EFFECT OF REVENUE COLLECTION PROCESSES INNOVATIONS ON THE FINANCIAL PERFORMANCE OF SELECTED COUNTY GOVERNMENTS IN KENYA

BY

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A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF MASTERS OF SCIENCE IN COMMERCE IN THE SCHOOL OF BUSINESS AND PUBLIC MANAGEMENT AT KCA UNIVERSITY

NOVEMBER, 2016

DECLARATION

I declare that this project is my original work and has not been previously published or submitted elsewhere for award of a degree. I also declare that this contains no material written or published by other people except where due reference is made and author duly acknowledged.

Signature... **Date.......................................**

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APPROVAL BY UNIVERSITY SUPERVISOR

I do hereby confirm that I have examined the master's project of**Charles N. Nyaga.**Ialso confirm that the work reported in this project has been carried out by the candidate under my supervision.

Signature... **Date...**

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DEDICATION

I dedicate this work to the Almighty God and to myfamily for their encouragement and support throughout my studies.

ACKNOWLEDGEMENT

I greatly appreciate the advice and guidance from my supervisorfor his rich quality time and guidance on how to conduct the research. I also greatly appreciate my family for the support and sacrifice throughout the duration of the course.

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ABSTRACT

Since the beginning of devolved governments in Kenya, county governments have experienced a number of challenges (Hornsby, 2013). The most outstanding is the inability to meet financial obligations. Most of the county governments in Kenya lack enough finances to fund their recurrent and development budgets which has resulted to instances of strike among workers and stalled projects. In order to meet their financial obligations, county government should devise innovative ways to increase revenue collection. County governments in Kenya are faced with a number of tax collection challenges which include; a narrow tax base which reduces potential revenues and makes the county more dependent than it could be on a small section of society. It is clear from the onset that there is great need for county revenue authorities to have sufficient funds to deliver the much needed community services.The general objective of the study was to investigate the effect of revenue collection processes innovations on the financial performance of selected county governments in Kenya. The specific objectives were to determine the effect of training on revenue collection on financial performance of selected county governments in Kenya, to establish the effect of mobile money payment on financial performance of selectedcounty governments in Kenya, to investigate the effect of online tax remittances on financial performance of selectedcounty governments in Kenya and to examine the effect of revenue database system on financial performance of selectedcounty governments in Kenya.The study adopted a descriptive research design.The target population consisted of all the employees in the county revenue collection department.Simple random sampling technique was used in this study to select the respondents. The total sample in this study was124 respondents.Data was primarily collected to provide information regarding a specific topic. Primary data was gathered by use of a semi-structured questionnaire and captured through a 5-point type Likert scale.The collected primary data wasanalyzed usingStatistical Package for Social Science (SPSS)version 20. A linear regression analysis wasconducted on the data set. ThePearsonProductMoment wasused to analyze the data in which correlation coefficient (R)and the coefficient of determination (R^2) of the variableswasestablished. The findings from the analysis wereorganized, summarized and presented using tables and pie charts.In relation to the study findings, the study concluded that,training on revenue collection, mobile money payment, online tax remittances and revenue database systeminfluences financial performance of selected county government in kenya. The findings revealed a strong positive relationship between the independent variables and the dependent variable. The study recommends that all the staff that are in revenue department in all county goverments should be trained on revenue collection. The study also recommends that senior managers and supervisors should nominate all their employees for training on revenue collection. Scholarships and sponsorships should be made available for all staff in the revenue department to be trained on revenue collection

ACRONYMS AND ABBREVIATIONS

CRA Commission on Revenue Allocation

IT Information Technology

KRA Kenya Revenue Authority

NPM New Public Management

PEOU Perceived ease-of-use

PM Performance Measurement

PU Perceived usefulness

SPSS Statistical Package for Social Science

TAM Technology Acceptance Model

UTAUT Unified theory of acceptance and use of technology

OPERATIONAL DEFINITION OF TERMS

Database Management System (DBMS): is a computer software application that interacts with the user, other applications, and the database itself to capture and analyze data

Financial Performance: the process of quantifying the efficiency and effectiveness of an action. Organizational performance is achieved by comparing the value that an organization creates using its productive assets with the value that owners of these assets expect to obtain (Armstrong & Baron, 2005).

Mobile Money Transfer: is the process of transmitting money from one person to another through phone activation that can be ultimately honored with cash transactions by a financial or business institution (Agrawal, 2009).

Remittance: is the funds an expatriate sends to their country of origin via wire, mail, or online transfer

Revenue:income of a government from taxation, excise duties, customs, or other sources, appropriated to the payment of the public expenses.

CHAPTER ONE

INTRODUCTION

1.1 Background Information

Governments in both developed and developing countries collect taxes mainly to fund public services. Therefore, governments always try to look for new and innovative ways to increase revenue collection. In this study,the researcher focused on investigating the effect that revenue collection processes innovations have on financial performance ofselected county governments in Kenya. Several researchers have conducted studies in this area and provided significant inputs. These studies include Githinji (2014), Abiolaand Asiweh(2012) andZafra-Gómezet al., (2009) among others.The need for additional revenue is substantial in many developing countries, but improving revenue mobilization has importance beyond that. Requirements for relieving poverty and improving infrastructure are substantial: Achieving the Millennium Development Goals, for instance, may require low-income countries to raise their tax-GDP ratios by around high percentage points (United Nations, 2005).

Strengthening domestic resource mobilization offers many potential benefits to Kenya economies. As it will reduce the dependency on external flows, thereby reducing one of the sources of damaging volatility in resource availability, and reduce vulnerability to external shocks. It gives Kenyan counties greater policy space, increases their ownership of the development process as well as strengthening their income capacity (Hope, 2013). However, the quality of measures also matters: increasing revenue by further taxing readily compliant taxpayers can worsen distortions and perceived inequities.Conversely, reducing reliance on trade taxes can bring real structural gains that outweigh short-term revenue difficulties.

More fundamentally still, the centrality of taxation in the exercise of state power means that more efficient, fairer, and less corrupt tax systems can spearhead improvement in wider governance relations. It is also true that taxation which is one entry point for improving governance on the continent has received little attention. Tax revenue collections are relatively poor in most counties in Kenya.Taxes have often not translated into improvements in public service delivery (Githinji,2014). Revenue collections are relatively low in most counties in Kenya; raising additional tax revenue is further constrained by weak state legitimacy, as taxes have often not translated into improvements in public service delivery.

1.1.1 Revenue Collection Processes Innovations

Revenue collection is an important determinant of the economy of any country (Lubua, 2014). The adequacy of government revenues allows the government to support its operations ranging from administrative activities, infrastructure constructions and service provision. The study by Ebeke (2010) commented on the importance of developing countries to adequately manage its sources of revenue to enhance the speed of developments. This is because sufficient revenue reduces the degree of dependence of the government to donors for its developments (Komanya, 2013). It also offers the government with the ability to make different developmental decisions.

Tax and revenue administration agencies are therefore under constant pressure to find ways to maximize revenue through improving efficiency in its operations. They realize that achieving these goals requires taking a strategic view of their enterprise, knowing that success only comes with the alignment of all elements of an organization, people, processes and technology with improved revenue collection being the ultimate goal (Abiola&Asiweh, 2012).

To maintain both flexibility and simplicity, the government agencies have been taking advantage of technological innovations in different areas of its operations. For instance, in Kenya, the Kenya Revenue Authority (KRA), has spearheaded the introduction of the

Electronic Tax Registers and Electronic Signature Devices. These devices offer unique benefits to traders and the Revenue Authority alike by recording transaction data in such a manner that it cannot be tempered with (Githinji,2014).

Automation that has been made possible by the utilization of technological innovation is not an end in itself, but a crucial component of taxation reforms, which aims at modernizing tax administrations and aligning the legal framework and procedures with international standards and best practices. Automation facilitates the clearance of legitimate trade, improves the efficiency of taxation controls and secures revenue collection. In addition, it helps address expectations of traders and transport operators regarding transparency, predictability and reliability, as well as the simplification of border-crossing and administrative procedures (Di John, 2006).

Sohne (2003) noted that automated systems have proven to be capable of introducing massive efficiencies to business processes that can result in increased revenue. Applying technological innovation towards achieving key goals by the government is a key step towards transforming government into an entity that can keep abreast of the needs, requirements and expectations of today's modern world.

1.1.2 Financial Performance of County Government

In recent decades, there has been increased use, in the public sector, of techniques borrowed from the private one, in order to increase the efficacy, efficiency and transparency of the provision of public services. As we have observed, in the framework of this management philosophy of new public management (NPM), generalized use is now made of instruments for evaluating public management, i.e. performance measurement (PM), as elements that facilitate greater control of the activities carried out by public bodies

(Sanderson, 2001), while at the same time favouring the process of improving and increasing the degree of the responsibility accepted by such organizations (Brown &Pyers, 1988).

In general terms, PM can be defined as the use of quantitative indicators in order to regularly assess the results and efficiency of public programmes, together with their quality and effectiveness with respect to specific users (Hatry, 2010). The utility of applying a PM system has been made apparent in many studies; among other features, it enables better control of the budgetary process (Melkers& Willoughby, 2005), identifying those aspects of the organization found to be inefficient and improving the efficiency of public sector management (Zafra-Gómez et al., 2009).

One of the most commonly used ways of obtaining a measurement of performance in local government is through the use of budgetary, economic and financial information, i.e. the financial performance. Carmeliand Tishler (2004)derived indicators in financial terms in order to determine the financial health of local government bodies. These authors opted for a traditional approach, based on indicators of the budgetary process and their use in decision-making, being of the opinion that this provides a global viewpoint as to whether an organization is managing its resources well or not.

For Groves *et al*. (2003), the financial condition of a local authority can be assessed by measures of cash solvency, budgetary solvency, long-run solvency and service-levelsolvency. Cash solvency is understood to be the entity's ability to generate sufficient liquidity to meet its short-term obligations. Budget solvency is its ability to mobilize sufficient budgetary income without entering into deficit. Long-run solvency concerns a government's ability to respond adequately to all its long-term obligations, while service-level solvency is defined as expressing the entity's capacity to provide the level and quality of services necessary for the well-being of the community in question. These four concepts of solvency embrace what the above authors have termed the financial factor. However, for these to be correctly evaluated, Groves et al. (2003) have observed that the environmental factor must be taken into account. The environmental factor is considered to be the principal external constraint affecting financial performance. According to Greenberg and Hillier (2005),the financial condition of an organization can be measured by means of a series of indicators related to its sustainability, flexibility and vulnerability.

