EFFECTS OF REVENUE COLLECTION PRACTICES ON COUNTY GOVERNMENT FINANCIAL PERFORMANCE IN KENYA

EDWIN KAMAU WANGAMWA

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BY

EDWIN KAMAU WANGAMWA

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DECLARATION

I, the undersigned do hereby declare that this is my original work and has not been submitted to any university or institution of higher learning for examination.

EDWIN KAMAU WANGAMWA REG NO 20/00014

Signature_____ _____Date_____05/10/2023_____

This thesis has been presented with the approval of the university supervisor

Signature_____ Date_____06/10/2023_____

Supervisor; DR. MOKAYA NICODEMUS ORIKU

ABSTRACT

Revenue collection refers to the process of boosting government income through various means, including taxes, fees, and other revenue sources. It plays a vital role in public finance by providing the funds needed for government expenditures and services. This research aims to examine how revenue collection practices impact the performance of county governments in Kenya. The study's specific objectives were to assess the effects of different revenue collection methods, such as automatic payments, in-person collections, automatic billing, and mobile payment collections, on the financial performance of county governments. The research methodology employed a descriptive research design and involved data collection from 141 individuals working in the revenue collection departments of Kenya's 47 counties. The survey drew on several theoretical frameworks, including Agency theory, Resource-Based View theory, Technology Acceptance theory, Optimal Taxation theory, and Institutional theory. Participants completed questionnaires to provide primary data, and data analysis was carried out using SPSS version 25. Both inferential and descriptive statistics were used to quantitatively analyse the data, while content analysis was employed to assess qualitative data in a statistical manner. The study utilized the Pearson product-moment correlation to determine the relationship between independent and dependent variables and used multiple regression to gauge the extent and direction of the impact of revenue collection practices on financial performance. The study's findings indicated positive perceptions related to convenience, citizen satisfaction, revenue collection efficiency, transparency, and security when it comes to automatic revenue payment methods. In-person collection methods were viewed as effective in maintaining personal connections with citizens and positively impacting transparency and revenue collection rates. However, concerns were raised regarding payment delays, lower compliance rates, accessibility challenges, long waiting times, cash handling risks, and high maintenance costs. Ultimately, the study concluded that in-person collection practices did not have a significant impact on county financial performance. On the other hand, automatic billing revenue collection were generally perceived positively by respondents, with perceived benefits including simplified revenue collection processes, improved customer satisfaction and loyalty, and enhanced transparency. The study recommended that automatic billing revenue collection is likely to have a significant positive influence on county financial performance. Mobile money payment practices received favourable feedback, with respondents indicating improvements in accuracy, collection ease, efficiency, and payment compliance. The study concluded that revenue collection through mobile money payments is highly statistically significant and is likely to have a substantial positive impact on county financial performance. As a result, the study recommended that county governments consider further investments in and development of automatic revenue payment systems, with a focus on enhancing convenience, transparency, and security to maximize their potential to improve financial performance. Additionally, the research proposed that similar studies be conducted in other public institutions in Kenya.

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DEDICATION

I want to express my heartfelt thanks to my family and friends for their unwavering support and encouragement throughout my academic journey. Special dedication to my wife Mary Wangui, and my mum Jane Wangamwa who tirelessly and continually guided and motivated me throughout the study period.

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LIST OF ABBREVIATIONS AND ACRONYMS

ACBIRR	Annual County Budget Implementation Review Report
COK	Constitution of Kenya
EGMS	Excisable Goods Management System
FY	Financial Year
GDP	Gross Domestic Product
ICTD	International Center for Tax and Development
KPMG	Klynveld Peat Marwick Goerdeler
KRA	Kenya Revenue Authority
OCOB	Office of Controller of Budgets
OSR	Own Source of Revenue
PEOU	Perceived Ease of Use
PFM	Public Financial Management
SMEs	Small and Medium-Sized Enterprises
SPSS	Statistical Package for the Social Sciences
VAT	value-added tax

CHAPTER ONE

INTRODUCTION

1.1 Back Ground of the Study

The revenue collection practices in Kenyan Counties have been the subject of significant scrutiny in recent years. One of the critical areas of concern is the use of tax on revenue collection. Revenue collection is a critical component of any government's financial stability and development. In Kenya, county governments rely on various revenue collection practices to fund their operations and deliver essential services to their constituents. This research explores the impact of different revenue collection practices, including automated payment collection, in-person revenue collection, automatic billing revenue collection, and mobile money revenue collection, on the financial performance of county governments in Kenya (Laban, & Muthinja, (2023).

Mbithe (2018), revenue collection is a crucial undertaking in the public sector. Revenue refers to the income earned by the government, while revenue collection pertains to the process through which the government gathers its income from various sources, including taxation, excise duty, customs, rental income, property leases, and other related sources that support the provision of public services. Taxation serves as the primary means for governments to generate income for their budgetary needs. Revenue collection strategies encompass the methods employed by the state authority to maximize the collection of government income. These strategies are based on rules and regulations implemented by the state authority to govern different aspects of government revenue (Oduol, 2023).

The framework for the devolution of funds to the 47 County Governments in Kenya is established by the Constitution of Kenya (2010). This constitutional provision not only grants the counties the authority to independently gather direct revenues but also to manage local

expenditures (Tubey & Kuto, 2013). Through these provisions, County Governments are empowered to execute specific functions in grassroots-level service delivery and development, thus reducing dependence on funding from the National Government. This empowerment enables County Governments to strategically invest in socio-economic growth and development at the community level, thereby enhancing service delivery (Ngotho & Kerongo, 2014). Efficient financial management and the effective collection of revenue at the county level are crucial drivers of county-level economic advancement, growth, and the overall enhancement of service provision (Makokha, Alala, Musiega & Manase, 2014).

The revenue collection strategies of county governments in Kenya have evolved due to technology, with methods like automatic payments, direct billing, in-person collection, and mobile payments. These methods impact financial performance. Automatic payments streamline transactions, while direct billing personalizes invoicing for quicker collection. In-person collection builds relationships and addresses concerns, and mobile payments enhance convenience. This essay explores these methods' effects on efficiency, compliance, costs, and revenue generation, aiming to understand their implications for county governments' financial health in Kenya (Kirimi, 2017).

Effective revenue collection performance plays a crucial role in enhancing operational efficiency and fostering economic advancement within counties (Ngotho & Kerongo, 2014). Nevertheless, research indicates that a majority of Kenyan counties encounter diverse difficulties in achieving satisfactory levels of revenue collection. These challenges are so substantial that they hinder these counties from amassing adequate financial resources to cover both recurring and developmental expenditures. As a consequence, their budget forecasts experience revenue shortfalls, falling below the projected targets for revenue generation (Balunywa et al., 2014). Studies conducted by Onyango (2013) and (ICPAK,

2014) have revealed that poor revenue collection on financial performance is because of ineffective collection practices in the counties.

Automated payment collection systems in Kenyan county governments are favored for their efficiency and transparency. These systems use technology to streamline revenue collection processes, covering various sources like property taxes and business permits. Key benefits include increased efficiency by reducing manual errors and delays, enhanced transparency through real-time tracking, improved accountability by minimizing revenue fraud, and greater convenience for citizens who can make online payments, reducing the need for in-person visits to government offices (Achieng, Tobias, & Mose, 2022).

Automatic billing revenue collection in Kenyan county governments establishes recurring payments for services like water, electricity, and taxes, offering benefits such as predictable revenue streams for budget planning, reduced arrears due to automated payments, and lower administrative costs by eliminating manual bill distribution. This practice has the potential to substantially improve financial performance by ensuring a consistent and dependable revenue flow (Kirimi, 2017).

In-person revenue collection methods involve physical visits to government offices to make payments, though they may appear outdated in comparison to automated systems, they continue to hold a vital role in Kenya's counties. The advantages of it encompass personalized assistance, where citizens can seek guidance and clarification on payment procedures and requirements. It ensures access for individuals without access to online payment platforms, promoting inclusivity. Furthermore, it fosters community engagement and provides county governments with an avenue to collect valuable feedback. However, in-person revenue collection can be less efficient than automated methods, and it may require more resources in terms of staff and physical infrastructure. (Johnson et al. 2017).

The utilization of mobile money payments like M-Pesa for revenue collection represents a growing trend within Kenya's counties. It has several advantages, including widespread accessibility, as it reaches remote regions where traditional banking services are limited. Additionally, it offers convenience by enabling citizens to make payments via their mobile phones at any time, diminishing the necessity for physical visits. Moreover, mobile money reduces cash handling, thus mitigating security risks and lowering administrative costs. The adoption of mobile money revenue collection methods has the potential to substantially bolster the financial performance of county governments, particularly in areas where such services are widely used (Akoya, (2022).

Owuor et al. (2013) conducted a study that revealed a significant obstacle faced by county governments in achieving their intended revenue collection targets. The primary cause of this shortfall is attributed to inadequate revenue collection practices. The study underscores that the success or failure of revenue collection hinges on the efficacy of the practices employed. To attain this objective, proficient financial strategies and practices are indispensable, designed to generate sufficient revenue capable of covering operational expenses. management practices emerge as the foremost impediment to sustaining optimal revenue collection performance. On the contrary, lack of proper revenue practices is the highest limitation to sustainability of revenue collection hence affecting financial performance.

1.1.1 Revenue Collection Practices

Revenue collection techniques encompass a range of methods used by organizations to generate sufficient income, which in turn supports effective governance and the delivery of services (Kumshe and Bukar,2013). County governments can adopt effective revenue collection strategies, such as conducting assessments of taxpayers to determine the annual tax amounts and facilitate budget planning for gender development (Ghura, 1998). To promote

the timely submission of returns and reduce discrepancies in revenue collection, taxpayers typically receive reminder notices two to three weeks before the tax deadline (Lymer and Oats, 2010). This approach helps foster a harmonious relationship between citizens and county government, encouraging compliance and minimizing outstanding payments.

The 2010 Constitution of the Republic of Kenya establishes the framework for devolution and the allocation of funds to the 47 county governments. It grants counties the authority to independently collect revenue and utilize it for local economic development and improved service provision, reducing their dependence on the national government. County governments generate revenue through various means, including business licenses, land rates, rental fees, and other services. The challenges related to revenue collection primarily revolve around the revenue collection systems themselves (Okiro, 2015).

Mwaura (2021) investigated the revenue collection performance of county governments in Kenya, focusing on tax systems, tax bases, and tax compliance. The study found that revenue collection varied among counties. Some counties adopted modern revenue collection methods, diversified their tax bases, and put measures in place to enhance compliance. However, other counties still relied on manual methods, heavily relied on a few sources of revenue, and lacked the necessary capacity to collect taxes effectively. To improve revenue collection, county governments need to adopt modern revenue collection methods, diversify their tax bases, enhance tax compliance measures, and build capacity for revenue collection staff. These measures will help to enhance revenue collection and promote sustainable development in counties.

The Kenyan government heavily depends on tax revenue to finance its development expenditure and boost overall revenue collection. Fluctuations in tax revenues directly impact the country's economy. This study is expected to uncover the strengths or weaknesses linked

to the implementation of new technology, expansion of the tax base, and improvement of tax compliance. The findings will not only benefit county governments but also provide insights for taxpayers regarding the strengths and weaknesses associated with these initiatives.

1.1.2 Performance of County Government

The performance of Kenyan Counties is informed by Gross County Product (Ocharo, 2019). Revenue collection is a critical aspect of the performance of county governments. Kenya adopted a devolved system of government in 2013, which established 47 county governments. These governments are responsible for delivering essential services such as healthcare, education, water, sanitation, and infrastructure to their citizens.

Effective revenue collection is critical to the performance of county governments in Kenya. The Constitution of Kenya 2010 grants county governments the power to impose taxes, fees, and charges on various activities and services within their jurisdiction. County governments also receive funding from the national government through the equitable share of revenue allocated based on population, poverty levels, and land area.

One example of a county government that has performed well in tax practice and revenue collection is Kericho County, Koech (2019), Kericho County has implemented various tax practices, including property rates, business permits, and parking fees, that have led to an increase in revenue collection. The county has also established a revenue department and invested in capacity building for revenue officers to improve tax compliance and enforcement. As a result, the county has been able to finance various development projects and improve service delivery to its citizens.

The poor levels of revenue collection are one of the biggest issues in county governments are facing in Kenya. According to a report by the Controller of Budget (2019), only 26 out of the 47 counties were able to meet their revenue targets. This is a worrying trend that calls for urgent action by county governments to improve their tax practice.

Kiambu County is one county that has excelled in terms of generating revenue in the financial year 2019/2020, Kamau, (2020) The county collected Ksh 3.5 billion, which was a 12% increase from the previous year. This increase was attributed to the county's efforts to improve its tax practice, including the automation of revenue collection systems, enhanced public awareness campaigns, and collaboration with other stakeholders.

Nairobi County is a different county that has been doing well in terms of revenue collection Makau, (2020), In the financial year 2019/2020 the county collected Ksh 17.3 billion, which was a 3% increase from the previous year. This increase was attributed to the county's efforts to digitize revenue collection, which led to increased efficiency and reduced leakages.

To enhance revenue collection in Kenya, county governments can implement several strategies. These include upgrading tax management systems and providing training for tax officials to improve efficiency and combat tax evasion. Expanding the tax base by including more economic activities and incentivizing businesses to formalize can also boost revenues. Public awareness campaigns can educate citizens about the benefits of taxes, while offering taxpayer assistance centers and embracing technology can facilitate compliance. Involving tax consultants and setting performance targets further contribute to effective revenue generation for public services and development projects (Nthenge, 2020).

1.1.3 County Government in Kenya

County Governments were created as a result of devolution brought about by the Kenyan Constitution of 2010. Devolved county governments represent a new paradigm in management and governance. These organizations were founded and developed to improve the provision of services and power to the populace. The County Government was given its authority under Articles 191 and 192 of the Fourth Schedule of the CoK (Constitution of Kenya, 2010) and the County Government Act of 2012. Decentralization of formerly

centralized resources is what this means. There are 47 county governments, whose boundaries and size are determined by the 37 Kenyan districts that were recognized by law and the constitution until 1992. Education, pollution control, cultural activities, transportation, early childhood education, agriculture, tertiary and vocational colleges, animal control, drug management, and other decentralized functions are among them.

County governments need to carry out a comprehensive revenue mapping exercise to identify their revenue streams and income to support their operations and developments. They should develop policies and legislation to assist in revenue collection. A number of counties are yet to legally institutionalize revenue collection mechanisms within their jurisdictions.

