparency. *Finance & Accounting Research Journal*, 6(8), 1597–1616. DOI: 10.51594/farj.v6i8.1509.
- Farkas, G., Horváth, A., & Tóth, G. N. (2020). Risk assessment tools and quality methods. In M. Gocić, G. Aronica, G. Stavroulakis, & S. Trajković (Eds.), *Natural risk management and engineering* (1-21). Springer. [https://doi.org/10.1007/978-3-030-39391-5\\_1](https://doi.org/10.1007/978-3-030-39391-5_1)
- Fornell, C., & Larcker, D.F. (1981). Evaluating Structural Equation Models with Unobservable Variables and Measurement Error. *Journal of Marketing Research*, 18(1), 39–50. <https://doi.org/10.1177/002224378101800104>
- Hair, J. F., Black, W. C., Babin, B. J., & Anderson, R. E. (2019). *Multivariate data analysis* (8th ed.). Cengage.
- Hair, J. F., Astrachan, C. B., Moisescu, O. I., Radomir, L., Sarstedt, M., Vaithilingam, S., & Ringle, C. M. (2021). Executing and interpreting applications of PLS-SEM: Updates for family business researchers. *Journal of Family Business Strategy*, 12(3), 100392. <https://doi.org/10.1016/j.jfbs.2020.100392>
- Hair, J.F., Sarstedt, M., Matthews, L.M., & Ringle, C.M. (2022). *PLS-SEM: Indeed a Silver Bullet*. *Journal of Marketing Theory and Practice*, 30(3), 319-330. <https://doi.org/10.2753/MTP1069-6679190202>
- Hassan, M. S., Mahmood, H., Tahir, M. N., Yousef Alkhateeb, T. T., & Wajid, A. (2021). Governance: A source to increase tax revenue in Pakistan. *Complexity*. <https://doi.org/10.1155/2021/6663536>
- Hyera, D. W., Kadigi, M., & Ndyetabula, D. W. (2025a). Contribution of revenue enhancement plans to fiscal performance: A study of local government authorities in Tanzania. *International Journal of Research in Business & Social Science*, 14(3), 242-252. <https://doi.org/10.20525/ijrbs.v14i3.4180>
- Hyera, D. W., Pastory, D., & Kiwala, P. (2025b). Human capital and institutional capacity as drivers of local revenue efficiency: Evidence from Tanzanian local government authorities. *International Journal of Management, Accounting & Economics*, 12(8), 1271-1293. <https://doi.org/10.22034/ijmae.2025.225787>
- Hyera, D., Ndyetabula, D., & Kadigi, M. (2025c). Internal control systems and the revenue collection performance among local government authorities (LGA) in Tanzania. *Journal of Policy and Development Studies (JPDS)*, 4(1), 1–15. <https://doi.org/10.51317/jpds.v4i1.676>
- Inegbedion, H., Inegbedion, E., Peter, A., & Harry, L. (2020). Perception of workload balance and employee job satisfaction in work organisations. *Heliyon*, 6(1) e03160. <https://doi.org/10.1016/j.heliyon.2020.e03160>
- Iravonga, J. J., Ngala, C., Alala, B. O., & Maingi, M. (2023). Effect of Integrated Financial Management Information Revenue Systems on Financial Management in County Governments, Kenya. *African Journal of Empirical Research*, 4(2), 23–31. Retrieved from <https://www.ajol.info/index.php/ajempr/article/view/255295>
- John, J. (2024). Assessing the factors for the effectiveness of the task force staff in revenue collection in the Tanzanian local government authorities. *The Accountancy and Business Review*, 16(5), 80-94. <https://doi.org/10.59645/abr.v16i5.394>

- Junquera-Varela, R. F., & Lucas-Mas, C. Ó. (2024). *Revenue administration handbook*. World Bank Publications.
- Kasoga, Z. S. (2020). *Effects of internal control system on performance of revenue collection in local government authorities of Tanzania* (Master's thesis, University of Dodoma). ProQuest Dissertations & Theses Global. (Publication No. 32021806)
- Kessy, K. (2020). Electronic payment and revenue collection in local government authorities in Tanzania: Evidence from Kinondoni municipality. *UDSM Online Journal Testing*, 9(2), 89–106.