Financial performance is a broad concept describing a local government's financial health (Groves, Godsey& Shulman, 2003). The term financial performance has been used in discussions of US state and local government's financial health for many years (Kamnikar, Kamnikar& Deal,2006). More specifically financial performance can be broadly defined as a local government's ability to finance its services on a continuing basis; ability to meet its obligations as they fall due; and ability to finance the services its constituents require.

Authors over the past two decades concur on the need to examine similar aspects of performance. In his study of local government financial statements in the US, Rivenbark, Roenigkand Allison (2010)recommends that an assessment of a local government's financial health be made from three perspectives: near-term financing; is the local government able to meet its short-term financial obligations in a timely manner?Financial positionis the difference between total assets and total liabilities, i.e. net assets; and economic condition focusing on the likelihood that the current financial position will improve or deteriorate in the future.

In Brazil,Gomes, Alfinito and Albuquerque (2013) analyzed local government financial performance using evidence from Brazilian municipalities between 2005 and 2008. The findings showed that in small municipalities', mayors have fewer conditions to improve financial performance due to the difficulty of raising and collecting taxes and of reducing expenditures, which makes their administrations far more dependent upon external sources of money. Therefore, this dependent relationship can be seen as the cause of poor financial performance to the extent that it lowers mayoral discretion when making decisions.

In South Africa, Tudose (2013)conducted analysis of the financial performance of local authorities in the context of budgetary constraints. Research findings showedthat local authorities, due to the lowincome generation capacity, face ashortage of own resources, creatingdependency on the state budget.Moreover, it was demonstratedthat that lack of resources limited boththe investment capacity and thedecision-making autonomy of localauthorities in prioritizing spending. The analysis conducted in terms ofperformance indicators revealedlow level of local governmentinvolvement in stimulating economicactivity in the community underexamination.

1.1.3 County Governments in Kenya

In 2010, Kenya promulgated a new constitution which ended more than 20 years quest for a new Constitution. The new constitution created 47 county governments across the country which is the next and only level of devolved government. However, the county governments would only become operational after the first elections for the county assembliesand governors held under the new constitution as stipulated under Article 262 Section 2(2) of the Kenya Constitution, 2010. The devolved government structure aims at enhancing national unity through recognition of diversity among other objectives (Article 174 of the constitution).

It is perceived that County governmentsare better placed than the national government to deliver social services, because they have specific challenges and the local knowledge to address them. For instance, in the case of health, lagging counties still need to catch-up in providing basic health services. With these stark differences it makes little sense to provide the same mix of services across the country. In addition, even if there are no dramatic improvements in service delivery, people prefer to make decisions themselves rather than following directions imposed by a central government. With a constitutional guarantee of unconditional transfers from the center, Kenya's counties may have the means and the autonomy to begin to address local needs, and their citizens may be more able to hold them accountable for their performance (Khaunya, Wawire&Chepng'eno, 2015).

Contrary to what was expected, many countygovernmentsin Kenya have failed to discharge their functions due to lack of enough finances. It has been a common phenomenon in the local media reporting on county workers going on strike due to unpaid salaries, allowances and lack of funds to run county projects and operations. This denotes that most of these counties have poor financial performance which results to financial deficit.

1.2 Statement of the Problem

Since the beginning of devolved governments, county governments in Kenya have experienced a number of challenges (Hornsby, 2013). The most outstanding is the inability to meet financial obligations. Most of the county governments in Kenya lack enough finances to fund their recurrent and development budgets which has resulted to instances of strike among workers and stalled projects. In order to meet their financial obligations, county government should devise innovative ways to increase revenue collection. County governments in Kenya are faced with a number of tax collection challenges which include; a narrow tax base which reduces potential revenues and makes the county more dependent than it could be on a small section of society(Masira, 2014). It is clear from the onset that there is great need for county revenue authorities to have sufficient funds to deliver the much needed community services. Taliercio (2004) argues that, revenue authorities play an important role in the provision and maintenance of public services in their area of jurisdiction.

Studies have been done on financial performance of local or county government. For instance, Tudose (2013) analyzed the financial performance of local authorities in the context of budgetary constraints in Kenya. The author found out that local authorities, due to the low income generation capacity, face ashortage of own resources, creatingdependency on the state budget.Moreover, the study demonstrated that lack of resources limits boththe investment capacity and thedecision-making autonomy of localauthorities in prioritizing spending. This study did not focus on the effect of revenue collection processes innovations on financial performance of county governments.Therefore the current study filled this knowledge gap.Kirimi (2015) conducted a study on the influence of automation of revenue collection processes on Organizational performance: a case of county government of Meru, Kenya. This study focused on meru county only thus presenting a geographical gap.

Gomes, Alfinitoand Albuquerque (2013) also analyzed local government financial performance. They focused on financial performance in terms of the ability of local government being able to meet their financial demands. The results showed that local government fail to improve financial performance due to the difficulty of raising and collecting taxes and of reducing expenditures, which made their administrations far more dependent upon external sources of money. Similar to Tudose (2013), Gomes, Alfinitoand Albuquerque (2013) did not investigate the effectthat revenue collection processes innovations have on financial performance of county governments which this study intends to address.

There is lack of adequate research on the effect of revenue collection processes innovations on financial performance of county governments especially on developing countries. Most of the studies conducted in this field focused on analyzing the financial performance of local governments. Therefore, this study intended to fill this knowledge gap by investigating the effect of revenue collection processes innovations on financial performance of county governments in Kenya. The study sought to address the research question; what effect do revenue collection processes innovations have on financial performance of county governments in Kenya?

1.3 Research Objective

1.3.1 General research Objective

To investigate the effect of revenue collectionprocesses innovations on the financial performance ofselected county governments in Kenya.

1.3.2 Specific Research Objective

1. To determine the effect of training on revenue collectionon financial performance of selectedcounty governments in Kenya.
2. To establish the effect of mobile money payment on financial performance of selectedcounty governments in Kenya.
3. To investigate the effectof online tax remittances on financial performance of selectedcounty governments in Kenya.
4. To examine the effect of revenue database system on financial performanceof selectedcounty governments in Kenya.

1.4 Research Questions

1. What is the effectof trainingon revenue collection on financial performance of selected county governments in Kenya?
2. What is the effectof mobile money payment on financial performance of selected county governments in Kenya?

3. What isthe effectof online tax remittances on financial performance of selected county governments in Kenya?
4. What isthe effect of revenue database systemon financial performance of selectedcounty governments in Kenya?

1.5 Significance of the Study

This study is of great value to the government, researchers and the government's revenue departments. Future researchers will find this study useful for it provides insight into the effect of innovationson improvement of revenue collection among revenue agencies be it county government or the national government.

The academic argumentswas able to go further than just identifying low revenue collection among revenue agencies in the country, but also provide insights about better innovation methods to increase revenue collection and its effect on economy. The researchers will therefore use the findings of this research to advance related arguments in future.

Since revenue collection departments are identified as a main channel to which income resources are generated, the county governments will find this work significant because it will dissect one of the factors that lead to the failure and low revenue collection. Tax departments will utilize this information to the betterment and increment of revenue collected by the government.

The county governmentsmanagement will find this study useful as they will have a channel through which they can identify the influence of innovations on improvement of revenue collection while at the same time reducing non-compliancy and tax evasion among some individuals and corporate businesses. After identification of the effect, the management of tax departments will then make appropriate decisions concerning taxation to revenue collection.

1.6 Scope of the Study

This study aimed to determine the effect of revenue collection processes innovations on the financial performance of selected county governments in Kenya. The study was conducted in the year 2016. The study usedprimary data from counties which had effected revenue collection processes innovations by June, 2015. (Nairobi, Machakos, Kiambu and Mombasa).

1.7 Limitation of the Study

Kenya has 47 county governments therefore conducting a study on all the counties was a major limitation for this study. The study overcame this limitation by selectinga representative sample. The study also was limited by the large distance to be travelled while conducting the research. The study overcame this limitation by using Research Assistants in data collection.

The Researcher also encountered difficulties in getting information on revenue generation as the respondents were unwilling to review confidential details on the same. To overcome this, the Researcher wrote a transmittal letter accompanying the questionarre and guaranteeing the respondents that the information would be treated with confidentiality and purely for the purpose of the study.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter sought to review literature onthe effect of innovationof revenue collectionprocesses in county governments in Kenya. In order to meet this purpose, this chapter identified theoretical framework in relation to innovation and developed a conceptual framework of the study. Literature is also reviewed in line with the study objectives.

2.2 Theoretical Framework

A theoretical framework is a collection of interrelated concepts. It guides research to determine what things to measure, and what statistical relationships to look for (Defee, Randal, Thomasd& Williams, 2010).Mentzer, Stank &Esper (2008),emphasis that a good research should be grounded on theory. This study was guided by innovation theories.

2.2.1 Technology Acceptance Model (TAM)

This research is anchored on Technology Acceptance Model (TAM) for revenue collection system since it is an information systems theory that models how users come to accept and use aninnovation. The model suggests that when users are presented with a new innovation, a number of factors influence their decision about how and when they will use it, notably; Perceived usefulness (PU) that was defined by Fred Davis as the degree to which a person believes that using a particular system would enhance his or her job performance. Perceived ease-of-use (PEOU) defined this as the degree to which a person believes that using a particular system would be free from effort (Davis, 1993).

TAM has been widely criticized, despite its frequent use, leading the original proposers to attempt to redefine it several times. Criticisms of TAM as a theory include its questionable heuristic value, limited explanatory and predictive power, triviality, and lack of any practical value, as for revenue system,its practical means that is, as per this research. Taxation is an integral part of countries development policies, interwoven with numerous other areas, from good governance and formalizing the economy, to spurring growth through, for example, promoting activities such as export activities system for revenue collections. (Chuttur, 2009) Benbasat&Barki(2007) suggest that, TAM has diverted researchers' attention away from other important research issues and has created an illusion of progress in knowledge accumulation.

In general TAM focuses on the individual user of a system, with the concept of perceived usefulness, with extension to bring in more and more factors to explain how a user perceives usefulness, and ignores the essentially social processes of innovation development and implementation, without question where more innovation is actually better, and the social consequences of innovation use. This theory was deemed relevant to this study since it informed the dependent variable which is revenue process innovation.

2.2.2 Unified Theory of Acceptance and Use of Technology

Unified theory of acceptance and use of technology (UTAUT) is a technology acceptance model formulated by (Venkatesh et al, 2003) in User acceptance of information technology,toward a unified view. The theory comprises of four key constructs;innovation performance expectancy, effort expectancy, social influence and facilitating conditions. The first three being direct determinants of usage intention and behavior, and the fourth a direct determinant of use behavior.

