REVENUE COLLECTION SYSTEMS AND REVENUE PERFORMANCE BY NAIROBI CITY COUNTY, KENYA

Peter Ochieng Bando.
Postgraduate Student, Department of Accounting and Finance, Kenyatta University, Kenya.
Dr. Charity Njoka.
Lecturer, Department of Accounting and Finance, Kenyatta University, Kenya.

Citation: Bando, P. O., Njoka, C. (2025). Revenue collection systems and revenue performance by Nairobi City County, Kenya. *International Academic Journal of Economics and Finance (IAJEF) | ISSN 2518-2366, 5*(1), 336-359.

ABSTRACT

Efficient revenue collection is crucial for the functioning of decentralized governance systems, which need sufficient resources. Currently, county governments rely on the national government for a disbursement of audited national revenue from the previous year to manage devolved functions and local projects. This supplements the county governments' ability to generate their own revenue. This over-reliance on national transfers coupled with inefficiencies in its collection systems impedes Nairobi County's own source resource efforts. This research focused on the effectiveness of revenue collection systems on revenue performance in Nairobi City County, specifically focusing on automated, manual, and banking systems. The study drew on four theories: Optimal theory of taxation; Endogenous Growth theory; Revenue Diversification theory; and Theory of Performance. The research employed both causal research design and descriptive survey research design to realize the research's objectives. A structured questionnaire was administered to selected respondents. Quantitative data was analysed with assistance of SPSS software, and data presented through tables, charts, and graphs. The research established that automated revenue systems significantly influenced revenue performance. Secondly, the study indicated that manual revenue systems significantly influenced revenue performance. Further, the research found that banking revenue systems have a positive and significant effect on revenue performance. The research recommends that the county should institute robust systems that enhance efficiency in revenue collection and revenue performance. The county must ensure the diversification of its revenue sources to expand its tax and revenue base. Moreover, the county government must institute innovative and dependable systems of revenue collection. Lastly, the research recommends that the county enforce the adoption of ICT in various activities and process of revenue collection to get rid of inefficiencies.

Keywords: Revenue Collection, Revenue Performance, Revenue Enhancement Plans, Own Source Revenue.

INTRODUCTION

Background of the study

The pooling of public funds and revenue provides indispensable information that shapes the economic plan and governance of a county's economy, achieved through compliance with optimal principles of predictability, fairness, capacity to contribute, economic efficacy, and suitability (Mensah, 2019). Governments all over the world use revenue collection system to collect tax revenues from individual citizens and organizations. These systems are meticulously engineered with the aim of designed to warrant that every person and corporates are paying their share of taxes and to generate income for the governments to fund public services and infrastructure (Gicho, 2019). Revenue collection systems include a range of various taxes such as income taxes, sales taxes, and excise duties, administered through manual and/or automated platforms. These systems involve a variety of processes including tax assessments, tax

collection, enforcement, and compliance activities that guarantee timely and prudent tax remission (Egwali, & Kareem, 2019).

Since 2013, Kenya has undergone profound political metamorphosis. Foremost among these changes is the establishment of devolution, a central tenet of the Constitution of Kenya 2010 (Kagure, 2019). This paradigm shift entails the devolution of government functions from centralized administration to 47 devolved units that are semi-autonomous. The respective counties wield independent governance prerogatives, albeit supplemented by a certain measure of assistance from the national government (Karimi, Maina, & Kinyua, 2020). Notably, the Nairobi City County government is actively engaged in the operation of mechanisms designed to optimize the comprehensive and efficacious collection of revenues across its jurisdiction (Kavindu, & Kimencu, 2021). A number of factors affects the efficiency of tax debt collection. Among them there are, inter alia, the administrative procedures of tax declaration, payment and enforcement (Kirimi, 2019). These tax collection trends are widespread across different regions under different fiscal policies enforced by individual country and the local or county governments.

Manual procedures for collecting money are centralized in one location. Prior to the beginning of devolution, local government agencies utilized physical procedures of collecting and physical receipts (Owino, Senaji, Eng, & Ntara, 2019). By drastically increasing the existing taxable base excluding the adoption of proper automated solutions, high collection costs, fraud, underpayment, and revenue leaks became exacerbated (Kosaye, 2019). Because of the resources needed to oversee and manage such issues, manual or centralized revenue systems are at fault for the difficulties in tracking and recognizing fraud or rogue tax collectors. Mwikya, and Muturi (2019) aver that customer service is delayed because of manual money collection at various service points. Risk associated with limited physical cash management payment methods. Different payment apps and a lack of interaction with the back office programs cause delayed analysis and reporting that may be inaccurate.

County government performance for collection of revenue is made worse by unethical behavior problems that lead to tax evasion by unethical revenue collection officers (Mwikya, & Muturi, 2019). Eliminating evasion of tax guarantees overall performance in collection of revenue. Political instability, which includes socio-political unrest and the unfettered corruption scandals, is regarded as a danger and source of instability, resulting in unpredictability about tax rates, policies, and the delivery of goods and services to county people (Ataro, Muturi, & Wandera, 2021).

Through the implementation of a modern revenue collection system, county governments have the potential to enhance their financial inflow by improving the efficacy of revenue collection procedures and broadening the range of revenue sources (Wróbel & Hernes, 2019). This augmented fiscal reach and depth can effectively tackle several governmental challenges to a certain extent, merely by bolstering access to increased financial reservoirs. Nyanumba (2020) asserts that the primary aim of electronic revenue collection should focus on enhancing financial receipts to guarantee the continued functioning of key services and to provide an

adequate return on the investment linked to the system. The system could mitigate losses from delayed collections, fraudulent activities, and insufficient collection by optimizing and automating revenue collection processes (Odhiambo & Ngaba, 2019). Automatic penalties could be imposed for overdue payments, additionally, the system must produce daily reports encompassing cash receipts and pending payments to be collected (Omido & Kasibo, 2021).

Before the establishment of the Transition Authority Act, which ushered in the smooth transition of county governments from the local authorities, Nairobi was governed by the Nairobi City Council under the Local authorities created under CAP 265 of the laws of Kenya. As such, revenue collection was done by the city council. Nairobi City Council was accused for poor planning of its mandate to improve revenue, infrastructure, and service delivery to people (Kenya Vision 2030). Local authorities encountered challenges with revenue collection due to prevailing financial difficulties that changed when the constitution 2010 was promulgated. This prompted an upward surge in revenue collection in the Financial Years 2010/2011, 2011/2012 and 2012/2013 which stood at KES 6.2678 billion, KES 6.946 billion and KES 7.101 billion respectively. This was against an estimated budget of an internal revenue collection of KES 6.7885 billion in 2010/2011, KES 7.2157 billion in 2011/2012 and KES 7.3564 billion in 2012/2013 respectively. The service delivery can only be realized by establishment of the local revenue system as stipulated in article 209 (3) of the Constitution of Kenya 2010. However, like all the other county governments, a narrow revenue base (Mwikya, & Muturi, 2019) characterizes the revenue collection system in Nairobi City County. The data is indicated in the Table 1.

