FACTORS AFFECTING IMPLEMENTATION OF REVENUE COLLECTION SYSTEMS IN COUNTY GOVERNMENTS IN KENYA, A CASE OF MERU COUNTY

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ABSTRACT

Revenue collection is a key source of income to all governments. The purpose of this study was to establish factors affecting revenue collection systems at the county governments of Kenya with specific reference to Meru County. The study sought to determine the effect of financial management system on revenue collection systems. The design for the study was cross-sectional mixed method. The target population was 150 respondents comprising employees at county revenue department of Meru County. The sample size was 62 respondents. The instruments for data collection were questionnaires. Data was analyzed Using SPSS version 25 and STATA version 12. From pilot test Cronbach's alpha tested reliability. While Regression analysis, ANOVA, Correlation, descriptive statistics, presented the data results and findings. It was expected that; the outcome of the study could be used to develop strategies to be used in facilitating efficiency in revenue collection. The study found that ability to make payments using mobile money Platforms and tax payer's ability to pay rates, fees through different bank accounts were very good. The study found out that revenue collection systems used have

achieved expected revenue targets and revenue collection system available have improved taxpayers' compliance in a greater extent. The study found out that the respondents strongly agreed that they are encouraged to take up responsibility for their personal development, learning and career growth. In addition, the study found out that respondents agreed that they have been trained on revenue collection systems available in the last one year and that employee experience, knowledge, skills & competence will improve service delivery. Taxes payable to County Governments should be distinct from the ones payable to the National Government. The foregoing would reduce tax evasion, non-compliance and also Double Taxation of Citizens. All variables were significant since their p-values were less than 0.05.

Key words: Technology, Revenue collection systems, County information, financial and operations management system.

1.1 BACKGROUND OF THE STUDY

Revenue collection is one of the key sources of income for all governments. Imposition of tax includes financial charge and other levies to the businesses, individuals by a government or a legal entity Ataro, et al., (2016). "A tax is not a voluntary payment or donation but an enforced contribution exacted pursuant to legislative authority and therefore it is any contribution imposed by government" (Akrani, 2010; Ngugi, 2016). This study focuses on factors affecting revenue collection systems on county governments in Kenya with specific reference to Meru County.

Tax may be direct or indirect. It is a pecuniary burden bored by individuals to support government functions such as development and recurrent expenditures (Ngugi, 2016). The world economic crisis affecting United states of America and Western Europe have spilt over to Africa leading to decreased the remittances from outside Kenyan (Maina, 2013). Fluctuations in the international economies affect taxation in the developing countries. Much has been done on the world of taxation but interestingly, the world has made efforts to enhance gender equality in taxation matters. The Australian government in 1984 came up with gender budget exercise while the United Nations World conference made a commitment to include gender perspective in budgetary processes (Barnett and Grown, 2004).

Studies by Aghion, et al. (2016) developed a model of taxation that predicts an inverted-U relationship between taxation and growth. However, with taxation combined with corruption

there is a negative effect on growth to the left of the peak. The positive relationship is such that as the revenue collection increases growth increases to a point where it is inhibited by corruption and growth curves downwards. According to Aizenman, et al. (2015), Revenue from taxes to gross domestic product ratios in Asia and Latin America increased from the year 2000, but it is still lower compared to European regions. Major tax reforms have been made throughout the world especially to enhance administration and compliance which act as reference for different countries. The main methods have been developed by the European Commission, and jointly by the International Finance Corporation, Price Waterhouse Coopers, World Bank, International Monetary Fund and OECD's Centre for Tax Policy and Administration for the Forum on Tax Administration (Savić, and Martić, 2015).

