**INTERNAL CONTROL CONSTRAINTS AND PERFORMANCE OF REVENUE COLLECTION IN MARSABIT COUNTY**

# ABSTRACT

Marsabit County from 2018 to 2023, experienced a consistent decline in tax revenue, despite having a legislative and institutional framework for revenue management. This trend raised concerns about the county government's ability to meet its goals. The study aimed to assess how weaknesses in internal oversight influenced tax revenue generation, focusing on the impact of internal control automation, risk assessment, communication, knowledge, and monitoring technologies. The research was grounded in agency theory, stakeholder theory, resource-based view (RBV) theory, and the technology acceptance model. A descriptive research design was adopted, targeting 80 employees from the Finance, Health, Tourism & Trade, and Lands departments of Marsabit County Government. Using a stratified sampling method, 67 individuals were selected as the study sample. The study collected data from both primary and secondary sources. Semi-structured questionnaires were used to gather primary data, while a secondary data collection template was used for secondary information. Quantitative data was analyzed using SPSS version 20. This investigation sought to provide insights into how internal control limitations affected revenue collection efficiency, ultimately offering recommendations for improved fiscal performance in the county.

**Key words:** *Revenue collection, Internal oversight, Automation, Risk assessment, communication, monitoring technologies.*

**1.0 INTRODUCTION**

Internal controls are essential mechanisms that organizations use to protect resources, ensure the accuracy of financial reporting, and enhance operational efficiency. Block and Geoffrey (2008) emphasized that these controls help minimize fraud and errors, while Hayles (2015) highlighted their broader role in providing a structured framework to help organizations achieve their objectives, ensure compliance with regulations, and manage resources effectively. Bauer (2016) and Zakaria, Nawawi, and Salin (2016) further explained that internal controls consist of systematic procedures and guidelines aimed at safeguarding assets, enhancing operational performance, ensuring legal compliance, and producing reliable financial reports. Since the 1990s, decentralization has been a significant trend across Africa, shifting administrative and financial responsibilities to local units. Masaki (2018) noted that these devolved units must now raise and manage their own funds to deliver services effectively. Compared to central governments, decentralized entities are better positioned to address local needs, but their success heavily relies on robust internal control and revenue collection systems (Hussein, 2019).

A sustainable local revenue base is crucial for the long-term success of decentralization. Karimi and Kinyua (2017) pointed out that such revenue underpins independent and transparent governance. In Kenya, devolution through the establishment of county governments aims to promote localized development, as enshrined in the 2010 Constitution (Government of Kenya, 2010). However, these county governments, including Marsabit, face multiple challenges that hinder financial performance and diminish public trust (Makhaya & Maniagi, 2020). Limited budgets and high dependency on national allocations have strained regional governments, who also struggle with internal inefficiencies and mismanagement of funds. Kinoti and Kagiri (2016) advocated for counties to implement strategic initiatives that enhance local revenue generation. In Marsabit, for example, annual revenue targets were not met, highlighting the need for strong internal control systems to manage liquid assets like cash, which are prone to misuse (Mohammed, 2018).

Internal control systems typically consist of five interrelated components: the control environment, risk assessment, control activities, information and communication, and monitoring (AlRawi, Mosteanu, & Alrawi, 2019). Each component must function effectively to optimize the system's overall impact. However, internal control constraints—such as limited resources, outdated technology, poor organizational culture, or regulatory issues—can hamper system effectiveness (COSO, 2013; KPMG). The control environment is foundational, as it reflects the organization’s values, ethics, and the tone set by leadership. According to Joseph, Albert, and Byaruhanga (2015), this environment shapes employee awareness and behavior, serving as the backbone for all other internal controls. Hermanson, Smith, and Stephens (2012) argued that a strong control environment is defined by competent, honest personnel and leadership's commitment to oversight. A positive control environment not only discourages fraudulent behavior but also strengthens the regulatory framework (Ussahawanitchakit & Sudsomboon, 2019; Amudo & Inanga, 2019).

Control activities are formalized policies and procedures that ensure management's directives are followed. These include authorizations, reconciliations, performance reviews, documentation, asset safeguarding, and segregation of duties (Ejoh & Ejom, 2014; Lagat & Okelo, 2016). When these activities are clearly defined and documented, they provide a framework for auditors to assess the effectiveness of financial controls (Aikins, 2011; 2015). Examples include daily cash deposits, restricted access to checks, and timely bank reconciliations—all designed to mitigate risks and align with business objectives. Risk assessment, another crucial component, helps organizations identify, evaluate, and manage potential risks that may affect goal attainment (Bayyoud & Sayyad, 2015). This involves recognizing risks of material misstatements and understanding how they could impact operations (Mihaela & Iulian, 2012). Leadership plays a key role in risk assessment by setting objectives across departments and analyzing the implications of internal and external changes. An effective risk assessment process enables public organizations to manage exposure and make timely interventions.

Information and communication systems are vital for capturing and disseminating data that supports organizational performance (Abdullahi & Muturi, 2016). Effective communication ensures that critical financial and operational data flows seamlessly throughout the organization, supporting compliance and strategic decision-making (Aldridre & Colbert, 2014). Amudo and Inanga (2019) highlighted that seamless communication across hierarchical levels fosters collaboration and organizational alignment. The sharing of relevant information empowers staff to fulfill their responsibilities efficiently. Monitoring is the final internal control component and involves continuous assessment of control effectiveness through internal audits, self-evaluations, and testing (Lachney, 2018). Monitoring ensures that established controls are functioning as intended and helps identify and rectify any deviations or weaknesses (Theofanis et al., 2011). It evaluates whether employees are adhering to prescribed procedures and contributes to accountability and transparency.

There is a prevailing belief that strong internal control systems lead to better financial performance. Kinyua (2016) noted that effective controls improve the accuracy and timeliness of financial reporting, enhancing management accountability. Umar and Dikko (2018) emphasized that sound internal controls facilitate strategic decision-making by providing reliable performance metrics. According to Onyango (2014), internal controls allow for objective assessments of management’s ability to achieve goals, thus contributing to increased revenue generation. Furthermore, internal controls support organizational growth and profitability by safeguarding assets and preventing losses. Njiru (2016) argued that these systems detect and prevent fraudulent practices that often lead to revenue leaks. Boniface (2018) added that internal controls boost operational efficiency by reducing waste and minimizing inefficiencies. Given these benefits, this study seeks to examine the extent to which internal control systems (ICS) are implemented within the County Government of Lamu and their impact on financial performance.

