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FACTORS AFFECTING REVENUE COLLECTION EFFICIENCY BY COUNTY GOVERNMENTS IN KENYA -A CASE OF KIAMBU COUNTY

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Abstract

Kiambu county government has not been meeting its revenue collection targets as expected following the establishment of devolved governments in Kenya. County governments were expected to collect their own revenue to mitigate between allocation of revenue from central government and their own budget. Kiambu County, like other county governments in Kenya has consistently failed to collect targeted revenue for the past three financial years, hence the need to evaluate factors affecting revenue collection efficiency by county governments in Kenya. Its specific objectives included to determine the effect of revenue collection personnel capacity on efficient revenue collection, to determine the effect of technology on revenue collection efficiency, to determine the effect of internal controls on efficient revenue collection, and to determine the effect of enforcement of laws on revenue collection efficiency. The research employed a descriptive and survey research design from April-July 2017 in unraveling the current capacity of Kiambu County to raise its targeted revenue. Primary data was collected using questionnaires, while secondary data was extracted from existing publications about devolution and revenue collection by county governments in Kenya. The Statistical Package for Social Sciences and Microsoft Excel were used to analyze and process the primary data collected, and the information generated was presented in form of tables. All the factors affecting revenue collection (revenue collection personnel capacity, technology, internal controls, and enforcement of laws) were found to be significant using a multiple linear regression as shown by their positive beta coefficients of (ß=67.282) with P Value < 0.05 at .041, (ß=60.174) with P Value < 0.05 at .000, (ß=85.760) with P Value < 0.05 at .012, and (ß=38.943) with P Value < 0.05 at .006 respectively. These findings asserted the importance of the factors under study, thus county governments should put due consideration for optimum revenue collection.

Keywords: County governments, Revenue collection, Technology, Internal controls, Efficiency

INTRODUCTION

Revenue collection performance is vital in promoting efficiency in the service delivery and economic development of county governments. However, most county governments face serious challenges in their revenue collection performance as noted by Balunywa, Nangoli, Mugerwa, Teko and Mayoka (2014), where governments are not able to collect sufficient funds to cover their budget expectations. Furthermore, for many years, revenue collectors have not been channeling all the amount of money they collect to the County Treasury (Ngotho & Kerongo, 2014).

Local revenue collection helps to achieve service delivery in county governments by co-funding development projects, hence an increasing need by the county government to collect much revenue to face the increasing financial expenditures budgeted for. Automated systems have been proven to be capable of introducing massive efficiencies to business processes that can result in increased revenue collections (Gideon & Alouis, 2013)

Owuor, Chepkuto, Tubey and Kuto (2012) note that revenue collection in developing economies like Kenya has not always been as effective as it should be. There are various challenges in revenue collection performance, where counties are not able to collect sufficient funds to cover their budget expectations and thereby causing huge local revenue collection gaps. Ismail (2016) indicates that the main challenges in revenue collection rotate around revenue collection system. The performance of revenue collection in County governments is deteriorated by corrupt practices issues which result into tax evasion through corruption by corrupt revenue collection officers (Balunywa et al., 2014).

Interest in enhancing revenue mobilization in developing countries is increasing day by day. Most developing countries are emerging from the crisis with their fiscal prospects broadly intact, but with many still facing a fundamental need to raise more revenue from their own revenue bases. Therefore, enhancing of revenue collection efficiency will ensure that counties collect all the projected revenue and thereby increasing the revenue collection performance. As Visser and Erasmus (2005) note, revenue collection should comply with best practices of equity, ability to pay, economic efficiency, convenience and certainty. Furthermore, for a government to match its performance with the needs and expectations of its citizens, it should increase its fiscal depth without incurring costly recurring overheads (Tetteh, 2012). For good governance and effective delivery of service, county governments require sufficient and reliable sources of revenue and the Constitution of Kenya 2010 provides a framework for county funding through own revenue.