1.2 Statements of the Problem

Kenyan counties have persistently failed to meet revenue collection targets, posing substantial challenges for budget implementation and essential service delivery. Despite substantial ICT investments, total revenues fall short of covering budgetary needs, resulting in unsustainable revenue. Many counties grapple with insufficient funds to meet payroll obligations, causing service disruptions, project delays, and financial setbacks. This lack of sustainability in revenue collection underscores the pressing need to investigate the impact of revenue collection methods on county government financial performance, as sustainable revenue is critical for delivering quality and timely services to residents. (Karori, Muturi & Mogwambo, 2016).

Many Kenyan counties have faced issues with manual revenue collection, leading to irregularities, corruption, and fund misallocation. Historical cases have exposed collusion between tax collectors and payers, resulting in tax evasion and law violations. To tackle these challenges, counties are transitioning to automated tax collection methods. This shift involves adopting technologies like mobile and online payments, automated payment systems, and automatic billing processes. These innovations aim to eliminate loopholes and enhance the

efficiency and integrity of revenue collection within County Governments. (Oduor, Sevilla, Wanyoike & Mutua, 2016).

Few studies have explored the impacts of revenue collection strategies on specific counties within Kenya. Wahome (2018) investigated how strategies like e-payment systems, penalty waivers, and agency notices influenced the financial performance of certain county governments. Similarly, Akoth (2019) explored the effects of techniques like outsourcing revenue collection to agencies and electronic revenue collection on Kisumu County Government's financial performance.

Previous studies by Njanja (2014), Kinuthia & Akinnusi (2014), Odoyo, Oginda, Obura (2013), and Edward (2009) mainly addressed challenges in revenue collection, with a primary focus on limited strategies such as e-payment systems. These studies omitted other practices like automatic payments collection, in-person revenue collection, automatic billing revenue collection, reforms, and mobile money payments. This highlights a research gap concerning a comprehensive understanding of the effects of diverse revenue collection strategies in Kenyan counties.

Existing research highlights that county governments in Kenya encounter difficulties concerning the effectiveness and sufficiency of their revenue collection methods within the public sector. This study intends to tackle this issue by delving into the repercussions of revenue collection practices, thereby addressing a void in the current body of literature. Previous research has not sufficiently delved into the outcomes of revenue collection practices on the fiscal performance of county governments in Kenya. Furthermore, there is a scarcity of research dedicated to the subject of revenue collection in the Kenyan context. Local studies have predominantly concentrated on identifying challenges in public sector revenue collection, often overlooking recommendations for enhancing these strategies. This study

aims to bridge these knowledge gaps by specifically investigating the effects of revenue collection practices on the financial performance of county governments in Kenya.

1.3.1 General Objective

The main research objective of this study was to determine the effects of revenue collection practices on county government financial performance in Kenya.

1.3.2 Specific Objectives

The following specific objectives guided the study:

i. To establish the effect of automatic payments revenue collection on county government financial performance in Kenya
ii. To determine the effect of the in-person revenue collection on county government financial performance in Kenya
iii. To determine the effect of the automatic billing revenue collection on county government financial performance in Kenya
iv. To ascertain the effect of mobile money payments revenue collection on County government financial performance in Kenya

1.4 Research Questions

The study sought to answer the following research questions

i. How does the automatic payments revenue collection affect county government financial performance in Kenya?
ii. How does in-person revenue collection affect county government financial performance in Kenya
iii. How does the automatic billing revenue collection affect county government financial performance in Kenya?
iv. How does mobile money payments revenue collection affect the County government performance financial in Kenya?

1.5 Significance of the Study

Revenue collection is vital for Kenya's county governments, yet existing research lacks insight into its impact. This study aims to fill these gaps by examining various collection practices; automatic payments, in-person, automatic billing, and mobile money payments and their influence on county financial performance. It also explores modernizing revenue collection and potential collaborations with stakeholders to boost revenue.

1.5.1 Practitioners

The study's findings would aid practitioners in creating appropriate regulations and procedures to address challenges linked to automatic payment, in-person, automatic billing, and mobile payment revenue collection methods. These outcomes would contribute to current knowledge and offer essential recommendations, guiding policymakers in effective policy formulation and enhancing both revenue collection and financial performance. The study would inform government agencies, revenue collection departments, and county financial performance entities about the importance of revenue collection practices for overall county performance. Financial managers and consultants can also utilize the findings to create county budgets and provide advice on optimal resource utilization.

1.5.2 Scholars

The findings can provide a foundation for future research on the effects of revenue collection practices on financial performance. Additionally, they can serve as a valuable source of reference for students, governments, and the private sector. Scholars interested in conducting further studies on related topics can also utilize these findings as a point of reference.

1.5.3 National and County Government.

The findings of this study have significant implications for both national and county governments in Kenya. They can inform the review of laws governing various revenue collection methods, including electronic, in-person, automatic billing, and mobile payment

revenue collection for residents and businesses. County governments can benefit by gaining evidence-based insights into effective revenue collection techniques, enabling them to develop targeted strategies that enhance fiscal capacity and financial sustainability.

Furthermore, collaboration between county governments, the national government, and development partners can facilitate knowledge sharing and the adoption of modern revenue collection systems. It can also aid in lobbying for increased fiscal allocations. Such collaborations have the potential to strengthen revenue generation capacity and promote equitable development across counties.

1.6 Scope of the Study

The research covered a span of five years, commencing from January 2019 and concluding in October 2023. The research was centered around the employees of the Department of Finance and Economic Planning, as well as the Directorate of Revenue in 47 County Governments in Kenya. These employees constituted the participants of the study, which focused on examining the effect of revenue collection practices on county government financial performance.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The chapter presents the theoretical, empirical and conceptual framework of the study. This chapter also presents theoretical review of literature on effect of revenue collection practices on county government financial performance mainly within Kenya. These include electronic payment revenue collection, in-person revenue collection, automatic billing revenue collection and mobile revenue collection concerns as well as empirical review and the research gaps from related past studies in Kenya.

2.2 Theoretical Literature Review

This research was guided by the following theories: resource-based view theory, agency theory, the technology acceptance model theory, the optimal taxation theory and the institutional theory.

2.2.1 Resource Based View Theory

The Resource-Based View (RBV), originally introduced by Barney in 1991, posits that an organization's ability to compete effectively depends on the uniqueness of its resources, making resource assessment a crucial focal point (Barney, 1991). In this context, resources encompass both tangible and intangible assets that a business selects to utilize in formulating and executing its strategies. Tangible resources include financial, physical, technological, and organizational assets, while intangible resources encompass human capital, reputation, and innovation (Lockett, Thompson, & Morgenstern, 2009).

Processes within an organization that do not contribute value negatively affect its competitive capacity, as noted by Nzuki in 2017. Rarity is the mechanism through which a company gains a competitive advantage by leveraging a rare resource to create a unique product or service that competitors cannot replicate. The inability of competitors to imitate

these distinctive offerings is referred to as inimitability. Consequently, the central focus of the RBV is on how a firm leverages its resources to gain a competitive edge, as highlighted by Alexy, West, Klapper, and Reitzig (2018).

Barney's theory of competitive advantage is founded on two key assumptions. Firstly, it assumes that each firm possesses a unique combination of resources. Secondly, it assumes that resources conferring a competitive advantage on an industry are not easily transferable or tradable (McGahan, 2021). Sustainability is crucial because even if an organization's resources have created value in the past, their future value may diminish due to factors such as changing consumer preferences, technological advancements, industry structures, or regulatory changes (Nason & Wiklund, 2018).

In the context of County governments, such as in this research, this theory is relevant because it explains how County Governments will employ technology and automated systems as resources to enhance their revenue performance. The theory underscores the significance of using automated revenue collection systems as a distinctive resource that can bolster revenue collection for the County Government in Kenya.

2.2.2 Agency Theory

Agency Theory, a contractual relationship is established between two parties: the principal and the agent, with the purpose of executing certain services. Within this framework, the principal grants decision-making authority to the agent (Jensen and Meckling, 1976). Simultaneously, the agent serves as an intermediary who facilitates the creation of a contractual relationship between the principal and a third party. It is important to note that the legal doctrine of qui facit per alium facit per se (he who does something through another does it himself) is applicable in such scenarios (Kanbur, 2009).

The focus of the Agency Theory is on the individual representing the agency relationship, wherein one-party delegates tasks to another party, and the latter carries out these

responsibilities on behalf of the principal (Eisenhardt, 1989). The agent possesses the authorization to undertake legal actions within their scope, acting not in their personal capacity but as a representative of the principal. Nevertheless, a contemporary perspective within the literature acknowledges that the relationship between the two entities can be complex. An example of this can be seen in the role of an Insurance Broker, who acts as an agent to buy and sell on behalf of another entity while upholding responsibilities towards the principal. The degree of care expected may vary; professional brokers might be held to higher standards compared to part-time insurance agents (Wright and Oakes, 2002).

Under English and American legal frameworks, the liability of a principal for the torts committed by their agent during regular duties hinges upon the presence of a master-servant relationship. The master is held vicariously responsible for the tortuous actions of the servant carried out within the scope of their employment (Yin, 1989). Instances of agency relationships arise when an individual, referred to as the principal, employs an agent to perform specific services and delegates decision-making authority to the agent. This dynamic is observed in various contexts, such as between stockholders and managers or between stockholders and debt holders. According to Amir (1993), the Agency Theory pertains to the relationship between a principal (shareholder) and an agent of the principal (company's managers). The theory centers on the costs associated with resolving conflicts between these two groups and aligning their interests. Jensen and Mechling (2006) define the agency relationship as a contractual agreement between individuals known as the principal and the agent, wherein the latter is authorized to make decisions on their behalf. In local government scenarios, citizens elect councilors as their agents to drive policy-making during their tenure in office, which might lead to re-election or replacement. Other examples of agency

relationships encompass the employee-employer dynamic, where the employer delegates responsibilities to the employee in exchange for compensation (Venables, 2010).

Drawing from the Agency Theory, it is suggested that principals (elected officials like county commissioners or executives) should establish clear objectives for their agents (e.g. revenue officers) to meet revenue collection targets. Moreover, citizens within a county can also be considered as principals who employ agents (elected officials) to represent their interests. In this context, the Agency Theory can serve as a framework to ensure elected officials remain accountable to their constituents.

2.2.3 The Technology Acceptance Model (TAM)

Harriet Karimi et al. (2017) noted that the Technology Acceptance Model (TAM) was originally introduced by Davis in 1989, with its primary focus on information systems and understanding why consumers opt to adopt them. According to TAM, the decision of consumers to embrace a system is influenced by factors such as perceived usefulness, ease of use, and perceived usefulness. TAM comprises two crucial constructs, as further elucidated by Lundu and Shale (2015): Perceived Usefulness (PU) and Perceived Ease of Use (PEOU), both of which impact the intention to use a system. Perceived usefulness pertains to the degree to which an individual believes that the new system will enhance job performance Harriet Karimi et al. (2017).

Davis's definition of perceived ease of use is the extent to which a person believes that using a particular system would require minimal effort (Davis, 1989). Bagozzi (1989) and Warshaw (2007) argued that new technologies, such as personal computers, are often perceived as complex, leading to uncertainty and hindering successful adoption. People may not even attempt to learn how to use the new technology due to preconceived attitudes. Lundu and Shale (2015) also emphasized that research consistently demonstrates a strong positive

link between adoption and continuance intention with perceived usefulness. Similar results have been found by Galera et al. (2011) and Romi et al. (2013).

Furthermore, in post-adoption studies, perceived usefulness has been identified as impacting satisfaction (Nakata and Berger, 2013) and attitudes toward the technology. Perceived ease of use has also been found to influence both perceived usefulness and the intention to adopt, aligning with the findings of Ataro et al. (2016). In the context of this study, the Technology Acceptance Model (TAM) holds relevance, as perceived use, ease of use, and usefulness may have an effect on the attitudes of county employees toward technology and systems implemented to enhance revenue collections in county governments.

However, it is important to note that TAM has faced criticism. Despite its widespread use, some criticisms include questioning its heuristic value, limited explanatory and predictive power, triviality, and lack of practical value (Chuttur, 2009). The Technology Acceptance Model (TAM) will assist revenue collection in Kenyan counties by examining individuals' acceptance and adoption of new technologies. By understanding taxpayers' perceptions of usability and usefulness, TAM helps identify barriers and drivers of technology adoption. This enables counties to design user-friendly digital systems e.g automatic billing revenue collection, provide the necessary support, and address concerns, promoting taxpayer engagement and streamlining revenue collection processes. Ultimately, TAM helps enhance efficiency and convenience, leading to increased revenue collection in Kenya's counties.

2.2.4 Optimal Taxation Theory

The conventional theory of optimal taxation states that a tax system should be selected to maximize a social welfare function while respecting specific constraints (Mankiw, Weinzierl, & Yagan, 2009). Omolo (2012) explains that Ramsey (1927) and Mirrlees (1971) argue that the goal of optimal taxation is to determine how the government can maximize social welfare

through taxes and transfers without excessively burdening taxpayers, with the primary objective being fair redistribution of welfare.

Tenhunen (2007) argues that taxation can be justified purely on the grounds of efficiency when it clearly enhances welfare. However, when tax policies are driven by considerations of equality or paternalistic objectives, the optimality of such taxation becomes a matter of values. Furthermore, Waris (2007) suggests that in practice, it is nearly impossible to determine the best taxation system. Governments must grapple with various issues and often settle for a compromise between conflicting considerations, resulting in a sub-optimal tax system.

Sørensen (2010) points out that classical economists rarely discussed the trade-offs between different tax policy objectives. They generally rejected progressive redistributive taxation, arguing that it posed a threat to property rights. Creedy (2009, as cited in Sørensen, 2010) strongly criticized any departure from proportional taxation, emphasizing that abandoning the principle of proportionality would lead to injustice and folly.

The theory of optimal taxation offers guidance on determining appropriate differentiation of tax rates in terms of qualitative and quantitative factors. County governments can utilize this information and their administrative capacity to implement tax rules prescribed by the theory of optimal taxation. Consequently, this theory assists policymakers in designing taxes that maximize revenue collection while ensuring fairness. These theories provide a framework for governments to make informed decisions regarding tax policies for mobile revenue collection.