While reforms have targeted on tax efficiency, corruption has remained a major hindrance to revenue collection efficiency in many countries. According to Aghion, et al. (2016) the efficiency in which the revenue collected can be turned into development and growth is dependent on political corruption. In Africa, corruption has been one of the major reasons for tax evasion where it has a negative impact on growth Aghion, et al.,(2016). Corruption is the cause of low revenue collection as a share of Gross domestic product in the Middle East. This suggests that corruption is one of the factors that influence amount of taxes collected by governments (Daniel, 2012). In Botswana the rural councils and urban councils receive 92% and 62% respectively from the Central Government. In South Africa, the local authorities on average generated 89% from resources within their operation in year 2007. This shows that to a large extent they depend on the National Government (Ndunda and Ngahu, 2015). Revenue collection in Ghana and Uganda is devolved while in Liberia it is centralized. However, it is cautioned that, considerable devolution of National Government revenue and spending functions to sub-national jurisdictions is likely to affect the Central Government's ability to undertake stabilization and macroeconomic adjustments through the budget (Lundu and Shale, 2015; Ndunda and Ngahu, 2015; Nyaga et al., 2016) Automation of taxation systems is found to have a positive impact on effectiveness of revenue collection. Tax collection in Africa used the systems established by their colonial masters until, after the establishment of East African Community (EAC) in 1967 when all tax administration matters were placed under the community. In 1973 each country decided to administer income tax on its own while customs and excise taxes remained under the control of EAC.

In Kenya there was little problem with revenue mobilization until 1970s when energy crisis necessitated tax reforms to mobilize more revenue. Kenya adopted the income tax act in 1973 Nyaga et al., (2016). The initial measures were aimed at widening the tax base by way of introducing the sales tax in 1973 and the capital gains tax in 1975 Ngicuru, et. al, (2016). The second phase of tax reforms was Tax Modernization Programme (TMP) which took place between 1986 and 2002. According to Nyaga and Omwenga, 2016, TMP had the policy objectives:- to raise revenue from 22 to 28% of GDP, improve economic efficiency of the tax system through lowering and rationalization of tax rates, enhance greater reliance on self-assessment system supported by selective tax audits, improve administrative efficiency through computerization, address constraints in existing tax structures as well as overreliance on direct taxes. Kenya Revenue Authority KRA is a Semi-Autonomous Government Agency (SAGA) whose purpose is assessment, collection, administration and enforcement of laws relating to revenue and tax administration. It was established in 1st July 1995 by an Act of Parliament, Cap 469 (www.kra.co.ke, 2015).

Electronic tax system formed the major part of the revenue collection reforms by Kenya Revenue which saw the tax revenues increase rapidly since implementation. Further, Kenya initiated a single business permit (SBP) licensing system whose successful outcome made it a model for the region (Ndunda and Ngahu, 2015). Kenya revenue authority is the government agency that collects national revenue while local authorities including municipality and town councils have existed at lower levels of government. Additionally, The Kenyan constitution authorizes the county government to impose property taxes, entertainment taxes, fees and licenses (such as for business, catering, parking, land rents etc.), cess levies, sewerage and water charges and any other tax that is authorized by an Act of Parliament (SID, 2017).

According to (Nyaga and Omwenga, 2016), use of Information Communication Technology systems have positively impacted revenue positively by reducing distance and speed of communication. The tax payers do not have to physically appear at revenue offices to pay tax because they can log on and transact on itax.

The Integrated Tax Management Systems (ITMS) consolidates all the tax obligations as well as registration process. A study on revenue collection efficiency in Tranzoia-County found out that strong audit systems and automation of the Tax collection systems such as IFMIS, LAIFORM

and CESS has been used to increase the efficiency of revenue collection, and Training Ataro, et al.,(2016). The Kenya constitution (2010) on revenue collection states; "There shall be established a Revenue Fund for each county government, into which shall be paid all money raised or received by or on behalf of the county government, except money reasonably excluded by an Act of Parliament" (Karimi, et. al, 2017). As stipulated in the Constitution, the Counties get their revenue from various sources. Taxation and single business permits constitute the core sources across all the Counties. Only the national government may impose— income tax; value-added tax; customs duties and other duties on import and export goods; and excise tax. A county may impose—property rates and entertainment taxes and on the services they provide (Constitution, 2010; Ngugi, 2016; SID, 2017). Despite the expectation of the county government to deliver quality services for instance infrastructure development, healthcare and education among others; over the last 5 years of devolution, little has been achieved. Also a problem of equitable revenue allocation to the county government from National government impend development at county levels. The 47 counties of Kenya are expected to achieve economic development yet different counties are faced with different economic challenges (Murkomen, 2012).