Table 1: Own Revenue Collection by Nairobi City County

Financial Year	Annual Budgeted Revenue Estimates in Billion (KShs)	Total Actual Revenue in Billion (KShs)	% Proportion
2010/2011	6.7885	6.2678	92.3%
2011/2012	7.2157	6.946	96.3%
2012/2013	7.3564	7.101	96.5%
2013/2014	10.9	6.86	63%
2014/2015	13.323	11.5	86.3%
2015/2016	15.3	11.71	76.6%
2016/2017	19.57	10.93	55.9%
2017/2018	17.22	10.11	58.7%
2018/2019	15.51	10.25	66.1%
2019/2020	23.43	8.52	36.4%
Total	**136.6136**	**93.3348**	**68.32%**

Source: Office of the Controller of Budget (2024)

Statement of the problem

Despite Nairobi City County's potential to generate significant own-source revenue (OSR), estimated at KES 65 billion annually by the CRA, the county faces significant challenges in optimizing its revenue collection systems and performance, contributing to a persistent gap in fiscal self-sufficiency. KNBS reported that Nairobi County collected KES 8.16 billion in own-source revenue (OSR) in the 2022/23 financial year, representing a meagre 12.6% of its potential. This significant revenue performance gap is ascribed to inefficiencies in revenue collection systems, with only 14 of 136 revenue streams automated (Controller of Budget,

2023). This leads to an estimated monthly loss of KES 2 billion due to non-compliance with Public Finance Management Regulations, multiple unauthorized bank accounts and weak internal controls including weak transaction records and manual processes prone to leakages and corruption.

Moreover, there is lack of integration between revenue collection and financial management systems that therefore, hinder accurate revenue reporting and forecasting, as well as obscuring how to optimize revenue collection. These gaps then result in low revenue performance by the county government of Nairobi City. Despite having a large population of over 5 million inhabitants and a thriving business sector, the county has been unable to collect sufficient revenue to meet its financial obligations. This is evidenced by the revelations from the Controller of Budget that reported that in the 2019/2020 financial year, the county government collected only 70% of its revenue target, a persistent trend experienced in the earlier and subsequent years. The Auditor General's reports further reveal financial discrepancies, with only 22% of Nairobi's KES 10.9 billion OSR in 2016/17 being properly banked, and KES 592 million in legal fees paid outside the IFMIS, indicating mismanagement and potential fraud. This is notwithstanding the numerous reports of corruption and embezzlement of funds in the revenue collection process that has precipitated budget deficits, hence, greatly affecting revenue performance.

Apart from the near dependence on the Own Source Revenue (OSR), and the transfers on revenue allocation from the national government to plug the revenue gaps, inadequate revenue collection and weakness in revenue systems of enforcing compliance, low automation and integrated revenue administration, pose serious challenge to a strong revenue performance by the Nairobi City County. Moreover, past studies including Achieng, Tobias, and Mose (2022), Waris, Kohonen, Ranguma, and Mosioma (2019); Mutua, and Wamalwa (2017), Egwali, and Kareem (2018); Emvula (2019); and Agatha (2020) suggest that ineffective revenue mobilization capacity; weak management structures, and corruption have an adversarial impact on the success of the county. The Central Bank of Kenya acknowledges a lack of authority to address illegal county bank accounts, further complicating oversight. Furthermore, the National Treasury emphasizes the need for standardized automated data management systems to enhance revenue collection, yet Nairobi's systems remain fragmented and underutilized. However, this research intended to address these gaps by analyzing Nairobi City County's revenue collection systems, identifying inefficiencies, and proposing data-driven strategies to optimize OSR performance.

Objectives of the study
  i.   To examine the influence of automated revenue collection systems on revenue performance by Nairobi City County, Kenya.
  ii. To assess the effect of manual revenue collection system on the revenue performance by Nairobi City County, Kenya.
  iii. To ascertain the effect of banking revenue collection system on revenue performance by Nairobi City County, Kenya.

Resea.rch Hypotheses

H_{o1}: Automated revenue collection system has insignificant effect on revenue performance by Nairobi City County, Kenya

H_{o2}: Manual revenue collection system has insignificant effect on revenue performance by Nairobi City County, Kenya

H_{o3}: Banking revenue collection system has insignificant effect on revenue performance by Nairobi City County, Kenya

Theoretical Reviews

Optimal Theory of Taxation

This theory, originally hypothesized by Mirrlees (1976), posits that the selection of a tax system should be driven by the goal of maximizing a performance of social welfare while adhering to a defined restriction set. This approach is perceived as a strategy for curtailing the adverse impacts of taxation, which encompass the efficiency costs stemming from a distorted tax structure. While the existing discussion has primarily centered on the efficiency costs associated with such distortion, the more immediate expenses linked to the administration and adherence to tax regulations have not been extensively addressed in the analyses. The theories regarding tax evasion, as outlined by Farhi and Gabaix (2020), shed light on the critical dimensions of these costs.

Gerritsen, Jacobs, Rusu, and Spiritus (2020) emphasize the established concept of optimal taxation, which postulates that the architecture of a tax system should enhance society welfare within a specified framework of limitations. The formation of this societal wellbeing role is contingent on the individual utilities existing within societies. In its broader context, this literature employs a nonlinear form of social welfare function that takes into account the nonlinearity of individual utilities. This flexibility enables a social planner to prioritize equitable distributions of utility. To simplify revenue collection issues, it is often presumed that all members of society share identical preferences in terms of consumption and leisure. In certain cases, this assumption of homogeneity is extended further to envision an economy comprising indistinguishable individuals. This theory pertains to the present study because it shows importance and the connection between the choice of revenue collection system and the success of the county concerning revenue collection. This therefore, allows the county government leadership to settle on the appropriate system that maximizes the revenue collection with whatever incentives the revenue system provides.

Endogenous Growth Theory

This theory postulated by Romer (1994) asserts that internal forces including human capital, innovation, and technological advancements, and not external forces such as government policies primarily drive economic growth. The theory posit that economic growth is greatly influenced by investing in human capital, fostering innovation, and generating knowledge. This implies that revenue collection systems should prioritize investment in education, skills training, and research and development to promote innovation and knowledge creation (Jones, 2019). The theory emphasizes the role of entrepreneurship and small business development in driving economic growth.

Regarding revenue allocation in this research, the relevance of this theory is fourfold. First, the theory highlights the role of strong and critical institutional mechanism that enhances efficiency in revenue collection systems. This leads to increased own source revenue for the county. Secondly, the theory is pertinent to the research as presupposes incentives for investment and innovation through transparent, predictable, and fair tax systems, leading to improved revenue performance. Thirdly, the theory emphasizes investment in human capital as a source of growth through education, health, and skills development. Lastly, the theory supports the idea that internal policy and structural reforms can lead to long-term improvements. This implies that Nairobi City County must execute policies that embrace openness, change and innovation that would generate adequate revenue from own sources and reduce dependence on national transfers and foster fiscal autonomy, which is essential for the sustainability of devolution. Investment in human capital, entrepreneurship, small business development, and public infrastructure can stimulate innovation, productivity growth, and higher revenue generation in Nairobi City County.