The theory was developed through a review and consolidation of the constructs of eight models that earlier research had employed to explain information systems usage behavior. Subsequent validation by Venkatesh et al. (2003)of UTAUT in a longitudinal study found it to account for 70% of the variance in behavioral intention to use innovation and about 50% in actual use.

Considering the UTAUT theory usefulness on this research of revenue collection system, among other things, taxation: provides central government with the funding required to build the infrastructure on which economic development and growth are based; creates an environment in which business is conducted and wealth is created; shapes the way government activities are undertaken; and plays a central role in domestic resource mobilization,as stated in UTAUT theory, performance expectancy that is with the counties and sub-counties.

Van Raaij& Schepers (2008)criticized the UTAUT as being less mean than the previous Technology Acceptance Model because its high R^2 is only achieved when moderating key relationships with up to four variables. This theory was therefore relevant to this study as it informed the independent variable.

2.2.3 Innovation Diffusion Theory

Another theory which has received similar attention by scholars in explaining consumer behaviour towards new technology is the Rogers' Innovation Diffusion Theory (Rogers, 1995). Innovation is defined as "an idea, practice or object that is perceived as new by an individual or another unit of adoption", while diffusion is "the process by which an innovation is communicated through certain channels over time among the members of a social system" (Rogers, 1995). By these definitions, innovation diffusion is achieved by how a social system accepts and begins to use (adopt) an idea or a technology.

Roger further states that, the following are the characteristics of any innovation: Relative Advantage: the degree to which the innovation is perceived as being better than the practice it supersedes; Compatibility: the extent to which adopting the innovation is compatible with what people do; Complexity: the degree to which an innovation is perceived as relatively difficult to understand and use; Trial ability: the degree to which an innovation may be experimented with on a limited basis before making an adoption (or rejection) decision; and observability: the degree to which the results of an innovation are visible to others (Rogers, 1995).This theory is deemed relevant to this study since it informs the dependent variable which is revenue process innovation.

2.3 Empirical review

This section reviewed literature from prior scholars regarding the effect of training on revenue collection, mobile money payment, online tax remittances and revenue database system on financial performance.

2.3.1 Financial Performance

The spirit of decentralization is that local government should generally be in a better position than the central government to identify local needs, and to deliver public services accordingly (Brewer, Chandler &Ferrell, 2006). Given this background, the county government is enjoined to identify and raise revenue from local sources in form of rates, tolls, property tax, fees and fines among others to boost their financial base for development of the locality.Financial performance refers to a subjective measure of how well a firm can use assets from its primary mode of business and generate revenues. Performance measurement is defined as the process of quantifying efficiency and effectiveness. Effectiveness is compliance with customer requirements, and efficiency is how the organization's resources are used to achieve customers' satisfaction levels.

Public revenue collection is an integral component of fiscal policy and administration. It is the fuel of every government; the main instrument through which government funding is ensured. With growing donor fatigue and dwindling domestic revenue reserves in most developing countries, the need to strengthen national revenue collection systems has become particularly imperative. Yet, devising efficient means of collecting tax revenue remains a daunting challenge, especially in developing countries.

Notwithstanding the pressing need to increase revenue inflows, revenue collection should not be at the sacrifice of economic and citizen welfare. Tax revenue collection should comply with best practices of equity, ability to pay, economic efficiency, convenience and certainty (Zhou, 2012). This article examines public revenue collection in Zimbabwe, specifically focusing on measures proposed in national budgets over decades to ensure effective tax collection.

Waema(2005) noted that local governments with strong local revenue collection have greater scope for autonomy, and are more responsive to the needs and priorities of their citizens. The Constitution provides for various sources of local revenue to county governments which vary from area to area-based on economic practices, natural endowments, among other things.

Gomes, Alfinito& Albuquerque (2013) analyzed local government financial performance.The main conclusion of the investigation was that, larger cities are more likely to manage revenue and expenditure better than are smaller cities, which aligns with the discussion of amalgamation versus fragmentation. This conclusion stems from the findings that in small municipalities' mayors have fewer conditions to improve financial performance due to the difficulty of raising and collecting taxes and of reducing expenditures, which makes their administrations far more dependent upon external sources of money.

Contemporary study shows that fiscal decentralization has induced fiscal responsibility and financial resource mobilization (Loughlin*et al*., 2006). But the evaluation report of OECD (2004) showed that the local government revenue sources as the share of total local government funding is declining in most of the developing countries. The reasons of such decline are: firstly, not proper addressing of legal, fiscal and institutional frameworks and the local government incentive system; secondly, disincentives of central transfer system in improving revenue mobilization thirdly, weak incentives to collect taxes (Addison and Mavrotas, 2004).

A strong local revenues base is essential for the sustainability of decentralization programmes. Local revenue forms a core means of building an independent and accountable local governance system (Republic of Uganda, 2010). County Governments with strong local revenue collection have greater scope for autonomy, and are more responsive to the needs and priorities of their citizens. The Constitution provides for various sources of local revenue to local governments which vary from area to area-based on economic practices, natural endowments, among other things (Waema, 2005).

2.3.2 Trainingon Revenue Collection and Financial Performance of County Governments

Training provides employees with specific skills or helps to correct deficiencies in their performances, while development is an effort to provide employees with abilities the organization will need in the future (Chew, 2004).According to (Cole, 2002), training is a learning activity directed towards the acquisition of specific knowledge and skills for the purpose of an occupation or task. Training help in optimizing the utilization of human resource that further helps the employee to achieve the organizational goals as well as their individual goals (Adeniji, Osibanjo&Abiodun, 2013).

Chen, Hsu, & Huang (2013) conducted a study on lagged effect of training on financial performance: evidence from longitudinal data. This paper examined the lagged association between training and financial performance of audit firms. The paper found that both partners' and assistants' training have significantly positive effect on financial performance with the former occurring in the current and one-year-lagged periods and the latter occurring in the one-year-lagged and two-year-lagged periods. Positive and significant association between training and financial performance informs practitioners that training contributes to audit firms and justifies the continuous education requirement in the public accounting profession. The evidence of one-year-delay effect of assistants' training on performance conveyed managerial implication to the practitioners in their employee recruitment policy.

Evans andAnnuziata, (2012) argues that innovations promise to bring greater speed and efficiency to industries as diverse as aviation, rail transportation, power generation, oil and gas development, and health care delivery. It also holds the promise of stronger economic growth, through improved revenue collection and high performance of governments.

Lucey(2005) demonstrated that, business process automation solutions provide the tools, technologies, and infrastructure to automate complex business processes end to end in order to help increase competitive advantage and deliver tremendous value and visibility to your business, customers, and trading partners. This enables increased personal and organizational productivity by automating business policies and best practices, removing manual tasks, and eliminating error-prone re-entry of information.

The mission of collecting tax and revenue in accordance with the applicable legislation is a complex task because of the massive amount of taxpayers and the different rules that are applied for each case (Davenport, 2013). To perform the alluded duty, many different systems exist with the intention of assisting the IRS personnel to carry out their job. Nevertheless, with the amount of data growth and the constant advancement of technology, a permanent rational sustainable innovation practice may be necessary to keep the IRS business processes running adequately (Davenport, 2013).

2.3.3 Mobile Money PaymentandFinancial Performance of County Governments

Mobile money transfer typically refers to services whereby customers can use their mobile devices to send and receive money or to transfer money electronically from one person to another using a mobile phone. This transfer can be either a domestic transfer or international remittance transaction. The key characteristic of mobile money transfer services is the fact that they relate to private transactions only (i.e. transactions involving transfers of money from one person to another).Phones are the information-related technology that has done the most to reduce costs, increase income and reduce uncertainty and risk. Phones support the current reality of informal information systems, they can help extend social and business networks, and they clearly substitute for journeys and, in some cases, for brokers, traders and other business Intermediaries (Nyandika, 2014).

Phones also meet the priority Information needs of communication rather than processing of information (Otiso, Simiyu&Odhiambo, 2013). They also have a direct basic task of running a business reducing costs, increasing income, managing risk and link them to core functions of mediated communication technologies, particularly the substitution for journeys (Donner, 2009).

According to the study by Raymond, Bergeon& Bill (2005) conducted on small and micro enterprises in the manufacturing industry in Canada, the introduction of e-business methods was found to explain 4% of sales growth and 5% of export performance. They argue that whichever way one looks at it, whether profits are stepped up due to cost savings or profits are realized as a result of increased sales, the effect is notable.

Jack and Suri (2011) noted that in mobile money services have been extended to offer financial services for formal financial products (savings, credit, insurance), informal service providers (moneylenders), personal networks (on-demand, scheduled payments, sending and receiving money), in-store merchant payments (goods and services), and remote payments (salaries, pensions, loan disbursements, bill payments, online/e-commerce). Governments have also started using mobile money transfer services for making payments to citizens and collecting revenues such as taxes. Tanzania accepts tax payments through mobile-money services.

Cheruiyot, (2015) did a study on the adoption of technology as a strategic tool for enhancing tax compliance in Kenya. The case study was based on Large Taxpayers which included companies with a turn over of Kshs. 750 million and above, or government ministries and corporations. The objective of the study was to evaluate the role of Technology.The study examined the skills required by the users of e-filing, the technology required and the tax authority's preparedness in enhancing the adoption of tax compliance based technology. The study found that for e-filing to effectively take off in Kenya skills, infrastructure and a good business environment are needed.

2.3.4 Online Tax RemittancesandFinancial Performance of County Governments

Over the past decade, governments world-wide have invested heavily in e-government services. The scale of this investment can be gauged from the various benchmarking reports on e-government (Connolly & Bannister, 2008). Having invested in this technology, governments are naturally interested in both the level and the nature of the use of online services made by citizens and businesses and they have employed a variety of instruments to try to measure this, from crude hit rate counts to citizen surveys.

Connolly and Bannister(2008)noted when looking at the progress of innovations to date,it is not surprising to find that the aspect of e-government which tends to be most developed and most widely used is online tax filing. They further noted that while there are differences from country to country, there is a core group of services that are available online in most countries measured in the aforementioned benchmarks. These range from registration services (birth, car, company) tolicense/document applications and tax and social welfare services.

It is not a surprise that the computerization of taxation has been at the leading edge of e-government for many years. In surveys of e-government carried out over the past five years, (Accenture, 2006; CapGemini, 2006), the computerization of taxation services is one area in which most countries score highly. One aspect of collecting tax on-line is making the process attractive to citizens. While governments and tax authorities can provide various inducements (such as later payment dates) for citizens to file on-line, a key factor in the success of such systems is the design quality of the public interface.