Technological constraints have significantly impacted revenue collection efficiency, particularly in Kenya's counties. Kimutai, Mulongo, and Omboto (2017), citing a 2012 report by the Collection Industry Association, note that thirteen U.S. states have improved their revenue collection systems through the adoption of modern technology. The authors emphasize that integrating technology enhances both the effectiveness and efficiency of revenue collection by reducing instances of tax fraud and avoidance. However, the Auditor General's reports from 2017/2018 to 2022/2023 reveal that Marsabit County has not adopted full automation in its revenue collection processes. This lack of automation has resulted in under-remittance, revenue loss through fraud and corruption, and poor financial accountability. The use of real-time transaction systems like Nairobi's Jiji Pay and Kisumu's Jambo Pay demonstrate how automation can facilitate instant service delivery and payment, minimizing revenue leakages.

Revenue collection is vital for governments to fulfill their constitutional obligations, which include public service provision such as healthcare, education, and infrastructure. Governments typically raise funds through taxes, fees, fines, and charges. Globally, including in the U.S., various levels of government (federal, state, municipal) levy different types of taxes depending on their jurisdictions. Municipalities, for instance, focus on property taxes, while the federal government handles tariffs and customs. According to Fisher (2018), revenue sources for local governments include property taxes, income taxes, business licenses, sales taxes, and service-related charges like parking and sanitation fees. A single property or individual may be subject to multiple taxation authorities, with valuation experts managing tax assessments.

In Kenya, both the national and county governments are responsible for revenue collection. The Kenya Revenue Authority (KRA), established in 1995 under Chapter 469 of the National Assembly, was mandated to enhance revenue collection and ensure efficient fiscal management. The country uses a dual tax system involving immediate and deferred taxes. Immediate taxes, which are collected at the point of income generation, include corporate tax, rental income tax, and income tax on salaries. Deferred taxes are collected during consumer purchases and other transactions. Counties, meanwhile, are expected to collect their own-source revenues through fees, licenses, permits, and other service-related charges. However, as Murithi (2015) and Karimi & Kinyua (2017) highlight, service provision suffers when counties fail to optimize revenue collection. These failures hinder infrastructure development and long-term economic sustainability.

Marsabit County has consistently underperformed in revenue collection due to systemic weaknesses. According to the Auditor General’s reports from 2017 to 2023, the county failed to meet revenue targets for six consecutive years, largely due to leakage, fraud, and poor record-keeping. In the 2019/2020 fiscal year, Kshs 3.518 million in land rates were unaccounted for, and in 2020/2021, uncollected market fees totaled Kshs 1.076 million. Additionally, Kshs 1.4 million in revenue receipts were underreported in the same year, further illustrating the depth of financial mismanagement. These deficiencies reflect a lack of automation and weak internal controls.

The 2010 Kenyan Constitution introduced devolution, establishing 47 county governments, including Marsabit, which covers about 15% of Kenya's land area. Marsabit comprises four sub-counties: North Horr, Saku, Laisamis, and Moyale. The devolution transferred significant political and fiscal responsibilities to county governments. Despite commendable efforts by Marsabit's Revenue Department under the Finance docket, the county has consistently failed to meet its revenue targets in recent years. This suggests deeper issues in administrative and oversight structures. The Revenue Director and regional supervisors are tasked with ensuring revenue integrity across departments, but existing gaps in internal control systems appear to hinder this mandate. This study aims to investigate how internal control shortcomings affect revenue collection in Marsabit County. It will explore how weaknesses in areas such as technology implementation, risk assessment, organizational control culture, data management, communication networks, and monitoring systems influence the county's ability to collect and manage its revenues effectively. The overarching goal is to identify the relationship between these internal control elements and the performance of revenue collection mechanisms.

***Table 1: The County Government of Marsabit annual revenue collection***

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **FINANCIAL YEAR****TOTAL****COLLECTION** | **2017/18** | **2018/19** | **2019/20** | **2020/21** | **2021/22** | **2022/23** |
| **COLLECTED** | 83,390,480 | 124,104,970 | 126,710,000 | 110,368,253 | 99,563,452 | 58,600,000 |
| **TARGET** | 130,000,000 | 140,000,000 | 170,000,000 | 150,000,000 | 170,000,000 | 170,000,000 |

**Source:** Office of the controller of budget (CGBIR Report for 2017/18,2018/19, 2019/20, 2020/21 2021/22 and 2022/23.

The county government of Marsabit met 64%, 78%, 74%, 73%, 48%, and 34% of the annual revenue collection objective for the fiscal years 2017–2018 and 22–23. Throughout the study period, the annual collection has fluctuated, showing a notable increase in the fiscal year 2018/2019 and a dramatic fall from 2018/19 to 2022/2023. To address such inconsistencies in revenue pattern and annual collection, Understanding the process of risk management is essential, internal control environment, and technology use.

**1.1 Research Problem**

Following the establishment of county governments in Kenya in 2013, the public held high expectations that these decentralized units would better identify community needs and efficiently deliver essential services to local residents. The devolution was designed to enhance responsiveness, transparency, and service provision at the grassroots level. Each county, including Marsabit, was tasked with identifying and exploiting local sources of revenue such as property taxes, business permits, levies, parking fees, and fines to finance their operations. These funds are critical for sustaining infrastructure development and delivering services, as well as for launching poverty reduction initiatives. However, several counties have consistently struggled with effective revenue generation due to widespread corruption, financial mismanagement, and ineffective tax collection systems. Historical collusion between tax collectors and payers to evade revenue obligations has further eroded the efficacy of revenue collection frameworks. Consequently, many counties, including Marsabit, have failed to meet their revenue targets.

To address these systemic issues, some counties have begun adopting digital solutions, including online and mobile payment systems, digitization of records, and centralized tax management platforms aimed at enhancing transparency and accountability. Despite these efforts, service delivery continues to be rated poorly, as highlighted by both public feedback and constitutional performance benchmarks. In the 2020/21 fiscal year, Kenya’s 47 counties collected Kshs. 34.4 billion from internal sources, significantly below the projected Kshs. 54.3 billion. Similarly, during 2018/19, only 74.8% of the targeted Kshs. 53.86 billion was realized. These figures point to a persistent gap in achieving revenue collection goals, indicating room for improvement in both strategy and execution.