Revenue Diversification Theory (RDT)

This theory by Chang, and Tuckman (1994) states that more diversification reduces instability accompanied by decreased anticipated earnings due to alterations in portfolio composition. Revenues in a country include state budget revenues, income of independent government corporations, and non-budgetary funds as social security. Having access to more than one source of revenue protects the government, and encourages growth through deepened development (Asif, & Akhter, 2019).

Hung and Hager (2019) propose that attaining revenue diversification, characterized by an equitable distribution of income sources within an organization's revenue portfolio, typically results in enhanced financial stability. This study incorporates the revenue diversification approach rooted in the principles of the financial Modern Portfolio Theory, serving as a secondary potential revenue strategy for county governments. As stated by Jaafar, Latiff, Daud, and Osman (2023), the revenue diversification theory considers the possibility that a more varied and cohesive income portfolio enhances fiscal stability in counties by mitigating revenue swings. The strategies employed to increase local revenues have a beneficial impact on county finances. Commercial and market-focused revenue approaches have demonstrated a favourable influence on revenue collection effectiveness. The theory is pertinent to the study in that revenue diversification enables a more balanced revenue portfolio, which raises county financial stability by lowering fluctuations of revenue. As a result, the county government is able to adopt better strategies adopted in raising own revenues on finances by the county to meet its developmental goals.

Theory of Performance

The Performance theory postulated by Don Elger in 2002 posits a direct correlation between performance and six foundational interconnected concepts, forming a comprehensive framework for elucidating performance and its enhancement. The process of performance development can be likened to a journey, the trajectory of which is determined by the degree of performance achieved (Clerico et al., 2019). This journey involves generating valuable

outcomes through the concerted efforts of individuals, systems, or collaborative groups (Ouyang et al., 2019). The performance level depends on characteristics such as skill, identity, knowledge, and stable personal attributes. The improvement of performance depends on the performer's perspective, involvement in reflective activities, total immersion, and the enhancement of performance effectiveness and quality (Amin, 2021).

Further, the theory contributes to bolstering identity and motivation among employees, fostering a deeper sense of professional selfhood and organizational essence. The essence of organizations and individuals' sense of self gradually evolves. Muturi (2021) stressed that the success of any given system relies heavily on both its components and the interplay between these elements. Optimal performance conditions and advancements can be synthesized into three factors, as affirmed by Osinimu, Olayiwola, Aderibigbe, & Njoku (2022) engaging the performer in an optimal emotional state, cultivating a performance-oriented mind-set, and fostering engagement in philosophical practices.

Empirical Review

Kibaara (2018) assessed the effects of adopting ICT on the effectiveness of revenue collection within the County government of Nairobi. The research focused on county government employees and utilized a stratified sampling method employed. The outcomes revealed that automated payment systems and platforms were not accessible to the majority of the population. However, the findings showed that by automating the revenue collection systems, the county significantly enhanced its revenue performance and growth. However, some researches have reported mixed results on the effects of automated revenue collection systems on revenue success. For example, a research by Kabiru et al. (2019) found that the adoption of electronic revenue collection systems in Nairobi was associated with increased revenue collection efficiency, but the impact on revenue performance was insignificant. Similarly, a research by Mugambi, and Wanjohi (2019) found that the adoption of mobile payment solutions in Kenya was associated with increased revenue collection efficiency and reduced transaction costs. Further, a research by Ireri et al. (2021) suggested that the adoption of mobile payment solutions in Kenya was associated with improved revenue collection efficiency but did not result in significant revenue performance improvements. Against the backdrop of the prevailing trends in revenue collection and the various systems established, this research ascertained the effects of revenue collection systems on revenue collection in the devolved government of Nairobi City County.

According to Chepkoech, Gichana, and Agong (2022), challenges related to detecting fraudulent activities and unauthorized revenue collection are exacerbated by the utilization of manual or centralized systems. This is due to the significant resources and operational costs required to effectively supervise and manage such issues. Githinji (2019) argues that the manual collection of payments across various service points not only results in delayed customer service but also introduces inherent risks in cash management and limited payment avenues. A study conducted by the International Budget Partnership [IBP] (2018) on revenue performance in Kenya's county governments established that the use of manual systems was a

significant challenge to revenue performance. Manual systems were associated with revenue leakages and losses, inefficiencies, and rent-seeking behaviors by revenue officers.

Harahap, and Mardiana (2020) researched the impact of banking revenue collection systems and revenue performance in Indonesia indicated that the utilization of banking systems significantly enhanced revenue performance. The study analyzed data from 285 local governments in Indonesia from 2014-2018. The findings showed that local governments that adopted banking revenue collection systems had an average revenue growth rate of 15.78% as compared to 11.27% of those that did not adopt the system. Correspondingly, Sari et al., (2020) research on factors affecting revenue collection performance in local governments in Indonesia showed that the use of banking revenue collection systems significantly influenced revenue performance. Moreover, the capacity of revenue officers, fiscal decentralization, and the use of technology also affected revenue performance.

RESEARCH METHODOLOGY

The research employed causal research approach. By identifying the cause of Nairobi City County's poor revenue performance, the researcher made recommendations that informed interventions taken through automated, manual and banking revenue collection systems to improve the revenue performance of county government Nairobi City.

This research demonstrated the association and extent of the correlation between the research's parameters by employing a regression model. This was achieved by conducting both Pearson Correlation and multiple regression analyses.

$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 \ \varepsilon_i$

Where Y = Revenue performance

β_0 = Constant (representing the Y-intercept)

$\beta_1 \text{ --- } \beta_3$ = beta coefficients

X_1 = automated revenue system,

X_2 = manual revenue system,

X_3 = banking revenue system,

ε_i = Error term.

The researcher presented data analysis results utilizing statistical tables, graphs, and charts, and organized qualitative questionnaire responses thematically and narratively presented.

Descriptive statistics

Automated Revenue Collection Systems and Revenue Performance

The first research's goal was to ascertain the influence of Automated Revenue Systems on revenue performance by the government of Nairobi City County.

Table 2: Automated Revenue Systems

Automated Revenue System	5	4	3	2	1
Enhancement of financial inflows due to the implementation of automated processes	41.7%	41.7%	0.0%	0.0%	16.6%
The county has a rise in billing due to the utilization of automated systems	33.3%	33.3%	8.3%	16.7%	8.3%
The implementation of automated technologies has led to improved oversight of revenue collection.	33.3%	41.7 %	8.3%	0.0%	16.7%
Mobile technology including mobile money is the most common mode of revenue collection	66.7%	16.7%	0.0%	8.3%	8.3%
The implementation of automated technologies has enhanced the efficiency and effectiveness of revenue collection.	58.4%	33.3%	0.0%	0.0%	8.3%
All documentation provided for revenue recognition, including permits, is generated by the system.	50.0%	25.0%	16.7%	0.0%	8.3%
Increase in revenue collection due to utilization of automated systems	58.3%	33.3%	0.0%	0.0%	8.4%
The infrastructure set-up of the system is not expensive	8.4%	41.7%	33.3%	8.3%	8.3%

Source: Research Data (2025)

Table 2 results indicate that the county government experienced enhancement in financial inflows due to the implementation of automated processes to collect revenue from the residents as revealed by (41.7%) and (41.7%) of the responders who strongly concurred and concurred respectively. However, (16.6%) of the responders strongly disagreed that the utilization of automated systems of revenue collection occasioned the increase in cash receipts.