STATEMENT OF THE PROBLEM

County governments have not been meeting their annual revenue collection targets since devolution kicked off in Kenya, the year 2013. According to published Office of the Controller of Budget annual county

governments budget implementation review reports; during the Financial Year 2013/2014, County Governments generated an aggregate of Kshs.26.3 billion in local revenue, accounting for 48.5% of the annual target. During the Financial Year 2014/2015, County governments generated a total of Kshs.33.85 billion from local sources, which translated to 67.2% of the total annual local revenue target. During the latest Financial Year 2015/2016, Counties collected Kshs.35.02 billion, representing 69.3% of the annual target of Kshs.50.54 billion. Kiambu county has been no exception to this underperformance in revenue collection targets. In the financial year 2015/2016, the county had an annual targeted revenue of Kshs.3.31 billion but only collected Kshs.2.49 billion which was 75.2% of the targeted revenue. Therefore, this indicates a persistent non-optimal revenue collection by county governments including Kiambu county which necessitated the need to identify factors affecting revenue collection efficiency by county governments and how to make them efficient.

STUDY OBJECTIVES

The main objective was to assess factors affecting revenue collection efficiency by county governments in Kenya. The specific objectives were:

i. To determine the effect of revenue collection personnel capacity on revenue collection efficiency by county governments in Kenya,

ii. To determine the effect of technology on revenue collection efficiency by county governments in Kenya,

iii. To determine the effect of internal control systems on revenue collection efficiency by county governments in Kenya,

iv. To determine the effect of enforcement of laws on revenue collection efficiency by county governments in Kenya.

RESEARCH HYPOTHESES:

i. H_0 – There is no relationship between revenue collection personnel capacity and revenue collection efficiency by county governments in Kenya,

ii. H_0 – There is no relationship between technology and revenue collection efficiency by county governments in Kenya,

iii. H_0 – There is no relationship between internal control systems and revenue collection efficiency by county governments in Kenya,

iv. H_0 – There is no relationship between enforcement of laws and revenue collection efficiency by county governments in Kenya.

LITERATURE REVIEW

The following theories guided the study:

The agency theory - The agency relationship is based on the agency theory of (Jensen & Meckling, 1976). The agency theory focuses

on relationship that reflect the basic agency structure of a principal and agent who are engaged in a cooperative conduct but have different goals and attitude towards risk. Shankman (1999) notes that the agency theory rests on the assumption that the desire and goals of the agent and principal conflict, implying that it is difficult for the principal to verify what the agent is doing. This is termed as the agency problem.

Rational expectation theory of technology adoption - This theory was developed by Davis (1989) where he proposed that under specific circumstances, one is likely to see clustered adoption. Rational expectations theory of technology adoption has been defined as the embracing of a technology by multiple firms at about the same time. In this theory, Davis was of the proposition that maximizing adoption of technology requires understanding of the motivations of different groups of users and tailoring the deployment messages and materials to address their perspectives. Therefore, in rational expectations of technology adoption, decision-makers should able to utilize all available decision-relevant information efficiently and can learn the true value of a prospective investment over time.

The theory of public enforcement of law - Polinsky and Shavell (2000) developed the theory of the public enforcement of law and it distresses with the use of public mediators (examiners, tax auditors, law enforcement agency, prosecutors) to identify and endorse legal rules to violators. The enforcement authority's problem is to maximize social welfare by choosing enforcement expenditures or, equivalently, a probability of detection, the level of sanctions and their form (a penalty, prison term, or combination), and the rule of charge (strict or fault-based). However, an important aspect of this subject that has received relatively little attention is the behavior of public enforcers themselves. A logical step to take next would be to re-examine ideal enforcement policies when public enforcers behave in a self-interested manner as much remains to be done.