2.2.5 The Institutional Theory

DiMaggio and Powell (1983) introduced a sociological theory that offers insights into how firms make decisions regarding governance structures and performance. This theory takes into account the social and cultural factors that shape decision-making within organizations,

specifically how established traditions or meaningful beliefs are adopted (DiMaggio & Powell, 1983). These beliefs may not always be taken seriously, but they are adhered to in a rule-like manner during firm decision-making, serving as the guiding principles that steer behaviour (Meyer & Rowan, 1977).

This theory can be linked to the authority granted to county governments under the Constitution of Kenya, 2010, regarding decentralized functions and county performance. Advocates of county governance argue that strengthening transparency, efficiency, and effectiveness in revenue collection practices can enhance county performance. These increased disclosure requirements also reduce the research costs for socially responsible investment (SRI) mutual funds in monitoring the activities of invested companies, thereby influencing the portfolio management process.

According to DiMaggio and Powell (1983), organizations facing similar environmental circumstances tend to adopt similar governance structures. Aligning with the environment enhances the perceived legitimacy of the firm, making its behavior less likely to be questioned or challenged (Lounsbury, 2008). Socially responsible public organizations develop an effective logic that considers social, environmental, governance, moral, and ethical influences when making investment choices and handling them. Based on this theory, county governments have the power to impose taxes, fees, and charges on various activities and services within their jurisdiction, potentially leading to improved county financial performance. The adoption of revenue collection practices by county governance can trigger and enhance public sector financial performance, making the relevance of this theory crucial to the study.

2.3 Empirical Literature Review

Several studies have examined the effects of revenue collection practices on county government financial performance locally, regionally, and internationally. This empirical review highlights some of the key findings from relevant research.

2.3.1 Automatic Payments Revenue Collection and Performance

Automatic payments, also known as recurring payments or auto-debits, have become increasingly prevalent in the realm of personal finance. They enable individuals to automate regular financial transactions such as bill payments, subscription services, and loan repayments. Studies indicate that the widespread adoption of automatic payments contributes to improved financial management, reduced late payment fees, and enhanced convenience for consumers (Agarwal et al., 2019).

In the business sector, automatic payments have revolutionized revenue collection and subscription-based business models. Firms across industries leverage automatic payment systems to ensure a steady cash flow, enhance customer retention, and streamline operations (Tobin, 2020). Research suggests that these systems are particularly beneficial for software-as-a-service (SaaS) providers, enabling them to scale efficiently (Ling et al., 2018). On a broader scale, the adoption of automatic payments varies globally. Developed countries have witnessed higher rates of adoption due to advanced banking infrastructure and digitalization. In contrast, emerging economies are gradually embracing automatic payment systems, driven by increasing internet penetration and smartphone usage (PwC reports, 2020).

Owino, Senaji, and Ntara (2017) conducted a study to explore the impact of innovation on revenue collection processes and its influence on the performance of Nairobi County. Employing a descriptive survey research design, their findings revealed a significant positive relationship between innovation through automatic payment processes and the county's performance. The adoption of automated payments revenue collection processes

contributed to fairer tax systems, reduced corruption, increased efficiency, more effective revenue operations, enhanced tax mobilization, and improved tax treatment consistency. The study's recommendation emphasized the continuous investment in enhancing the county's revenue automation on payments

The concept of automating tax payments was initially introduced in the United States, and Australia is one of the countries that has successfully implemented this system in managing municipal finances. However, in Turkey, the primary objective of the tax strategy is to simplify tax laws and regulations and align them with European Union standards. The adoption and integration of modern technology for revenue mobilization have become a crucial aspect of every country's development, especially in developing nations. This stems from the multifaceted advantages that modern technology brings to the enhancement of municipal development, (Turner et al., 2004)

McCluskey (2012) investigated the role of ICT in enhancing revenue collection efficiency, focusing on Tanzania's Arusha City Council. Utilizing an integrated Local Government Revenue Collection Information System (LGRCIS), the study highlighted how ICT adoption improved services to taxpayers through various e-services and payment options. It simplified tax payment processes, encouraged voluntary compliance, reduced resource requirements, and curbed corruption opportunities. The use of ICT facilitated database compilation for addressing non-compliance among taxpayers.

Matthew (2014) conducted a longitudinal causal study to evaluate the effects of an integrated revenue collection system mostly on automatic payments in Machakos County. The study's outcomes indicated that the implementation of the integrated revenue collection system led to improved revenue collection in the county. This system addressed issues of inconsistent revenue collection through real-time reporting and daily revenue declaration.

Additionally, the integrated system enhanced efficiency in revenue administration. The study underscored the need for the county government to address constraints for the effective implementation of the system to further enhance revenue collection.

The implementation of an automated tax processing system in a state revenue agency. The study found that the adoption of advanced technology streamlined tax processing, reducing error rates and processing times. The result was improved revenue collection efficiency and accuracy, leading to increased government performance in terms of timely fund allocation and service delivery (Jones and Smith, 2018).

Biwott, Mulongo, and Omboto (2017) examined the impact of technology adoption on payments for revenue mobilization in the North Rift Region of Kenya. Employing a descriptive survey design, their findings revealed that technology adoption on payments positively influenced revenue mobilization by increasing efficiency and effectiveness. The use of electronic facilities streamlined the revenue collection process, making it convenient and expeditious. Technology adoption on payments also introduced innovative revenue approaches that countered dishonesty and revenue leakages, promoting transparency in the revenue collection process.

Abuga, (2016) evaluated the impact of revenue collection efficiency on the operational performance of Kisii County Government using a case study approach. The study found that automatic payments positively affected revenue collection by reducing remittance delays and expediting computations. Payment's automation increased cash receipts, enhanced tax administration efficiency, boosted taxpayer compliance, and improved tax collector accountability. The study emphasized the role of payments automation in enlarging the taxpayer base and enhancing overall revenue collection effectiveness.

Mitullah, (2013) conducted a study on how municipalities in Turkey managed their resources, with a primary emphasis on the impact of automating tax collection procedures. This investigation employed a longitudinal causal study approach along with in-depth qualitative interviews. To select the 79 respondents from a pool of 321, a judgmental sampling method was utilized, taking into account factors such as the size and level of activity. Both primary and secondary data sources were utilized in the research.

The findings of the study revealed that the automation of tax collection not only reduced costs but also improved the overall efficiency of municipal operations. The implementation of this system in Turkey resulted in significant cost savings, amounting to $23.1 million, as it allowed for the employment of a smaller workforce while maintaining optimal efficiency. Additionally, the new municipal management system in Turkey offered considerable time savings, as it enabled the completion of multiple tasks within a limited timeframe.

Furthermore, the automation of tax collection had a positive impact on the efficiency and effectiveness of tax declaration and subsequent payment processes. In Turkey, this new system facilitated the tracking of all taxpayers, ultimately leading to increased revenue generation for the country.

2.3.2 In-Person Revenue Collection and Performance

Nyaga et al. (2019) conducted a study to assess the relationship between in-person revenue collection methods and financial performance in selected counties of Kenya. The researchers found that in-person collection methods led to increased taxpayer compliance, with a significant improvement in revenue collection rates. However, they also noted that administrative costs were higher compared to digital collection methods, posing challenges in optimizing financial performance.

A study in the United States analyzing the effect of in-person revenue collection on financial performance in various states. The research found that in-person collection methods played a significant role in revenue generation, particularly among small businesses and self-employed individuals. Direct interactions with taxpayers facilitated clearer communication, leading to higher compliance rates and reduced tax evasion. However, the study also identified administrative challenges and varying impacts on different economic sectors, (Johnson et al. 2017).

Mwakisu and Munga (2020) conducted a study in Tanzania investigating the efficiency and effectiveness of in-person revenue collection in urban centers. Their findings indicated that in-person methods played a significant role in revenue generation, particularly among small businesses and informal sector operators. However, the research also pointed out the need for improved training of tax officials to reduce potential corruption risks and streamline the collection process for enhanced financial performance.

Kariuki and Kamau (2020) investigated the efficiency and effectiveness of in-person revenue collection in urban centers of Kenya. Their study revealed that in-person methods were associated with timely tax payments and reduced instances of tax evasion. The direct interactions between tax authorities and taxpayers contributed to a better understanding of taxpayer needs and concerns. However, the research also highlighted the need for continuous training of tax officials to mitigate potential corruption risks.

Study by Oduor et al. (2018) examined the impact of in-person revenue collection on the financial performance of small and medium-sized enterprises (SMEs) in Kenya. Their findings indicated that in-person collection methods were perceived as more personalized and trustworthy by SME owners. As a result, SMEs demonstrated a higher willingness to comply with tax obligations, leading to increased government revenue. However, the study pointed

out that resource constraints and lengthy procedures affected the efficiency of in-person collection in remote areas.

2.3.3 Automatic Billing Revenue Collection and Performance

Incorporating technology into the direct billing process has had a beneficial impact on the operational performance of organizations, particularly in developed nations. Unlike the traditional method of direct billing and issuing receipts, online billing is an added-value service that facilitates dependable online communication between senders and recipients (Dasgupta, 2014). A certified direct billing and receipting process must ensure certain critical elements. Firstly, it should guarantee that the origin and exchange of invoices and receipts cannot be disputed, and both the sender and recipient receive confirmation, whether the invoice or receipt is successfully delivered or if delivery fails (Barnes & Corbitt, 2013). Furthermore, it must assure the accuracy and unaltered integrity of the content. Both the sender and recipient need to be identifiable, ensuring that access to the transmitted invoice and receipt is restricted solely to them. The primary objective of a certified invoice and receipt service is not just to enable secure online payments but also to enhance electronic communication between two parties, making it more convenient compared to traditional physical billing and receipting (Azam, 2015).

Kim et al. (2018) conducted a study in South Korea investigating the effectiveness of direct billing revenue collection in the telecommunications sector. The research indicated that direct billing led to increased revenue generation for telecommunication companies. Consumers receiving detailed bills based on their usage were more likely to understand and pay their bills promptly, leading to enhanced financial performance. However, the study emphasized the importance of addressing data privacy concerns and ensuring billing accuracy to maintain consumer trust.

A study by (Zhang et al. 2019) on effect of direct billing revenue collection in the utility sector in China. The research found that direct billing led to higher revenue collection rates and improved financial performance for utility providers. Consumers receiving timely and accurate bills were more likely to make on-time payments, contributing to increased revenue streams. However, the study also highlighted administrative challenges in implementing the billing system and ensuring billing accuracy.

Smith and Johnson (2020) conducted a study in the United States analyzing the impact of direct billing revenue collection in the healthcare industry. The study revealed that direct billing methods enhanced financial performance for healthcare providers, as it streamlined payment processes and reduced billing delays. Patients receiving itemized and transparent bills were more likely to make prompt payments, leading to improved revenue cycles. Nonetheless, the research also identified potential challenges in billing disputes and the need for consumer education on billing processes.

Booze et al. (2011) conducted research on the automation of revenue collection in Washington DC. In this study, a total of 63 out of 65 managed factories participated. The primary data was gathered by engaging production managers to investigate the impact of implementing an automatic billing and receipting process on customer satisfaction. The study revealed that the adoption of technology for both automatic billing and receipting had a positive influence on organizational performance in developed countries. In comparison to the traditional billing and receipting method, automatic billing and receipting receipting was identified as a value-added service that facilitated reliable online communication between senders and recipients. As a recommendation, the study emphasized the importance of not denying the validity of the origin and receipt exchange, and it suggested that both the sender and recipient should receive confirmation of successful delivery or failure when handling receipts.

2.3.4 Mobile Payments Revenue Collection and Performance

In Africa (as well as numerous developing nations across the globe), the trajectory towards mobile money can be argued to have followed a trajectory of evolution rooted in a "customer-centric" approach, in contrast to the "technology-centric" innovation model often observed in more developed countries (Geetha & Sekar, 2012). In these regions, there has been a swift rise in internet penetration rates and access to mobile cellular networks over the past decade. These trends have been effectively utilized to address existing challenges. Approximately 90% of mobile users in Africa opt to purchase prepaid card vouchers with cash from retail establishments to reload call credits on their mobile devices. Mobile Network Operators (MNOs) manage their own retail outlets and also grant licenses to independent dealers authorized to vend mobile recharge vouchers directly to end users (GSMA, 2012).

Rakhi Thakur et al. (2013) conducted a research study investigating the factors that impact customers' inclination to use mobile commerce in India. Their findings uncovered that perceived usefulness, perceived ease of use, and social influence were determined to be substantial factors influencing the willingness to adopt mobile commerce technology. In contrast, facilitating conditions did not emerge as significant factors within this particular context. Furthermore, the study's results pointed out that perceived credibility risk, which encompasses concerns related to security and privacy risks, was strongly linked to negative behavioral intentions. This implies that apprehensions regarding security and privacy significantly deter customers from embracing mobile commerce.

In their research, a comprehensive research model was constructed, drawing upon constructs from the technology acceptance model and innovation resistance theory. The study also incorporated insights from the existing literature on usage intention regarding similar technologies. This model was subsequently subjected to empirical testing using the advanced statistical technique of structural equation modelling (SEM).

In research carried out by McCluskey, Franzsen, Kabinga, and Kasese in 2018, on the local governments of Arusha, Kitwe, Ndila, and Kiambu to evaluate the advantages and challenges associated with the adoption of Information and Communication Technology (ICT) for revenue collection and other income sources. The study highlighted the increasing management of substantial data volumes by local governments in developing countries. It was observed that ICT offers city councils the potential to implement cashless payment systems based on electronic and mobile payment technologies. The survey findings indicated that the integration of ICT has led to an improvement in revenue collection within these urban areas. Moreover, ICT facilitates the deployment of cashless payment mechanisms by city councils. The research also emphasized the potential difficulties that city councils may face in the absence of timely technical issue resolution and stressed the importance of engaging banks to facilitate electronic and mobile payments. Additionally, the study pointed out that internationally developed and maintained IT systems may present challenges, as demonstrated in the case of Ndola City. It is worth noting that this research was conducted in four African cities, which introduces a contextual gap when attempting to generalize the findings to Nyandarua County (McCluskey, Franzsen, Kabinga, & Kasese, 2018).

Dr. Hem Shweta Rathore's (2016) research on consumer adoption of digital wallets unveiled a noteworthy trend. It showed that digital wallets are rapidly gaining traction as a mainstream method for online payments. Shoppers are swiftly integrating digital wallets into their payment habits, primarily due to the convenience and user-friendliness they offer. Moreover, tech-savvy consumers are increasingly seeking a seamless omnichannel retail experience and actively seeking solutions that can fulfill this need. To gather primary data for her study, Dr. Rathore employed a questionnaire, and it received responses from 132 out of 150 individuals.