On the component, majority (33.3%) of the responders who strongly agreed that the county has an enhancement in billing due to the utilization of automated systems. This position (33.3%) was also shared by respondents who agreed that the county has an increase in billing due to utilization of automated systems. The research also demonstrated that (16.7%) of the responders disagreed that the county has an increase in billing due to utilization of automated systems while, (8.3%) of the responders somewhat agreed that the county has an increase in billing due to utilization of automated systems. However, (8.3%) strongly disagreed that the county has an increase in billing due to utilization of automated systems.

Moreover, majority (41.7%) of the responders agreed that implementation of automated technologies had led to improved oversight of revenue collection, while (33.3%) strongly agreed that implementation of automated technologies had led to improved oversight of revenue collection. However, (16.7%) of the responders strongly disagreed that implementation of automated technologies had led to improved oversight of revenue collection. It should also be noted that (8.3%) of the responders somewhat agreed that implementation of

automated technologies had led to improved oversight of revenue collection. The research's results suggests an admission from majority of the responders that implementation of automated technologies had led to improved oversight of revenue collection.

On whether mobile technology including mobile money is the most common mode of revenue collection, the findings revealed that most of the responders (66.7%) strongly agreed, whilst (16.7%) of the responders agreed that the most common mode of revenue collection is the mobile technology. Nevertheless, a substantial proportion of the responders felt that mobile technology including mobile money is not the most common mode of revenue collection. This was evidenced by (8.3%) who strongly disagreed and an equally (8.3%) who disagreed with the claim.

The results further established that (58.4%) of the responders strongly agreed that implementation of automated technologies had enhanced the efficiency and effectiveness of revenue collection, (33.3%) of the responders agreed that implementation of automated technologies had enhanced the efficiency and effectiveness of revenue collection. Nonetheless, (8.3%) of the responders strongly disagreed that implementation of automated technologies had enhanced the efficiency and effectiveness of revenue collection. The results indicate that implementation of automated technologies improved the efficiency and efficacy of revenue collection and therefore, enhanced revenue performance in the county.

Furthermore, majority (50%) of the responders strongly concurred that all documentation provided for revenue recognition, including permits, were generated by the system, while (25%) of the responders concurred that all documentation provided for revenue recognition, including permits, were generated by the system. The findings also showed that (16.7%) of the responders somewhat concurred that all documentation provided for revenue recognition, including permits, were generated by the system. However, (8.3%) of the responders strongly disagreed that all documentation given for revenue recognition, including license, were generated by the system. The results of the study indicate due to automation, permits and other documents are generated from the system.

On whether there is an improvement in revenue collection due to utilization of automated systems, the findings revealed that most of the research responders (58.3%) strongly agreed, whilst (33.3%) of the responders concurred that the county experienced an iincrease in revenue collection due to utilization of automated systems. However, (8.4%) of the responders strongly disagreed that there was an enhancement in revenue collection due to utilization of automated systems.

Finally, majority (41.7%) of the responders agreed that the infrastructure set-up of the system is not expensive, while (33.3%) of the responders somewhat agreed that the infrastructure set-up of the system is not expensive, whereas (8.4%) of the responders strongly agreed that the infrastructure set-up of the system is not expensive. However, a substantial proportion of the respondents felt that the infrastructure set-up of the system is expensive. This was evidenced

by (8.3%) who strongly disagreed and an equally (8.3%) who disagreed that the infrastructure set-up of the system is not expensive.

Manual Revenue Collection System and the Revenue Performance

The second research objective was to ascertain the effectiveness of Manual Revenue Systems on revenue performance by the government of Nairobi City County.

Table 3: Manual Revenue Systems

Manual Revenue System	5	4	3	2	1
Enhancement of cash receipts due to the adoption of manual systems	9.1%	9.1%	18.2%	9.1%	54.5%
Enhancement in billing due to the utilization of manual systems	9.1%	18.2%	9.19%	9.1%	54.5%
Improved oversight on revenue collection due to the adoption of manual processes.	9.1%	9.1 %	18.2%	9.1%	54.5%
Efficacy and efficiency in revenue collection due to the utilization of manual systems	0.0%	10.0%	20.0%	30.0%	40.0%
Improvement of revenue collection due to the adoption of manual systems	9.1%	9.1%	18.2%	9.1%	54.5%
All documentation provided for revenue recognition, including permits, are generated manually.	18.1%	0.0%	36.4%	9.1%	36.4%
The infrastructure set-up of the system is not expensive	9.1%	9.1%	36.4%	9.1%	36.4%

Source: Research Data (2025)

The results from Table 3 reveal that most (54.5%), of the responders stated that improvement in cash receipts due to utilization of manual systems was very inaccurate. The responders (18.2%) also stated that improvement in cash receipts due to utilization of manual systems is somewhat accurate, while a considerable percentage (9.1%) argued that improvement in cash receipts due to utilization of manual systems is very accurate (9.1%) agreed it was accurate, equally (9.1%) of the respondents stated that improvement in cash receipts due to utilization of manual systems is inaccurate.

On whether the improvement in billing due to utilization of manual systems, majority (54.5%), of the respondents stated that it was very inaccurate. It was ascertained that (18.2%), of the responders stated improvement in billing due to utilization of manual systems is accurate, while (9.1%) concurred that the improvement in billing due to utilization of manual systems was very accurate. The findings also noted that (9.1%) of the responders confirmed that the improvement in billing due to utilization of manual systems was somewhat accurate. However, a similar (9.1%) of the respondents argued that the improvement in billing due to utilization of manual systems was inaccurate. This finding acts as evidence that the manual system of revenue collection is not as efficient and effective as it is required to realize maximum revenue performance in the Nairobi City County. These findings are congruent to those of Nthenge

(2020), who claimed that manual revenue collecting techniques are inefficient due to elevated operational costs, fraud, leakages, and slow document processing.

The majority (54.5%) of respondents stated that improved oversight on revenue collection due to the adoption of manual system was very inaccurate. (18.2) of the responders averred that improved oversight on revenue collection due to the adoption of manual system was somewhat accurate, while (9.1%) said that improved oversight on revenue collection due to the adoption of manual system is very accurate, as an equal number (9.1%) confirmed that improved oversight on revenue collection due to the adoption of manual system. However, (9.1%) of the responders argued that improved oversight on revenue collection due to the adoption of manual system was inaccurate. The study established that majority respondents think the use manual systems does not improved oversight of revenue collection.

On whether the efficacy and efficiency in revenue collection was due to the utilization of manual systems, majority (40%) of research responders stated that it was very inaccurate, (30%) said it was inaccurate, while (20%) held that it was somewhat accurate. The research further noted that (10%), of the respondents affirmed that it was accurate that efficacy and efficiency in revenue collection was due to the utilization of manual systems.