CONCEPTUAL FRAMEWORK

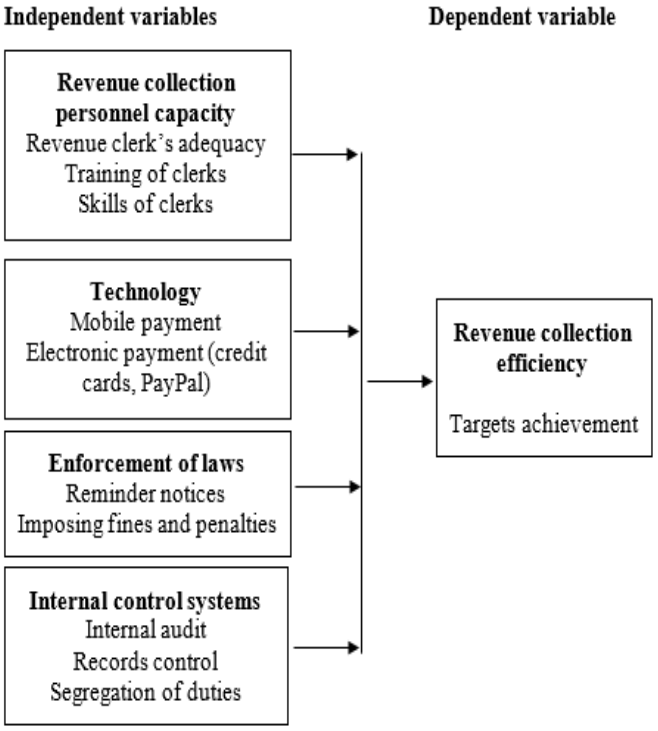

Figure 1: Conceptual Framework

RESEARCH METHODOLOGY

This study employed a descriptive and survey research design. Descriptive survey design was used to allow the researcher gather information, summarize, present and

interpret for purpose of clarification. The major purpose of survey research design is description of the state of affairs as it exists at present (Kothari, 2004). The choice of the description survey research design was made based on the fact that in the study, the researcher was interested in the state of affairs already existing in the field and no variable was manipulated. A questionnaire was designed and administered to assess the Factors Affecting Revenue Collection Efficiency by County Governments in Kenya. The study population was 203 employees who were drawn from the county's revenue collection streams in the field.

Multiple linear regression using SPSS was then applied to analyze Factors Affecting Revenue Collection Efficiency by County Governments in Kenya. The following model was applied:

$$Y= \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

Where:

Y = Revenue collection efficiency

X_1 = Revenue collection personnel capacity

X_2 = internal controls

X_3 = Technology

X_4 = Enforcement of laws

ε = Error term

The model was first subjected to F-test to establish whether the variables were jointly significant. T-tests were further computed for the individual variables' coefficients to determine their significance in the model. Null hypothesis was accepted or rejected based on the p-value obtained. The decision rule was to reject the hypothesis where p-value<0.05.

RESULTS AND DISCUSSIONS

Reliability tests

Reliability measure the degree to which a research instrument yields consistent results or data after repeated trials (Mugenda & Mugenda, 2003).

Table 1: Reliability tests

	Cronbach alpha	Number of items
Revenue collection personnel capacity	.741	4
Technology	.766	4
Internal control systems	.762	6
Regulatory framework	.816	5
Reliability**	.899	19

**combining all items

Reliability coefficient was computed to indicate how reliable data was, hence a high degree of reliability of the data which was the case with my study results.

Summary statistics for Revenue collection personnel capacity

The researcher conducted summary statistics for revenue collection personnel capacity using mean and standard deviation on a five-point Likert scale where strongly agree (5.0000-4.500), agree (4.499-3.500), neutral (3.4999-2.500), disagree (2.499-1.500) and strongly disagree (1.499-1.000) as indicated below:

Table 2: Revenue collection personnel capacity

Section of work	Physical services		Parking		Water, Environment & Natural resources		Market		Total	
	Mean	Std. Deviation	Mean	Std. Deviation	Mean	Std. Deviation	Mean	Std. Deviation	Mean	Std. Deviation
Sufficiency of revenue collection personnel	4.2000	0.40825	4.0000	0.64550	3.7143	0.45835	2.2500	0.44426	3.6190	0.84786
Knowledge of collectors to respond to client's questions	3.6000	0.50000	3.4000	0.81650	2.2857	0.45835	2.2500	0.44426	2.8571	0.83699
Revenue collector's skills relevant to their work	4.4000	0.50000	4.2000	0.76376	3.5714	0.50210	2.0000	0.00000	3.6190	1.00366
Frequent training of staff in relation to revenue collection	2.0000	0.64550	2.2000	0.40825	1.7143	0.45835	1.2500	0.44426	1.8095	0.58990

On sufficiency of revenue collection personnel, respondents from the physical services section agreed there are adequate revenue collection personnel with a mean of 4.2000 indicating that the section was sufficiently staffed. The parking section also agreed that there are sufficient revenue collection personnel in the section with a mean of 4.0000, indicating that the section is sufficiently staffed. Respondents from the water, environment and natural resources section agreed that there were sufficient revenue collection personnel with a mean of 3.7143. However, from the market section, respondents disagreed with a mean of 2.2500 that there was no sufficient revenue collection personnel, indicating that there is a necessary need to sufficiently staff the section to make revenue collection efficient. In general, the study revealed that the county government has sufficient revenue collection personnel as indicated with a mean of 3.6190, which indicated that there were adequate employees engaged in the revenue collection for the county.

On revenue collection personnel possession of all necessary knowledge to respond to client's questions, respondents from the physical services section agreed with a mean of 3.6000 that revenue collection personnel from that section possessed relevant knowledge to respond to client's questions, which was a good indication of a cordial relationship between the revenue collectors and the tax payers. Respondents from the parking section were neutral with a mean of 3.4000 on whether they had adequate knowledge to respond to client's questions, which indicated that there is a need to equip the revenue collectors with adequate knowledge to respond to client's questions and establish a cordial relationship for smooth revenue collection process. From the water, environment and natural resources section, respondents disagreed with a mean of 2.2857 on having adequate knowledge to respond to client's questions. This was an indication that the section has a challenge of its collectors dealing with clients with regards to revenue and revenue collection processes, thus a recipe for wrangles between the two parties which hamper the revenue collection process. The market section respondents similarly disagreed with a mean of 2.2500 that they had no adequate knowledge to respond to client's questions which necessitates a need to sufficiently equip employees with vast knowledge to

confidently handle client's questions for a smooth revenue collection process. In general, respondents were neutral as shown with a mean of 2.857 on possession of relevant knowledge to respond to taxpayer's questions. This was an indication that revenue collection employees were not sure if they could adequately respond to any questions raised by taxpayers on matters relating to revenue collection.

On Revenue collector's possession of skills relevant to their work, respondents from both the physical services section, parking section and water, environment and natural resources section agreed that they possessed skills relevant to their work as indicated with means of 4.4000, 4.2000, 3.5714 respectively. However, respondents from the market section disagreed as indicated with a mean of 2.0000 that they did not possess skills relevant to their work. In general, revenue collection employees possess skills relevant to their work which was indicated by a mean of 3.6190.

On frequent training of staff in relation to revenue collection, from all the sections; physical services section, parking section, water, environment and natural resources section and the market section both disagreed that they are not taken through frequent trainings in relation to revenue collection as indicated with means of 2.0000, 2.2000, 1.7143 and 1.2500 respectively. In general, the revenue collection personnel of Kiambu county do not undergo frequent trainings in relation to revenue collection as indicated by a mean of 1.8095.

