

## **Abstract:**

The need to have local authorities that are well managed cannot be overemphasized. Well functioning local authorities that delivers quality public services consistent with citizen preferences while managing fiscal resources prudently is considered critical to the citizenry, and Kenya's and World Bank's mission of poverty alleviation and the achievement of the Millennium Development Goals. All over the world governments are realizing the important part played by local governments and investing heavily in them. In Kenya, annually the ministry of finance transfers 5% of the national income to local authorities to better their ability to provide basic services to the people. However, there is continued dissatisfaction with the quality of service by local authorities. This research attempted to shed light into the factors affecting the performance of local authorities in Kenya, with the special reference to the town council of Matuu. A cross sectional descriptive survey to study four factors: finance-related issues, levels of staff motivation, levels of customer satisfaction, and political interference. Questionnaires with both closed and open-ended questions were designed and used. Both stratified random-and purposive sampling was used. The town clerk, the treasurer and six sitting councillors were picked for the study through purposive sampling due to their typicality. The study had a total of 345 respondents. Data collected was analyzed using Statistical Package and MS-Excel using the measures of central tendency- mean, mode, ratio, correlation coefficient and frequency distribution. The main findings were that MTC has finance-related issues, staff motivation levels are low, there is negative interference by the political class and customer satisfaction levels are low. There was a very strong relationship between the MTC performance and the independent variables identified for this study. The study recommended that MTC should invest in staff training, expand revenue base, conduct regular customer satisfaction surveys, establish a customer care department, and amend the law to provide security of tenure to the chairpersons and train councilors on integrity and good leadership.