Additionally, on whether the improvement of revenue collection was due to the adoption of manual systems, majority (54.5%) of the responders stated it was very inaccurate, (18.2%) argued it was somewhat accurate, while (9.1%) of the respondents was shared among those who believed that improvement of revenue collection was due to the adoption of manual systems was very accurate, (9.1%) accurate, and (9.1%) inaccurate.

Furthermore, majority (36.4%) of the responders stated that all documentation provided for revenue recognition, including license were generated manually is very inaccurate, as the same number of respondents (36.4%) said it was somewhat accurate. The findings also showed that (18.1%) of the responders agreed that all documentation provided for revenue recognition, including permits, were generated manually was very accurate. However, (9.1%) of the respondents strongly asserted that it was inaccurate that all documentation provided for revenue recognition, including license, were generated manually. The results of the study indicate due to automation, permits and other documents were not generated manually.

Lastly, majority (36.4%) of the respondents stated it was very inaccurate that the infrastructure set-up of the system is not expensive, while (36.4%) of the respondents said it was somewhat accurate that the infrastructure set-up of the system is not expensive, whereas (9.1%) of the respondents strongly stated it was very accurate that the infrastructure set-up of the system is not expensive. However, (9.1%) of the respondents submitted that it was inaccurate to aver that the infrastructure set-up of the system is not expensive.

Banking Revenue Collection System and Revenue Performance

The research third objective was to establish the effectiveness of banking revenue systems on revenue performance by the government of Nairobi City County.

Table 4: Banking Revenue Systems

Banking Revenue System	5	4	3	2	1
Banking Revenue Collection has reduced the cost of revenue collection in Nairobi County Government	18.2%	18.2%	36.4%	9.1%	18.2%
The implementation of Banking Revenue collecting systems has diminished the vulnerabilities in revenue collection.	27.3%	36.4%	27.3%	0.0%	9.1%
Through the uptake of banking Revenue Collection systems, all the potential revenue base or revenue streams has captured	36.4%	18.2 %	27.3%	9.1%	9.1%
The adoption of e-Revenue Collection systems including mobile banking, has enabled Nairobi City County Government to estimate the number of taxpayers in the county	45.5%	27.3%	18.2%	0.0%	9.1%
Revenue collection has improved since the Nairobi City County Government implemented banking revenue collection.	27.3%	36.4%	9.1%	18.2%	9.1%
Integration of ICT and its infrastructure in the banking revenue collection systems helps enhance revenue collection in Nairobi City County Government	36.4%	45.5%	0.0%	9.1%	9.1%
The infrastructure set-up of the system is not expensive	20.0%	40.0%	20.0%	10.0%	10.0%

Source: Research Data (2025)

Table 4 indicate that the banking revenue collection had lowered the cost of revenue collection in Nairobi County Government as revealed by (36.4%) of the responders who somewhat agreed, as (18.2%) of the responders strongly concurred and concurred respectively that banking revenue collection has lowered the cost of revenue collection in Nairobi County Government. However, (18.2%) of the responders strongly disagreed, while (9.1%) of the respondents disagreed that banking revenue collection had lowered the cost of revenue collection in Nairobi County Government.

On the second item, majority (36.4%) of the responders agreed that the implementation of banking revenue collecting systems has diminished the vulnerabilities in revenue collection. The results also established that (27.3%) strongly agreed and another (27.3%) somewhat agreed that implementation of banking revenue collecting systems has diminished the vulnerabilities in revenue collection. However, (9.1%) strongly disagreed that implementation of banking revenue collecting systems has diminished the vulnerabilities in revenue collection.

Moreover, majority (36.4%) of the responders strongly agreed that through the uptake of banking revenue collection systems, all the impending revenue base or revenue streams has captured, while (27.3%) somewhat agreed that through the uptake of banking revenue

collection systems, all the potential revenue base or revenue streams has captured, whereas (18.2%) of the responders agreed that through the uptake of banking revenue collection systems, all the potential revenue base or revenue streams has captured. However, (9.1%) of the responders strongly disagreed while similarly (9.1%) of the responders disagreed that through the uptake of banking revenue collection systems, all the potential revenue base or revenue streams has captured. The results of the research indicate an admission from majority of the responders that the uptake of banking revenue collection systems has enhanced the revenue performance in the county.

On whether the adoption of electronic revenue collection systems including mobile banking, has enabled Nairobi City County Government to estimate the number of taxpayers in the county, the results suggested that most (45.5%) of the research responders strongly agreed, whilst (27.3%) of the responders agreed that the adoption of electronic revenue collection systems including mobile banking, has enabled Nairobi City County Government to estimate the number of taxpayers in the county. The study also indicated that (18.2%) Nevertheless, other respondents argued that the adoption of electronic revenue collection systems including mobile banking, has not enabled Nairobi City County Government to estimate the number of taxpayers in the county as evidenced by (9.1%) who strongly disagreed with the claim.

The results further established that (36.4%) of the responders agreed that revenue collection has improved since the Nairobi City County Government implemented banking revenue collection, while (27.3%) of the responders strongly concurred that revenue collection has improved since the Nairobi City County Government implemented banking revenue collection. Nonetheless, (18.2%) of the respondents disagreed that revenue collection has improved since the Nairobi City County Government implemented banking revenue collection. The results also demonstrated that (9.1%) of the responders somewhat agreed that revenue collection has improved since the Nairobi City County Government implemented banking revenue collection, while an equally (9.1%) strongly disagreed that revenue collection has improved since the Nairobi City County Government implemented banking revenue collection. The results indicate that collection of revenue through banking revenue systems has improved collection and therefore, enhanced revenue performance in the county.

Furthermore, majority (45.5%) of the responders agreed that integration of ICT and its infrastructure in the banking revenue collection systems helps enhance revenue collection in Nairobi City County Government, whilst (36.4%) of the responders strongly concurred that integration of ICT and its infrastructure in the banking revenue collection systems helps enhance revenue collection in Nairobi City County Government. However, (9.1%) of the respondents strongly disagreed that integration of ICT and its infrastructure in the banking revenue collection systems helps enhance revenue collection in Nairobi City County Government, as (9.1%) of the respondents disagreed that integration of ICT and its infrastructure in the banking revenue collection systems helps enhance revenue collection in Nairobi City County Government. The results of the research indicate due to integration of ICT infrastructure in the banking revenue systems, revenue collection has improved, thereby increasing revenue performance in Nairobi City County.

On whether the infrastructure set-up of the system is not expensive, the findings suggested that most of the research responders (40%) agreed, while (20%) of the responders strongly agreed that the infrastructure set-up of the system is not expensive, whereas another (20%) of the responders somewhat agreed that the infrastructure set-up of the system is not expensive. However, (10%) of the responders strongly disagreed as another (10%) disagreed that the infrastructure set-up of the system is not expensive.