SUMMARY STATISTICS FOR TECHNOLOGY

The researcher conducted summary statistics for revenue collection personnel capacity using mean and standard deviation on a five-point Likert scale where strongly agree (5.0000-4.500), agree (4.499-3.500), neutral (3.4999-2.500), disagree (2.499-1.500) and strongly disagree (1.499-1.000) as indicated below:

Table 3: Technology

Section of work	Market		Parking		Physical services		Water, Environment & Natural resources		Total	
	Mean	Std. Deviation	Mean	Std. Deviation	Mean	Std. Deviation	Mean	Std. Deviation	Mean	Std. Deviation
We have modern and sufficient technology	2.2500	0.44426	3.6000	0.50000	2.2000	0.40825	2.1429	0.35504	2.5238	0.73505
Use of mobile payments for revenue collection	1.2500	0.44426	3.3000	0.50000	1.8000	0.40825	2.0000	0.00000	2.1905	0.91036
Use of electronic payments (credit cards and PayPal)	1.0000	0.0000	2.0000	0.00000	2.0000	0.00000	2.0000	0.000000	1.8095	0.39456
Revenue collection transactions processed electronically	2.2500	0.44426	4.0000	0.00000	3.8000	0.40825	3.7143	0.45835	3.5238	0.73505

On availability of modern and sufficient technology for revenue collection, respondents from the market section disagreed with a mean of 2.2500 that they did not have modern and sufficient technology for revenue collection. This indicated a technology gap that exists which should bridge the revenue collection process and the efficiency. Respondents from the parking section agreed with a mean of 3.6000 that their section has modern and sufficient technology for revenue collection. This is an

advantage for revenue collection as it eases the revenue collection process for both the clients and revenue collection personnel. Respondents from the physical services section disagreed with a mean of 2.2000 that their section does not have modern and sufficient technology for revenue collection. This also indicated a revenue collection efficiency gap of technology that should bridge the gap in the revenue collection process for efficiency. Respondents from the water, environment and natural resources furthermore disagreed with a mean of 2.1429 that their section did not have modern and sufficient technology for revenue collection process. In general, as indicated with a mean of 2.5238, respondents were neutral on availability of modern and sufficient technology for revenue collection. These results indicated a need to heavily invest in technology as it eases the revenue collection and makes it efficient.

On the use of mobile payments for revenue collection, all the respondents from the market section, physical service section together with water, environment and natural resources section disagreed with means of 1.2500, 1.8000 and 2.0000 respectively that there was no use of mobile payments for revenue collection. However, respondents from the parking section were neutral on whether their section uses mobile payment system. In general, the county government does not use mobile payments for revenue collection as indicated by respondents who disagreed with a mean of 2.1905. This was an indication that despite the availability of mobile payment service providers, the county government has not embraced this concept of mobile payment, which enhances efficiency in the revenue collection process.

On the use of electronic payments (e.g. credit cards and PayPal), respondents from the market section strongly disagreed with a mean of 1.0000 that their section had no such provision for electronic payments. However, respondents from the parking section, physical services section, and water, environment and natural resources section disagreed with a mean of 2.0000 that their sections did not use electronic payments for revenue collection. In general, the county government has also not embraced the use of electronic payments for revenue collection as indicated by respondents who disagreed with a mean of 1.8095. This further indicated that the county government has not integrated the revenue collection process with electronic technology.

On processing of revenue collection transactions electronically, both the parking section, physical services section and water, environment and natural resources agreed with means of 4.0000, 3.8000, and 3.7143 respectively that revenue collection transactions were processed electronically. This was a good indication since electronic records of transactions are easier to retrieve and storage of such transactions is guaranteed in the long run as opposed to physical records which can be destroyed. However, respondents from the market section disagreed with a mean of 2.2500 that revenue collection transactions were not processed electronically. This was not a good indication as manual records can be destroyed in that

section thereby removing crucial documents that might be needed in reconciling of revenue collection. In general, the county government processes revenue collection transactions electronically to ensure all records are captured and stored digitally as indicated by respondents who agreed with a mean of 3.5238.