According to Musya(2014)in the financial year 2013/2014, the total revenue available to the Counties was Kshs. 40.4 billion which consisted of national shareable revenue of Kshs. 32.9 billion (81.4%), Kshs.4.3 billion (10.8%) as locally collected revenue and a balance brought forward of Kshs. 3.2 billion(7.8%) which had remained unspent in the previous financial year. However, most counties were not able to collect as they had budgeted and this was attributed to among other factors weak remittance systems. This therefore calls for the County governments to ensure that online remittance systems are well enhanced in the counties so that proper revenue collection can be attained.

Wasao(2014)conducted a study on the effect of online tax system on tax compliance among small taxpayers in East of Nairobi tax district. The findings of the study were that online system do affect tax compliance level among small taxpayers in East of Nairobi as far as registration, filing and payments were concerned, From the regression analysis, it was revealed that holding online tax registration, filing and payment to a constant zero, tax compliance would stand at 3.663.A unit increase in online tax registration would lead to increase in tax compliance among small tax payers in East of Nairobi by factor of 0.051 and a unit increase in online tax filing would lead to an increase in tax compliance by factors of 0.161 while a unit increase of online tax payment would result to increase in tax compliance by factor of 0.086.

Muita(2011) while studying the factors influencing the adoption of e-filing in Kenya, found out that use of electronic filing will lead to managerial benefits and savings of costs. For example, on-line lodgment and transfers and the greater use of electronic submission and transfers, are likely to reduce compliance costs for small businesses. From the existing empirical studies, it appears no study has been done in Kenya on the effect electronic filing on small taxpayers as far as tax compliance is concerned.

2.3.5 Revenue Database Systemand Financial Performance of County Governments

Emasu (2007) argued that a proper database systemenhances maintenance of proper accounting records, employee accountability, timely reporting on financial matters, risk mitigation by internal employees, effective communication among employees, efficient and effective utilization of financial and non-financial resources and information and communication technology in service delivery.

Simiyu(2015) argues that proper database systems help to ensure that the organization is not unnecessarily exposed to avoidable financial risks and that financial information used within the business and for publication is reliable.Simiyu(2015)also noted that revenue database system contribute to the safeguarding of assets, including the prevention and detection of fraud and misuse of organizational resources.

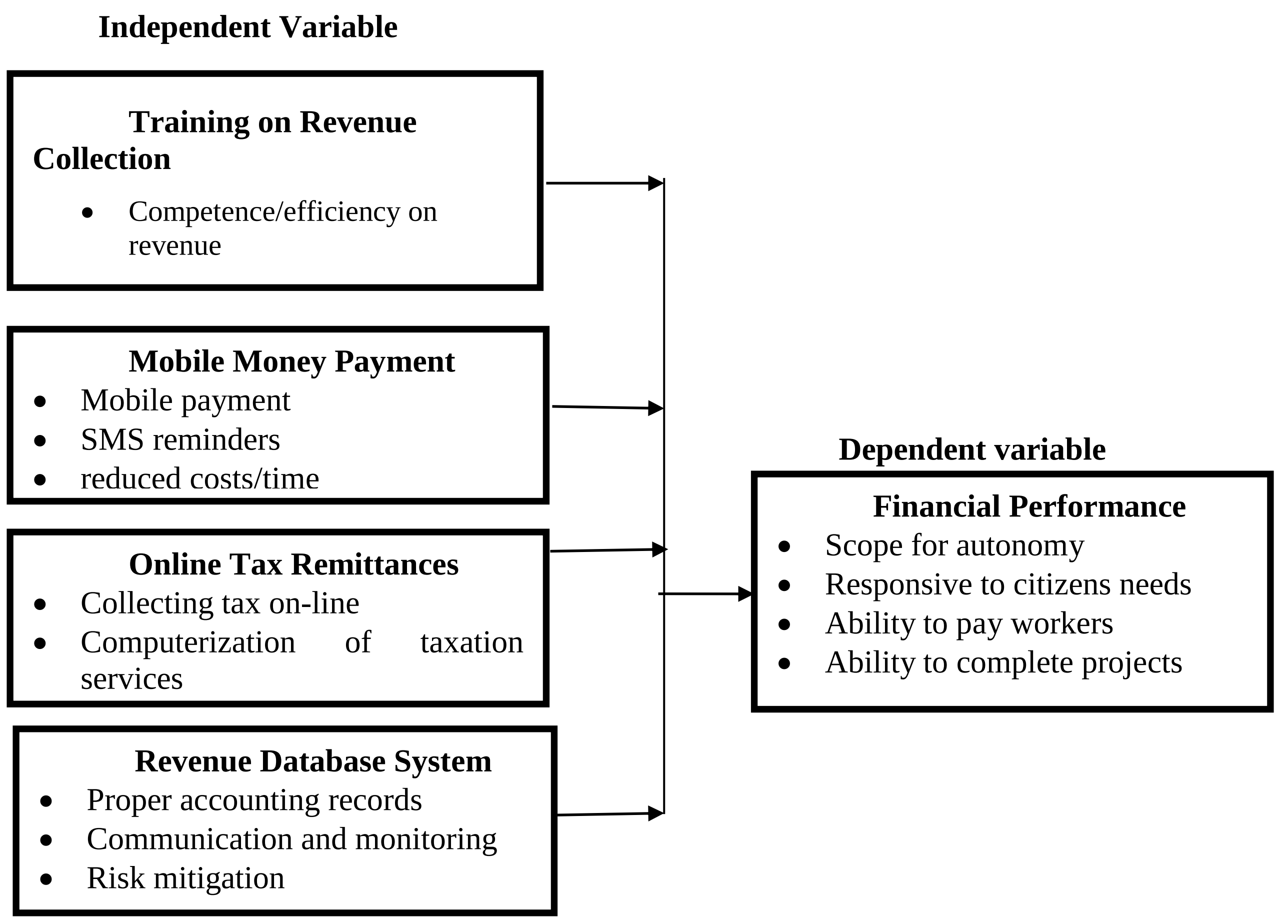
Mwachiro(2013) established that proper database systems help to ensure that the organization is not unnecessarily exposed to avoidable financial risks. The research was conducted using both qualitative and quantitative approaches. Questionnaires were used on a population of 38 respondents in gathering primary data for the study. The data collected was then analyzed and findings revealed that the five components of control environment, risk assessment, control activities, information andcommunication, and monitoring must be available for revenue database systemto work. The study established that weak revenue database systemhave encouraged collusion to fraud, loss of revenue and embezzlement of collected revenue.

Ojha, Sahu and Gupta(2009) did a study on the antecedents of paperless income tax filing by young professionals in India. The objective of this study was to study how young Indian professionals will adopt or behave towards paperless or online filing of tax returns with the aim of enhancing compliance. The regression analysis carried out found that the antecedents of young Indian professionals depended on the perceived ease of the tax system, personal innovativeness in information technology, relative advantage, performance of filing service, and compatibility.

In Malaysia, Ling and Nawawi (2010) carried out a survey on Integrating ICT Skills and tax software in tax education. The respondents were the tax practitioners and the study aimed at establishing the necessary skills required by taxpayers to fully utilize a tax online system. The study found that three skills are needed by a taxpayer to interact well with technology based tax system namely, spread sheet software, word-processing software and e-mail. The findings of this study has got implications on the current study in that in analyzing the effectiveness of electronic filing system, one must not ignore the mandatory skills that would be users of the system need to have.

2.4 Conceptual Framework

Conceptual framework is a systematic presentation which identifies the variables that when put together explain the issue of concern. The conceptual framework is therefore the set of broad ideas used to explain the relationship between the independent variables (factors) and the dependent variables (outcome).



Source: Author, (2016)

Figure 2.1: Conceptual Framework

2.5 Hypothesis

i. Training on revenue collectiondoes not have a significant effecton the financial performance of selectedcounty governments in Kenya.

ii. Mobile money paymentdoes not have a significant effectonthe financial performance of selectedcounty governments in Kenya.

iii. Online tax remettincedoes not have a significant effecton the financial performance of selectedcounty governments in Kenya.

iv. Revenue Data system systems does not have a significant effecton the financial performance of selectedcounty governments in Kenya.

2.6 Variable Operationalization

Table 2.1: Variable Operationalization

Variable	Variable Prefix	Type of Variable	Measurement	Dependent/Independent	Expected Sign
Financial Performance	Y_1	Ordinal	• Scope for autonomy • Responsive to citizens needs • Ability to pay workers/contractors	Dependent	
Training on Revenue Collection	X_1	Ordinal	• Competence/efficiency on revenue • Skills on revenue	independent	+
Mobile Money Payment	X_2	Ordinal	• Mobile payment • SMS reminders • reduced costs/time	independent	+

Variable	Variable Prefix	Type of Variable	Measurement	Dependent/Independent	Expected Sign
Online Tax Remittances	X_3	Ordinal	• Collecting tax on-line • Computerization of taxation services	independent	+
Revenue Database System	X_4	Ordinal	• Proper accounting records • Communication and monitoring • Risk mitigation	independent	+

(Source: Author, 2016)

2.7 Summary

The above chapter reviewsvarious theories, empirical literature and conceptual framework that is used in this study. Specifically, it outlines the theories and models that inform the aspect of innovations acceptance. The empirical literature is done according to the objectives of the study and the conceptual framework gives a diagrammatical explanation of the dependent variable and the independent variables.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter discussed the type of research design, population, and target population, sampling frame, sample, sample size, sampling technique, instruments to be used, and data analysis.

3.2 Research Design

Research design refers to how data collection and analysis are structured in order to meet the research objectives through empirical evidence economically (Chandran, 2008). According to Cooper and Schindler (2007) research design is the plan and structure of investigation so conceived as to obtain answers to research questions.

The study adopted a descriptive research design. Creswell (2002) observes that a descriptive research survey is used when data are collected to describe persons, organizations, settings, or phenomena. That is why the researcher opted for descriptive survey research design. Descriptive design was adopted because it focused on complex analysis to bring out the correlation of variables under study. Descriptive design also illustrates events and their specific context.

3.3 Target Population

This study focused on selected countiesin Kenya that had effected revenue collection processes innovations by June, 2015. The study focused on Nairobi County, KiambuCounty, Machakos County and Mombasa County. The counties were selected because they are the only counties that had instituted e revenue by june,2015 (CRA report, 2015).The target population consisted of all the employees in the county revenue collection department. This department is mandated with the responsibility of revenue mobilization therefore they were better placed to provide information on the effect of innovation on financial performance.