- Kigen, S. J., & Ndegwa, P. (2021). Corporate governance practices and performance of the Kenya Revenue Authority, Nairobi County. *International Journal of Business Management, Entrepreneurship and Innovation*, 3(3), 82–102. <https://doi.org/10.35942/jbmed.v3i3.218>
- Kock, F., Berbekova, A., & Assaf, A. G. (2021). Understanding and managing the threat of common method bias: Detection, prevention and control. *Tourism management*, 86, 104330. <https://doi.org/10.1016/j.tourman.2021.104330>.
- Lajili, K., Lin, L. Y. H., & Rostamkalaei, A. (2020). Corporate governance, human capital resources, and firm performance: Exploring the missing links. *Journal of General Management*, 45(4), 192–205. <http://dx.doi.org/10.2139/ssrn.3494977>
- Lameck, W., & Kinemo, S. (2021). In search of a link between fiscal decentralization and fiscal autonomy in service delivery in urban local government authorities in Tanzania. *Journal of Governance and Development (JGD)*, 17(2), 23–40. <https://repo.uum.edu.my/id/eprint/29819>
- Lubis, N. W. (2022). Resource-based view (RBV) in improving company strategic capacity. *Research Horizon*, 2(6), 587–596. <https://doi.org/10.54518/rh.2.6.2022.85>
- Makkawi, H. (2021, December). The role of risk management in increasing business performance. In *Proceedings of the International Conference on Business Excellence* (Vol. 15, No. 1, pp. 1054–1059). Walter de Gruyter GmbH. DOI: 10.2478/picbe-2021-0099
- Malinowski, M. (2023). Solvency and debt of rural communes vs. their residents' standards of living: A Polish case study. *Agriculture*, 13(12), 2222. <https://doi.org/10.3390/agriculture13122222>
- Mamo, B. E. (2022). *Internal controls and revenue collection in the County Government of Marsabit, Kenya*. (Dissertation, Kenyatta University -Kenya).
- Memon, M. A., Ting, H., Cheah, J. H., Thurasamy, R., Chuah, F., & Cham, T. H. (2020). Sample size for survey research: Review and recommendations. *Journal of Applied Structural Equation Modeling*, 4(2), i–xx. DOI: 10.47263/jasem.4(2)01
- Mgonja, M. G., & Poncian, J. (2019). Managing revenue collection outsourcing in Tanzania's local government authorities: A case study of Iringa Municipal Council. *Local Government Studies*, 45(1), 101–123. DOI: 10.1080/03003930.2018.1518219
- Ministry of Finance and Planning. (2022). *Public Financial Management Reform Programme phase VI (PFMRP VI) document*. Government of Tanzania. <https://www.mof.go.tz> ›
- Msimbano, D. S. (2024). *Effects of internal audit function in enhancing public financial management in selected local government authorities in Tanzania* (Master's thesis, University of Dodoma).
- Muchoki, M. (2020). *Effect of internal control systems on efficient revenue collection at the National Transport and Safety Authority* (Doctoral dissertation, University of Nairobi).
- Muhammad, A., Umar, U. A., & Adam, F. L. (2023). The impact of artificial intelligence and machine learning on workforce skills and economic mobility in developing

- countries: A case study of Ghana and Nigeria. *Journal of Technology Innovations and Energy*, 2(1), 55–61. DOI: <https://doi.org/10.56556/jtie.v2i1.466>
- Musah, A., Padi, A., Okyere, B., E. Adenutsi, D., & Ayariga, C. (2022). Does corporate governance moderate the relationship between internal control system effectiveness and SMEs' financial performance in Ghana? *Cogent Business & Management*, 9(1), 2152159. <https://doi.org/10.1080/23311975.2022.2152159>
- National Bureau of Statistics (NBS) [Tanzania]. (2022). *Integrated Labour Force Survey (ILFS) 2020/21: Analytical report*. NBS
- Nayak, B., Bhattacharyya, S. S., & Krishnamoorthy, B. (2023). Integrating the dialectic perspectives of resource-based view and industrial organization theory for competitive advantage—a review and research agenda. *Journal of Business & Industrial Marketing*, 38(3), 656–679. <https://doi.org/10.1108/JBIM-06-2021-0306>
- Ngatunga, R. (2020). *The Influence of Human Resource Management on the Performance of Local Government Authorities in Tanzania: A Study of Kasulu District Council*. Master's thesis, The Open University of Tanzania. <http://repository.out.ac.tz/id/eprint/2787>
- Njogela, E., Ally, J. S., & Lufyagila, B. (2023). Investigation of cybersecurity risks, practices, and capability: A point of sale perspective in local government authorities of Tanzania. *MUST Journal of Research and Development*, 2(3), 13–13.