SUMMARY STATISTICS FOR INTERNAL CONTROL SYSTEMS

The researcher conducted summary statistics for revenue collection personnel capacity using mean and standard deviation on a five-point Likert scale where strongly agree (5.0000-4.500), agree (4.499-3.500), neutral (3.4999-2.500), disagree (2.499-1.500) and strongly disagree (1.499-1.000) as indicated below:

Table 4: Internal control systems

Section of work	Market		Parking		Physical services		Water, Environment & Natural resources		Total	
	Mean	Std. Deviation	Mean	Std. Deviation	Mean	Std. Deviation	Mean	Std. Deviation	Mean	Std. Deviation
Auditing revenue records is done frequently in our section	2.2500	0.44426	3.8000	0.40825	4.0000	0.00000	3.7143	0.45835	3.5238	0.73505
Revenue collected submitted per rules	3.7500	0.44426	4.0000	0.00000	3.6000	0.50000	3.5714	0.5021	3.7143	0.45392
Clear separation of roles in revenue collection	2.2500	0.44426	2.6000	0.50000	4.0000	0.00000	2.2857	0.45835	2.7619	0.81481
Independent reconciliation of revenue collected is done	2.2500	0.44426	2.8000	0.40825	2.8000	0.40825	2.2857	0.45835	2.5238	0.50183
Revenue collection employees are rotated periodically	2.2500	0.44426	3.8000	0.40825	3.8000	0.40825	2.0000	0.54233	2.9048	0.9759
Supervision of junior staff by their seniors in revenue collection	2.2500	0.44426	2.2000	0.408250	4.0000	0.00000	1.7143	0.45835	2.4762	0.96172

On regular auditing of revenue collection records, respondents from the market section disagreed with a mean of 2.2500 that this was not done in the section. Non-auditing of revenue records makes it difficult to establish the accuracy and authenticity of revenue collected thus lack of accountability in revenue collection. However, respondents from the parking section, physical services section, and water, environment and natural resources section agreed with means of 3.8000, 4.0000 and 3.7143 respectively that auditing of revenue records was done frequently in their sections. This was a good practice in relation of revenue records as it ensured accuracy and verifiability of revenue collected in relation to the available documentation. In general, respondents involved in revenue collection agreed that there was regular auditing of revenue collection records as indicated by a mean of 3.5238.

On submission of revenue collected as per the set rules, both the market section, parking section, physical services section, and water, environment and natural resources section agreed with means of 3.7500, 4.0000, 3.6000 and 3.5714 respectively that revenue collected in their sections was submitted as per the set rules. This was a good practice on procedural observation to ensure that personal interests do not supersede the county government interests by misuse of collected revenue for personal use at the expense of the county government revenue. This ensures county revenue remains solely for the county and everyone observes standards as set by the county government to ensure uniformity in

courses of action by the revenue collection personnel. In general, the revenue collected in the county is submitted as per the set rules which was indicated by a mean of 3.7143.

On clear separation of roles in the revenue collection process, respondents from the market section and water, environment and natural resources section disagreed with a mean of 2.2500 and 2.2857 respectively that there was no clear separation of roles in the revenue collection process. This is a bad practice as it allows for conflict of interest with regards to the revenue collected as it provides a loophole for one to abuse the system by embezzlement and get away with county revenues without detection. There thus needs to be proper clear separation of roles so as to eliminate embezzlement of county revenue by corrupt and dishonest revenue officials. Respondents from the parking section were neutral with a mean of 2.6000 on clear separation of roles in the revenue collection process. This however calls for emphasis on clear separation of roles so as to eliminate embezzlement of county revenue. However, respondents from the physical services agreed with a mean of 4.0000 that there was clear separation of roles in their section. This was a good practice as it ensures everyone is accountable for their revenue collected to other parties' other than themselves thus making it easier to detect any misappropriations in revenue collected that might have occurred. In general, there was neutrality on clear separation of roles in the revenue collection process casting a doubt on the same as indicated by a mean of 2.7619.