That is the basis of being driven into carrying out the research on the factors that affect revenue collection systems on county governments of Kenya specifically in Meru County.

1.2 Statement of the Problem

Meru County has very many development opportunities especially in tourism, agriculture, industry, health, infrastructure and education among others. All county departments are faced with financial constraints that lead to poor planning, implementation monitoring and evaluation of projects hence poor service delivery. The Kenyan Constitution has assigned county government a narrow and immobile responsibility over tax with little avenue to grow revenue hence over reliance on national government to finance bulk of their budget (SID, 2017). Holding other factors such as corruption and remittance of funds from the national government to the county government constant; poor revenue collection at the county level is said to be the cause of inadequacy in financial resources in all counties in Kenya.

According to (Constitution, 2010) Article 203 clause 2 on equitable share in the chapter 12 of the Kenyan constitution; "For every financial year, the equitable share of the revenue raised

nationally that is allocated to county governments shall be not less than 15% of all revenue collected by the national government" (Wako, 2010, p. 123). This poses fiscal constraints to the county governments in the administration of its functions. This problem is in agreement with the findings of Hariet et al., 2017; Mutua, 2016, and Ngugi, 2016. Overreliance of county government on national governments with referendums such as "pesa mashinani" by Board of Governors to have their allocations increased is an indication of challenges of revenue collection at the county level. According to Ataro, et al., 2016, license fee, cess and permit fees are some of the sources of revenue at the county level. A revenue collection system is meant to enhance sustainability, value addition and caters for the social impact of all classes of people in the population.

Very little research has been done on revenue collection at the county level yet no paper has concentrated on factors affecting revenue collection systems especially in Meru County. The findings of Ataro, et al., (2016) indicated that revenue collection is affected by compliance level in remission of taxes. Ataro, et al. (2016) pointed out that failure in revenue collection is due to among others, ineffective planning, an inefficient system of monitoring, evaluation and controlling, misuse of resources on the revenues, limited team participation in the execution of revenue decisions, lack of customer commitment to revenues, and inadequate management information systems. Hariet et al.,(2017) study indicates that the public need and expectation from county government to deliver essential services is not possible without revenue collection. The extent of the problem has led to a number of strikes by the county employees due to inadequate remuneration and lack of quality services required in their sector. If the county government continue to fully rely on the national government; this burden may persist and lead to negation of national priorities. According to (Ngugi, 2016) the factors that influence revenue collection in Kiambu County are public participation, skills level in the county staff legislation framework and technology. No such work has been done in Meru County. It is therefore important to establish the factors that affect revenue collection systems in Meru County.

1.3 Purpose of the Study

The purpose of this study was to establish factors affecting revenue collection systems in county governments in Kenya: a case of Meru County.

1.4 Objective of the Study

To determine the effect of financial management system on revenue collection systems in Meru County.

1.5 Significance of the Study

Fiscal decentralization that came with devolution is the transfer of financial authority to the county governments giving them autonomy to raise their own revenue and implements development projects (Constitution, 2010; SID, 2017). Devolution and accomplishment of vision 2030 move together yet is not possible to accomplish implementation and service delivery without adequate finances. That is why this study came in handy at the second term of devolution to provide empirical evidence on factors affecting revenue collection systems in county governments in Kenya.