In Marsabit County, repeated failures to meet revenue targets have been documented over a six-year period, with the Office of the Auditor General reporting significant revenue leakages. For example, in the 2020/21 fiscal year, the county underreported Kshs. 1.4 million, while in 2019/20 it failed to account for land rates amounting to Kshs. 3.518 million. In the same year, Kshs. 1.076 million in market rates also went uncollected. The Controller of Budget’s reports from 2017 to 2023 highlight a consistent discrepancy between projected and actual revenues in Marsabit County. For instance, in 2017/18, only Kshs. 83.3 million was collected against a budgeted Kshs. 130 million, representing a 36% shortfall. The trend persisted with variances of 22%, 26%, 27%, 52%, and 66% in subsequent years. These figures illustrate a chronic challenge in aligning revenue projections with actual collections, prompting concern over the effectiveness of the county’s financial administration. This repeated mismatch between projected and realized revenue underpins the rationale for this study, which investigates the institutional constraints affecting financial performance in county governments, with Marsabit serving as the case study. The research aims to bridge a knowledge gap by examining how administrative challenges—such as poor enforcement, weak systems, and corruption—undermine revenue generation in Kenyan counties. Through this focused analysis, the study seeks to contribute to improved policy formulation and practical solutions for strengthening local government financial sustainability.

**1.2 Research Objective**

This study was guided by the following general objective to: determine the effects of internal control constrains on performance of revenue collection by marsabit county, Kenya.

Specific Objectives were to; examine the effect of internal control environment on performance of revenue collection, determine the effect of risk Assessment on the performance of revenue collection, explore the effect of information, communication and monitoring on the performance of revenue collection, evaluate the effects of monitoring on performance of revenue collection and to assess the effect of technology/automation on the performance of revenue collection in marsabit county, Kenya..

**1.3 Research Questions**

The ensuing research questions outlined this investigation:

i. Does internal control environment affect performance of revenue collection in marsabit County, Kenya?

ii. Does risk assessment affect performance of revenue collection in marsabit County, Kenya?

iii. Does information, communication and monitoring affect performance of revenue collection in marsabit County, Kenya.

iv. Does technology automation affects revenue collection in marsabit county?

**2.0 LITERATURE REVIEW**

The theoretical framework guiding this study is underpinned by four key theories: Agency Theory, Stakeholder Theory, the Resource-Based View (RBV), and the Technology Acceptance Model (TAM). Each offers a unique lens through which to examine the dynamics affecting revenue collection efficiency in Marsabit County Government.

***Agency Theory***, introduced by Jensen and Meckling in 1976, explores the principal-agent relationship and the conflicts that arise when one party (the agent) acts on behalf of another (the principal). These relationships manifest between various stakeholders, such as shareholders and managers, or shareholders and external auditors. The theory highlights the risk of agents pursuing self-interest at the expense of the principal’s goals. To mitigate this risk, mechanisms like internal controls, audit committees, and external auditors are essential components of good governance systems, enabling oversight and promoting accountability. Hussein and Mutswanje (2015) note that conflicts of interest often arise when decision-making authority is delegated, while Lutta et al. (2022) emphasize the role of this theory in understanding the division of control and incentives within an organization. Mbaru (2022) and Mawia (2013) reinforce that an agent must act in the best interest of the principal by making decisions that enhance the organization’s success. Tapiwa (2013) adds that power delegation should optimize utility for the shareholder, while Nyabenge (2009) stresses that proper motivation and authority for agents are essential to maintaining profitability. Payne (2003) identifies internal control systems as critical in resolving agency problems by reducing monitoring costs and enhancing organizational performance. The theory’s relevance extends to public, private, and non-profit sectors, emphasizing the universal nature of agency dilemmas and the need for robust oversight frameworks.

***Stakeholder Theory***, popularized by R. Edward Freeman in 1984, shifts the focus from shareholders to a broader array of stakeholders who influence or are impacted by an organization’s operations. These stakeholders include internal parties like employees and external ones such as customers, suppliers, regulators, and communities. The theory advocates that management must consider all stakeholder interests to achieve sustainable success. In the context of Marsabit County Government, key stakeholders include taxpayers and revenue staff, whose actions directly impact the effectiveness of revenue collection. Understanding their behaviors and associated risks is critical to managing revenue systems efficiently. Stakeholder Theory is thus essential for achieving a balanced evaluation of how various actors influence the county’s fiscal performance and ensuring that all perspectives are incorporated into decision-making processes.

***The Resource-Based View Theory (RBV),*** first proposed by Penrose in 1959 and later developed by Barney (1991), posits that an organization’s success and competitive advantage stem from the resources it owns and effectively utilizes. These resources may be tangible or intangible and must be valuable, rare, inimitable, and non-substitutable to provide a sustainable edge. Wernefelt (1984) and Amit & Schoemaker (2012) describe resources as inputs supporting daily operations, while Stacey (2011) highlights how financial resources enable organizations to acquire additional capabilities. In the context of county governments, own-source revenue represents a critical financial resource. Efficient revenue collection strengthens the county's financial autonomy, reduces reliance on national funding, and facilitates investment in necessary human and technological resources. Applying RBV theory in this study helps explain how resource endowment and capability deployment influence the county’s ability to meet its strategic goals.

***The Technology Acceptance Model (TAM),*** developed by Davis in 1989 and grounded in the Theory of Reasoned Action, aims to predict user acceptance of technology. The model focuses on two core constructs: perceived usefulness and perceived ease of use. Perceived usefulness refers to the degree to which an individual believes that using a particular technology will enhance job performance, while perceived ease of use reflects the effort expected in using the system. Venkatesh and Davis (2000) expanded on these constructs, noting that beliefs about usefulness and ease influence attitudes, which in turn shape behavioral intentions and actual usage. TAM identifies four determinants of behavioral intention—expected performance, expected effort, social influence, and available support. If users perceive that a technology will make their tasks easier and more productive, they are more likely to embrace it. Conversely, skepticism about the technology’s benefits or complexity in usage can hinder adoption. This theory is particularly relevant in assessing the impact of technological automation on revenue mobilization in Marsabit County. As the county adopts digital systems for revenue collection, TAM provides a framework for understanding the factors that facilitate or obstruct successful implementation and user engagement. Together, these four theories offer a comprehensive framework for examining revenue collection in Marsabit County. Agency Theory provides insights into governance and oversight challenges, Stakeholder Theory emphasizes the importance of inclusive management practices, RBV highlights the significance of resource utilization, and TAM sheds light on the role of technology in enhancing administrative efficiency. By integrating these perspectives, the study aims to present a holistic understanding of the variables influencing revenue mobilization and propose evidence-based recommendations for improving fiscal performance in local government.