Similarly, in a study conducted by Aladdin et al. in 2018, which investigated the transition from physical to digital wallets, it was found that perceived usefulness and perceived ease of use play pivotal roles in shaping consumer attitudes toward switching to mobile wallets. However, the study also revealed that perceived risk has a dampening effect on the level of this influence. This conclusion was drawn based on primary data collected from 140 surveys that were emailed to the staff of UNIKL Business School. Out of the surveys, 98 were returned and deemed usable for analysis.

A study conducted by Moulder (2005) revealed that the majority of county governments had intentions to introduce online payment options such as mobile payments for utility bills, fees, and fines. Norris and Moon, (2005) have noted that the expected growth rate in government adoption of e-payment methods such as mobile money payments for financial transactions between 2000 and 2002 was projected at 32 percent; however, the actual increase amounted to only 6.5 percent. This discrepancy underscores the existence of significant hurdles associated with providing online services, including challenges such as a shortage of IT personnel, financial constraints, security concerns, and convenience issues. This finding may indicate a strong interest in the development of online transaction systems.

A study by Kaburia (2004), identified that the absence of suitable e-payment alternatives posed a critical challenge to the advancement of e-commerce in Kenya. Kaburia proposed a specific e-payment model tailored for individuals in Kenya to address this issue. Furthermore, Perlman (2001) established that the utilization of third-party vendors allowed counties lacking extensive ICT resources to implement online ticket-payment systems mostly on mobile payments. This highlights that even smaller and moderately-sized cities can achieve success by leveraging vendor services and cooperative efforts to pool resources.

Kawal Kapoor et al. (2015) examined the role of three distinct sets of attributes related to innovation in determining the adoption of interbank mobile payment services

(IMPS). The researchers formulated and tested fifteen hypotheses to investigate the impact of these fifteen different innovation attributes on users' intentions to adopt and their actual adoption of the IMPS application. Out of these fifteen hypotheses, eleven received support, while four were not supported by the empirical findings.

Specifically, the attributes of relative advantage, compatibility, complexity, trialability, voluntariness, result demonstrability, social approval, cost, and communicability were identified as significant predictors of users' intention to use IMPS. Moreover, cost and behavioural intention were found to be significant predictors of the actual adoption of IMPS. On the other hand, observability, image, visibility, and riskiness were deemed insignificant attributes in the context of IMPS adoption. To gather data for their study, the researchers utilized a primary data collection method through a survey.

McGregor (2013) conducted a study to establish a connection between mobile money services and the accessibility of financial services in Japan. The study primarily concentrated on examining how mobile service technology had contributed to reducing financial risks for underbanked and unbanked populations while also facilitating their access to a more secure financial environment. The study's outcomes demonstrated that mobile money services, particularly deposit and payment services, played a crucial role in allowing the population to fulfill their financial requirements when traditional banking services were unavailable. Furthermore, these services, especially deposit services, provided a convenient and secure means for individuals to deposit their money.

2.5. Conceptual Framework

This framework illustrates the relationship between the dependent variable and the independent variable. In the context of this study, Figure 2.1 illustrates that revenue collection practices serve as the independent variable, while financial performance functions as the dependent variable. revenue collection practices are assessed through automatic payment

revenue collection, in-person revenue collection, automatic billing collection, and mobile payment revenue collection. Financial performance, on the other hand, is measured by revenue collection.

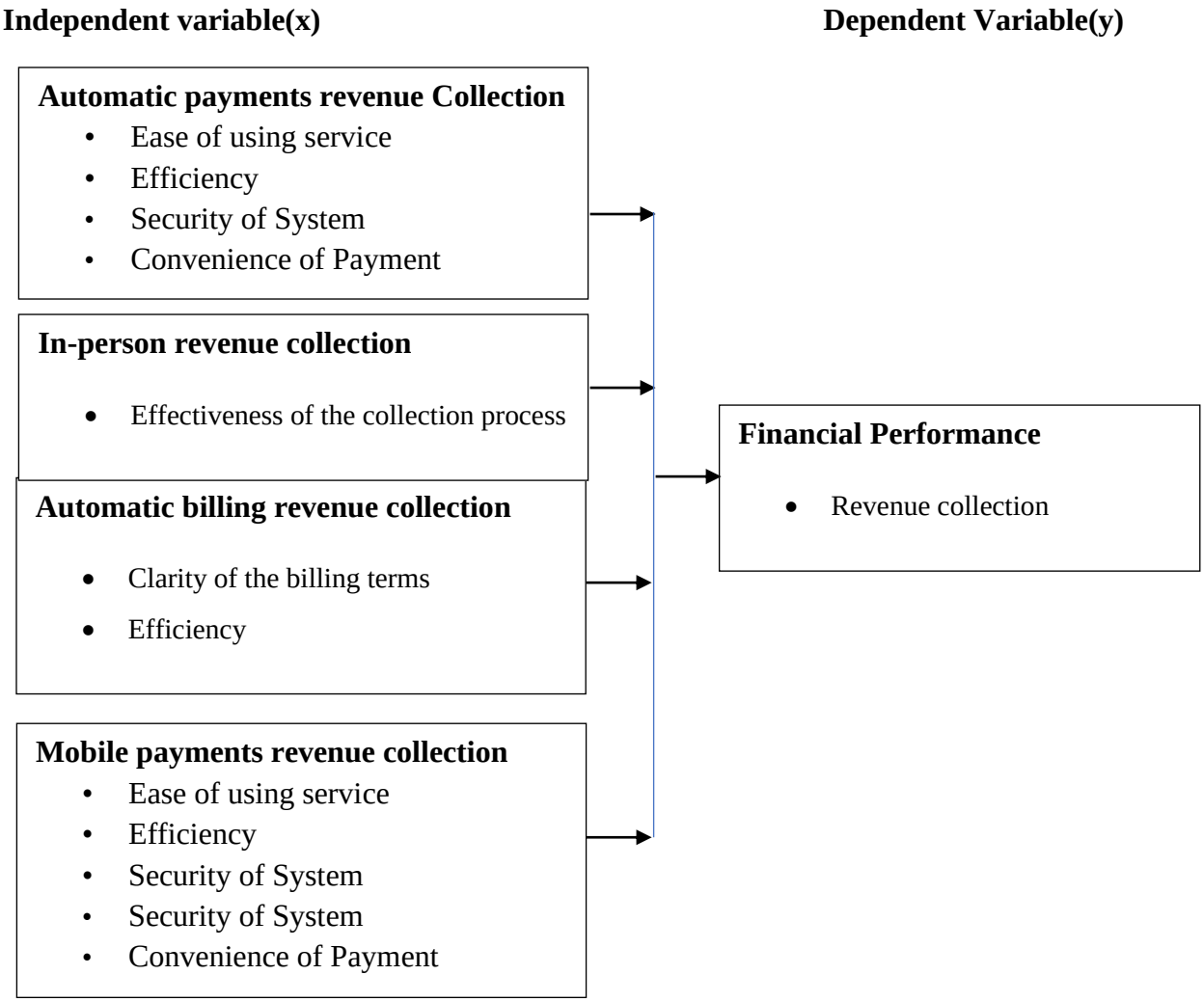

FIGURE 1

Conceptual Framework

2.6 Operationalization of Research Variables

TABLE 1

Operationalization of Research Variables

Variables	Indicators	Objective	Tool of analysis	Measurement scale
Financial performance	Revenue collection	Assess the influence of the four variables in revenue collection practices on financial performance	Regression Analysis Descriptive Statistics	Ordinal using 5 point Likert scale questionnaire
Automatic Payments Revenue Collection	• Ease of using service • Security of System • Convenience of Payment	To establish the effect of automatic payments revenue collection on county government financial performance in Kenya	Regression Analysis Descriptive Statistics	Ordinal using 5 point Likert scale questionnaire
In-person Revenue Collection	• effectiveness of the collection process	To determine the effect of the in-person revenue collection on county government financial performance in Kenya)	Regression Analysis Descriptive Statistics	Ordinal using 5 point Likert scale questionnaire
Automatic Billing Revenue Collection	• Clarity of the billing terms • Efficiency	To determine the effect of the automatic billing revenue collection on county government financial performance in Kenya	Regression Analysis Descriptive Statistics	Ordinal using 5 point Likert scale questionnaire
Mobile payment Revenue Collection	• Ease of using service • Efficiency • Security of System • Security of System • Convenience of Payment	To ascertain the effect of mobile revenue collection on County government financial performance in Kenya	Regression Analysis Descriptive Statistics	Ordinal using 5 point Likert scale questionnaire

Source: Researcher's own conceptualization 2023

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes the research strategy and techniques that was applied on the study. Together with the research design, it includes the population, sampling, data collection, and data analysis.

3.2 Research Design

In this study, a descriptive research approach, quantitative analytical method on primary data was employed. As outlined by Bloomfield and Fisher (2019), the descriptive research design is suitable for collecting information about individuals' attitudes, perspectives, and daily behaviors. Hence, the choice of a descriptive research design will fit for the present investigation.

The research primarily focused on primary data related to the automatic payments' revenue collection, in person revenue collection, automatic billing and mobile money payment revenue collection. The main objective is to collect and analyze this data in order to derive findings on the effect of revenue collection practices on the finance performance of county government in Kenya.

3.2 Target Population

A brief summary, the target group made up of components, things, people, or things with similar characteristics (Mugenda, 2003). The study considered a target population of 141 staff from the Department of Finance and Economic Planning of 47 Counties in Kenya but 5 counties were used for pilot testing.

TABLE 2

Distribution of the Target Population

Staff Category	Frequency
Executive committee member, Finance	20
County Chief Officer, Finance	23
Head of departments	31
Finance and Accounts officers	26
Revenue Collection Officers	41
Total	**141**

Source: Field Data (2023)

3.3 Sampling and Sampling Procedure

Kendra (2018) explains, a sample refers to a portion of a larger population chosen to stand for the entire group, particularly when surveying every member of an extensive population is not feasible. Given that the target population is small, easily reachable, and manageable, the research chose to employ a census approach, a non-probability method, where every individual in the target population took part in the study as respondents (Mugenda & Mugenda, 2003).

3.4 Research Instruments

The study collected primary data by using a structured questionnaire specifically designed to directly gather information from the participants. The survey utilized drop-in questionnaires, which created in a straightforward semi-structured format to ensure they are easy to understand without much guidance. This questionnaire was developed and distributed to the respondents on a pre-established date. To collect data, a 5-point Likert scale questionnaire was employed, with a range from 1 to 5. This questionnaire consisted of five sections: Sections A, B, C, D, E, and F. Section A focuses on gathering background information and general details about the respondents. Sections B, C, D, and E was dedicated to obtaining data

related to the four independent variables: automatic payment revenue collection, in-person revenue collection, automatic billing revenue collection, and mobile payments collection, respectively. Finally, Section F was designed to collect data related to the dependent variable, which pertains to the financial performance of the County Government in Kenya.

3.5 Data Collection Procedure

In this study, the researcher intended to use self-administered questionnaires along with a drop-and-pick approach. Prior to distributing the questionnaires to participants, the researcher plans to secure supervisor approval regarding the questionnaire's format, structure, and research inquiries. The questions were only presented to respondents following the acquisition of consent. The researcher opted for a self-administration method, allowing participants to voluntarily complete the questionnaires, which will uphold confidentiality and the sharing of necessary details. A span of one week was designated for participants to complete the surveys. During this period, the researcher thoroughly examined the completed surveys to ensure they are satisfactorily filled out and free from any biased information.

3.6 Reliability of Research Instruments / Data Quality Checks

Assessments of reliability and validity aim to gauge the extent to which research instruments yield consistent outcomes (Mugenda and Mugenda, 2003; Cooper and Schindler, 2008). Prior to administering the research tool to respondents, tests of both validity and reliability were performed. Pilot testing was done on 15 respondents from five counties: Marsabit in the north, Kwale in the south, Kiambu in the central region, Meru in the east, and Kisumu in the west. The study tool will undergo appropriate editing and review during this phase. Following the successful completion of validity tests, reliability tests was conducted. Continuous reviews and corrections of the research tool was carried out to ensure the development of a highly dependable and valid instrument for data collection. These refinements were implemented

post-pilot testing. The researcher used Cronbach alpha which measures reliability of psychometric test.

3.7 Validity Test

According to Kothari (2012), validity pertains to the extent to which data analysis results genuinely reflect the phenomenon under investigation. In this study, we will assess the tool's accuracy and meaningfulness through a content validity test, specifically examining how well the data collected with this tool aligns with the specific domain of indicators and content related to revenue collection and financial performance. To conduct this assessment, two individuals with expertise in finance and the research supervisor was engaged.

The research supervisor's role involved evaluating the tools to ascertain the concepts they aim to measure. Meanwhile, the finance expert will determine whether the sets of items effectively capture the financial performance on revenue collection. Both experts were invited to provide feedback on the relevance and appropriateness of the questions and offer suggestions regarding the structure of the tools. These collaborative efforts will contribute to enhancing the content validity of the collected data**.**

3.8 Diagnostic Testing

Multiple diagnostic assessments were conducted to verify the validity and representativeness of both the data and subject diagnostics in relation to the primary study findings' analysis and results**.** Diagnostic assessments were conducted to evaluate the normality, multicollinearity, and heteroscedasticity of the variables.

3.8.1 Normality Test

The primary assumption for the regression analysis is that the data should adhere to a normal distribution. This conformity to normality can be evaluated by examining skewness, which measures how closely a distribution resembles a symmetrical normal one. A skewness value of zero signifies perfect symmetry, while a substantial skewness indicates more of small

values (negative skew) or large values (positive skew). In this study, we employed the Shapiro-Wilk test to evaluate the normality of the residuals.

3.8.2 Multi-collinearity Test

To assess potential multi-collinearity, we utilized variance inflation factors (VIFs) and correlation coefficients. Multi-collinearity occurs when independent variables exhibit a high degree of association (Kothari, 2004). Skewed regression coefficients pose a problem as they indicate instability, complexity, and potential invalidity (Cooper & Schindler, 2006). VIF quantifies the extent of inflation in standard errors due to multi-collinearity. A VIF of 1 suggests that the predictor is unrelated to the other predictor variables, and variances remain unaffected. Typically, VIFs exceeding 10 signal severe multi-collinearity that necessitates correction.