Revenue Performance

The research dependent variable was Revenue collection level. The participants were requested to reply to claims

Table 5: Revenue Performance

Revenue Performance	5	4	3	2	1
There has been an increase in the amount of actual revenue collected	25.0%	33.3%	16.7%	16.7%	8.3%
There is a shorter turnaround time for the Revenue collection payment process	25.0%	16.7%	33.3%	16.7%	8.3%
Increased operational efficiency in the management of revenue collected	16.7%	33.3 %	16.7%	25.0%	8.3%
There has been a positive year-over-year revenue growth owing to the integration of revenue collection systems	8.3%	33.3%	33.3%	16.7%	8.3%
The county's own-source revenues have been diversified to reduce reliance on the transfers from the national government	16.7%	16.7%	33.3%	8.3%	25.0%
The county has heightened service delivery to the city residents and businesses	18.2%	18.2%	36.4%	0.0%	27.2%
The county has reduced the time for processing payments of levies owed to the county	16.7%	16.7%	33.2%	16.7%	16.7%
There is a reduction in cases of fraud, leakages, and corruption in the revenue collection process	25.0%	16.7%	16.7%	8.3%	33.3%

Source: Research Data (2025)

Table 5 indicate that there has been an improvement in the actual revenue collected as revealed by (33.3%) of the responders who specified that it is to a great extent, as (25%) of the responders said that there has been an improvement in the actual revenue collected to a very great extent, while (16.7%) of the responders were not sure there has been an improvement in the actual revenue collected. However, (16.7%) of the responders argued that there has been an improvement in the actual revenue collected to a little extent, whereas (8.3%) of the responders stated that there has never been an improvement in the actual revenue collected.

On the second item, majority (33.3%) of the respondents were not sure that there is a shorter turnaround time for the revenue collection payment process, while (25%) of the responders stated that to a very great extent, there is a shorter turnaround time for the revenue collection payment process, and (16.7%) of the responders said to a great extent there is a shorter turnaround time for the revenue collection payment process. However, (16.7%) of the research

responders argued that there is a shorter turnaround time for the revenue collection payment process to a little extent, while (8.3%) of the responders assert that there is never a shorter turnaround time for the revenue collection payment process.

Moreover, majority (33.3%) of the responders agreed that to a great extent there is increased operational efficiency in the management of revenue collected, and (16.7%) of the responders specified that to a very great extent there is there is increased operational efficiency in the management of revenue collected, as (16.7%) of the respondents were not sure there is increased operational efficiency in the management of revenue collected. However, (25%) of the respondents said that there was little extent of increased operational efficiency in the management of revenue collected while (8.3%) of the respondents stated that there is never an increased operational efficiency in the management of revenue collected. The research results indicate an admission from majority of the respondents that the increased operational efficiency in the management of revenue collected, has enhanced revenue performance in the county.

On whether there has been a positive year-over-year revenue growth owing to the integration of revenue collection systems, the findings suggested that most (33.3%) of the research responders agreed with the claim to a great extent, while a similar (33.3%) of the respondents were not sure whether there has been a positive year-over-year revenue growth owing to the integration of revenue collection systems. The research also suggested that (8.3%) of the responders said that to a very great extent, there has been a optimistic year-over-year revenue growth owing to the integration of revenue collection systems. Nevertheless, other respondents argued that there has not been a positive year-over-year revenue growth owing to the integration of revenue collection systems as evidenced by (16.7%) who said it did to a little extent, while (8.3%) stated that there has never been a positive year-over-year revenue growth owing to the integration of revenue collection systems.

The results further established that (33.3%) of the respondents were not sure whether the county's own-source revenues have been diversified to reduce dependency on the transfers from the national government, while (25%) of the responders stated that the county's own-source revenues have never been diversified to reduce addiction on the transfers from the national government, as (8.3%) said that the county's own-source revenues have to a little extent been diversified to reduce reliance on the transfers from the national government. However, (16.7%) of the responders affirmed that the county's own-source revenues have to a very greater extent been diversified to reduce reliance on the transfers from the national government. The findings also implied that (16.7%) of the responders averred that the county's own-source revenues have to a great extent been diversified to reduce reliance on the transfers from the national government. The results indicate that there have been some challenges with diversification of the county's own-source revenues that has hampered the reduction of dependency on the transfers from the national government by the county.

Furthermore, majority (36.4%) of the respondents were not sure the county has heightened service delivery to the city residents and businesses, while (27.2%) of the respondents stated the county has never heightened service delivery to the city residents and businesses. However,

(18.2%) of the responders specified that to a very great extent, the county has heightened service delivery to the city residents and businesses, as a similar (18.2%) also stated that to a great extent the county has heightened service delivery to the city residents and businesses. The results indicate even with the heightened service delivery to the city residents and businesses, revenue collection have not improved in Nairobi City County.

On whether the county has reduced the time for processing payments of levies owed to the county, the findings suggested that majority (33.2%) of the research responders were not sure, while (16.7%) of the responders said that the county has to a little extent reduced the time for processing payments of levies owed to the county, whereas another (16.7%) of the respondents stated that the county has never reduced the time for processing payments of levies owed to the county. However, (16.7%) of the responders stated that to a very great extent, the county has reduced the time for processing payments of levies owed to the county as another (16.7%) affirmed that to a great extent, the county has reduced the time for processing payments of levies owed to the county.

Lastly, majority (33.3%) of the responders stated there is never a reduction in cases of fraud, leakages, and corruption in the revenue collection process, while (8.3%) of the respondents said there was little extent there of reduction in cases of fraud, leakages, and corruption in the revenue collection process, whereas (16.7%) of the responders were not sure there is a reduction in cases of fraud, leakages, and corruption in the revenue collection process. However, (25%) of the responders submitted that to a very great extent, there is a reduction in cases of fraud, leakages, and corruption in the revenue collection process, while 16.7% confirmed that to a great extent there is a reduction in cases of fraud, leakages, and corruption in the revenue collection process.

Inferential Statistics
Normality Tests
The Shapiro-Wilk test was employed to assess normalcy. The null hypothesis posits that the residuals are normally distributed, whilst the alternative hypothesis asserts that the residuals are not normally distributed. The outcomes of the Shapiro-Wilk test are displayed in Table 6.

Table 6: Results of Normality Tests on Study variables

	Kolmogorov-Smirnov[a]			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Revenue Performance	0.119	46	.200[*]	0.937	46	0.171
Automated Revenue Systems	0.162	46	.136	0.964	46	0.585
Manual Revenue Systems	0.127	46	.200[*]	0.926	46	0.103
Banking Revenue Systems	0.144	46	.200[*]	0.964	46	0.579

Source: Research Data (2025)

Table 6 displays that the p-value for; automated revenue systems was 0.585; manual revenue systems was 0.103; and banking revenue systems was 0.579. The results demonstrated that the p-value for each independent variable exceeded 0.05, signifying that the data were normally distributed. The data is considered regularly distributed when each p-value >0.05.

Multicollinearity Tests

Multi-collinearity implies the proximity of correlations among the indicator variables (William, 2013). The research adopted the Variance Inflation Factor (VIF) to assess multi-collinearity, determined utilizing SPSS. A VIF ≤5 exhibits the absence of multicollinearity. If the VIF exceeds 10 (VIF > 10) and Tolerance is greater than 1, this signifies the existence of a multicollinearity. The research examined the presence of multicollinearity among the independent variables to confirm that no variable in the model was assessing the same connection as another variable or group of variables. The results acquired are displayed in Table 7.