**2.1 Empirical Review**

The empirical review on internal control systems and revenue performance draws insights from various studies conducted across Africa, each revealing the critical role of internal controls in enhancing organizational and governmental revenue outcomes. Ekumah (2016) assessed the internal regulatory structure of the Ghana Revenue Authority (GRA), focusing on hazard evaluation, information dissemination, and oversight functions across GRA offices in Kumasi. The findings identified data communication as the most effective component, followed by hazard evaluation. However, the oversight and administrative framework were ranked lower, suggesting that continuous professional training, particularly for auditing personnel, is vital for improving the detection of complex risks and fraud.

Muthusi (2017) conducted a comprehensive study on 43 Kenyan commercial banks to determine the impact of internal controls on financial performance. Using a mixed-method approach, the study found that strong control environments, risk assessments, monitoring systems, and effective information channels significantly contributed to improved financial outcomes. Organizations with solid internal control systems demonstrated better financial management, safeguarded assets, and reduced fraud. Control activities, including reporting and reconciliation, were noted as essential tools for achieving organizational goals and enhancing economic performance.

Similarly, Sigilai (2016) investigated how internal controls influenced revenue generation at the Nakuru Level 5 hospital in Kenya. Through regression modeling, the study established a positive correlation between robust internal controls and increased financial returns. It concluded that weaknesses in control systems facilitated resource misappropriation and hindered income collection. In Tanzania, Msenga (2020) examined six Local Government Authorities (LGAs) to identify factors influencing revenue collection. Using a cross-sectional approach and regression analysis, the study revealed that internal controls, organizational elements, and personal characteristics of employees (such as age, education, and experience) significantly impacted revenue generation. Key organizational factors included the taxpayer base, working conditions, governance, and staff training, while effective internal control elements—particularly oversight and modern technologies—were crucial.

Tarekegn (2020) explored the relationship between internal control systems and tax revenue performance in Southern Ethiopia’s Revenue Ministry. Employing an exploratory method and statistical analysis using STATA, the study found that management practices, information and communication systems, and the broader organizational environment were strongly associated with effective tax revenue collection. Similarly, Kasoga (2020) investigated how internal controls influenced revenue generation in Tanzanian LGAs. Involving 152 participants selected through stratified sampling, the study used both qualitative and quantitative methods to conclude that components like control procedures, information flow, and monitoring mechanisms were vital to consistent revenue performance. Recommendations included strengthening internal audit units, enhancing staff skills, and ensuring realistic budget planning.

Yahya (2018) also evaluated the effect of internal control practices on the financial performance of Kenyan commercial state corporations. The study, using a descriptive design, concluded that well-defined risk tolerance, effective risk assessment by trained staff, and prompt responses to identified risks significantly enhanced financial outcomes. Risk assessment was particularly critical in mitigating long-term financial risks and boosting performance.

Owino, Senaji, and Ntara (2017) examined how technological innovations in revenue collection affected the performance of Nairobi County. Their descriptive survey found that web-based billing systems, efficient payment processing, and communication upgrades improved revenue collection by reducing corruption and increasing transparency. These improvements led to more equitable tax systems, better tax mobilization, and consistent tax treatment, ultimately enhancing the efficiency of revenue administration. The study urged the county government to continue investing in technological upgrades for its revenue systems.

Matthew (2014) studied the implementation of a consolidated revenue framework in Machakos County. Using a cause-and-effect methodology, the research found that the introduction of an integrated revenue platform led to a rise in income and addressed issues related to inconsistent tax collection. Real-time data reporting and enhanced transparency were key features of the new system, which improved overall fiscal efficiency. The study emphasized the need for the county to resolve implementation challenges to maximize the benefits of this tax collection approach.

Finally, Biwott, Mulongo, and Omboto (2017) explored how technological integration influenced revenue mobilization in Kenya’s North Rift Region. Their findings indicated that electronic revenue collection tools significantly improved efficiency by streamlining procedures and making them more user-friendly. The study emphasized that digital tools helped reduce revenue leaks and dishonesty, ensuring that each phase of the revenue process was safeguarded. Overall, the findings from these studies consistently underscore that robust internal control systems—characterized by effective monitoring, risk assessment, control environments, information systems, and technological integration—are essential for improved financial and revenue performance in both public and private sector institutions across Africa.

**3.0 RESEARCH METHODOLOGY**

The study employed a descriptive research design, which aims to explore and explain the what, why, how, and when of a phenomenon (Saunders et al., 2009). According to Wanous and Lawlour (2005), this method is useful in presenting important features of a population and assessing decision variables relevant to the research hypothesis. The design enabled the researcher to gather data on the current condition of the phenomenon and determine the impact of various factors or conditions on specific variables. Descriptive research is commonly employed when the research problem is clearly defined and well understood. It typically involves the use of quantitative data collection methods, such as surveys and structured questionnaires, enabling statistical analysis of trends, behaviors, and attitudes within a given population (Babbie, 2010). In this context, a descriptive survey was particularly useful in measuring the impact of internal control weaknesses—like inadequate technology and poor risk management—on revenue generation. Because it focuses more on describing the current situation rather than probing causality, descriptive design was deemed appropriate for understanding existing processes and practices without influencing them.

The target population for this research consisted of 80 employees from four departments within the County Government of Marsabit (CGM): finance, health, tourism & trade, and lands. These departments were selected because of their direct involvement in revenue generation and collection. A target population refers to a well-defined group of individuals, events, or objects that a researcher aims to study and draw conclusions from (Kothari, 2004).