Table 3.1: TargetPopulation

County	Population of employees in revenue collection department
Nairobi County	120
Kiambu County	98
Machakos County	102
Mombasa County	93
Total	**413**

Source Author (2016)

3.4 Sample and Sampling Technique

This study selected30% of the employees of the selected county revenue collection department.According to Mugenda and Mugenda (2003) a sample of between 10%-30% is adequate for a descriptive study. The Simple random sampling technique was used in this study to select the respondents. The total sample in this study was124 respondents. According to Mugenda&Mugenda (2003) the sample size used in a study is dependent on the research design, the size of the population that is accessible, the number of variables and the method of data analysis.

Table 3.2: Sample Size

County	Target Population	Percentage	Sample
Nairobi County	120	30%	36
Kiambu County	98	30%	29
Machakos County	102	30%	31
Mombasa County	93	30%	28
Total	**413**	30%	**124**

Source Author (2016)

3.5 Data Collection Method

Data was primarily collected to provide information regarding a specific topic. Primary data was gathered by use of a semi-structured questionnaire and captured through a 5-point type Likert scale.Polit and Beck (2003) explain that secondary research involves the use of data gathered in a previous study to test new hypotheses or explore new relationships. They also indicate that analysis of existing data is efficient and economical because data collection is typically the most time-consuming and expensive part of a research project.

Questionnaires were used to collect data from the selected sample. The Researcher used Research Assistants to administer the questionnaires to the identified respondents after a random selection from the population.The questionnaire were structured into five sections.

Section A was on demographic characteristics of the respondents, while the other sections was based on research objectives. The study used drop and pick method.

3.6 Pilot Testing of study Instruments

Prior to using a questionnaire to collect data it should be pilot tested. The purpose of the pilot test was to refine the questionnaire so that respondents had no problems in answering the questions and there were no problems in recording the data. In addition, it enabled one to obtain some assessment of the question's validity and the likely reliability of the data that was collected. Preliminary analysis using the pilot test data was undertaken to ensure that the data collected enabled the investigative questions to be answered (Saunders, Lewis & Thornhill 2012).

Therefore, in order to check the validity and reliability of the questionnaires in gathering the data required for purposes of the study, a pilot study was carried out in the selected Counties who have also effected the revenue innovations. The purpose of pilot testing was to establish the accuracy and appropriateness of the research design and instrumentation (Saunders, Lewis & Thornhill (2009). Newing (2011) states that the importance of pilot testing cannot be overemphasized; you will almost always find that there are questions that people fail to understand or interpret in different ways, places in the questionnaire where they are not sure where to go next, and questions that turn out simply not to elicit useful information. Cooper and Schindler (2006) concur that the purpose of pilot test is to detect weaknesses in design and implementation and to provide a proxy for data collection of a probability sample. Sekaran (2006) reinforces that pilot test is necessary for testing the reliability of instruments and the validity of a study. Once the questionnaire is pilot tested and amended and the sample selected, the questionnaire were then used to collect data in line with Saunders, Lewis and Thornhill (2012).

3.6.1 Instrument Reliability

Reliability refers to the repeatability, stability or internal consistency of a questionnaire (Jack and Clarke, 1998). Cronbach's alpha was used to test the reliability of the measures in the questionnaire (Cronbach, 1995). According to Cooper and Schindler (2003), Cronbach's alpha has the most utility for multi-item scales at the interval level of measurement, requires only a single administration and provides a unique, quantitative estimate of the internal consistency of a scale. Baker, Veit and Powell (2001) states that the size of a sample to be used for piloting testing varies depending on time, costs and practicality, but the same would tend to be 5- 10 per cent of the main survey. According to Cooper and Schindler (2006) the respondents in a pilot test do not have to be statistically selected when testing the validity and reliability of the instruments.

In this study, data collection instrument which is a questionnaire was tested on 10% of the sample of the questionnaires to ensure that it is relevant and effective. Reliability was tested using questionnaire duly completed by twenty (20) randomly selected respondents. These respondents were not included in the final study sample in order to control for response biasness.The questionnaire responses were input into statistical package for social sciences (SPSS) and Cronbach's alpha coefficient generated to assess reliability. The closer Cronbach's alpha coefficient is to 1, the higher the internal consistency reliability (Sekaran, 2006). A coefficient of 0.7 is recommended for a newly developed questionnaire.

3.6.2 Instrument Validity

Validity refers to whether a questionnaire is measuring what it purports to measure (Bryman&Cramer 1997). It describes validity as the degree of congruence between the explanations of the phenomena and the realities of the world. While absolute validity is difficult to establish, demonstrating the validity of a developing measure is very important in research (Bowling, 1997). This study used both construct validity and content validity. For construct validity, the questionnaire was divided into several sections to ensure that each section assessed information for a specific objective, and also ensured that the same closely ties to the conceptual framework for this study. To ensure content validity, the questionnaire was subjected to thorough examination by two randomly selected senior officers. They were asked to evaluate the statements in the questionnaire for relevance and whether they were meaningful, clear and loaded of offensive. On the basis of the evaluation, the instrument was adjusted appropriately before subjecting it to the final data collection exercise. Their review comments were used to ensure that content validity is enhanced.

3.7 Data Analysisand Interpretation

The collected primary data wasanalyzed usingStatistical Package for Social Science (SPSS)version 20. A linearregression analysis wasconducted on the data set. ThePearsonProductMoment wasused to analyze the data in which correlation coefficient (R)and the coefficient of determination (R^2) of the variableswasestablished. The findings from the analysis wasorganized, summarized and presented using tables and pie charts. The empirical regression model that was adopted for this study was as shown below.

$Y_1 = \alpha+\beta_1X_1+\beta_2X_2+\beta_3X_3+\beta_4X_4+ e$ …………………………….………………. (1)

Where Y_1= Financial Performance

X_1= Training on Revenue Collection

X_2= Online Tax Payments

X_3= Mobile Money Payment

X_4= Revenue Database System

α = the constant term

β_ii= 1….4 measure of the sensitivity of the dependent variable (Y) to unit change in the predictor variables X_1, X_2, $X_3$and X_4.

e = is the error term which captures the unexplained variations in the model.

3.8 Ethical Issues

The researcher obtainedformal consent from the relevant authorities. The formal consent was sought inorderto request the respondents of their willingness to participate in the filling of the questionnaires. The researcher informed the respondents that participation in this study was purelyvoluntarily and withdrawing from participation was acceptable. The researcher assured the respondents that information they provided was to be used for academic purpose only and that there would beno disclosure of the information.

CHAPTER FOUR

ANALYSIS, RESULTS AND DISCUSSIONS

4.0 Introduction

This chapter comprised of data analysis, findings and interpretation. Results were presented in tables and diagrams. The analyzed data was arranged under themes that reflected the research objectives.

4.1 Response Rate

The number of questionnaires that were administered to employees in the selected county revenue collection department were 124. A total of 91 questionnaires were properly filled and returned. This represented an overall successful response rate of 73.35% as shown on Table 4.1. According to Mugenda and Mugenda (2003) and also Kothari (2004) a response rate of above 50% is adequate for a descriptive study. Babbie (2004) also asserted that return rates of above 50% are acceptable to analyze and publish, 60% is good and 70% is very good.

Based on these assertions from renowned scholars, 73.35% response rate was very good for the study. Thus the response rate of 73.35% under this study was very good for study.

Table 4.1: Response rate

Response	Frequency	Percent
Returned	91	73.35%
Unreturned	33	26.61%
Total	**124**	**100%**

Source Author (2016)

4.2 Reliability

The cronbach alpha has been computed for the purpose of measuring the reliability of the administered questionnaire. This was achieved through the subjection of six questionnaires to a randomly selected employees in the county revenue collection department. The conclusion reached is that all the variables could be relied upon as the cronbach alpha achieved was above 0.7 which is what has been used as the hurdle rate of reliability for the study. Table 4.2 summarises the reliability results.

Table 4.2: Reliability

Variable	No of items	Respondents	α=Alpha	Comment
Training on revenue collection	10	7	0.7543	Reliable
Mobile money payment	9	7	0.7987	Reliable
Online tax Remittances	6	8	0.7112	Reliable
Revenue data base system	7	6	0.8211	Reliable
Financial Performance	7	6	0.7342	Reliable

Source Author (2016)

4.3 Demographic Characteristics

This section consists of information that describes basic characteristics such as gender of the respondent, age of the respondent, academic qualification and years worked in the county government.

4.3.1 Gender of the Respondents

The respondents were asked to indicate their gender. Majority of the respondents who were 52% indicated that they were females while only 48% indicated that they were males.

This implies that most employees working in the county revenue collection department are women.

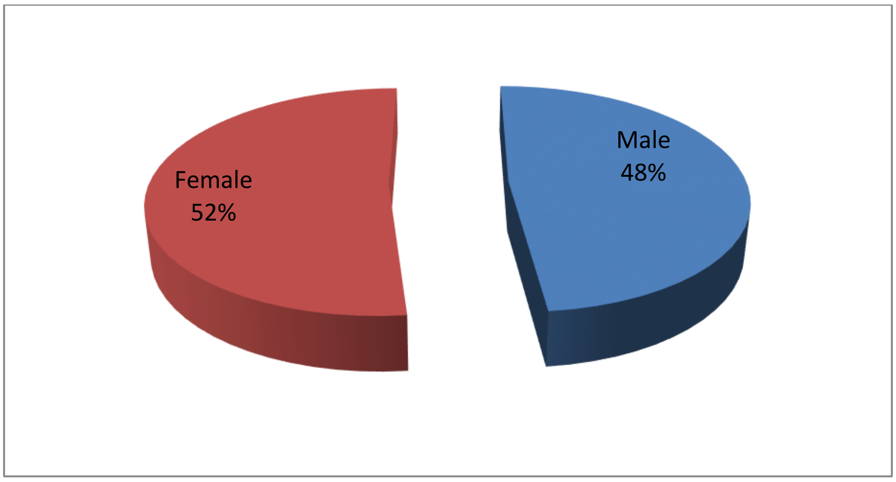


Figure 4.1: Gender of the Respondents

4.3.2 Age of the Respondents

The respondents were asked to indicate their age. Majority of the respondents who were 53% indicated that they were between 31 to 40 years, 27% indicated that they were between 18 to 30 years while only 20% were between 41 to 50 years. This implies that most employees working in the county revenue collection department are middle aged people and thus they are energetic to improve the financial performance of the county.