This study provided indisputable evidence base for policy makers at county government and also at National government level. The county chief county officers, Member of county Assemblies and the entire Finance department especially in Meru County found the findings and recommendations of this study an asset in implementing sustainable projects and quality service delivery since no study had been done in Meru County in this topic area. The results of this study were crucial to supporting the constitutional clauses such as that of revenue equality, in monitoring and evaluating Vision 2030-to be a globally competitive and prosperous nation with a high quality of life by 2030. The methodology used in this research led to development of a model that could be implemented in other counties of Kenya on matters of optimal revenue collection. The study provided new knowledge on the impact of, financial management Systems on Revenue collection systems in the county governments of Kenya an area not covered by other research in Meru County.

The study affected and enhanced the practice of revenue collection in CG's in Kenya. Implementation of this research recommendation was expected to improve significantly revenue collection systems in county governments and hence enhance better service delivery. Integrity issue had not bored fruit, findings and recommendations especially on corruption were essential to Ethics and Anti-Corruption Commission of Kenya (EACCK).

2.0 LITERATURE REVIEW

2.1 Introduction

This chapter reviews other research related to factors affecting implementation of revenue collection systems with both global and local context. The chapter reviews the previous study the specific objectives and presents the theory of optimal taxation, technology acceptance Model in relevance to this study. Finally, the proposal is developed through explanation and illustration of the model.

2.2 Revenue collection in County Governments

According to (Gekonge and Atambo, 2016) revenue collection system is an electronic or computerized system meant to administer taxes with activities ranging from registration, assessment, processing refund of tax claims. The tax administration is essential since it reduces cost and reduces corrupt activities. With decentralization of government a good foundation on tax revenue collection is critical to enhance quality service delivery.(Ngicuru, Muiru, and Riungu, 2016; WAKO, 2010) County government therefore play a key role mandate to increase revenue from rates property, fees and fines to enhance their financial capacity Hariet Karimi et al.,(2017). According to (Wanjiru, 2014a), political instability which includes socio-political unrest is seen as a threat and insecurity that leads to uncertainty on tax rates, policies and provision of goods and services to county residents. However, internal control system, staff competency and good legal and policy frameworks and technology are found essential factors in enhancing revenue collection systems.(Ataro, et al., 2016; Ngugi, 2016).

Globally revenue collection systems has been faced with a lot of challenges on growth and corruption that has led to various reforms on taxation(Aghion, Akcigit, Cage, and Kerr, 2016). Entrepreneur's face the bigger burden and expect infrastructure development by counties hampered by corruption where the vice increases welfare gains (2016). A report by ADB bank on Asian and Pacific counties shows that Australia, New Zealand,Papua New Guinea, and Singapore tax systems are autonomous. This independence in human resources, budget and organization, protects from political interference thus enhancing flexibility (Aizenman, Jinjarak, Kim, and Park, 2015). The high demand for accountability service delivery and law enforcement in matters of taxation is the reason for training of staff, high integrity and performance

management in countries such as India, Indonesia, Philippines and Cambodia that leads to sustainability. (Asian Development Bank, 2016) further observes the advantage of autonomy that protects tax systems from political interference. Moreover, Some revenue bodies, such as in Cambodia, India, Indonesia, the Philippines, ICT development in Malaysia for instance is the major predictor of low cost of tax revenue and high compliance (2015).

(Araki and Claus, 2014)Observes a significant 50% African and developing countries have a centralized system of tax administration unlike American and South American which has separate tax and customs bodies for counties. In Africa, as (Wanjiru, 2014a) notes a number of reforms have taken place in African countries since Independence, for instance where EAC was responsible collection of taxes in East Africa Community in 1960's. (Mtasiwa, 2013; Nuluva, 2015a) However, even with reforms and consequent collection efficiencies many complexities on tax rates and structures that exist hinders taxpayers and spills down to Kenya county governments where Meru county is included. According to (Mtasiwa, 2013). Most developing countries in Africa recognizes effective tax system as key pillar to sustainable development; to avoid debts, promote accountability and cost sharing benefits Further, Africa has realized association and the essence of raising domestic revenue and national building, he further recorded, "The way domestic revenue is raised significantly influences both economic growth and democratic consolidation"