A sample size was determined using Yamane’s (1967) simplified formula, considering a total population of 80, a 95% confidence interval, and a 5% margin of error. The calculated sample size was 67 respondents, ensuring adequate representation. A stratified random sampling technique was adopted to ensure all relevant departments were represented and to avoid population bias. According to Mugenda and Mugenda (2003), this method allows for better generalization of findings and considers the diversity across subgroups. Respondents were divided into strata based on their departmental affiliations.

For data collection, the researcher used a combination of primary and secondary sources. Primary data was gathered using standardized surveys that included both closed-ended and open-ended questions, targeting views on internal control systems, risk management, and technological efficiency. This method ensured consistency and reliability in the responses (Mark, Phillip & Adrian, 2009). Secondary data was sourced from existing documents such as financial reports, audit records, and revenue logs from the Marsabit County Government, helping to support and validate the primary data collected.

In terms of data analysis, the study employed a mixed-methods approach, combining both quantitative and qualitative techniques. Descriptive statistics such as means, frequencies, and percentages were used to summarize the data. To examine the relationships between multiple independent variables namely internal control systems, technology, and risk management and the dependent variable, revenue performance, inferential statistics were applied. Specifically, multiple regression analysis was employed because it allows for the simultaneous assessment of the individual and collective influence of several predictors on a single outcome variable. This model is particularly suitable for understanding the extent to which each internal control factor contributes to revenue collection performance in Marsabit County while controlling for the influence of the others.

To ensure reliability and validity, a pilot study was conducted using a smaller sample from the target population. This helped refine the questionnaire before the full-scale study. Validity was ensured by aligning research tools with study objectives and consulting experts for content validation. Factor analysis was also used to assess construct validity, ensuring the study accurately measured the intended variables.

**4.0 RESULTS AND DISCUSSION**

**4.1 Response Rate**

In this study, 67 questionnaires were distributed to officers of the County Government of Marsabit, and 60 were successfully completed and returned, representing a response rate of 89.6%. This high response rate is consistent with previous studies such as Mwangi (2018), who reported an 85% response rate in a similar public sector setting, indicating a strong level of engagement from government officers when the research topic is directly relevant to their duties. The high return rate in this study reinforces the reliability of the findings and suggests that internal control and revenue collection are issues of significant concern and interest among county officials.

***Table 2: Response Rate***

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | YES | 60 | 89.6 | 89.6 | 89.6 |
| NO | 7 | 10.4 | 10.4 | 100.0 |
| Total | 67 | 100.0 | 100.0 |  |

**Source: Survey Data (2025)**

**4.2 Descriptive Statistics**

The research aimed to assess the influence of internal control mechanisms on income generation within the Marsabit County Government, using descriptive statistics based on data collected through a five-point Likert scale. The analysis focused on several dimensions of internal control control environment, risk assessment, information and communication, monitoring activities, technology and automation, and overall revenue collection—to evaluate their respective roles in enhancing or hindering the County's revenue generation.

The study began by investigating the ***control environment***, with a particular emphasis on the regulatory framework's role in shaping revenue collection capabilities. Results showed that a significant proportion of respondents (over 90%) agreed or strongly agreed that a robust regulatory environment supports effective income acquisition. With an average score of 4.43 and a standard deviation of 0.632, the findings confirmed widespread consensus that regulatory clarity contributes to better organizational structure, ethics, oversight, and discipline. A majority also believed that a well-structured framework encourages proper adherence to rules and facilitates higher operational efficiency. This led to the conclusion that the control environment, particularly when underpinned by a strong regulatory framework, positively influences income generation, while a deficient system hampers it.

Next, the study explored ***risk assessment***, which evaluates how organizations anticipate, interpret, and mitigate potential threats to revenue. The results revealed a high level of agreement among respondents regarding the efficacy of risk management strategies, with a mean score of 3.88 and a standard deviation of 0.68. Participants acknowledged the importance of understanding organizational risk tolerance, evaluating both internal and external threats, and integrating comprehensive risk assessments into control systems. Specific responses highlighted that most believed risk analysis plays a pivotal role in strengthening revenue collection. With average scores frequently exceeding 4.0, the results underscored the perception that strategic risk evaluation and mitigation can enhance revenue performance when properly embedded into governance frameworks.

The ***information and communication*** component was assessed to understand how the exchange of data impacts revenue generation. The study showed that effective communication strategies and access to relevant data positively affect internal controls and, by extension, income acquisition. Approximately 41% of participants noted that data pertinence significantly improved revenue generation, with another 29% claiming it did so to a very large extent. The mean score for this aspect was 4.01, with a standard deviation of 0.771. Respondents stressed the importance of training on communication tools, timely reporting, stakeholder feedback, and structured communication channels. Continuous training was also identified as a key factor in maintaining efficient revenue practices. Overall, the results suggested that a robust communication framework facilitates transparency and accountability, leading to better financial performance.

The research then evaluated the significance of ***monitoring activities*** in reinforcing internal controls and boosting income generation. Respondents were asked to express their agreement with statements related to the effectiveness of oversight and stakeholder participation. A substantial portion 33.3% strongly agreed and 39.3% agreed significantly that consistent monitoring enhances revenue performance. This was supported by high mean scores, including 4.36 (standard deviation 0.534) for the importance of continuous oversight and 4.34 (standard deviation 0.572) for stakeholder input. Participants also concurred that monitoring is necessary for efficiency and sustainability in revenue collection. The data strongly suggested that regular and inclusive monitoring is integral to effective internal control systems and has a direct impact on revenue collection outcomes.

The study also delved into ***technology and automation***, assessing their role in modernizing revenue collection within the County. Results were mixed, with some indicators showing limited adoption and effectiveness of technological tools. For example, the use of electronic payment systems had a mean score of 2.533, while full automation and system integration scored similarly low, around 2.5. These figures suggest that current technological implementation is inadequate. However, when participants were asked about the potential impact of automation and electronic payments on revenue collection, responses were more optimistic. A mean score of 4.01 indicated strong support for the effectiveness of digital payment platforms, and a mean of 4.09 highlighted the perceived value of full automation. Moreover, 58% of participants emphasized that integrating revenue platforms could significantly improve revenue efficiency. Despite current implementation gaps, the findings indicate strong recognition of the value that technology and automation can bring to income generation efforts.