- Nurhasanah, S. U., Austin, D., & Karimah, N. S. (2023). Unveiling the nexus between good corporate governance, human capital, and corporate social responsibility: A qualitative study. *Jurnal Riset Akuntansi*, 1(4), 175–187. DOI: <https://doi.org/10.54066/jura-itb.v1i4.1767>
- Obeng-Tuaah, M. (2025). Employees' training and development to enhance organisational performance. *International Journal of Multidisciplinary Studies and Innovative Research*, 13(1), 1–15. DOI: 10.53075/Ijmsirq/09873656757567
- Ofosu-Mensah Ababio, J., Yiadom, E. B., Sarpong-Kumankoma, E., & Boadi, I. (2023). Financial inclusion: A catalyst for financial system development in emerging and frontier markets. *Journal of Financial Economic Policy*, 15(6), 530–550. DOI 10.1108/JFEP-06-2023-0155
- Olaniyi, O. O., & Omubo, D. S. (2023). The importance of COSO framework compliance in information technology auditing and enterprise resource management. *International Journal of Innovative Research & Development*, 12(5), MAY23001. <https://doi.org/10.24940/ijird/2023/v12/i5/MAY23001>
- Oliveira, M., Sousa, M., Silva, R., & Santos, T. (2021). Strategy and human resources management in non-profit organizations: Its interaction with open innovation. *Journal of Open Innovation: Technology, Market, and Complexity*, 7(1), 75. <https://doi.org/10.3390/joitmc7010075>
- Otoo, F. N. K., Kaur, M., & Rather, N. A. (2023). Evaluating the impact of internal control systems on organizational effectiveness. *LBS Journal of Management & Research*, 21(1), 135-154. <https://doi.org/10.1108/LBSJMR-11-2022-0078>
- Panda, B., & Leepsa, N. M. (2017). Agency theory: Review of theory and evidence on problems and perspectives. *Indian Journal of Corporate Governance*, 10(1), 74–95. <https://doi.org/10.1177/0974686217701467>
- Podsakoff, P. M., Podsakoff, N. P., Williams, L. J., Huang, C., & Yang, J. (2024). Common method bias: It's bad, it's complex, it's widespread, and it's not easy to fix. *Annual Review of Organizational Psychology and Organizational Behavior*, 11(1), 17-61. <https://doi.org/10.1146/annurev-orgpsych-110721-040030>

- Quoc-Trung, N. K. (2021). The relationship between internal control and credit risk. The case of commercial banks in Vietnam. *Cogent Business & Management*, 8(1). <https://doi.org/10.1080/23311975.2021.1908760>
- Rahman, M. M. (2023). Sample size determination for survey research and non-probability sampling techniques: A review and set of recommendations. *Journal of Entrepreneurship, Business and Economics*, 11(1), 42–62. <http://orcid.org/0000-0002-7414-8281>
- Salah, M. (2020). The effect of management information systems on reduction of financial corporate corruption: Interdisciplinary study. *Alexandria Journal of Accounting Research*, 4(1), 1-21. doi: 10.21608/aljalexu.2020.78640
- Samson, N. O., Oseno, B., & Nanyama, M. R. (2024). Effect of risk assessment and management on operational performance of Kenya Revenue Authority. *Sustainable Business and Society in Emerging Economies*, 6(2) <https://doi.org/10.26710/sbsee.v6i2.3049>.