On frequent independent reconciliation of revenue collected, respondents from both the market section and water, environment and natural resources section disagreed with means of 2.2500 and 2.2857 respectively that this was not done in their sections. This was a bad practice as it indicated that it was not easy to tell whether the revenue submitted tallied with the records provided for revenue collection. This therefore indicated that a revenue collector would easily get away with county's revenue without detection thus leading to loss in county revenue. Respondents from the parking section and physical services section were neutral with means of 2.8000 and 2.2857 respectively that there was independent reconciliation of revenue collected. This thus creates a need to a firm the need of independent reconciliations of revenue collected so as to ensure that amount of revenue submitted tallied with the revenue collection records and revenue collection personnel were getting away with revenue for the county. Independent reconciliation is thus a means of ensuring everything balances and tallies without omissions. In general, frequent independent reconciliation of revenue collected was also in doubt by the respondents as indicated by a neutral mean of 2.5238.

On periodic rotation of revenue collection personnel, respondents from the market section and water, environment and natural resources disagreed with means of 2.2500 and 2.0000 respectively. This was not a good practice observed by the sections as it created an environment of familiarity of revenue collectors and clients which creates an

atmosphere of collusion to commit frauds and embezzlement of county revenue. Rotation of revenue collectors periodically eliminates this familiarity by creating a new environment each time for better performance in revenue collection. However, respondents from the parking section and physical services section agreed with a mean of 3.8000 each that periodic rotation of revenue collectors happens in their section. This is a good practice as it creates seriousness in the revenue collection process due to non-familiarity with the clients thus bound to create an optimal revenue collection process between the revenue collection personnel and their clients. In general, periodic rotation of revenue collection personnel was also not as clear as it should be since respondents were neutral with a mean of 2.9048.

On appropriate supervision by senior staff on the work of their juniors in revenue collection process, respondents from the market section, parking section, and water, environment and natural resources disagreed with a means of 2.2500, 2.2000 and 1.7143 respectively indicating there was no appropriate supervision by their seniors on their work in their respective sections. This was a bad practice which give revenue collection personnel a leeway not to perfectly execute their duties since there was no one to watch over their actions in the field. This can be disastrous since rogue revenue collectors can easily abuse their duties by not doing what's expected of them thus hampering optimal revenue collection leading to low revenue collection. Appropriate supervision is therefore necessary to ensure the right thing is done at the right time. However, respondents from the physical services section agreed with a mean of 4.0000 that there is appropriate supervision of junior staff by their seniors. This was a good practice as it ensures the revenue collection process is taken with the seriousness it deserves so as to ensure optimal revenue is collected. In general, appropriate supervision by senior staff on the work of their juniors in revenue collection process is not clearly observed and adhered to as required, which was indicated by many respondents who disagreed with a mean of 2.4762

SUMMARY STATISTICS ON REGULATORY FRAMEWORK

The researcher conducted summary statistics for revenue collection personnel capacity using mean and standard deviation on a five-point Likert scale where strongly agree (5.0000-4.500), agree (4.499-3.500), neutral (3.4999-2.500), disagree (2.499-1.500) and strongly disagree (1.499-1.000) as indicated below:

Table 5: Enforcement of laws

Section of work	Market		Parking		Physical services		Water, Environment & Natural resources		Total	
	Mean	Std. Deviation	Mean	Std. Deviation	Mean	Std. Deviation	Mean	Std. Deviation	Mean	Std. Deviation
Section sends reminder notices to defaulters	1.5000	0.51299	2.4000	0.50000	2.2000	0.40825	3.7143	0.45835	2.6190	0.95455
Strict enforcement of fines and penalties on defaulter's overdue	1.5000	0.51299	3.8000	0.40825	4.0000	0.00000	3.7143	0.45835	3.3810	1.00366
There is enough external support from law enforcement agencies (police etc.) on follow and recover of defaulters	2.2500	0.44426	2.2000	0.40825	2.2000	0.40825	2.5714	0.5021	2.3333	0.47367

On sending of reminder notices to defaulters in the process of revenue collection, respondents from the market section, parking section and physical services section disagreed with a mean of 1.5000, 2.4000 and 2.2000 respectively that their sections do not send reminder notices to defaulters of county revenues. Reminder notices serves as a means to bring an attention to the defaulter to be able to meet their outstanding obligations before taking of other further recovery measures of the sum owed. Reminder notices are thus polite instruments used to create an awareness to residents of the available window to meet their obligation before punitive action is take, thus giving the tax payer an honorable way to honor their obligations amicably. However, respondents from the water, environment and natural resources indicated that their section sends reminder notices to defaulters. This was a good practice by the section as it creates an efficient platform for revenue collection process by eliciting payments of revenues owed to the county government. In general, respondents were in doubt on whether there was sending of reminder notices to defaulters in the process of revenue collection, which was indicated by a neutral mean of 2.6190.