Therefore revenue system enhances democratic and accountable leadership and government. There is need for public participation to enable bargaining relationship building based on constitutional rights and roles instead of forced taxation (Wanjiru, 2014a). African Countries presents diversities in tax revenue mobilization and performance. However, Developing countries Compared to OECD countries have significant revenue gaps and hence an opportunity to expansion. This is essentially true for Kenya and consequently Meru County. Aizenman et al.,(2015)However, (Maisiba and Atambo, 2016) noted that shifting towards an electronic tax payer registration system with uniform Tax Identification Number (TIN) would enhance tax collection and administration. According (Ndunda and Ngahu, 2015)a study of the tax systems in Mozambique, Tanzania and Zambia found local taxation as an hindrance to commercialization of agribusiness and SME's since taxes are considered punitive. According to (Wanjiru, 2014a), Heavy taxation and single base tax dependency that charged exorbitant figures leading to

reforms in Kenya that saw developments of KRA(Kenya Revenue Authority) that has strived to improve efficiency and effectiveness. (Kayaga, 2007), as cited by Karimi., Kimani,, and Kinyua, (2017) notes that a poor tax systems in African countries that have hindered tax collection efforts. (It has been noted that countries in South of Sahara have very high budget deficits attributed to slow growth in revenue mobilization within the country).

A study by Ataro, et al.,(2016) in Tranzoia county of Kenya found that revenue systems such LAIFORM, IFMIS, and CESS used to train clerks have improved efficiency and reduced corruption. The study recommended training of staff to enable them to perform their duties with integrity increasing the availability of computers and adding more staff to ensure efficiency in revenue collection and accountability. These finding of computerization of the system in improvement of revenue collection is consistent with the recommendation of (Maisiba and Atambo, 2016) In Kenya a single business permit (SBP) licensing system became successful and has been benchmarked for Eastern and central African Countries. Enshrined in the Kenyan Constitution, SBP's are issued by the County Governments though counties are faced with constraints of finances to fund their expenses (Ndunda and Ngahu, 2015).Effects of Information Technology systems in revenue collection is significant in bridging the wide gap between tax payers and tax process Nyaga et al., (2016). For instance the Integrated Tax Management Systems (ITMS) provides taxpayer access to variety the tax obligations and registration.

2.3 County financial and operations management system

Computers, internet, emails mobile devices all enhance information management and facilitate communication within any organization. Use of information management systems is meant to improve operations and service delivery. (Okiro, 2015), noted the strong association exists on information and management systems (IMS) with increased output where there was little input. This enhances productivity and effectiveness. (Okiro, 2015) Further found a significant association on Internal Control Systems and revenue collection. According to Harriet Karimi et al., (2017) with (IMS) county government achieves lobbying, advocacy design, implementation and delivery of services to the people. On their study on revenue collection, Ataro, et al., (2016) found out that revenue collection efforts fail to meet their maximum yield due to failure to utilize management information systems among others. Computerization is essential in both information, financial and operations systems. (Lundu and Shale, 2015b) describes IFMIS as

computerization of public financial management (PFM) processes, that is, budget preparation, execution, accounting and reporting. This utilizes integrated system for financial management of line ministries, spending agencies and other public sector operations. According to (Gekonge and Atambo, 2016), Kenya revenue Authority (ICT) provides electronic systems support to the entire organization to enhance achievement of revenue collection goals and public compliance without force. (Atika, 2012). Information systems are the backbone of organizations development. (Lundu and Shale, 2015b) noted that e-government systems have brought a paradigm shift with more use of (ICT's) in Kenya that has enable quality and timely sharing of information and service delivery. Moreover, to avoid large budget deficits and high debts, Integrated Financial Management system (IFMIS) has enabled the county governments spending what they earn. That has been possible through accountability and value addition in public funds utilization.