Table 7: Results of Multicollinearity Tests on Independent variables

Predictor Variable	Tolerance	Variance Inflation Factor (VIF)
Automated Revenue System	0.208	4.811
Manual Revenue System	0.158	6.34
Banking Revenue System	0.129	7.766

Source: Research Data (2025)

Table 7 demonstrate that the tolerance for; Automated Revenue Systems was 0.208; Manual Revenue Systems was 0.158; and Banking Revenue Systems was 0.129. The tolerance for all predictor variables >0.1 or 10%. The results established no multi-collinearity between the automated, manual, and banking revenue systems and revenue performance. This is because the VIF for all variables (automated, manual, and banking revenue systems) were below 5 (VIF < 5). In the absence of multicollinearity, the coefficients examined by the multiple regression models are unlikely to fluctuate unpredictably due to minor alterations in the explanatory factors. The inexistence of multicollinearity reduces the model's dependability and does not affect the individual indicators. The calculated coefficients were deemed reliable for estimating the model.

Regression Analysis
Model Summary

The regression analysis produced a model summary for the research variables and the outcomes are as indicated in Table 8.

Table 8: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.873ᵃ	.762	.731	.67421

a. Predictors: (Constant), Bank Revenue, Manual Revenue, Automated Revenue

Source: Research Data (2025)

Table 8 highlights that Automated Revenue Systems, Manual Revenue Systems, and Banking Revenue Systems account for a significant portion of the variations in the Revenue Performance in Nairobi City County. The adjusted R-squared suggests that the independent factors account for 73.1% of the variance in the dependent variable. Consequently, 26.9% of the variation in Revenue Performance in Nairobi City County is attributed to variables excluded in the model.

Analysis of Variance for Revenue Performance

The research sought to test the overall model significance for revenue performance through the Analysis of Variance as indicated in Table 9.

Table 9: Analysis of Variance for Revenue Performance

ANOVAª

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	33.514	3	11.171	24.576	.000ᵇ
Residual	10.455	43	.455		
Total	43.969	46			

a. Dependent Var.: Revenue Performance
b. Predictors: (Constant), Bank Revenue, Manual Revenue, Automated Revenue
Source: Research Data (2025)

The study constructed hypothesis based on study objective to test the research model. The main hypothesis was:

H0: $\beta_1=\beta_2=\beta_3=0$ (the coefficient of automated revenue systems, manual revenue systems, and banking revenue systems are all null)

H1: At least one $\beta_i \neq 0$

H0 is accepted if p-value >.05 (at 5% level of significance). H1 is rejected if p-value <=.05 (at 5% level of significance) and H0 is accepted.

The results in Table 4.12 reveal that the p-value is .000. Given that the p-value is less than .05 (F= 24.576, p-value = .000), the null hypothesis is rejected, and the alternative hypothesis is accepted. At the 5% significance level ($\alpha = 0.05$), there is sufficient evidence to assert that at least one of the predictors—automated revenue systems, manual revenue systems, or banking revenue systems—is effective in forecasting revenue performance. Given that the F-calculated (F = 24.576, p = .000) exceeded the F-critical, the model was deemed statistically significant and effective in elucidating revenue performance in Nairobi City County.

Results of Regression of Revenue Performance

Further, the study variables (automated, manual, and banking systems) and the dependent variable (revenue performance) were then regressed to estimate the research model. The outcomes are as obtaining in Table 4.13.

Table 10: Results of Regression of Revenue Performance

Coefficientsª

Model	Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
(Constant)	-1.302	.681		-1.911	.068
Automated Revenue System	.061	.218	.053	.280	.003
Manual Revenue System	.417	.122	.386	3.422	.002
Bank Revenue System	.959	.195	.884	4.909	.000

a. Dependent Variable: Revenue Performance
Source: Research Data (2025)

The regression results in Table 10 demonstrate that Automated Revenue Systems exerted a favourable and statistically substantial effect on Revenue Collection Levels in Nairobi City County ($\beta 1$=0.053, p=0.003). The findings indicate that each application of Automated Revenue Systems correlates with a 0.053 unit currency gain in Revenue Performance within Nairobi City County. Manual Revenue Systems exerted a favourable and substantial impact on Revenue Collection Levels in Nairobi City County ($\beta 2$=0.386, p= 0.002). The findings indicate that each application of Manual Revenue Systems correlates with a 0.386 unit currency increase in Revenue Performance within Nairobi City County. The Banking Revenue Systems exerted a substantial and noteworthy impact on Revenue Performance in Nairobi City County ($\beta 2$=0.884, p=0.000). The outcomes indicate that each application of Banking Revenue Systems correlates with a 0.884 unit currency increase in Revenue Performance in Nairobi City County. This indicates that the Banking Revenue System is superior in effectiveness and efficiency for revenue generation, followed by the Manual money System, however the Automated Revenue System is relatively less beneficial and effective in generating money within Nairobi City County Government.

The regression findings signify that the study's best model was:
$$Y = -1.302 + 0.053X_1 + 0.386X_2 + 0.884X_3 + \varepsilon_i$$
Where: **Y**= Revenue Performance in Nairobi City County
β_0=Constant
β_1-β_3,=Coefficient of X_1, X_2, and X_3
X_1=Automated Revenue System
X_2=Manual Revenue Systems
X_3=Banking Revenue Systems
ε_i=Error Term

From the regression model, various deductions were made to establish the significance of the automated system, manual system, and banking system in determining the revenue performance in Nairobi City County. The study used the following hypotheses to test for automated revenue system; **H_{o1}**: Automated revenue collection system has insignificant effect on revenue performance by Nairobi City County, Kenya. From these results, T =.280 and p-value =.003. Since (p = 0.003 <.05) then the null hypothesis is rejected and the alternative hypothesis, **H_1**: Automated revenue system has a significant effect on revenue performance in Nairobi City County, Kenya is accepted. At α=0.05 level of significance, there was sufficient evidence to conclude that automated revenue systems is not null henceforth, it is beneficial as a predictor of revenue performance.

Manual revenue systems were tested using the following hypotheses; **H_{02}:** Manual revenue system has insignificant effect on revenue performance in Nairobi City County. The findings suggested that T= 3.422 and p-value= .002. Since (p = 0.002 <.05) then the null hypothesis is rejected and the alternative hypothesis, **H_2** Manual revenue system has significant effect on revenue collection performance in Nairobi City County is accepted. At α=0.05 level of significance, there exists sufficient evidence to conclude that manual revenue systems is not null, thus, it is beneficial as a predictor of revenue performance in Nairobi City County.

Lastly, banking revenue systems was tested using the hypotheses; **H03**: Banking revenue collection system has insignificant effect on revenue performance by Nairobi City County. The results established that, T= 4.909 and p-value = .000. Since (p=0.000<.0.05), then the null hypothesis is rejected and the alternative hypothesis, **H3** Banking revenue system has a substantial effect on revenue performance in Nairobi City County is accepted. At α=0.05 level of significance, there was sufficient evidence to conclude that the Banking revenue system is not null, thus, it is beneficial as a predictor of Revenue performance in Nairobi City County. From the estimated model equation; $Y = -1.302 + 0.053X_1 + 0.386X_2 + 0.884X_3 + \varepsilon_i$ the results revealed that automated revenue systems, manual revenue systems, and banking revenue systems had favourable coefficients, which demonstrated that they were directly proportional to revenue performance. This implies that an improvement in any of; automated revenue systems, manual revenue systems, and banking revenue systems led to improvement of revenue performance and vice versa in Nairobi City County.