Finally, the study examined actual **revenue collection performance** over recent years. The analysis showed that the County’s revenue outcomes were underwhelming, as reflected in low average scores: 1.87 for achieving projected goals and 1.76 for yearly growth. These scores revealed a general sense of dissatisfaction among respondents, who reported that revenue targets had not been met consistently over the past five years. Nevertheless, there was a moderate level of optimism regarding the practicality of revenue targets, evidenced by a mean of 3.65. This suggests that while historical performance was subpar, there is belief among staff and stakeholders that the goals set by the County are achievable, provided that internal controls are effectively strengthened. The study provides compelling evidence that well-structured internal control mechanisms are fundamental to enhancing revenue generation within Marsabit County. A strong control environment, effective risk assessment, clear communication systems, rigorous monitoring, and the strategic use of technology all contribute to improved income acquisition. Conversely, gaps in these areas, particularly in automation and system integration, hinder the County's ability to meet its revenue goals. The findings indicate that improving governance structures and investing in technological advancements, coupled with continuous oversight and staff training, could significantly transform revenue collection efficiency. This reinforces the need for integrated internal controls to ensure not only compliance and transparency but also fiscal sustainability within county governments.

**4.3 Model Summary**

The analytical model displayed a correlation coefficient (R) of 0.928, alongside an R-squared of 0.843 and an adjusted R-squared of 0.821. These figures suggest that the independent variables under investigation explain 84.3% of the fluctuation in revenue collection within the Marsabit County Government. As a result, 15.7% of the variance in revenue collection can be attributed to other factors not considered in this research. The high correlation coefficient (R) points to a substantial link between the studied variables

***Table 3 Model Summary***

**Model R R Square Adjusted R Square Std. Error of the Estimate**

1 0.906a 0.820 0.801 0.07888

Source: Research data, 2024

**4.4 ANOVA**

Analysis of Variance, as presented in Table 4, underscores the crucial necessity of evaluating the model's robustness to ascertain the correlation between income generation and internal oversight within Marsabit County's administration. The model demonstrated a relationship impact of 0.024, falling below the 0.1 threshold, at a 90.6% certainty. This value was marginally higher than the coefficient derived for the connection between the response and predictor variables absent a moderating factor, thereby affirming a strong association between the internal control mechanisms and revenue efficacy in Marsabit County. Consequently, the model exhibits accuracy in projecting the moderating impact on the variables' interaction. Furthermore, the F-statistic of 2.761, generated from the analysis, reinforces the model’s adequacy in establishing this relationship. The absence of heteroscedasticity is evidenced by the regression test results, which yielded a p-value of 0.024 (p < 0.05), satisfying a one-tailed, 5% significance criterion. This outcome confirms the substantial influence of the independent variables on revenue acquisition within the Marsabit County Government.

***Table 4 ANOVA***

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Analysis of Variance and F test results** |  |  |
|  **Model**  | **Sum of Squares Df**  | **Mean Square F**  | **Sig.**  |
| 1 Regression  | 0.089 5  | 0.018 2.761  | 0.024  |
| Residual  | 0.474 56  | 0.006  |   |
| Total  | 0.562 59  |   |   |

**Source: Research data, 2024**

**4.5 Regression coefficients**

The regression analysis presented in Table 5 evaluates the influence of internal control frameworks on revenue collection within Marsabit County's administration. The study employed multiple regression with revenue collection as the dependent variable and various internal control factors risk evaluation, control climate, oversight, information and communication, technology, and automation as independent variables. The resulting regression equation is:

Y = 2.809 + 0.065X₁ + 0.048X₂ + 0.029X₃ + 0.067X₄ + 0.229X₅.

This equation reflects a positive relationship between internal control mechanisms and revenue performance. Each independent variable contributes positively to the dependent variable, suggesting that improvements in these areas enhance revenue collection. Specifically, the control environment significantly impacts revenue generation, with a coefficient of 0.065 and a p-value of 0.007. This indicates that a one-unit improvement in the control environment leads to a 0.065-unit increase in revenue, corroborating Ibrahim’s (2017) findings that a well-structured control environment facilitates organizational goal achievement by shaping employee understanding and adherence to controls.

The analysis also found a statistically significant relationship between risk evaluation and revenue accumulation, with a coefficient of 0.048, a t-value of 0.361, and a p-value of 0.019. These findings highlight the importance of assessing risks and implementing mitigation strategies, as these efforts directly contribute to increased revenue. This supports Kinyua’s (2015) research, which linked risk evaluation with improved financial performance in Kenyan firms. Technological advancement and automation emerged as the most impactful variable, with a regression coefficient of 0.229, a t-value of 0.187, and a p-value of 0.03. The data suggests that enhancing technology and automation by one unit results in a 0.229-unit increase in revenue, underscoring the critical role of digital systems in streamlining operations and boosting efficiency in revenue collection.

Further analysis revealed a significant positive relationship between the information and communication component of internal controls and revenue generation. With a coefficient of 0.067, a p-value of 0.045, and a t-statistic of 0.751, the results imply that better communication and information-sharing practices contribute to more effective revenue management. This aligns with Ekumah’s (2016) study in Ghana, which identified communication as a vital element in successful internal control systems. Monitoring activities, another critical element of internal control, also showed a positive association with revenue performance. The coefficient for monitoring was 0.029, with a p-value of 0.033 and a t-value of 1.201. This suggests that consistent oversight and evaluation practices, such as audits and reviews, foster improved revenue collection. These findings are consistent with Muthusi’s (2017) research, which emphasized the role of oversight in enhancing organizational efficiency. All dimensions of internal controls risk assessment, control environment, oversight, communication, technology, and monitoring positively influence revenue generation within Marsabit County Government. The study highlights the importance of strengthening these internal control frameworks to promote transparency, accountability, and financial growth in public administration

***Table 5 Regression coefficients***

**Model Unstandardized Coefficients Standardized Coefficients T Sig.**

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 B Std. Error Beta

|  |  |  |
| --- | --- | --- |
| Constant 2.809  |  0.682  |  4.124 0.000  |
| Control Environment 0.065  |  0.164  |  0.079  |  0.387 0.007  |
| Risk Assessment 0.048  |  0.132  |  0.050  |  0.361 0.019  |
| Information &  |  |  |  |
| Communication 0.067  |  0.089  |  0.088  |  0.751 0.045  |
| Monitoring 0.229  |  0.191  |  0.221  |  1.201 0.033  |
| Technology & 0.219automation  |  0.152  |  0.034  |  0.187 0.003  |  |