Karimi et al., (2017)n search of the what facilitate technology utilization to enable tax compliance, recommended user friendly and flexible IT structure, customer orientation and skilled IT base. Karimi et al., (2017) further notes that Information systems improves the operations boosted by Internal Control Systems that improves efficiency and effectiveness. Harriet study at Embu county found the need for County act and statute that enhance integration of information systems in management transactions at all departments.

According to (Mutai and Oketch, 2017), financial performance is the extent to which financial objectives are being accomplished. It measures the results of a firm's policies and operations in monetary terms and firm's overall financial health. According to (Mutua, 2016), Financing system at the county governments is essential form of decentralization , grassroots democracy and an engine for development. Further he notes that County revenue is the pillar of developing autonomous government that is receptive to the needs of its people. According to (SID, 2017)Kiambu County government, is a model for cashless payment systems which has greatly influenced tax collection in the county. Within 3 months of its inception the 'Kiambu Digitika' has seen tax collected increase by 60% (Ngugi, 2016). Financial management involves processes and actions guided by members of county assembly and administrative leaders that ensure availability of resources and their effective and efficient use to achieve organization goals. County governments together with ministry of devolution play a great role as in IT policy making processes.

(Ndunda and Ngahu, 2015) illustrated that integration of e-government technology would facilitate revenue collection. Utilization Information and communication technologies (ICT) are thus essential in ensuring optimal revenue collection. Thus, utilization of electronic payment through mobile technology in parking fees is said to increase collections and accountability. This is consistent with findings of Kinyanjui and Kahonge (2013) that shown that the use of e-payment by mobile phone based technology in mobile collection increase parking fees collection as that by (Okiro, 2015).

Additionally embracing technology is strongly related to tax compliance on large taxpayers , therefore it is a strategic tool according to (Maisiba and Atambo, 2016). For instance in Tanzania as noted by TRA (2010), the use of Integrated Tax Administration System (ITAX), Taxpayer Identification System (TIN) among others has advanced posting entries by hand in large ledger books as clerks used to do.

Despite the adoption of technology by county government in Kenya, much need to be done as noted by (Ngugi, 2016). There is high need for capacity building on IT, internet and email MS office applications printing and photocopying though they sound basic. (Ngugi, 2016) further notes limited use of technology at county level isolated to financial management and secretarial services and therefore need for implementation throughout all departments. Specifically, Harriet Karimi et al., (2017)found a strong relationship between technology and information system and revenue collection (r= 0.361; P value = 0.002). The implication that adoption of technology and information systems by county government advances revenue collection is consistent with Mitullah et al, (2016) who argued that ICT enhances transparency and accountability of government agencies; reduce transaction costs in service delivery and the workings of governments. In conclusion, technology puts every individual citizen at par in the current dispensation. This is supported Morrison and Wrights (2008) who argued that ICT create an avenue that provides for concerns of various stakeholders in any local economy as found in (Ngugi, 2016). Finally, (Mburugu, 2016) concluded that effective organization policies should be formulated and implemented and measures should be employed to increase on transparency and accountability of all revenue collection functions.

Theoretical Framework

Theoretical framework explains the theories used and their relation to this study. This research adopted Adams smith canons of taxation theory, Technology acceptance theory, and optimal taxation theory.

2.8.1 The Technology Acceptance Model (TAM)

According Harriet Karimi et al.,(2017) Technology acceptance model was coined by Davis 1989. The model basically deals with information systems and the reason why the consumer's adopt it. The model asserts that factors such as perceived use, ease of use and perceived usefulness determine whether or not the consumers will use it. According to (Lundu and Shale, 2015b) TAM identifies two theoretical constructs including Perceived Usefulness (PU) and Perceived Ease of Use (PEOU) that affect the intention to use a system. Perceived usefulness is how much the person is convinced that the new system would contribute to job performance(Harriet Karimi et al., 2017). According to Davis, Perceived ease-of-use is defined as the degree to which a person believes that using a particular system would be free from effort (Davis 1989). Bagozzi,(1989) and Warshaw (2007) argued that new technologies such as personal computers are usually thought complicated and that causes an element of uncertainty hence affecting successful adoption of these systems. With attitudes formed people fail even to try to learn how to use the new technology.