On strict enforcement of fines and penalties on defaulter's overdue, both respondents from the parking section, physical services section. And water, environment and natural resources section agreed with means of 3.8000, 4.0000 and 3.7143 respectively that their sections enforce strictly the fines and penalties on defaulter's due. This is an appropriate measure that should always be taken after reminder notices as it indicates noncompliance by the tax payer defaulters with the laws. This thus helps the county government collect revenues owed in turn enhancing the revenue collection process as it deters future delays in paying levies thus making the revenue collection process efficient. However, respondents from the market section disagreed with a mean of 1.5000 that their section does not strictly enforce fines and penalties on defaulter's overdue. This was an indication that defaulters in that section get away with revenue owed to the county government thus leading to non-optimal revenue collection by the section. There is thus a need to enhance smooth revenue collection by strictly enforce fines and penalties so as to deter defaulting in turn making the revenue collection process efficient. In general, strict enforcement of fines and penalties on defaulter's overdue is not necessarily adhered to as many respondents casted a doubt with their neutrality mean of 3.3810.

On enough external support from law enforcement agencies (e.g. police) on follow up and recovery of defaulted levies, respondents from the market section, parking section, and physical services section disagreed with means of 2.2500, 2.2000 and 2.2000 respectively on help from external support in recovering defaulted levies. Respondents from the water, environment and natural resources section were neutral on whether their section gets enough external support in recovering levies owed. These results indicated that the county government has not sought for enough external support to recover its levies owed thus the non-optimal collection of targeted revenue. The use of external agencies support makes the revenue collection process efficient as it instills compliance wile deterring noncompliance leading to efficient revenue collection. In general, there was also neutrality on whether there was enough external support from law enforcement agencies on follow up and recovery of defaulted levies as indicated by a mean of 2.3333.

Regression analysis

The researcher used a multiple linear regression to find out the influence of the independent variables on the targeted revenue and found out as follows:

Table 6: Coefficients model

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-112.643	38.108		-2.956	.004
	Revenue collection personnel capacity	67.282	32.541	.173	2.068	.041
	Internal controls	85.760	33.318	.221	2.574	.012
	Technology	60.174	9.349	.290	6.436	.000
	Enforcement of laws	38.943	13.725	.185	2.837	.006

$Y = -112.643 + 67.282X_1 + 85.760X_2 + 60.174X_3 + 38.943X_4$

X_1 = Revenue collection personnel capacity

X_2 = Internal controls

X_3 = Technology

X_4 = Enforcement of laws

It was established that all the factors affecting revenue collection (revenue collection personnel capacity, internal controls, technology, and enforcement of laws) were jointly significant as indicated by $p < 0.05$ in all the cases, implying that if put into consideration by county governments, this will see a positive change in the in the revenue collected thus ability to collect optimal revenue. Therefore, all the null hypotheses were rejected.

CONCLUSION

The study concludes that there were sufficient revenue collection personnel with skills relevant to their tasks, in order to cover a wider revenue collection base.

The technology used was only limited to capture transactions after revenue collection but not efficient for capturing records and transactions of individual taxpayers electronically.

The internal controls observed involved submission of revenue collected per the rules as well as auditing the revenue collection records which helps secure the revenue collected.

Enforcement of laws on revenue collection is not asserted through sending reminder notices to defaulters, strict enforcement of fines and penalties and lack of adequate external support from law enforcement agencies.

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