3.8.3 Heteroscedasticity Test

Heteroscedasticity, as described by Gujarati (2003), refers to the absence of constant error variance. This issue can result in biased or erroneous test outcomes and confidence intervals for standard errors, as noted by Wooldridge (2002). To address this, the study employed the White test, which accommodates both non-linear and non-normally distributed error terms. The White test is a chi-square test denoted as R^2, where 'n' represents the sample size and 'R2' signifies the unadjusted coefficient of determination (capturing the relationship between lagged error terms and predictor variables) in an auxiliary regression with 'm' independent variables and 'df' degrees of freedom. It's important to note that heteroscedasticity may not pose a significant problem unless it is substantial, as it typically does not lead to biased criteria (Gujarati, 2003). The study used the Levene test for heteroscedasticity to assess homoscedasticity.

3.8.4 Autocorrelation Test

Autocorrelation, as explained by Gujarati (2003), pertains to the extent of correlation among values of the same variables across various observations within the dataset. In the context of the linear regression model, one fundamental assumption is that the random error components or disturbances are identically and independently distributed. Autocorrelation can also manifest in cross-sectional data when observations exhibit interrelationships by means other than mere chance. For example, in a survey, individuals residing in close geographic proximity may be more likely to provide similar responses than those who are geographically distant, as noted by Wooldridge (2002). To evaluate the presence of autocorrelation, we employed the Durbin-Watson statistic.

3.9 Data Processing and Analysis

The research employed a quantitative analytical method that encompasses inferential descriptive statistics, aided by the utilization of the Statistical Package for the Social Sciences (SPSS) version 25, to analyze the quantitative data (Resnik (2003). The research utilized multiple regression and Pearson's product-moment correlation analysis to determine if independent variables predict a specific dependent variable, specifically whether revenue collection practices predicted financial performance. The regression version that was utilized in the research is;

$$Y = \beta 0 + \beta 1X1 + \beta 2X2 + \beta 3X3 + \beta 4X4 + \varepsilon$$

Whereby

Y=Revenue collection (Financial performance).

β0=Constant coefficient.

X1= Automatic payments revenue Collection

X2= In-person revenue collection

X3=Automatic billing revenue collection

X4= Mobile money payments revenue collection

ε= error term

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND FINDINGS

4.1 Introduction

The study seeks to evaluate the effect of revenue collection practices on financial performance of Kenyan county governments. This research was guided by the input received from the questionnaire and information provided by numerous respondents. Moreover, it involves a thorough examination of our study's findings and discussions. To gain a deeper insight into the significance of revenue collection practices on the financial performance of county governments, this section presents the data analysis, results, and findings.

4.2 Response Rate

The study aimed to survey 141 individuals representing various roles within the finance departments of 47 Kenyan counties. The targeted population included executive committee members in finance, county chief officers in finance, heads of finance departments, as well as finance and accounts officers, and revenue collection officers.

Data from a total of 119 respondents were successfully collected for the study. This achievement resulted in an 84.4% response rate, which was considered sufficient for the research. This response rate aligns with the recommendations of Mugenda and Mugenda (2008), who suggest that response rates exceeding 50% are acceptable for analysis and publication, with 60% being considered good, and 70% or higher being excellent. Table 3 shows the response rate results

TABLE 3 Response Rate

Response	Frequency	Percent
Returned questionnaires	119	84.4
Unreturned questionnaires	22	15.6
Total	**141**	**100.0**

Source: Study Data (2023)

Table 4.1 indicates that the response rate for the study stood at 84.4%, which was considered satisfactory for conducting the analysis.

4.3 Demographic Information

The questionnaire's structure and layout successfully collected a wide range of information regarding general details and fundamental demographic aspects relevant to the Department of Finance and Economic Planning in County Governments. This section covers basic demographic details including the respondent's job title, gender, educational background, county name, and age bracket. The summarized outcomes are presented below:

4.3.1 Respondents Gender

In this section, participants were requested to specify their gender. Figure 2 illustrates the distribution of respondents' gender.

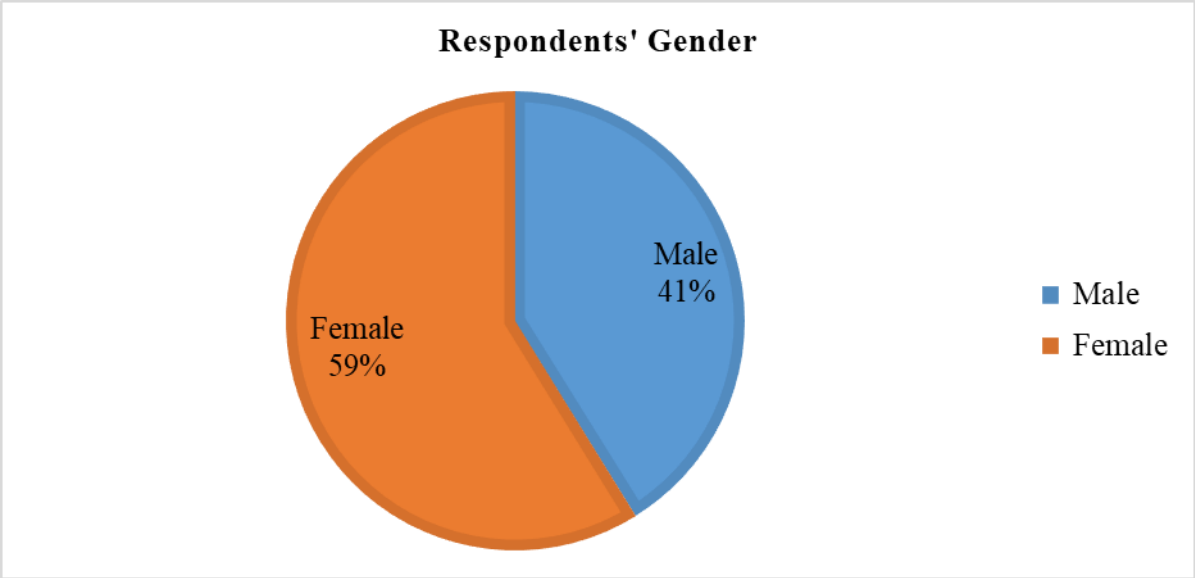

FIGURE 2

Respondents Gender

The findings depicted in Figure 2 indicate that 41% of the respondents were male, whereas 59% were female. These results highlight that the majority of the respondents were female, suggesting that a significant portion of executive committee members in finance, county chief officers in finance, heads of finance departments, as well as finance and accounts officers, and revenue collection officers were female. However, it's worth noting that the male respondents exceeded the recommended representation rate of 30%.

4.3.2 Education Levels

Education is many times acquitted with professionalism and productivity. This is not always the case. This was crucial as we wanted to see how well educated those running revenue collection in the department of Finance and Economic Planning in County Governments were. The respondents were thus required to indicate their highest education levels. Figure 3 shows the results.

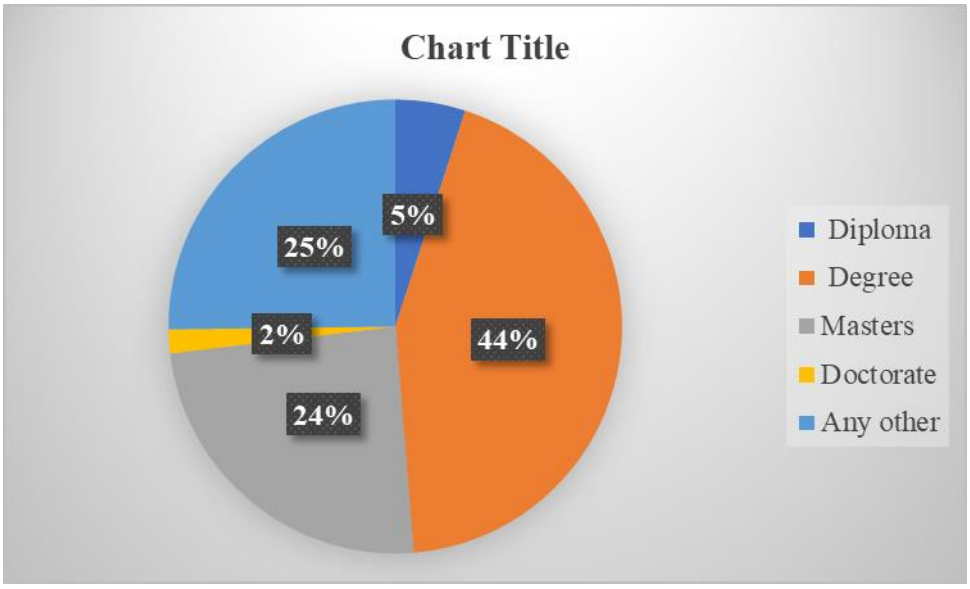

FIGURE 3

Education Levels

Figure 3 shows that 44% of the respondents had a bachelor's degree as their highest education level whereas 5% had were diploma holders respectively. Further, 25% of the respondents had other qualification levels while 24% had a reached the masters levels with 2% having a doctorate degree respectively. From the results, majority of the respondent had good education levels for the position they hold thus they were able to comprehended the study questions.

4.3.3 Position held in the County /Job Title

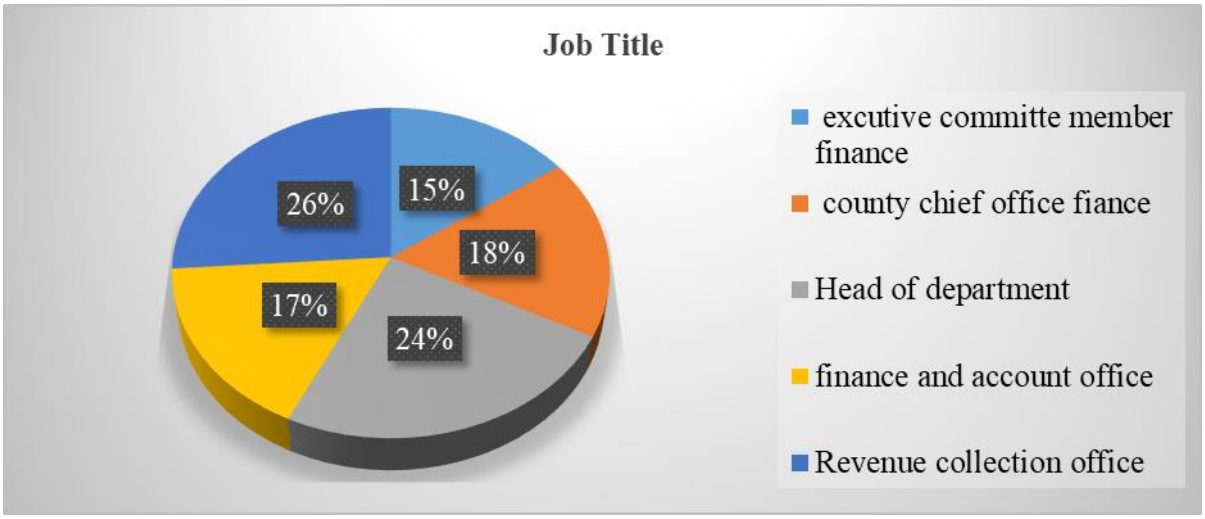

FIGURE 4

Position held in the County

A majority of 26% of the respondents were revenue collection officer while 24% were head of department and only 15% of the respondents were executive committee member finance. This showed that there was even distribution in terms of individual job descriptions, since the core value for the department is revenue collection, revenue collection officers were expected to dominate. It also showed that the number of staff in supervisory positions was adequately distributed.

4.3.4 Age Bracket

This section sought to determine the respondents' age brackets. The number of employees is an important indicator of an entity's size. Figure 5 shows the study results.

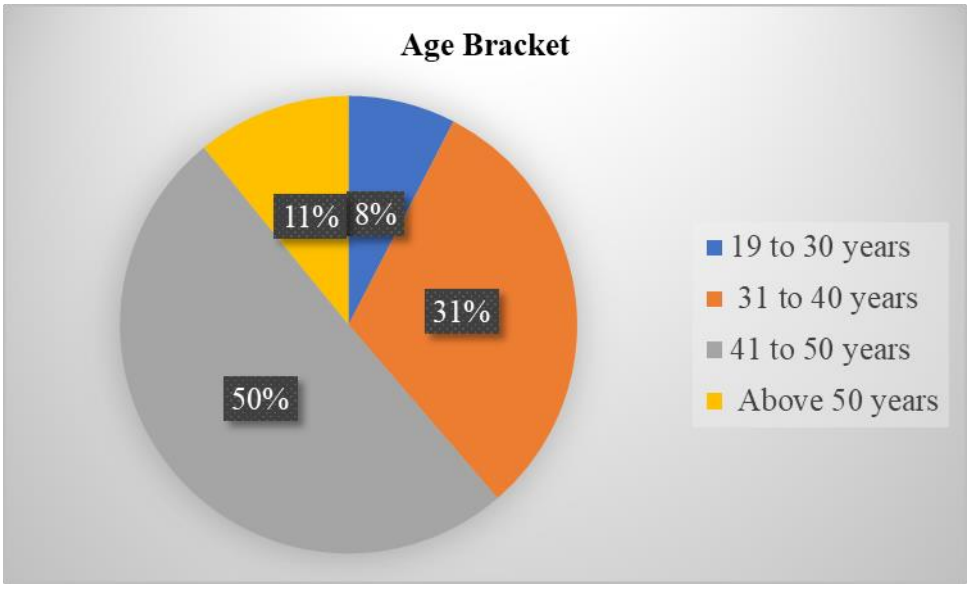

FIGURE 5

Age Bracket

The findings in Figure 5 indicated age distribution of county government employees indicates a diverse workforce with representation across various age groups. Specifically, employees aged 31-40 years make up the largest proportion at 31%, those aged 41-50 years account for a significant portion at 50%, employees above 50 years constitute 11% of the workforce and the youngest age bracket, 19-30 years, comprises 8% of the total. The majority of employees (50%) falling into the 41-50 years age group suggests that the county government has a significant number of experienced and mid-career professionals. This can be beneficial for continuity and institutional memory. The relatively high percentage (31%) of employees in the 31-40 years age bracket indicates a substantial presence of mid-level professionals who can contribute fresh perspectives and energy to the workforce. While there is a significant representation of experienced employees, it's also important to consider succession planning. As employees in the 41-50 years bracket retire in the coming years, there should be strategies in place to ensure a smooth transition and the development of the next generation of leaders. The presence of employees aged 19-30 years at 8% reflects an attempt to include younger individuals in the county government workforce. This can bring in fresh ideas, technological

expertise, and enthusiasm for innovation. The 11% of employees above 50 years indicate that there's still a need for planning and support for employees nearing retirement.