**5.0 CONCLUSIONS**

The research reveals a compelling and positive relationship between Marsabit County’s internal control framework and its ability to generate self-sustaining revenue. Through rigorous multivariate regression analysis, the study confirms that the effectiveness of key internal control components such as organizational culture, risk assessment, information flow, supervision, and technological integration directly impacts the efficiency of revenue collection. This finding fills a critical gap in the existing literature, which has often overlooked the practical influence of these control mechanisms in local government revenue performance, particularly in emerging regions like Marsabit County. By demonstrating how a robust internal control environment drives improved revenue outcomes, this research not only underscores the importance of strengthening these systems but also invites policymakers and practitioners to rethink internal controls as dynamic enablers of fiscal growth. Ultimately, it opens new avenues for expanding control strategies to foster sustainable economic development at the county level, offering valuable insights for both scholars and decision-makers committed to enhancing public financial management.

**6.0 RECOMMENDATIONS**

The investigation’s findings led to several actionable recommendations for key stakeholders in Marsabit County. To enhance revenue collection efficiency, the County administration should prioritize the full implementation of a centralized, digital revenue management system with real-time monitoring capabilities to reduce leakages and improve transparency. The human resources division must enforce rigorous recruitment protocols targeting candidates with demonstrated expertise in revenue administration and internal controls. Regular, mandatory performance audits and targeted capacity-building workshops focusing on ethical conduct and the use of digital tools should be institutionalized. Recognizing the critical role of technology, the County government should allocate a dedicated annual budget to upgrade ICT infrastructure and establish an integrated revenue information management platform that links all departments involved in revenue collection and oversight. Furthermore, the county should mandate the adoption of secure, user-friendly electronic payment platforms to facilitate compliance and reduce cash handling risks. To build trust and compliance, public outreach must be intensified through tailored educational programs delivered via local media and community forums, emphasizing the direct benefits of tax contributions to public services and infrastructure, especially in marginalized rural areas. Policy frameworks should be established to incentivize community participation in revenue oversight, such as forming citizen watchdog committees with formal roles in auditing and reporting irregularities.

To sustain these initiatives, the county government must institutionalize regular monitoring and evaluation mechanisms with clear accountability measures for all actors involved in revenue management. Additionally, partnerships with national agencies and development partners should be pursued to support technology upgrades and capacity development. For future policy and research, it is essential to conduct comparative studies across counties to identify best practices in internal controls and revenue mobilization, and to analyze how external socio-economic factors impact revenue performance in Marsabit County. These insights will guide tailored, evidence-based policy adjustments to optimize revenue collection and ensure fiscal accountability.

Disclaimer (Artificial intelligence)

Option 1:

Author(s) hereby declare that NO generative AI technologies such as Large Language Models (ChatGPT, COPILOT, etc.) and text-to-image generators have been used during the writing or editing of this manuscript.

Option 2:

Author(s) hereby declare that generative AI technologies such as Large Language Models, etc. have been used during the writing or editing of manuscripts. This explanation will include the name, version, model, and source of the generative AI technology and as well as all input prompts provided to the generative AI technology

Details of the AI usage are given below:

1.

2.

3.