According to (Lundu and Shale, 2015b) research has established a strong positive association on adoption and continuance intention with Perceived usefulness. Galera et al., (2011) and Romi et al., (2013). Similarly, in post adoption studies, PU has been found to influence satisfaction (Nakata and Berger, 2013) and attitude toward the technology. PEOU has been found to influence both PU and adoption intention. Also consistent with, Ataro, et al., (2016).

Technology Acceptance Model (TAM) is related to this study since perceived use, ease of use, and usefulness may affect county employee's attitude on technology and systems meant to improve revenue collections in the county governments. The model is not without critiques and, despite its frequent use, Criticisms of TAM as a theory include its questionable heuristic value, limited explanatory and predictive power, triviality, and lack of any practical value (Chuttur 2009).

3.0 Research Design

Research design is an organized procedure to answer the research questions objectively and in a valid way. The output of this research was expected to add new knowledge and demystify the generalizations in revenue collection. This study adopted a cross-sectional descriptive survey design and it made use of mixed methods. In this kind of design, data was collected at one point in time. This study utilized both quantitative and qualitative methods to enable descriptive analysis and testing of relationships and correlations between the dependent and the independent variables. Descriptive research brings out new insight and explicitly exposes the study questions. In understanding the revenue collection systems at Meru County, open ended questions provided a deeper meaning based on the respondent's real experience. This is the reason why this study used both qualitative and quantitative methods. Therefore, this is why this study adopted a mixed method design.

4.0 Findings of the Study

 Factors affecting Revenue Collection Systems in County Governments in Kenya

This section presents descriptive statistics findings that were drawn in relation to the research questions as well as the study objectives. The study variables were financial management system, legislation, technology, employee skills and public participation.

The respondents were asked by the researcher to rate the current county revenue collection systems, including Zizi, CIROM and POS. Their opinions were presented in Table 4.9.

Table 4. 9: Rate of the Current County Revenue Collection Systems

	Frequency	Percent
Very easy	13	26.5
Average	4	8.2
Difficult	10	20.4
Time Consuming	22	44.9
Total	49	100

The results presented in Table 4.9 indicated that most of the respondents rated the current county revenue collection systems to be time consuming as shown by 44.9% (22), 26.5% (13) of the respondents indicated that the current county revenue collection systems are very easy and 20.4% (10) of the respondents indicated that the current county revenue collection systems are difficult. However, other respondents indicated that the current county revenue collection systems are at average as shown by 8.2% (4). This implied that current county revenue collection systems are time consuming.

The respondents gave their opinions on rate of the financial management systems used at Meru County based on the list of functionalities at their department. POS, ZIZI & CIROM. Their responses were as presented in Table 4.10.

Table 4. 10: Rate of Financial Management Systems used at Meru County

	poor	fair	good	Very good	Excellent	Mean	Std. Dev.
Tax payer's ability to pay rates, fees through different bank accounts.	0	0	38.8%	57.1%	4.1%	3.653	0.561
Ability to view a user's entire transaction history from the system	42.9%	38.8%	4.1%	10.2%	4.1%	1.939	1.126
The system's ability to automatically notify users of Rates due at the set time.	30.6%	26.5%	14.3%	24.5%	4.1%	2.633	1.270
The ability of the users to ask the amount of tax they are supposed to pay.	4.1%	4.1%	8.2%	2%	81.6%	4.531	1.082
Ability to make payments using mobile money Platforms.	0	0	40.8%	14.3%	44.9%	4.041	0.935

The results presented in Table 4.10 show that the respondents stated that the ability of the users to ask the amount of tax they are supposed to pay was excellent as shown by a mean of 4.531. In addition, the respondents also stated that ability to make payments using mobile money Platforms as shown by a mean of 4.041 and tax payer's ability to pay rates, fees through different bank accounts as shown by a mean of 3.653 were very good. Further, the respondents

Indicated that the system's ability to automatically notify users of Rates due at the set time was good as shown by a mean of 2.633and that ability to view a user's entire transaction history from the system was fair as shown by a mean of 1.939.