The age distribution of employees at county governments in Kenya suggests a diverse workforce with a mix of experienced professionals and younger talent. Each generation may bring its unique strengths, preferences, and expectations to the workplace. Effective management should consider these differences to create a harmonious and productive work environment.

4.4 Descriptive Analysis

The research conducted a comprehensive analysis of data by presenting information in tables and accompanying narratives. The data analysis was structured around the study's objectives, employing descriptive statistics to depict the study variables, both independent (IVs) and dependent (DV) variables. The data had been gathered through a questionnaire utilizing a 5-point Likert Scale (1-5), with values ranging from strongly Disagree = 1 to strongly Agree = 5. For each indicator of the IVs or the DV, the study calculated the Mean (M) and Standard Deviation (SD). Consequently, an overall Mean (M) and Standard Deviation (SD) for both the DV and IV were computed using the (M) and (SD) of their respective indicators. To accommodate fractional values, the Means were adjusted based on specific statistical criteria.

Statistics Range	**Interpretation**
1 to 1.8	Strongly Disagree
Above 1.8 to 2.6	Disagree
Above 2.6 to 3.4	Neutral
Above 3.4 to 4.2	Agree
Above 4.2 to 5.0	Strongly agree

These results were then succinctly presented in Tables 4, 5, 6, 7 and 8, providing an overview of the various descriptive statistics obtained.

4.4.1 Revenue Collection Practices

This section presents data on revenue collection practices that influence county government financial performance in Kenya.

4.4.1.1 Automatic Revenue Payments

The first objective of the study was to establish effect of automatic payments revenue collection on county government financial performance in Kenya. The study used a five-point Likert scale where, 1 = Strongly Disagree; 2=Disagree; 3= Neutral; 4= Agree and 5= Strongly Agree. The findings of this item were shown in Table 4

TABLE 4

Effect of Automatic Revenue Payments on County

Statements	N	Mean	Std. Dev
Automatic revenue payment is convenient for the users as well as the County Government	119	2.50 L	1.248
Enhances citizen satisfaction with the county government's revenue collection process.	119	2.65	1.312
The automatic payment system has improved revenue collection.	119	2.92	1.433
Automatic revenue payment enhances transparency in the billing and payment process.	119	3.18	1.117
Automatic revenue payment leads to more timely payments and increase compliance	119	3.38	1.127
The County's mobile payment system is safe and secure for users	119	3.43	1.176
Automatic revenue payment enhances the accuracy of revenue reporting and financial records.	119	3.53	1.254
Automatic revenue payment leads to reduction in revenue leakage and fraud within the county government	119	4.05	1.111
The automatic payment system is efficient and fast on revenue collection	119	4.42 H	1.085
Valid N (listwise)	**119**	**----**	**-----**

Source: Research Data (2023)

The outcomes displayed in Table 4 uncovered that on average, participants found that automatic revenue payment is considered somewhat convenient, with a mean score of 2.50 and a moderate standard deviation of 1.248. It was also perceived to enhance citizen satisfaction with the county government's revenue collection process (mean = 2.65, standard deviation = 1.312). Moreover, respondents believed that the automatic payment system has

improved revenue collection (mean = 2.92, standard deviation = 1.433) and enhances transparency in billing and payment processes (mean = 3.18, standard deviation = 1.117).

Furthermore, participants indicated that automatic revenue payment leads to more timely payments and increased compliance (mean = 3.38, standard deviation = 1.127) and that the County's mobile payment system is perceived as safe and secure for users (mean = 3.43, standard deviation = 1.176). Additionally, automatic revenue payment was associated with improved accuracy in revenue reporting and financial records (mean = 3.53, standard deviation = 1.254), a reduction in revenue leakage and fraud within the county government (mean = 4.05, standard deviation = 1.111), and efficiency and speed in revenue collection (mean = 4.42, standard deviation = 1.085). These findings suggest that automatic revenue payment systems have the potential to positively impact County financial performance in various ways, including improved efficiency, transparency, and reduced revenue leakage.

4.4.1.2 In-Personal Revenue collection and County

The second objective of the study was to explore extent to which in-personal revenue collection influence county financial performance. The results of this outcome were displayed in Table 5. The researcher used a Likert scale where, 1 = Strongly Disagree; 2=Disagree; 3= Neutral; 4= Agree and 5= Strongly Agree.

TABLE 5

Effect of In-Personal Revenue collection on County financial Performance

Statements	N	Mean	Std. Dev
In-Personal collection maintains a personal connection with citizens.	119	3.92H	1.083
In-person collection leads to delays in payments and lower compliance rates	119	3.75	1.151
Easily accessible to all taxpayers within the county due to in-person collection	119	3.58	1.175
In-person collection improves transparency and accountability on performance.	119	3.46	1.185
In-person collection improves revenue collection rates for the county government.	119	3.45	1.087
In-person collection results in more immediate issue resolution and clarification of citizen queries.	119	3.34	1.100
Long wait times at collection centers, leading to frustration and dissatisfaction due to in-person collection.	119	3.34	1.329
There are cash handling risks as results of in-person collection	119	3.10	1.291
In person-collection has high cost of maintenance	119	2.61 L	1.290
Valid N (listwise)	119		

Source: Research Data (2023)

The study findings exhibited in Table 5 uncovered that the respondents indicated that they believe that in-person collection methods are highly effective in maintaining a personal connection with citizens, as indicated by the high mean score of 3.92. The relatively low standard deviation of 1.083 suggests that there is a consistent perception among respondents that in-person collection methods excel in this aspect. The study showed that respondents, on average, believe that in-person collection methods can lead to delays in payments and lower compliance rates, with a mean score of 3.75. The statement attained a standard deviation of 1.151 suggesting that while there is a general consensus on this issue, there is still some variation in opinions among respondents. Further, the study scored a mean of 3.58 indicating that respondents generally perceive in-person collection as being easily accessible to all

taxpayers within the county. However, the standard deviation of 1.175 indicated that opinions on accessibility vary to some extent.

On average, respondents believe that in-person collection methods have a positive impact on transparency and accountability in performance according to a mean score of 3.46. the statement had a standard deviation of 1.185 showing some variability in opinions on this matter. On the other hand, the respondents, on average, believe that in-person collection methods positively affect revenue collection rates for the county government, according to a mean score of 3.45. The standard deviation for the statement was 1.087 implying relatively consistent opinions on this aspect. The study attained a mean score of 3.34 suggesting that respondents generally perceive in-person collection as resulting in more immediate issue resolution and clarification of citizen queries. The standard deviation (1.100) indicates some variation in opinions. The respondents believe that long wait times at collection centers can lead to frustration and dissatisfaction with in-person collection methods, as indicated by the mean score of 3.34. The statement had a high standard deviation of 1.329 implying significant variability in opinions on this issue. On average, respondents perceive that there are cash handling risks associated with in-person collection, as indicated by the mean score of 3.10. The statement had a standard deviation of 1.291 suggesting some variability in opinions, with some respondents expressing higher levels of concern about these risks. Respondents, on average, believe that in-person collection methods have a high cost of maintenance, as indicated by the mean score of 2.61. The standard deviation of 1.290 indicates variability in opinions, with some respondents perceiving the cost as higher than others.

The data suggests that in-person collection methods are seen as effective in maintaining a personal connection with citizens and improving transparency and revenue collection rates. However, there are concerns about delays in payments, lower compliance rates, accessibility issues, long wait times, cash handling risks, and the high cost of

maintenance associated with in-person collection. The variability in opinions, especially regarding wait times and cash handling risks, highlights the need for careful consideration of the advantages and disadvantages of in-person collection in County revenue collection efforts.

4.4.1.3 Automatic Billing Revenue Collection on County

The third objective explored the effect of automatic billing revenue collection on county financial performance. The researcher used a Likert scale where, 1 = Strongly Disagree; 2=Disagree; 3= Neutral; 4= Agree and 5= Strongly Agree. The results were as follows.

TABLE 6

Effect of Automatic Billing Revenue Collection on County Financial Performance

Statements	N	Mean	Std. Dev
The utilization of automatic billing collection has made it easier to collect revenue	119	3.93	.981
Automatic billing revenue collection improve customer satisfaction and loyalty	119	3.75	1.151
The electronic billing system improves VAT compliance	119	3.74	1.035
Automatic billing collection improve transparency and reduce fraud	119	3.73	1.110
Automatic billing revenue collection improves customer satisfaction	119	3.61	1.121
Automatic billing revenue collection leads to cost savings in the long run.	119	3.58	1.175
The automatic billing collection is efficient and fast	119	3.41	1.182
Automatic billing has led to an increase in overall revenue collected by the county.	119	3.34	1.329
Increased accuracy in revenue collection due to automatic billing collection practice	119	3.10	1.291
Valid N (listwise)	**119**	**….**	**….**

Source: Research Data (2023)

The results in Table 6 revealed that the respondents strongly agreed (mean score of 3.93) that the use of billing collection has significantly eased the process of revenue collection. The low standard deviation of 0.981 indicates a high level of consensus among respondents, suggesting that this perception is consistent across the sample. Respondents generally agreed (mean score of 3.75) that automatic billing revenue collection has a positive

impact on customer satisfaction and loyalty. However, the relatively high standard deviation of 1.151 suggests that there is some variability in opinions, with some respondents expressing stronger beliefs in its effect on customer satisfaction and loyalty. On average, respondents believe that the electronic billing system positively affects VAT compliance (mean score of 3.74). The relatively low standard deviation of 1.035 suggests that there is a relatively consistent perception among respondents regarding its impact on compliance.

Respondents generally agreed (mean score of 3.73) that automatic billing collection improves transparency and reduces fraud. However, the standard deviation of 1.110 indicates some variability in opinions, with some respondents expressing stronger beliefs in its impact on transparency and fraud reduction. Further, respondents, on average, believe that automatic billing revenue collection positively affects customer satisfaction (mean score of 3.61). The standard deviation of 1.121 suggests some variability in opinions on this aspect. Respondents generally agreed (mean score of 3.58) that automatic billing revenue collection results in long-term cost savings. However, the standard deviation of 1.175 indicates some variability in opinions, with some respondents expressing stronger beliefs in its long-term cost-saving benefits. On average, respondents perceive automatic billing collection as efficient and fast (mean score of 3.41). The standard deviation of 1.182 suggests variability in opinions on this efficiency. The mean score of 3.34 suggests that respondents, on average, believe that automatic billing has led to an increase in overall revenue collected by the county. However, the high standard deviation of 1.329 indicates significant variability in opinions on this impact. On average, respondents perceive that automatic billing collection practices have resulted in increased accuracy in revenue collection (mean score of 3.10). The standard deviation of 1.291 suggests variability in opinions on this aspect, with some expressing stronger beliefs in its impact on accuracy.

The data indicates that respondents generally have a positive perception of automatic billing practices, believing they make revenue collection easier, improve customer satisfaction, enhance transparency, reduce fraud, and lead to long-term cost savings. However, there is variability in opinions, particularly regarding the impact on increasing overall revenue collection and accuracy.

4.4.1.4 Revenue Collection through Mobile Money Payment and County

The study's fourth objective of the study was to determine revenue collection through mobile money payment on county financial performance. The study used a Likert scale where, 1 = Strongly Disagree; 2=Disagree; 3= Neutral; 4= Agree and 5= Strongly Agree. Table 7 shows the findings of this item.

TABLE 7

Revenue Collection through Mobile Money Payment on County Financial Performance

Statements	N	Mean	Std. Dev
Mobile money payments have improved the accuracy of revenue collection records	119	3.75	1.228
The utilization of mobile money service has made it easier to collect revenue	119	3.74	1.151
Improves the efficiency and effectiveness on revenue collection.	119	3.81	1.238
Mobile money payment practices have increased payments compliance	119	3.58	1.175
mobile collection has improved revenue collection.	119	3.57	1.176
It is widely promoted and encouraged by the county government	119	3.41	1.182
Mobile money payments have increased revenue collection in the county.	119	3.42	1.180
It provides a convenient and accessible way for citizens to make payments.	119	3.41	1.182
Mobile payment system is safe and secure for users	119	3.3361	1.32944
Valid N (listwise)	**119**	**…**	**….**

Source: Research Data (2023)

With reference to Table 7, on average, respondents scored statement that mobile money payments have improved the accuracy of revenue collection records at 3.75, indicating that they generally agreed that mobile money payments have improved the accuracy of revenue collection records. The relatively low standard deviation suggests that responses tend to be clustered around this mean, indicating a moderate level of agreement among respondents. The mean score of 3.74 suggests that respondents, on average, believe that the utilization of mobile money services has made it easier to collect revenue. The standard deviation indicates a moderate level of agreement among respondents, similar to the first statement. Respondents, on average, strongly agreed (mean = 3.81) that mobile money payment practices improve the efficiency and effectiveness of revenue collection. The standard deviation indicates some variability in responses, but overall, there is a relatively high level of agreement.

The mean score of 3.58 suggests that respondents, on average, agreed that mobile money payment practices have increased payment compliance. The standard deviation indicates some variability in responses, but the agreement is moderate. Respondents, on average, agree that mobile collection has improved revenue collection, with a mean score of 3.57. The standard deviation suggests moderate agreement among respondents. The mean score of 3.41 indicates that respondents, on average, believe that the county government promotes and encourages mobile money payment practices. The standard deviation suggests moderate agreement. On average, respondents agreed that mobile money payments have increased revenue collection in the counties (mean = 3.42). The standard deviation suggests moderate agreement.

The mean score of 3.41 suggests that respondents, on average, believe that mobile money payment practices provide a convenient and accessible way for citizens to make payments. The standard deviation indicates moderate agreement. On average, respondents slightly agreed (mean = 3.3361) that the mobile payment system is safe and secure for users.

The higher standard deviation suggests more variability in responses, indicating a somewhat mixed perception of safety and security.

4.5 County Financial Performance

The dependent variable was county financial performance. The researcher used a Likert scale where, 1 = Strongly Disagree; 2=Disagree; 3= Neutral; 4= Agree and 5= Strongly Agree. The findings were as shown in Table 8.