- Sarstedt, M., Hair, J. F., Pick, M., Liengard, B. D., Radomir, L., & Ringle, C. M. (2022). Progress in partial least squares structural equation modeling use in marketing research in the last decade. *Psychology & Marketing*, 39(5), 1035–1064. <https://doi.org/10.1002/mar.21640>
- Sausi, J. M., Kitali, E., & Mtebe, J. S. (2021). Evaluation of the local government revenue collection information system success in Tanzania. *Digital Policy, Regulation and Governance*, 23(5), 437-455. <https://doi.org/10.1108/dprg-04-2021-0055>
- Shmueli, G., Sarstedt, M., Hair, J. F., Cheah, J.-H., Ting, H., Vaithilingam, S., & Ringle, C. M. (2019). Predictive model assessment in PLS-SEM: Guidelines for using PLSpredict. *European Journal of Marketing*, 53(11), 2322–2347. <https://doi.org/10.1108/EJM-02-2019-0189>
- Sinde, H. M. (2023). Determinants of Revenue Collection Performance in Tanzanian Local Governments. *Journal of Public Administration, Public Affairs, and Management*, 21(2), 97-116. <https://so05.tci-thaijo.org/index.php/pajournal/article/view/268981>
- Suluo, H., Raphael, G., & Kapaya, S. (2024). Effect of audit committee attributes on the effectiveness of audit committees: Evidence from regulatory authorities in Tanzania. *East African Journal of Management and Business Studies*, 4(3), 40–53. DOI: <https://doi.org/10.20525/ijrbs.v13i8.3751>
- Supratikta, H., Hasanah, T., & Dharmasta, L. A. (2024). Utilization of information technology in financial decision-making: Analysis of management information systems. *Multidisciplinary Indonesian Center Journal (MICJO)*, 1(3), 1223–1229. DOI: <https://doi.org/10.62567/micjo.v1i3.145>
- Tanzania Investment and Consultant Group. (2024). *Tanzania's local government authorities revenue 23/24*. Tanzania Investment and Consultant Group Ltd. <https://ticgl.com/tanzanias-local-government-authorities-lga/>
- Tarekegn, G., et al. (2020). 'An Empirical Analysis on Effects of Internal Control System on Tax Revenue Audit Performance; Evidence from Ethiopian Ministry of Revenue South and South western Districts', *International Journal of Finance & Managerial Accounting*, 5(18), 13-20.
- Temba, G. I., Kasoga, P. S., & Keregero, C. M. (2023). Corporate governance and financial performance: Evidence from commercial banks in Tanzania. *Cogent Economics & Finance*, 11(2), 2247162.
- Thyaka, F. V., & Kavale, S. (2021). Effects of internal controls on revenue collection: a case of Kenya Revenue Authority. *The Strategic Journal of Business & Change Management*, 8(1), 347-363. URI: <https://www.researchgate.net/publication/360034010>

- Turgaeva, A. A. (2024). Assessment of components of the internal control system for risk management of organizations. *Economic Problems and Legal Practice*, 20(4), 251–257. DOI: <https://doi.org/10.33693/2541-8025-2024-20-4-251-257>
- Wujarso, R., & Dameria, R. (2023). *Human capital management as a resource in achieving competitive advantage*. Asadel Publisher.
- Yang, Y. S., Choi, T. Y., Carter, C. R., & Yin, R. (2022). Expanding the boundaries of buyer–supplier agency problems: Moving from dyad to triad. *Journal of Purchasing and Supply Management*, 28(3), 100749. <https://doi.org/10.1016/j.pursup.2022.100749>
- Yertas, M. (2024). The Role of Training and Continuous Development in Improving Employee Productivity and its Impact on Company Financial Performance. *Atestasi Jurnal Ilmiah Akuntansi*, 7(2), 1362-1379. DOI:10.57178/atestasi.v7i2.1047
- Zhou, C., & Qi, S. (2023). Does green finance restrain corporate financialization? *Environmental Science and Pollution Research*, 30(27), 70661–70670. <https://doi.org/10.1007/s11356-023-27476-2>.