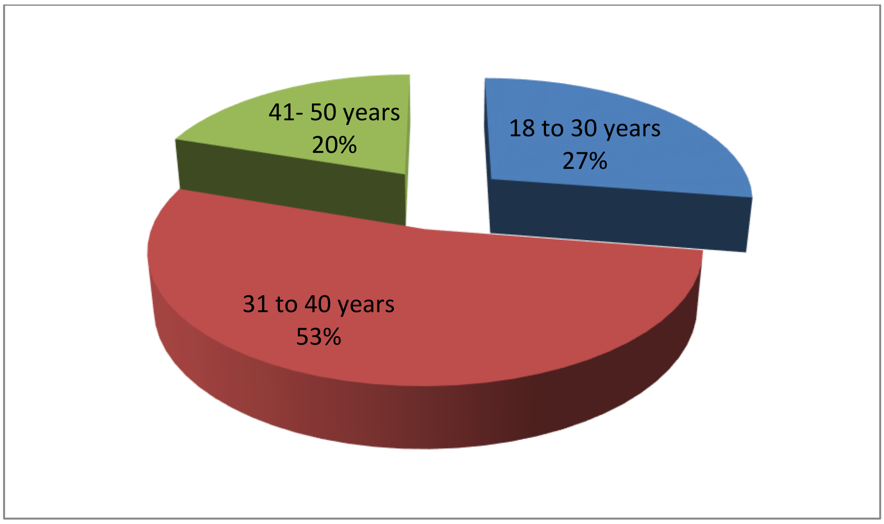


Figure 4.2: Age of the Respondents

4.3.3 Academic Qualification

The respondents were further asked to indicate their highest level of academic qualification. Majority of the respondents who were 54.9% indicated that they had bachelors degree, 25.3% indicated that they had diploma, 9.9% indicated that they had masters while 9.9% also indicated that they had certificate.This implies that most employees working in the county revenue collection department are skilled and thus can be able to improve the financial performance of the county.

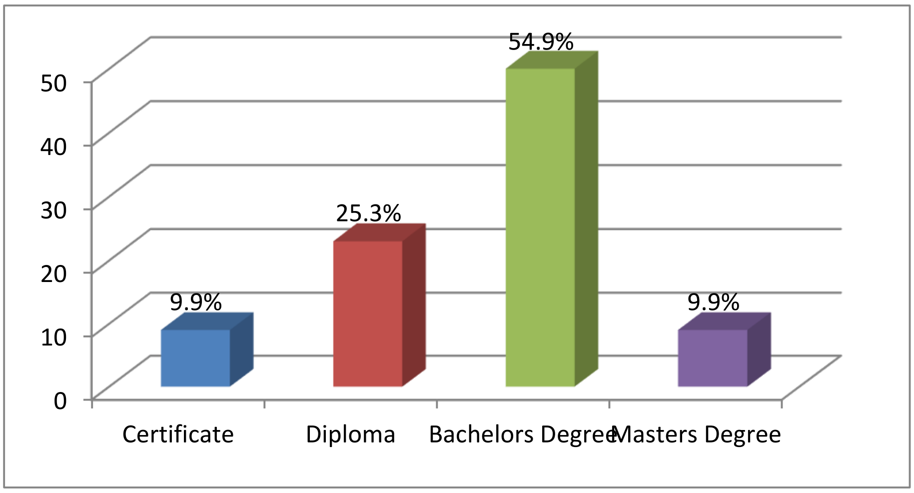


Figure 4.3: Academic Qualification

4.3.4 Years Worked in the County

The respondents were further asked to indicate the number of years they had worked in the county. Majority of the respondents who were 55% indicated that they had worked for over 5 years, 35% indicated that they had worked for 3-5 years while only 10% had worked for less than 2 years. This implies that most employees working in the county revenue collection department had worked for a long time for the county and thus had good information about the county.

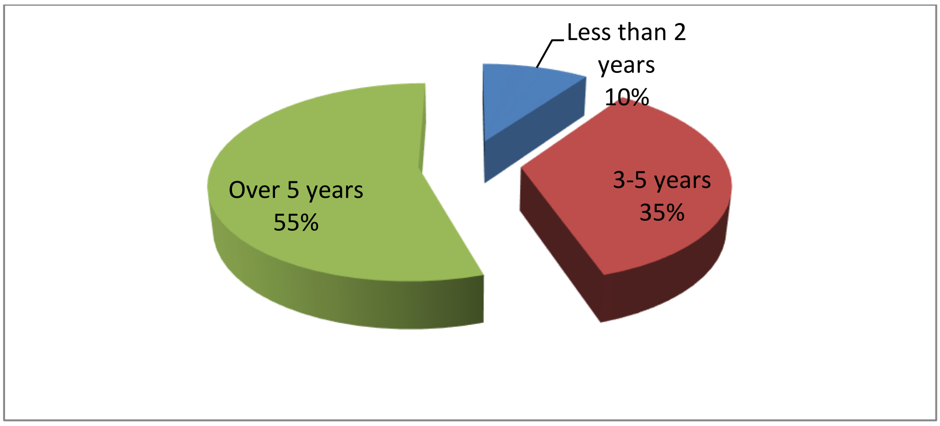


Figure 4.4: Years Worked in the County Government

4.4 Descriptive Statistics

This section presents the descriptive results on financial performance, training on revenue collection, mobile money payment, online tax remittance and revenue database system.

4.4.1 Financial Performance

The respondents were asked to respond to the statements on financial performance. The results in table 4.3 revealed that majority of the respondents who were 80.2% (76.9% + 3.3%) agreed with the statement that the county is able to pay all its bills. The results further revealed that majority of the respondents who were 60.6% agreed with the statement that the county government is able to complete projects. The results further revealed that majority of the respondents who were 79.1% agreed with the statement thatthere is effectiveness in service delivery in the county.The results further showed that majority of the respondents who were 51.1% agreed with the statement thatthe county government is able to pay its workers on time.The results further showed that the respondents who were 39.6% disagreed with the statement thatthe county government is able to cater for its citizens needs.The results further showed that majority of the respondents who were 61.1% agreed with the statement thatthe county is able to meet recurrent expenditure such as staff salaries.The results further revealed that majority of the respondents who were 69.2% agreed with the statement thatthe financial performance of the county has been increasing.

On a five point scale, the average mean of the responses was 3.50 which means that majority of the respondents were agreeing with most of the statements; however the answers were varied as shown by a standard deviation of 0.86.

Table 4.3: Financial Performance

Statement	**Strongly Disagree**	**Disagree**	**Neutral**	**Agree**	**Strongly agree**	**mean**	**Std. Dev**
The county is able to pay all its bills	1.10%	1.10%	17.60%	76.90%	3.30%	3.80	0.56
The county government is able to complete projects	1.10%	9.90%	28.50%	54.00%	6.60%	3.65	0.81
There is effectiveness in service delivery in the county	5.50%	1.10%	14.30%	68.10%	11.00%	3.78	0.87
The county government is able to pay its workers on time	4.40%	24.20%	19.80%	49.50%	2.20%	3.21	0.98
The county government is able to cater for its citizens needs	1.10%	38.50%	29.70%	26.40%	4.40%	2.95	0.94
The county is able to meet recurrent expenditure such as staff salaries	7.70%	8.80%	22.00%	54.90%	6.60%	3.44	1.01
The financial performance of the county has been increasing	4.40%	1.10%	25.30%	59.30%	9.90%	3.69	0.84
Total						**3.50**	**0.86**

4.4.2 Training on Revenue Collection on Financial Performance

The first objective of the study was to determine the effect of training on revenue collectionon financial performance of selected county governments in Kenya.The results in table 4.4 revealed that majority of the respondents who were 57.1% (53.8% + 3.3%) agreed with the statement thatall the staff that are in the revenue department are competent on revenue collection. The results further revealed that majority of the respondents who were 57.2% agreed with the statement that trainings are held in the county on revenue collection. The results further showed that majority of the respondents who were 64.8% agreed with the statement thatstaff training on revenue collection is part of the county strategic plan. The results further showed thatmajority of the respondents who were 73.7% agreed with the statement thatstaff competency on revenue collection affects financial performance of the county.The results further revealed that majority of the respondents who were 57.1% agreed with the statement thatscholarship and sponsorship are available for all staff to be trained on revenue collection.The results further showed thatmajority of the respondents who were 52.8% disagreed with the statement thatemployees are sent for training on revenue collection as a ticket for promotional purposes. The results further showed thatmajority of the respondents who were 62.6% agreed with the statement thatsenior managers and supervisors nominate employees for training on revenue collection.

On a five point scale, the average mean of the responses was 3.33 which means that majority of the respondents were agreeing with most of the statements; however the answers were varied as shown by a standard deviation of 1.15.

Table 4.4: Training on Revenue Collection

Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly agree	Mean	Std. Dev
All the staff that are in the revenue department are competent on revenue collection	11.00%	14.30%	17.60%	53.80%	3.30%	3.24	1.10
Trainings are held in the county on revenue collection	11.00%	11.00%	20.90%	41.80%	15.40%	3.40	1.20
Staff training on revenue collection is part of the county strategic plan	15.40%	3.30%	16.50%	61.50%	3.30%	3.34	1.14
Staff competency on revenue collection affects financial performance of the county	6.60%	16.50%	3.30%	41.80%	31.90%	3.76	1.25
Scholarship and sponsorship are available for all staff to be trained on revenue collection	11.00%	6.60%	25.30%	54.90%	2.20%	3.31	1.03
Employees are sent for training on revenue collection as a ticket for promotional purposes.	4.40%	48.40%	20.90%	13.20%	13.20%	2.82	1.14
Senior managers and supervisors nominate employees for training on revenue collection	13.20%	5.50%	18.70%	51.60%	11.00%	3.42	1.17
Total						**3.33**	**1.15**

4.4.3 Mobile Money Payment on Financial Performance

The second objective was to establish the effect of mobile money payment on financial performance of selected county governments in Kenya. The results in table 4.5 revealed that majority of the respondents who were 62.6% (60.4% + 2.2%) agreed with the statement that their county government is using mobile money transfer services for making payments to citizens and collecting revenues such as taxes. The results also showed that majority the respondents who were 60.4% agreed with the statement thattheir county government uses SMS reminders. The results also revealed that majority the respondents who were 95.6% agreed with the statement thatphones clearly substitute for journeys and, in some cases, for brokers, traders and other business intermediaries.The results also revealed that majority the respondents who were 90% agreed with the statement that mobile money payment reduce uncertainty and risk.The results also revealed that majority the respondents who were 53.9% agreed with the statement thatmobile payment reduces the county operational costs.The results also showed that majority the respondents who were 94.5 % agreed with the statement thatmobile money payments promote efficiency and confidence in the financial system thus winning public trust. The results further showed that majority the respondents who were 96.7 % agreed with the statement thatmobile money payments is a secure method and fast than other methods.The results also revealed that majority the respondents who were 68.1 % agreed with the statement thatmobile money payments have reduced transaction costs in the county.