TABLE 8

County Financial Performance

Statements	N	Mean	Std. Dev
There is a decrease in revenue collection	119	4.38	1.066
There is transparency and Accountability in revenue collection	119	4.34	1.044
The revenue collection process is effective	119	3.97	1.186
The impact of revenue allocation on the county's development is visible and measurable	119	3.75	1.151
The revenue collection process is efficient	119	3.75	1.035
There is an increase in revenue collection	119	3.63	1.134
There are measures in place to prevent revenue leakage and fraud in the revenue collection	119	3.58	1.175
There is financial Health and Stability of revenue collection	119	3.34	1.329
The county consistently meets its revenue collection targets.	119	3.10	1.291
Valid N (listwise)	**119**	**…**	**….**

Source: Research Data (2023)

The study showed that the respondents strongly agreed (mean score of 4.38) that there has been a decrease in revenue collection. The low standard deviation of 1.066 indicates a high level of consensus among respondents, suggesting that they perceive a significant decline in revenue collection. Respondents strongly agreed (mean score of 4.34) that there is transparency and accountability in revenue collection. The low standard deviation of 1.044 suggests a high level of consensus, indicating that respondents generally believe that transparency and accountability exist in the process. On average, respondents believe that the

revenue collection process is effective (mean score of 3.97). However, the relatively high standard deviation of 1.186 indicates variability in opinions, with some respondents expressing stronger beliefs in its effectiveness than others.

The results revealed that the respondents, on average, believe that the impact of revenue allocation on the county's development is visible and measurable (mean score of 3.75). The standard deviation of 1.151 suggests variability in opinions on this impact. On average, respondents perceive the revenue collection process as efficient (mean score of 3.75). The relatively low standard deviation of 1.035 suggests a relatively consistent perception among respondents regarding its efficiency. Respondents, on average, agree that there is an increase in revenue collection (mean score of 3.63). However, the standard deviation of 1.134 indicates variability in opinions on this matter. On average, respondents believe that there are measures in place to prevent revenue leakage and fraud (mean score of 3.58). The standard deviation of 1.175 suggests variability in opinions on the effectiveness of these measures. Respondents, on average, perceive that there is financial health and stability in revenue collection (mean score of 3.34). However, the high standard deviation of 1.329 indicates significant variability in opinions on this aspect. From the findings, on average, respondents believe that the county does not consistently meet its revenue collection targets (mean score of 3.10). The standard deviation of 1.291 suggests variability in opinions, with some expressing stronger beliefs in the county's ability to meet targets than others.

The data suggests that respondents strongly believe in the presence of transparency and accountability in revenue collection, but they also strongly perceive a decrease in revenue collection. Opinions are more mixed regarding the effectiveness, efficiency, and impact of revenue collection on development. There is also variability in opinions on measures to prevent revenue leakage and fraud, financial health and stability, and the county's ability to consistently meet revenue collection targets.

4.6 Diagnostic Tests

Prior to conducting regression analysis, diagnostic assessments were performed to confirm that the data did not violate crucial assumptions inherent to regression analysis. The details of these tests and their outcomes are elaborated upon in the subsequent sections.

4.6.1 Normality Tests

Normality tests are used to examine if a given set of data is well modelled by a normal distribution and to compute how likely it is for a random variable underlying the data set to be normally distributed. Non-normally distributed variables may distort relationships and significance test thus making unreliable inferences. Though there are several tests for normality such as Shapiro-Wilk and Kolmogorov-Smirnov, this study adopted Shapiro-Wilk as is more appropriate for small sample sizes. The findings of the test are presented in Table 9.

TABLE 9

Normality Test

	Shapiro-Wilk		
Variable	**Statistic**	**df**	**Sig**
Automatic payments revenue collection	.976	119	.916
In-person revenue collection	.928	119	.199
Automatic billing revenue collection	.946	119	.390
Mobile money payments revenue collection	.945	119	.389
Financial Performance	.969	119	.792

If p-value is greater than chosen alpha level, then the hypothesis that the data came from a normally distributed population cannot be rejected. The results in Table 9 show that all the p-values for Shapiro-Wilk (0.916, 0.199, 0,390, 0.389, 0.772) were greater than the alpha level of (0.05). Thus, the data was normally distributed with a mean of zero.

4.6.2 Multicollinearity

Multicollinearity testing is a statistical phenomenon that arises when two or more predictor variables in a multiple regression analysis exhibit strong correlations, implyingthat one can be accurately predicted from the others in a linear fashion. As multicollinearity becomes more pronounced, it leads to larger standard errors. To assess linearity, the Variance Inflation Factor (VIF) is employed, and a VIF value exceeding 10 suggests harmful collinearity. The results are detailed in Table 10.

TABLE 10

Multicollinearity Tests

	Collinearity Statistics	
Variable	**Tolerance**	**VIF**
Automatic payments revenue collection	.639	1.565
In-person revenue collection	.537	1.862
Automatic billing revenue collection	.549	1.822
Mobile money payments revenue collection	.328	3.045

The collinearity statistics in Table 10 indicates that all the VIF values are less than 10 hence an indication that there was no multicollinearity among the study variables. This indicates that the assumption of multicollinearity has not been violated in the study.

4.6.3 Autocorrelation Test

The degree of correlation between values of the same variable is referred to as autocorrelation. The presence of serial correlation violates one of the assumptions of regression. This study adopted Durbin-Watson (DW) test to test for autocorrelation. DW value of 1.5 – 2.5 indicates absence of autocorrelation. Table 11 represents the results.

TABLE 11

The Durbin-Watson Test

Model	D-W	Conclusion
Revenue collection practices and financial performance	1.510	No Autocorrelation

Results in Table 11 indicates that there was no autocorrelation as the computed D-W statistics lies between 1.5 and 2.5.

4.6.4 Test for Heteroscedasticity

The presence of heteroscedasticity can hinder the accurate assessment of forecast error standard deviation, often resulting in confidence intervals that are excessively narrow or excessively wide. In this study, we utilized the Breusch-Pagan test to evaluate heteroscedasticity. The null hypothesis for this test proposed that error variances were equal and dependent on various factors. Homoscedasticity is typically observed when the p-value exceeds the significance level (0.05).

TABLE 12

Breusch-Pagan Test for Heteroscedasticity

Ho: Constant variance	
Variables: Fitted with values of Service Delivery Revenue collection practices and financial performance	24.732
Chi2 (1)	
Prob>chi2	0.000

From the findings in Table 12, the study concluded that there is a significant difference among the study variable variances. The study rejected the null hypothesis that error variance of the independent variables is equal across groups since the p values was less than 0.05. This means that data for the model is heteroskedastic.

4.7 Inferential Analysis

4.7.1 Correlational Analysis

The study conducted Pearson correlation analysis at significance level of alpha = 0.05 in order to establish the significance and nature of association between the variables of the study. Table 13 presents the results.

TABLE 13

Correlation Matrix of Variables Under Study

		County financial performance	Automatic revenue payment	In-person collection practice	Automatic billing revenue	Revenue collection mobile
County financial performance	Pearson Correlation	1				
	Sig. (2-tailed)					
Automatic revenue payment	Pearson Correlation	.660**	1			
	Sig. (2-tailed)	.000				
In-person collection	Pearson Correlation	.856**	.751**	1		
	Sig. (2-tailed)	.000	.000			
Automatic billing revenue collection	Pearson Correlation	.891**	.638**	.892**	1	
	Sig. (2-tailed)	.000	.000	.000		
Mobile revenue collection	Pearson Correlation	.897**	.623**	.889**	.934**	1
	Sig. (2-tailed)	.000	.000	.000	.000	

*. Correlation is significant at the 0.05 level (2-tailed).
**. Correlation is significant at the 0.01 level (2-tailed).

There is a strong positive correlation (r = 0.660) between County financial performance and Automatic revenue payment. This suggests that there is a significant and positive relationship between the use of automatic revenue payment methods and County financial performance. As County financial performance improves, there is a tendency for automatic revenue payment to also increase. There is a very strong positive correlation (r =

0.856) between County financial performance and In-person collection practice. This indicates a highly significant and positive relationship between in-person collection practices and County financial performance. Counties with better financial performance tend to rely more on in-person collection methods.

Further, there is a very strong positive correlation (r = 0.891) between County financial performance and Automatic billing revenue. This suggests that there is a highly significant and positive relationship between the use of automatic billing revenue methods and County financial performance. As County financial performance improves, the utilization of automatic billing revenue methods tends to increase. Finally, there is an extremely strong positive correlation (r = 0.897) between County financial performance and Revenue collection mobile. This indicates an exceptionally significant and positive relationship between the use of mobile revenue collection methods and County financial performance. Counties with better financial performance tend to have a higher utilization of mobile revenue collection methods. The findings support the claims stated by Macharia and Dominic (2019), who investigated whether IFMIS was effective in accounting and whether the system promoted accountability and transparency in Kenyan government departments. They found that IFMIS facilitated the budgetary process.

The correlation analysis reveals that County financial performance is strongly positively correlated with Automatic revenue payment, In-person collection practice, Automatic billing revenue, and Revenue collection mobile. This suggests that these revenue collection methods are associated with improved County financial performance. The relationships are statistically significant at the 0.01 level, indicating a high degree of confidence in these findings. Counties with better financial performance tend to employ these revenue collection methods more extensively.

4.7.2 Regression Analysis

The model summary offers insights into two key aspects: the coefficient of determination (R2), indicating the extent to which the variance in the dependent variable can be anticipated based on the independent variable, and the correlation coefficient (R), which signifies the strength of the relationship between the dependent and independent variables. The findings displayed in Table 4.12 illustrate how well the regression model describes the phenomena being studied. Additionally, the study carried out a multiple regression analysis to determine the impact of automatic payments revenue collection, in-person revenue collection, automatic billing revenue collection, and mobile money payments revenue collection on the financial performance of county governments in Kenya, as depicted in Table 14

TABLE 14

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.916[a]	.838	.832	.27641

a. Predictors: (Constant), Mobile revenue collection, Automatic revenue payment, In-person collection, automatic billing revenue collection

The multiple correlation coefficient (R) measures the strength and direction of the relationship between the combined independent variables (revenue collection mobile, automatic revenue payment, in-person collection practice, automatic billing revenue) and the dependent variable (County financial performance). In this case, R = 0.916 indicates a very strong positive relationship between the predictors and the dependent variable. The coefficient of determination (R^2) represents the proportion of variance in the dependent variable (County financial performance) that is explained by the independent variables in the model. Here, R^2 = 0.838 means that approximately 83.8% of the variance in County financial performance is explained by the combination of revenue collection mobile, Automatic revenue payment, in-person collection practice, and automatic billing revenue. This is a substantial amount of

variance explained, suggesting that the model is effective in capturing and explaining the variation in County financial performance.

The adjusted R^2 adjusts the R^2 value for the number of predictors in the model. It provides a more conservative estimate of the explained variance while penalizing the inclusion of unnecessary predictors. In this case, an adjusted R^2 of 0.832 indicates that even after accounting for the number of predictors, the model still explains a substantial amount of variance in County financial performance. The standard error of the estimate provides an estimate of the standard deviation of the errors (residuals) in the regression model. It measures the typical distance between the observed values and the predicted values. In this case, a standard error of 0.27641 suggests that, on average, the actual County financial performance values are expected to deviate from the predicted values by approximately 0.27641 units.

4.7.3 Analysis of Variance

The study sought to establish the overall significance. The results were presented in the table 15

TABLE 15

Analysis of Variance

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	45.108	4	11.277	147.596	.000[b]
	Residual	8.710	114	.076		
	Total	53.818	118			

a. Dependent Variable: county financial performance
b. Predictors: (Constant), Revenue collection mobile, Automatic revenue payment, In-person collection practice, automatic billing revenue

The regression sum of squares represents the variation in County financial performance that is explained by the predictors (Revenue collection mobile, Automatic revenue payment, In-person collection practice, automatic billing revenue). In this case, it is 45.108. The residual sum of squares represents the unexplained variation or the error in the model. It is the difference between the total variation and the explained variation. In this case, it is 8.710. The

total sum of squares is the total variation in County financial performance. It is the sum of the explained and unexplained variations. In this case, it is 53.818. The degrees of freedom for the regression component are 4, which corresponds to the number of predictors in the model. The degrees of freedom for the residual component are 114, which is the total number of observations minus the number of predictors.

The mean square for regression represents the average variation explained by the predictors. In this case, it is 11.277. The mean square for the residual represents the average unexplained variation or error in the model. In this case, it is 0.076. The F-statistic is a ratio of the mean square for regression to the mean square for the residual. It tests whether the predictors in the model collectively have a significant effect on the dependent variable (County financial performance). In this case, the F-statistic is 147.596, which is relatively high.

The significance level (p-value) associated with the F-statistic is 0.000. This is a very low p-value, indicating that the overall regression model is highly statistically significant. The ANOVA table provides strong evidence that the regression model, which includes predictors such as Revenue collection mobile, Automatic revenue payment, In-person collection practice, and automatic billing revenue, is highly statistically significant in explaining the variation in County financial performance. The low p-value (0.000) associated with the F-statistic suggests that the collective effect of these predictors on County financial performance is not due to random chance. Therefore, there is a strong indication that the model is meaningful and valuable for predicting County financial performance.

4.7.4 Regression Coefficients

The study coefficients of independent variables are presented in table 4.12. The coefficients indicate the direction and change of dependent variable because of change in the independent variables.

TABLE 16

Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	**Std. Error**	**Beta**	**t**	**Sig.**
1	(Constant)	.851	.141		6.047	.000
	Automatic revenue payment	.107	.056	.110	1.901	.060
	In-person collection	.075	.100	.078	.754	.452
	Automatic billing revenue collection	.295	.102	.331	2.899	.004
	Mobile money collection	.353	.089	.450	3.967	.000

a. Dependent Variable: county financial performance

As per the SPSS generated table 16, the equation

$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon$ becomes:

$Y = 0.851 + 0.107X_1 + 0.075X_2 + 0.295X_3 + 0.353X_4$

The constant represents the intercept of the regression equation. In this case, when all independent variables are zero, the expected county financial performance is 0.851. The low p-value indicates that this constant is statistically significant, meaning that it's not likely to be zero. The coefficient for Automatic revenue payment is 0.107, indicating that a one-unit increase in automatic revenue payment is associated with a 0.107-unit increase in county financial performance. However, the p-value (0.060) suggests that this relationship is not statistically significant at the conventional 0.05 significance level. In other words, automatic revenue payment may not have a significant impact on county financial performance in this model. The coefficient for In-person collection practice is 0.075, suggesting that a one-unit increase in in-person collection practice is associated with a 0.075 unit increase in county financial performance. However, the high p-value (0.452) indicates that this relationship is not statistically significant. In other words, in-person collection practice does not appear to have a significant impact on county financial performance in this model.