Conclusion

Based on the research findings, this research revealed that the revenue performance was moderate as portrayed by its indicators. The research first goal was to examine automated revenue systems and revenue performance in Nairobi City County. The research demonstrated that automated revenue systems had a moderate impact on revenue performance. The research concluded that automated revenue systems positively influence revenue performance.

The research second goal was to assess manual revenue systems and revenue performance in Nairobi City County. The findings ascertained that manual revenue systems highly influenced the revenue performance. The research thus, concludes that manual revenue systems positively and highly influenced the revenue performance.

Lastly, the research third goal was to establish banking revenue systems and revenue performance in Nairobi City County. The research indicated that banking revenue systems highly and positively influences revenue performance. The research further concludes that banking revenue systems highly influences revenue performance.

Further, the research concluded that automated revenue systems, manual revenue systems, and banking revenue systems are predictors of revenue performance. The research revealed that the automated revenue system significantly enhances revenue performance in Nairobi City County compared to the manual approach. The research revealed that the Automated Revenue approach is more efficacious and effectual in revenue generation than the manual approach in Nairobi City County.

Recommendations

The government of Nairobi City County should institute robust systems that enhance efficiency in revenue collection as opposed to the current systems that yielded moderate revenue performance. The government of Nairobi City County should guarantee that it differentiates its revenue sources to widen its tax and revenue bracket. This would make it able to provide services to the residents effectively. The government of Nairobi City County should institute

innovative and accountable methods of revenue collection and management. This would mean that there is efficiency in revenue collection and issues of corruption, leakages, fraud, and misappropriation are addressed. Moreover, the study also recommends training and education of tax payers on the need for compliance. Moreover, the Nairobi City County government should mandate the implementation of ICT in diverse activities and revenue collecting processes to eliminate inefficiencies. Lastly, the Nairobi City County administration must consistently enhance staff capacity to address the evolving demands of revenue collection.

REFERENCES

Achieng, O. C., Tobias, M., and Mose, T. (2022). ICTs and Revenue Collection in Nairobi City County Government, Kenya. *International Research Journal of Business and Strategic Management*, *4*(1).

Ataro, P. O., Muturi, W., & Wandera, R. W. (2018). Factors Affecting Revenue Collection Efficiency in County Governments in Kenya. *A Case Study of Trans-Nzoia County*, *3*(2), 85-90.

Chang, C. F., & Tuckman, H. P. (1994). Revenue diversification among non-profits. *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations*, *5*(3), 273-290.

Chepkoech, N., Gichana, J. O., & Agong, D. (2022). Effect of e-payment systems on sustainable revenue collection in Nairobi City County Government. *International Academic Journal of Economics and Finance, 3 (7), 238, 253*, 2.

Gicho, D. N. (2018). *Revenue Collection Systems and Revenue Collection Levels in Lands, Housing and Physical Planning Department at Kiambu County* (Doctoral dissertation, university of nairobi).

Githinji, R. K., Mwaniki, M., Kirwa, K. J., & Mutongwa, S. M. (2014). Information and communication technology (ICT) on revenue collection by Kenyan Counties. *International Journal of Academic Research in Business and Social Sciences*, *4*(11), 238-260.

Kagure, S. W. (2019). *The Effect Of Internal Controls On Revenue Management In County Governments In Kenya (A Case Study Of Nairobi City County)* (Doctoral dissertation, Kca University).

Karimi, H., Maina, K. E., & Kinyua, J. M. (2017). Effect of technology and information systems on revenue collection by the county government of Embu, Kenya.

Kavindu, J. S., & Kimencu, L. (2021). Resource Allocation in Strategy Implementation And Performance Of Nairobi City County Government, Kenya. *International Journal of Business Management and Finance*, *3*(1).

Kenya National Bureau of Statistics [KNBS], (2023). Exploring Kenya's Inequality: Pulling Apart or pooling together? National Report.

Kirimi, P. W. (2019). Influence of Automation of Revenue Collection Processes on Organizational Performance: A Case of County Government of Meru, Kenya. *Unpublished Master's Thesis, University of Nairobi.*

Mensah, J. E. (2019). *An Assessment of Revenue Collection Challenge at the Electricity Company of Ghana* (Doctoral dissertation).

Mugambi, F. K., & Wanjohi, J. M. (2019). Factors Affecting Implementation of Revenue Collection Systems in County Governments in Kenya; A Case of Meru County. *International Journal for Research in Business, Management and Accounting (ISSN: 2455-6114)*, *4*(8), 09-30.

Mutua, J., & Wamalwa, N. (2017). Enhancing Mobilization of Own Source Revenue in Nairobi City County: Issues and Opportunities.

Muturi, E. (2021). Effect Knowledge Management and Performance at the Kenya Revenue Authority. *American Journal of Data, Information and Knowledge Management*, *2*(1), 27-42.

Mwikya, F., & Muturi, W. M. (2019). Precursors to Revenue Collection Efficiency in the Water and Sanitation Sector: A Case of Nairobi City Water & Sewerage Company (K) Limited. *American Journal of Finance*, *4*(1), 1-19.

Nthenge, M. (2020). *Automation activities, capacity building and revenue collection performance at Kenya Revenue Authority* (Doctoral dissertation, Kenya School of Revenue Administration_Moi University).

Nyanumba, P. M. (2020). *Factors affecting revenue collection in the City Council of Nairobi* (Doctoral dissertation, University of Nairobi, Kenya).

Odhiambo, S. O., & Ngaba, D. (2019). E-banking services and financial performance of commercial banks in Kenya. *International Academic Journal of Economics and Finance*, *3*(4), 132-153.

Omido, R. A., & Kasibo, A. (2021). Influence of System Operational Efficiency on Revenue Collection in Kenya: A Case of Malaba Border Customs Office. *African Tax and Customs Review*, *4*(1), 34-34.

Osinimu, A. Z., Olayiwola, D. K., ADERIBIGBE, S. O., & NJOKU, F. J. (2022). Internally Generated Revenue And Capital Budget Performance In Public Sector Of Osun State, Nigeria. *International Journal of Innovative Finance and Economics Research*, *10*(2), 90-98.

Owino, P. O., Senaji, T. A., Eng, R., & Ntara, C. (2017). Effect of innovation in revenue collection processes on organizational performance of Nairobi City County.

Transition Authority [TA], (2016). *Transition to Devolved System of Government in Kenya (2012 – 2016)*. The End-Term Report.

Waris, A., Kohonen, M., Ranguma, J.,& Mosioma, A. (2019). Taxation and state building in Kenya: Enhancing revenue capacity to advance human welfare. Kenya Report. Tax Justice Network for Africa.

Wróbel, E., & Hernes, M. (2019). The Systems' Integration Conception for Transactional Costs Reduction in Polish Financial Companies. In *Asian Conference on Intelligent Information and Database Systems* (pp. 397-408). Springer, Cham.