On a five point scale, the average mean of the responses was 3.87 which means that majority of the respondents were agreeing with most of the statements; however the answers were varied as shown by a standard deviation of 0.60

Table 4.5: Mobile Money Payment on Financial Performance

Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly agree	Mean	Std. Dev
Our county government is using mobile money transfer services for making payments to citizens and collecting revenues	0.00%	26.40%	11.00%	60.40%	2.20%	3.38	0.90

such as taxes							
Our county government uses SMS reminders	0.00%	34.10%	5.50%	60.40%	0.00%	3.26	0.94
Phones clearly substitute for journeys and, in some cases, for brokers, traders and other business Intermediaries	0.00%	0.00%	4.40%	95.60%	0.00%	3.96	0.21
Mobile money payment reduce uncertainty and risk	10.00%	0.00%	0.00%	70.30%	29.70%	4.30	0.46
Mobile payment reduces the county operational costs	0.00%	0.00%	46.20%	49.50%	4.40%	3.58	0.58
Mobile money payments promote efficiency and confidence in the financial system thus winning public trust	0.00%	0.00%	5.50%	59.30%	35.20%	.30	0.57
Mobile money payments is a secure method and fast than other methods	0.00%	0.00%	3.30%	52.70%	44.00%	.41	.56
Mobile money payments have reduced transaction costs in the county	0.00%	0.00%	31.90%	62.60%	5.50%	3.74	0.55
Total						**3.87**	**0.60**

4.4.4 Online Tax Remittances on Financial Performance

The third objective of the study was to investigate the effect of online tax remittances on financial performance of selected county governments in Kenya. The results in table 4.6 revealed that majority of the respondents who were 75.7% (65.7%+10.00%) agreed with the statement that the county government has invested on e-government services. The results further revealed that majority of the respondents who were 69.7% agreed with the statement that the county government computerize of taxation services. The results further showed that majority of the respondents who were 73.6% agreed with the statement the thatcounty government ensure that online remittance systems are well enhanced.The results further revealed that majority of the respondents who were 56.0% disagreed with the statement thatonline system do affect tax compliance level among small taxpayers. The results further showed that majority of the respondents who were 69.2% agreed with the statement the thatby citizens using online services the county performance is increased. The results further revealed that majority of the respondents who were 59.6% agreed with the statement thatonline tax collections minimizes the county costs.

On a five point scale, the average mean of the responses was 3.53 which means that majority of the respondents were agreeing with most of the statements; however the answers were varied as shown by a standard deviation of 0.58.

Table 4.6: Mobile Money Payment on Financial Performance

Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly agree	Mean	Std. Dev
The county government has invested on e-government services	10.00%	2.20%	12.10%	65.70%	10.00%	.84	0.43
Our county government computerize of taxation services	5.00%	1.10%	24.20%	60.00%	9.70%	.84	0.47
Our county government ensure that online remittance systems are well enhanced	20.00%	1.10%	5.30%	64.80%	8.80%	3.81	0.60
Online system do affect tax compliance level among small taxpayers	0.00%	56.00%	36.30%	6.60%	1.10%	.53	0.67
By citizens using online services the county performance	6.00%	4.40%	20.40%	61.50%	7.70%	3.73	0.67

is increased							
Online tax collections minimizes the county costs	25.00%	9.90%	5.50%	58.50%	1.10%	3.41	0.66
Total						**3.53**	**0.58**

4.4.5 Revenue Database System on Financial Performance

The forth objective of the study was to examine the effect of revenue database system on financial performance of selected county governments in Kenya. The results in table 4.7revealed that majority of the respondents who were 78% (62.6% + 15.40%) agreed with the statement that proper database system enhances maintenance of proper accounting records in the county government. The results further revealed that majority of the respondents who were 70.3% agreed with the statement that proper database systems help to ensure that the county is not unnecessarily exposed to avoidable financial risks.The results further showed that majority of the respondents who were78% agreed with the statement that weak revenue database system encourage collusion to fraud, loss of revenue and embezzlement of collected revenue. The results further showed that majority of the respondents who were85.7% agreed with the statement thatrevenue database system enhance effectivecommunication and monitoring in the county government.The results further revealed that majority of the respondents who were55.0% agreed with the statement thatthe employees in the revenue department have the necessary skills required by taxpayers to fully utilize a tax online system.The results further revealed that majority of the respondents who were69.2% agreed with the statement thattheproper database systems improves the financial performance of the county.

On a five point scale, the average mean of the responses was 3.51 which means that majority of the respondents were agreeing with most of the statements; however the answers were varied as shown by a standard deviation of 1.28.

Table 4.7: Revenue database System on Financial Performance

Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly agree	mean	Std. Dev
Proper database system enhances maintenance of proper accounting records in the county government	18.70%	3.30%	0.00%	62.60%	15.40%	3.53	3.32
Proper database systems help to ensure that the county is not unnecessarily exposed to avoidable financial risks	17.60%	2.20%	9.90%	64.80%	5.50%	3.38	1.20
Weak revenue database system encourage collusion to fraud, loss of revenue and embezzlement of collected revenue	19.80%	2.20%	0.00%	58.20%	19.80%	3.56	1.376
Revenue Database System enhance effective communication and monitoring in the county government	12.10%	2.20%	0.00%	60.40%	25.30%	3.85	1.19
The employees in the revenue department have the necessary skills required by taxpayers to fully utilize a tax online system	19.80%	9.90%	15.40%	39.60%	15.40%	3.21	1.37
Proper database systems improves the financial performance of the county.	14.30%	2.20%	14.30%	54.90%	14.30%	3.53	1.20
Total						**3.51**	**1.28**

4.5 Inferential Statistics

Inferential analysis was conducted to generate correlation results, model of fitness, and analysis of the variance and regression coefficients.

4.5.1 Correlation Analysis

Table 4.8 below presents the results of the correlation analysis. The results revealed that training on revenue collectionand financial performance are significantly related and have moderately strong positive correlation (r=0.664 p=0.000). The table further indicated that mobile money paymentand financial performance are significantly related and have moderately strong positive correlation (r=0.557, p=0.000). It was further established that online tax remittancesand financial performance were significantly related and have moderately strong positive correlation. (r=0.525, p=0.000). Similarly, results showed that revenue database systemand financial performance were significantly related and have moderately strong positive correlation (r=0.603, p=0.000). This implies that an increase in any unit of the variables leads to an improvement in financial performance of the county government.

Table 4.8: Correlation Matrix

Correlations		**Financial Performance**	**Training on Revenue Collection**	**Mobile money payment**	**Online tax remittances**	**Revenue Database system**
Financial Performance	Pearson Correlation	1.000				
	Sig. (2-tailed)					
Training on Revenue Collection	Pearson Correlation	.664**	1.000			
	Sig. (2-tailed)	**0.000**				
Mobile	Pearson	.557**	.396**	1.000		

money payment	Correlation					
	Sig. (2-tailed)	**0.000**	0.000			
Online tax remittances	Pearson Correlation	.525**	.352**	.315**	1.000	
	Sig. (2-tailed)	**0.000**	0.001	0.002		
Revenue Database system	Pearson Correlation	.603**	.388**	.497**	.346**	1.000
	Sig. (2-tailed)	**0.000**	0.000	0.000	0.001	

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

4.5.2 Regression Analysis

In statistical modeling, regression analysis is a statistical process for estimating the relationships among variables. It includes many techniques for modeling and analyzing several variables, when the focus is on the relationship between a dependent variable and one or more independent variables (or 'predictors'). There are various assumptions for multiple linear regressions. First it needs the relationship between the independent and dependent variables to be linear. Secondly, the multiple linear regression analysis requires all variables to be normal. Thirdly, multiple linear regressions assumes that there is little or no multicollinearity in the data.

The results presented in table 4.8 present the fitness of model used in the regression model to explain the study phenomena. Training on revenue collection, mobile money payment, online tax remittance and revenue database systemprovides a moderately good fit in predicting changes in financial performance of the county government. This is supported by coefficient of determination also known as the R square of 65.8%. This means that training on revenue collection, mobile money payment, online tax remittance and revenue database system explain 65.8% of the variations in the dependent variable which is financial performance of the selected county governments. This results further means that the model applied to link the relationship of the variables was satisfactory.

Table 4.9: Model Fitness

Indicator	Coefficient
R	0.811
R Square	0.658
Adjusted R Squared	0.642
Std. Error of the Estimate	0.18353

In statistics significance testing the p-value indicates the level of relation of the independent variable to the dependent variable. If the significance number found is less than the critical value also known as the probability value (p) which is statistically set at 0.05, then the conclusion would be that the model is significant in explaining the relationship; else the model would be regarded as non-significant.

Table 4.9 provides the results on the analysis of the variance (ANOVA). The results indicate that the overall model was statistically significant. Further, the results imply that the independent variables are good predictors of financial performance. This was supported by an F statistic of 41.388 and the reported p value (0.000) which was less than the conventional probability of 0.05significance level.

Table 4.10: Analysis of Variance

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	5.576	4	1.394	41.388	.000
Residual	2.897	86	0.034		
Total	8.473	90			

Regression of coefficients results in table 4.10 shows that training on revenue collectionand financial performance are positively and significant related (r=0.491, p=0.000). The table further indicates that mobile money paymentand financial performance are positively and significant related (r=0.144, p=0.015). It was further established that online tax remittancesand financial performance were positively and significantly related (r=0.196, p=0.002) while revenue database systemand financial performance were also positively and significantly related (r=0.278, p=0.001)

Table 4.11: Regression of Coefficients

	B	**Std. Error**	**t**	**Sig.**
(Constant)	-0.428	0.313	-1.371	0.174
Training on revenue collection	0.491	0.089	5.551	**0.000**
Mobile money payment	0.144	0.058	2.495	**0.015**
Online tax Remittances	0.196	0.06	3.276	**0.002**
Revenue database system	0.278	0.077	3.607	**0.001**

Thus, the optimal model for the study is;

Financial performance of the county government= -0.428+ 0.*491Training on revenue collection*+ 0.144*Mobile money payment*+ 0.196*Online tax Remittances*+ 0.278*Revenue database system*

4.6 Hypothesis Testing

4.6.1 Training on Revenue Collection on Financial Performance

The first objective of the study was to determine the effect of training on revenue collectionon financial performance of selected county governments in Kenya. The null hypothesis was; Training on revenue collection does not have a significant effect on the financial performance of selected county governments in Kenya.Results are shown in Table 4.10 shows that, the calculated p value of 0.000 was less than the critical p value (0.05). This indicated that the null hypothesis was rejected hence training on revenue collection have a significant effect on the financial performance.