Summary of the Findings

The study sought to determine the effect of financial management system on revenue collection systems in Meru County. The study found that most of the respondents rated the current county revenue collection systems to be time consuming, some rated the current county revenue collection systems to be very easy and others rated the current county revenue collection systems to be difficult. However, it was also rated that the current county revenue collection systems were at average.

The study also found out that the ability of the users to ask the amount of tax they are supposed to pay was excellent. In addition, the study also found that ability to make payments using mobile money Platforms and tax payer's ability to pay rates, fees through different bank accounts were very good. Further, the researcher found that the system's ability to automatically notify users of Rates due at the set time was good and that ability to view a user's entire transaction history from the system was fair.

The researcher selected a sample size of 246 subjects composed of 16 principals, 130 teachers and 100 students. Out of these, 12 principals, 98 teachers and 85 students (79%) effectively participated in the study. Of the 98 teacher 83 had five years and above of teaching experience. The teachers had varied specializations with the majority (36) being specialized in Science and Mathematics. The two subjects are very essential for the realization of Vision 2030.

The study investigated the level of use of transformational leadership by secondary school principals. The level of use of transformational leadership among principals was generally low with the average scores for transformational leadership attributes being: intellectual stimulation

(33.70%), idealized influence (37.30%), inspirational motivation (43.70%), and the highest being individualized consideration with a score 49.70%. It was found that principals applied transformational leadership in varying ways and extents with the average application rating score of 40.65%, and the individual principals' scores ranging from 29.2% to 58.7%.

Discussion of the findings.

The study found that most of the respondents rated the current county revenue collection systems to be time consuming, some rated the current county revenue collection systems to be very easy and others rated the current county revenue collection systems to be difficult. However, it was also rated that the current county revenue collection systems were at average.

The study also found out that the ability of the users to ask the amount of tax they are supposed to pay was excellent. These findings were similar with (SID, 2017) who asserted that Kiambu County government, is a model for cashless payment systems which has greatly influenced tax collection in the county. Within 3 months of its inception the 'Kiambu Digitika' has seen tax collected increase by 60%. In addition, it was also found that ability to make payments using mobile money Platforms and tax payer's ability to pay rates, fees through different bank accounts were very good. Further, the researcher found that the system's ability to automatically notify users of Rates due at the set time was good and that ability to view a user's entire transaction history from the system was fair. These findings were similar with those of Karimi et al. (2017) who stated that essentially computerization of all processes among others reduces errors and enables consistency in operations reducing operational costs in revenue collections.

4.3 Conclusions

The study concluded that the current county revenue collection systems are time consuming. The study deduced that the ability of the users to ask the amount of tax they are supposed to pay is excellent. In addition, the study also inferred that ability to make payments using mobile money Platforms and tax payer's ability to pay rates, fees through different bank accounts were very good. Further, the researcher concluded that the system's ability to automatically notify users of Rates due at the set time was good and that ability to view a user's entire transaction history from the system was fair.

Recommendations

The study recommends a revision of the County's Act and statutes to cater fully for the integration of information systems in the management activities of Meru county at all departmental levels to enhance information sharing and a coordinated approach of all programs.

4.4 Suggestions for Further Research

To augment the study findings, the study suggests that another study should be conducted to establish other contributors of revenue change in Meru County.

This study was limited to Meru County, the study recommends the same study should be done based on other counties in Kenya to determine the factors affecting revenue collection systems in county governments.

Further research is necessary as the findings were based on a relatively small sample that may have influenced the nature of results that were obtained. There is need to expand on the sample size and carry out similar research in other locations.

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