The coefficient for automatic billing revenue is 0.295, indicating that a one-unit increase in automatic billing revenue is associated with a 0.295-unit increase in county financial performance. Importantly, the low p-value (0.004) suggests that this relationship is statistically significant at the 0.05 level. Therefore, automatic billing revenue is likely to have a significant positive impact on county financial performance. The coefficient for revenue collection mobile is 0.353, indicating that a one-unit increase in revenue collection mobile is associated with a 0.353-unit increase in county financial performance. This relationship is highly statistically significant, with a very low p-value (0.000). Therefore, revenue collection mobile is likely to have a highly significant positive impact on county financial performance. The findings were in line with the claims put forth by Macharia and Dominic (2019), who conducted a study to evaluate the impact of IFMIS on accounting. They aimed to determine if the IFMIS system had a positive impact on the budgeting process and found that it indeed improved accountability and transparency within government ministries in Kenya.

In conclusion, the inferential statistic indicted that the financial performance in Kenya counties was explained by independent variable automatic billing revenue collection and mobile money revenue collection and therefore appreciating that automatic billing revenue collection and mobile money revenue collection were the good predictor of financial performance in Kenya county governments.

CHAPTER FIVE

SUMMARY DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This summary section will highlight the summary of the findings, conclusions, limitation of the study, recommendations and suggestions for further study.

5.2 Summary of the Findings

From descriptive statistics, the participants perceived automatic revenue payment as somewhat convenient and believed it enhances citizen satisfaction, improves revenue collection, enhances transparency, ensures timely payments, and reduces fraud. The County's mobile payment system was seen as safe, secure, and efficient. These findings suggest that automatic revenue payment systems have the potential to significantly enhance County financial performance through various positive impacts such as efficiency, transparency, and reduced revenue leakage. The regression analysis showed that the low p-value for automatic billing revenue (0.004) suggests a statistically significant positive impact on county financial performance. Therefore, automatic billing revenue collection is likely to have a significant positive influence on financial performance.

Descriptive statistics indicated that Respondents generally believe that in-person collection methods are highly effective in maintaining a personal connection with citizens and positively impact transparency and revenue collection rates, as indicated by the mean scores of 3.92, 3.46, and 3.45, respectively. However, there are concerns regarding delays in payments, lower compliance rates, accessibility issues, long wait times, cash handling risks, and the high cost of maintenance, as indicated by mean scores of 3.75, 3.58, 3.34, 3.34, 3.10, and 2.61, respectively. From analysis of regression, the high p-value (0.452) indicates that in-person collection practice does not appear to have a significant impact on county financial performance in this model.

The study's descriptive statistics indicated that the respondents generally agreed that automatic billing collection has significantly eased revenue collection processes (mean score of 3.93), while automatic billing revenue collection positively impacts customer satisfaction and loyalty (mean score of 3.75). The data also suggests that the electronic billing system improves VAT compliance (mean score of 3.74) and that automatic billing collection tends to enhance transparency, reduce fraud, and improve customer satisfaction. Regression indicated that the low p-value for automatic billing revenue (0.004) suggests a statistically significant positive impact on county financial performance. Therefore, automatic billing revenue collection is likely to have a significant positive influence on financial performance.

Descriptive statistics revealed that respondents generally agreed that mobile money payments have positively impacted revenue collection, as indicated by their perceptions of improved accuracy, ease of collection, increased efficiency, and effectiveness (with mean scores around 3.75). There is a moderate level of agreement among respondents on these aspects, as suggested by the relatively low standard deviations. Additionally, respondents tend to agree that mobile money practices have increased payment compliance and improved revenue collection (with mean scores around 3.58 and 3.57, respectively), indicating a moderate level of consensus. The regression analysis depicted that the very low p-value for revenue collection mobile (0.000) indicates a highly statistically significant positive impact on county financial performance. Therefore, revenue collection through mobile money payments is likely to have a highly significant positive influence on financial performance.

5.3 Conclusion of the Study

Based on the study findings, the following conclusions were drawn:

Automatic revenue payment systems, as perceived by participants, have the potential to significantly enhance County financial performance by improving efficiency, transparency, and reducing revenue leakage. The study concluded that there is positive perceptions

regarding convenience, citizen satisfaction, revenue collection, transparency, and security associated with automatic revenue payment.

In-person collection methods are seen as effective in maintaining a personal connection with citizens and positively impacting transparency and revenue collection rates. However, concerns exist regarding delays in payments, lower compliance rates, accessibility issues, long wait times, cash handling risks, and high maintenance costs. The study made the conclusion that in-person collection practices do not have a significant impact on county financial performance.

Automatic billing collection and automatic billing revenue collection are perceived positively by respondents, with perceived benefits including eased revenue collection processes, improved customer satisfaction and loyalty, and enhanced transparency. It was recommended that automatic billing revenue collection is likely to have a significant positive influence on county financial performance.

Mobile money payment practices are generally perceived favorably, with respondents indicating improvements in accuracy, ease of collection, efficiency, and payment compliance. It can be concluded that revenue collection through mobile money payments is highly statistically significant and likely to have a highly significant positive influence on county financial performance.

5.4 Recommendations of the Study

From the findings and conclusions of the findings, the study made the following recommendations:

County governments should consider further investment and development of automatic revenue payment systems, focusing on enhancing convenience, transparency, and security to maximize their potential to improve financial performance.

While in-person collection methods offer advantages in maintaining personal connections and transparency, county governments should address the identified concerns such as delays, compliance issues, and cost efficiency. Consideration should be given to optimizing these methods or transitioning to more efficient alternatives.

County governments should continue to promote and encourage automatic billing revenue collection methods, as they are perceived positively by respondents and have the potential to enhance customer satisfaction and financial performance.

Mobile money payment practices should be encouraged and expanded by county governments, given the positive perceptions of their impact on revenue collection. Efforts should focus on improving convenience and security to further enhance their effectiveness in improving financial performance.

5.5 Limitations of the Study

This study sampled 141 employees working in county governments in Kenya upon which only 119 responded to the study's questionnaire. The study thus did not achieve a 100% response rate. In addition, there are more than 141 employees working in county governments in Kenya thus the study focused on the selected employees working in the finance department in county governments in Kenya. The findings therefore are limited to the sampled 141 employees. Additionally, the study was carried out in Kenya, which limits the study to the Kenyan context. Thus, the findings may not be generalized to other public institutions apart from the county governments.

5.6 Suggestions for Further Research

The study focused on automatic payments revenue collection, in-person revenue collection, automatic billing revenue collection and, mobile money payments revenue collection as the main revenue collection practices to determine their effect on county government financial performance in Kenya. As such, the study's model summary indicated that the variable

account for 83.8% of the variation in financial performance. This indicates that several other factors affect financial performance of county governments in Kenya. The study thus recommends a similar study on the other factors that might influence the county government financial performance in Kenya. Additionally, a study should be done to unearth the influence of Integrated Financial Management Information Systems on revenue collection targets in counties in Kenya.

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APPENDICES

Appendix I: Letter of Introduction

Edwin Kamau Wangamwa

MSC. Commerce

KCA University

Dear Recipient's,

I am Edwin Wangamwa at MSc. Commerce student from KCA University, writing to invite your participation in a survey examining the effect of revenue collection practices on the financial performance of Kenya's 47 County governments. The primary goal is to analyse various revenue collection methods and assess their influence on county finances.

I assure you that the survey data is solely for academic research, treated with the utmost confidentiality, and only accessible to me, the researcher. Your candid responses are essential to the study's accuracy and reliability.

Your valuable insights will significantly contribute to the research's depth, and I kindly request your cooperation. Your time commitment is genuinely appreciated, and your participation will enhance the study's quality and impact on understanding revenue dynamics in Kenyan County governments.

For any questions or concerns, please feel free to contact me at edwinkamau001@gmail.com.

Thank you for considering this request, and I look forward to your active involvement in this vital academic endeavour.

Sincerely,

Edwin Kamau

KCA University

Appendix II: Questionnaire

This survey has been created to gather information regarding effect of revenue collection practices on the financial performance of 47 County governments in Kenya. Please be assured that the data collected is exclusively intended for academic research purposes and will be handled with the utmost confidentiality. I greatly value your involvement in supporting this study, and I kindly request your candid responses, as only the researcher will have access to the data, which will be used solely for the purpose of developing the final report.

PART A: DEMOGRAPHIC (BIO-DATA) OF THE COUNTY

Name of the County…….....

1. What is your job title in the county.....?

   Executive committee member, Finance [ ]

   County chief office, Finance [ ]

   Head of department [ ]

   Finance and accounts officer [ ]

   Revenue collection officer [ ]

   Any other? Specify…….……

2. What is your current level of Education Attained

   Diploma [ ]

   Degree [ ]

   Masters [ ]

   Doctorate [ ]

   Any other? Specify…….……

3. What is your Age Blanket?

Below 18 years [ ]

19 to 30 years [ ]

31 to 40 years [ ]

41 to 50 years [ ]

Above 50 years [ ]

Any other? Specify……

4. What is your Gender?

   Male [ ] Female [ ]

PART B: Automatic Revenue payments (X1)

5. Using the scale shown below, rate your level of agreement (or disagreement) with respect to the following aspects automatic revenue payment practices. Use a tick (√) to indicate your choice. Use a scale where **1; strongly Disagree; 2; Disagree; 3; Neutral; Agree and 5; strongly agree.**

	To what extent to you agree or disagree with the following	1 SD	2 D	3 N	4 A	5 SA	E1 Any other; please specify
X1	The automatic payment system is efficient and fast on revenue collection						
	Reduction in revenue leakage and fraud within the county government						
	Enhances the accuracy of revenue reporting and financial records.						
	Enhances citizen satisfaction with the county government's revenue collection process.						
	The automatic payment system has increased revenue collection.						
	Leads to more timely payments and increase						

	compliance						
	The County's mobile payment system is safe and secure for users						
	It's convenient for the users as well as the County Government						
	Enhances transparency in the billing and payment process.						

PART C: In Person collection practices (X2)

1. Using the scale shown below, rate your level of agreement (or disagreement) with respect to the following aspects of: REVENUE COLLECTION PRACTICES IN PERSON. Use a tick (√) to indicate your choice. Use a scale where **1 is Strongly Disagree; 2 Disagree; 3 is Neutral; 4 is Agree and 5 is Strongly Agree.**

X2	To what extent to you agree or disagree with the following that IN PERSON REVENUE COLLECTION Practices has Influence on County Performance	1 SD	2 D	3 N	4 A	5 SA	X2 Any other please specify
	It Maintains a personal connection with citizens.						
	Results in more immediate issue resolution and clarification of citizen queries.						
	It improves revenue collection rates for the county government.						
	In person collection improves transparency and accountability on performance.						

	In person collection has high cost of maintenance						
	Long wait times at collection centers, leading to frustration and dissatisfaction.						
	Cash handling risks						
	Lead to delays in payments and lower compliance rates.						
	Easily accessible to all taxpayers within the county						

PART D: AUTOMATIC BILLING REVENUE COLLECTION PRACTICES (X3)

1. Using the scale shown below, rate your level of agreement (or disagreement) with respect to the following aspects of **automatic billing revenue collection practices** on County Governance PERFORMANCE. Use a tick (√) to indicate your choice. Use a scale where **1; Strongly Disagree; 2; Disagree; 3; Neutral; 4; Agree and 5; Strongly Agree.**

	To what extent to you agree or disagree with the following that automatic billing revenue practice have influence on county performance. X3	1 SD	2 D	3 N	4 A	5 SA	E3 error term 3 Any other please specify
	The automatic billing collection is efficient and fast						
	The automatic billing system improves VAT compliance						
	The utilization of automatic billing collection has made it easier to collect revenue						

	Improves customer satisfaction						
	Automatic billing collection improve transparency and reduce fraud						
	Automatic billing has led to an increase in overall revenue collected by the county.						
	Increased accuracy in revenue collection.						
	Improve customer satisfaction and loyalty						
	leads to cost savings in the long run.						

PART E: Revenue collection through mobile money payment practices on County financial Performance (X4)

2. Using the scale shown below, rate your level of agreement (or disagreement) with respect to the following aspects of: **Revenue collection through Mobile practices** and County Performance. Use a tick (√) to indicate your choice. Use a scale where **1; Strongly Disagree; 2; Disagree; 3; Neutral; 4; Agree and 5; Strongly Agree.**

3.

To what extent to you agree or disagree with the following that **Revenue collection through mobile practices** t influence on county performance in: X4	1 SD	2 D	3 N	4 A	5 SA	E4 error term e4; Any Other please specify
It provides a convenient and accessible way for citizens to make payments.						
Improves the efficiency and effectiveness on revenue collection.						

The utilization of mobile money service has made it easier to collect revenue						
Mobile money payments have increased revenue collection in the county.						
Mobile payment system is safe and secure for users.						
Improved taxpayer satisfaction with county services.						
Mobile money payments have improved the accuracy of revenue collection records						
Mobile money payment practices have increased payments compliance						
Its widely promoted and encouraged by the county government						

PART F: on County Financial Performance (concept FIVE; DEPENDENT VARIABLE Y)

4. County Performance. Use a tick (√) to indicate your choice. Use a scale where **1; Strongly Disagree; 2; Disagree; 3; Neutral; 4; Agree and 5; Strongly Agree.**

5.

To what extent to you agree or disagree with the following that Revenue AND County performance in: X4	1 SD	2 D	3 N	4 A	5 SA	E5 error term e5; Any Other please specify
Y1 is it efficient						
Y2 is it effective						

Y3 Increasing revenue collection						
Y4 Decreasing revenue collection						
Y5 Transparency and Accountability						
Y6 Financial Health and Stability						
Y7 The county consistently meets its revenue collection targets.						
Y8 Financial decisions made by the county have a positive impact on overall performance						
Y9 There are measures in place to prevent revenue leakage and fraud.						

END