4.6.2 Mobile Money Payment on Financial Performance

The second objective was to establish the effect of mobile money payment on financial performance of selected county governments in Kenya.The null hypothesis was; mobile money payment does not have a significant effect on the financial performance of selected county governments in Kenya. Results are shown in Table 4.10 shows that, the calculated p value of 0.015 was less than the critical p value (0.05). This indicated that the null hypothesis was rejected hence mobile money payment have a significant effect on the financial performance

4.6.3 Online Tax Remittances on Financial Performance

The third objective of the study was to investigate the effect of online tax remittances on financial performance of selected county governments in Kenya. The null hypothesis was; online tax remittances does not have a significant effect on the financial performance of selected county governments in Kenya. Results are shown in Table 4.10 shows that, the calculated p value of 0.002 was less than the critical p value (0.05). This indicated that the null hypothesis was rejected hence online tax remittances have a significant effect on the financial performance

4.6.4 Revenue Database System on Financial Performance

The forth objective of the study was to examine the effect of revenue database system on financial performance of selected county governments in Kenya.The null hypothesis was; revenue database system does not have a significant effect on the financial performance of selected county governments in Kenya. Results are shown in Table 4.10 shows that, the calculated p value of 0.001 was less than the critical p value (0.05). This indicated that the null hypothesis was rejected hence revenue database system have a significant effect on the financial performance.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter addresses the summary of the findings, the conclusions and the recommendations. This is done in line with the objectives of the study.

5.2 Summary of Findings

This section provides a summary of the findings from the analysis. This is done in line with the objectives of the study.

5.2.1 Training on Revenue Collection on Financial Performance

The first objective of the study was to determine the effect of training on revenue collectionon financial performance of selected county governments in Kenya.The findings revealed that training on revenue collection has a positive and significant effect on the financial performance ofselected county governments in Kenya.

The findings agree with that of Chen, Hsu, and Huang (2013) who conducted a study on lagged effect of training on financial performance. The study found that both partners' and assistants' training have significantly positive effect on financial performance with the former occurring in the current and one-year-lagged periods and the latter occurring in the one-year-lagged and two-year-lagged periods. Positive and significant association between training and financial performance informs practitioners that training contributes to audit firms and justifies the continuous education requirement in the public accounting profession.

5.2.2 Mobile Money Payment on Financial Performance

The second objective of the study was to establish the effect of mobile money payment on financial performance of selected county governments in Kenya.The findings revealed that mobile money payment has a positive and significant effect on the financial performance ofselected county governments in Kenya.

These findings agree with that of Raymond, Bergeon& Bill (2005) who concluded that mobile money payment has a positive and significant effect on the financial performance.Jack and Suri (2011) also noted that mobile money transfer services improves performance.

5.2.3 Online Tax Remittances on Financial Performance

The third objective of the study was to investigate the effect of online tax remittances on financial performance of selected county governments in Kenya.The findings revealed that online tax remittances has a positive and significant effect on the financial performance ofselected county governments in Kenya.

These findings agree with that of Connolly and Bannister(2008) who concluded that online tax remittances has a positive and significant effect on the financial performance.The findings also agree with that of Musya(2014) who found that weak online tax remittances leads to poor performance. The study recommended for proper online tax remittances.

5.2.4 Revenue Database System on Financial Performance

The fourth objective of the study was to examine the effect of revenue database system on financial performance of selected county governments in Kenya. The findings revealed that revenue database system has a positive and significant effect on the financial performance ofselected county governments in Kenya.

The findings agree with that of Emasu (2007) who argued that a proper database system enhances maintenance of proper accounting records, employee accountability, timely reporting on financial matters, risk mitigation by internal employees, effective communication among employees, efficient and effective utilization of financial and non-financial resources and information and communication technology in service delivery. Mwachiro(2013) also established that proper database systems help to ensure that the organization is not unnecessarily exposed to avoidable financial risks and thus improving the financial performance.

5.3 Conclusions

In relation to the study findings the study concluded that training on revenue collection, mobile money payment, online tax remittances and revenue database system influences financial performance of selected county government in kenya. The findings revealed a strong positive relationship between the independent variables and the dependent variable.

The study also concluded that mobile money payment reduce uncertainity risks. In addition it promotes efficiency and confidence in the financial system thus winning the public trust. Mobile money payments have also reduced transaction costs in the county.

The study also concluded that by county using online services, the county performance is increased. In addition online tax collections minimizes the county costs.

The study also concluded that proper database system enhances maintanace of proper accounting records in the county government. It also help to ensure that the county is not unnecessarily exposed to avoidable financial risk

5.4 Recommendations

The study recommends that all the staff that are in revenue department in all county goverments should be trained on revenue collection. The study also recommends that senior managers and supervisors should nominate all their employees for training on revenue collection. Scholarships and spornsorships should be made available for all staff in the revenue department to be trained on revenue collection

The study also recommends that the all county government should use mobile money transfer services for making payments to citizens and collecting revenues such as taxes. The county governments should also use SMS reminders.

The study also recommends that the county government should invest on e-government services. It should also computerize the taxation services.The county government should also ensure that online remittance systems are well enhanced.

The study also recommends that all county governments should ensure proper database system since weak database system encourage collusion to fraud, loss of revenue and embezzlement of collected revenue. The county government should also ensure that the employees in the revenue collection department have the necessary skills required by tax payers to fully utilize a tax online system.

5.5 Areas for Further Studies

The study sought to determine the effect of revenue collection processes innovations on the financial performance of selected county governments in Kenya. This called for the analysis of selected county governments in Kenya only, thus area for further studies could consider all counties in kenya for the purpose of making a comparison of the findings with those of the current study.

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APPENDICES

Appendix I: Letter of Introduction

Dear (Respondent)

RE: VOLUNTARY PARTICIPATION IN DATA COLLECTION

I am a master's student at KCA University undertaking a research project on, **"effect of revenue collection processes innovations on the financial performance of selected county governments in Kenya."** You have been selected for this study to fill the questionnaire. Kindly respond to the questions in the attached questionnaire. The information provided will exclusively and solely be used for academic purposes and will be treated with the confidence it deserves. Upon request, you will be furnished with a copy of the final report.

Your cooperation will be highly appreciated.

Yours Faithfully,

Charles Nyaga

Appendix II:Questionnaire

Kindly answer the following questions as honestly and accurately as possible. The information given will be treated with a lot of confidentiality. Please do not write your name anywhere on this questionnaire. You are encouraged to give your honest opinion.

SECTION A: PERSONAL INFORMATION

1. What is your Gender?

a) Male ☐

b) Female ☐

2. What is your age in completed years?

a) 18 to 30 years ☐

b) 31 to 40 years ☐

c) 41-50 years ☐

d) Over 50 years ☐

3. What is your highest academic qualification?

a) Certificate ☐

b) Diploma ☐

c) Bachelor's Degree ☐

d) Masters Degree ☐

e) PhD ☐

6. How many years have you worked in the county government?

a) Less than 2 Years ☐

b) 3-5 Years ☐

c) Over 5 Years ☐

7. Which position do you hold in the county government………………………

Section B: Financial Performance

Use the likert scale. The response scale for the questions is as below

5= Strongly Agree, 4= Agree, 3= Neutral, 2= Disagree, 1= Strongly Disagree

Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree
	1	2	3	4	5
The county is able to pay all its bills					
The county government is able to complete projects					
There is effectiveness in service delivery in the county					
The county government is able to pay its workers on time					
The county government is able to cater for its citizens needs					
The county is able to meet recurrent expenditure such as staff salaries					
The financial performance of the county has been increasing					

Section C: Effectof Training on Revenue CollectionOn Financial Performance

This section attempts to establish the effect of Trainingon revenue collection on financial performanceof county governments in Kenya

Use the likert scale. The response scale for the questions is as below

5= Strongly Agree, 4= Agree, 3= Neutral, 2= Disagree, 1= Strongly Disagree

Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
	1	2	3	4	5
All the staff that are in the revenue department are competent on revenue collection					
Trainings are held in the county on revenue collection					
Staff training on revenue collection is part of the county strategic plan					
Staff competency on revenue collection affects financial performance of the county					
Scholarship and sponsorship are available for all staff to be trained on revenue collection					
Employees are sent for training on revenue collection as a ticket for promotional purposes.					
Senior managers and supervisors nominate employees for training on revenue collection					

SECTION D: Effectof Mobile Money Payment on Financial Performance

This section attempts to establish the effect of mobile money payment on financial performanceof county governments in Kenya.

Use the likert scale. The response scale for the questions is as below

5= Strongly Agree, 4= Agree, 3= Neutral, 2= Disagree, 1= Strongly Disagree

Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
	1	2	3	4	5
Our county government is using mobile money transfer services for making payments to citizens and collecting revenues such as taxes					
Our county government uses SMS reminders					
Phones clearly substitute for journeys and, in some cases, for brokers, traders and other business Intermediaries					
Mobile money payment reduce uncertainty and risk					
Mobile payment reduces the county operational costs					
Mobile money payments promote efficiency and confidence in the financial system thus winning public trust					
Mobile money payments is a secure method and fast than other methods					
Mobile money payments have reduced transaction costs in the county					

<u>SECTION E: Effect of Online Tax Remittances on Financial Performance</u>

This section attempts to establish the effect of online tax remittances on financial performance of county governments in Kenya.

Use the likert scale. The response scale for the questions is as below

5= Strongly Agree, 4= Agree, 3= Neutral, 1= Disagree, 2= Strongly Disagree

Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree
	1	2	3	4	5
The county government has invested on e-government services					
Our county government computerize of taxation services					
Our county government ensure that online remittance systems are well enhanced					
Online system do affect tax compliance level among small taxpayers					
By citizens using online services the county performance is increased					
Online tax collections minimizes the county costs					

<u>SectionF: Effect of Revenue Database System on Financial Performance</u>

This section attempts to establish the effect of revenue database system on financial performance of county governments in Kenya.

Use the likert scale. The response scale for the questions is as below

5= Strongly Agree, 4= Agree, 3= Neutral, 1= Disagree, 2= Strongly Disagree

Statement	**Strongly disagree**	**Disagree**	**Neutral**	**Agree**	**Strongly agree**
	1	2	3	4	5
Proper database system enhances maintenance of proper accounting records in the county government					
Proper database systems help to ensure that the county is not unnecessarily exposed to avoidable financial risks					
Weak revenue database system encourage collusion to fraud, loss of revenue and embezzlement of collected revenue					
Revenue Database System enhance effective communication and monitoring in the county government					
The employees in the revenue department have the necessary skills required by taxpayers to fully utilize a tax online system					
Proper database systems improves the financial performance of the county.					