**REFERENCES**

1. Abuga, M. V. (2016). Influence of revenue collection efficiency on the operational performance of Kisii County Government, Kenya. International Journal of Social Sciences and Information Technology, 2(3), 235-240
2. Adu-Gyamfi, E. (2014). Effective revenue mobilisation by districts assemblies: A case study of Upper Denkyira East Municipal Assembly of Ghana. Public Policy and Administration, 2(1), 97-122.
3. Aikins, S. (2011). An Examination of Government Internal Audits' Role in Improving Financial Performance. Public Finance and Management, 11(4), 306-337.
4. Aldridge, C. R. & Colbert, J. L. (1994). Management′ s Report on Internal Control, and the Accountant′ s Response. Managerial Auditing Journal.
5. AlRawi, H., Mosteanu, N. R., & Alrawi, I. H. (2019). Control environment, risk assessment and monitoring in United Arab Emirates businesses. In Creative business and social innovations for a sustainable future (pp. 55-65). Springer, Cham.
6. Amit, R., & Schoemaker, P. (2012). Strategic assets and organizational rent. Strategic
7. Anamanjia, S., & Maina, R. (2022). Strategic alignment and performance of Kenya Revenue Authority. International Academic Journal of Innovation, Leadership and Entrepreneurship, 2(2), 297-338.
8. Ataro, P. O., Muturi, D. W., & Wandera, M. R. W. (2016). Factors Affecting Revenue Collection Efficiency in County Governments in Kenya: A Case Study of TransNzoia County. 3(2),6.
9. Atieno, O. (2013). “The Relationship between Corporate Social Responsibility and Financial Performance of Small and Medium Enterprises (SMEs) in Kenya”. International Journal of Business and Social Research, 2(2), 29–33.
10. Awitta, M. (2010). Effectiveness of Revenue Collection Strategies At Kenya Revenue Authority In Nairobi. 86.
11. Ayenew, W. (2016). Determinants of tax revenue in Ethiopia (Johansen co-integration approach). International Journal of Business, Economics and Management, 3(6), 69-84
12. Babbie, E. R. (2010). \*The Practice of Social Research\* (12th ed.). Wadsworth, Cengage Learning.
13. Bauer, A. M. (2016). Tax avoidance and the implications of weak internal controls. Contemporary Accounting Research, 33(2), 449-486
14. Bayyoud, M., & Sayyad, N. A. (2015). The impact of internal control and risk management on banks in Palestine. International Journal of Economics, Finance and Management Sciences, 3(3), 156-161.
15. Bednarek, P. (2018). Factors Affecting the Internal Audit Effectiveness: A Survey of the Polish Private and Public Sectors. In Efficiency in Business and Economics (pp. 1–16). Springer
16. Biwott, D. K., Mulongo, L., & Omboto, P. (2017). Technology adoption as an approach for revenue mobilization towards county socio-economic development in North Rift Region, Kenya. International Journal of Economics, Commerce and Management, 5(3), 198-211
17. Block, S. B. & Geoffrey, A. H. (2008) Foundations of Financial Management. 12th Edition. McGraw Hill, New York
18. Boniface, W. (2018). Internal control systems and financial management in local governments in Uganda: A case study of Busia District Local Government (Doctoral dissertation, Nkumba University).
19. Christensen, D. M. (2015). Corporate Accountability Reporting and High-Profile Misconduct. The Accounting Review, 91(2), 377–399. https://doi.org/10.2308/accr- 71 51200 County Governments – Office of the Auditor-General (oagkenya.go.ke) County Reports – Office of the Controller of Budget (cob.go.ke)
20. Committee of Sponsoring Organizations of the Treadway Commission (COSO). (2013). "Internal Control — Integrated Framework."
21. Dambala, A.Y., 2021. Factors Influencing Financial Management in Marsabit County Government (Doctoral dissertation, KeMU).
22. Darison, A. H. B. (2011). Enhancing local government revenue mobilization through the use of information communication technology: A case-study of Accra Metropolitan Assembly (Doctoral dissertation).
23. Ejoh, N., & Ejom, P. (2014). The impact of internal control activities on financial performance of tertiary institutions in Nigeria. Journal of Economics and Sustainable Development, 5(16), 133-143.
24. Ekumah, D. E. (2016). Assessing the effectiveness and efficiency of the internal control system at the Ghana revenue authority. A Case Study of the Kumasi Metropolis [Thesis]. http://ir.knust.edu.gh:8080/handle/123456789/8618.
25. Fisher, R. C. (2018). State and local public finance. Routledge.
26. Fjeldstad, O.-H., & Moore, M. (2008). Revenue Authorities and Public Authority in Sub-Saharan Africa. The Journal of Modern African Studies, 46(1), 1-30.
27. Government of Kenya (2010). Report of the rationalization and staff rightsizing for effective Operation of the Ministry of Local Government, Government Printer, Nairobi.
28. H., & Dikko, M. U. (2018). The effect of internal control on performance of commercial banks in Nigeria. International Journal of Management Research, 8(6), 13-32
29. Hayles, R. (2015). Principles of Auditing, London; Pearson Education Limited
30. Hermanson, D. R., Smith, J. L., & Stephens, N. M. (2012). How effective are organizations' internal controls? Insights into specific internal control elements. Current Issues in Auditing, 6(1), A31-A5
31. Hussein, M.A. and Mutswenje, V.S., 2019. Organizational practices and revenue collection in Garissa county, Kenya (Doctoral dissertation, kenyatta university).
32. Ibrahim, M. (2017). Internal Control and Public Sector Revenue Generation in Nigeria: An Empirical Analysis. 14.
33. Joseph, O. N., Albert, O., & Byaruhanga, J. (2015). Effect of internal control on fraud detection and prevention in district treasuries of Kakamega County. International Journal of Business and Management Invention, 4(1), 47-57.
34. Joseph, O. N., et al. (2015). Effect of Internal Control on Fraud Detection and Prevention in District Treasuries of Kakamega County. 11.
35. Kaliti, George (2014). The effect of Risk Management practices on performance of firms in the hospitality industry in Nairobi County, Kenya. Master’s degree thesis. University of Nairobi Online Repository.
36. 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. 2(1), 17.
37. Kimmel, P. D., Weygandt, J. J., & Kieso, D. E. (2013). Financial Accounting: Tools for 74 Business Decision Making. John Wiley & Sons.
38. Kinoti, G., & Kagiri, A. W. (2016). Factors affecting revenue mobilization in county governments in Kenya: A case of Nairobi City County. International Journal of Innovations, Business and Management, 10(3), 41-60.
39. KPMG. (2015). "Internal Controls: A Framework for Managing Risk.
40. Kulundu, L. (2014). “Challenges of Procurement Strategy Implementation among Road Agencies in Kenya”. International Journal of Business, Humanities and Technology, 1(2), 12–21.
41. Lachney, K. (2018). An exploration of internal controls and their impact on employee fraud in small businesses. Liberty University.
42. Lagat, C., & Okelo, C. (2016). Effect of internal control systems on financial management in Baringo county government, Kenya. Journal of Economics Finance and Accounting, 3(1), 1-16.
43. Makhaya, R. A., & Maniagi, M. (2020). Influence of internal control system in integrated financial management information system on performance of County Government of Kakamega. The Strategic Journal of Business & Change Management, 7(3), 1008-1024.
44. Masaki, T. (2018). The impact of intergovernmental transfers on local revenue generation in Sub-Saharan Africa: Evidence from Tanzania. World Development, 106, 173– 186. https://doi.org/10.1016/j.worlddev.2018.01.02
45. Matthew, J. M. (2014). Effects of an integrated revenue collection system and challenges facing its implementation in Machakos County (Doctoral dissertation, School of Business, University of Nairobi
46. Mawia, M. (2013). “Elasticity of Demand for Electricity in Kenya from Times Series Data”. International Research Journal of Applied Economics and Finance, 2(3), 30–35.
47. Mbaru, E.M., 2022. Effect of Governance on risk Mitigation among County Governments in Kenya A Case of Mombasa and Kilifi County (Doctoral dissertation, KeMU).
48. Mbuchi, M. (2013). Innovations and Service Quality in Kenyas’ Higher Education. International Education Journal, 3(2), 25–29.
49. McCluskey, W. J. (2012). The role of ICT in delivering efficient revenue collection in developing countries: The Tanzanian experience. Retrieved from: https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&ved=2ahU KEwjS9b2Z18HdAhURhRoKHQvSCDYQFjAAegQIBRAC&url=https%3A%2F%2 Fwww.conftool.com%2Flandandpoverty2017%2Findex.php%2FMccluskey-263- 263.pdf%3Fpage%3DdownloadPaper%26filename%3DMccluskey-263- 263.pdf%26form\_id%3D263&usg=AOvVaw2q0Dz6G2\_\_Sfq-zon3OYR7
50. Mihaela, D., & Iulian, S. (2012). Internal control and the impact on corporate governance, in Romanian listed companies. Journal of Eastern Europe Research in Business & Economics, 2012, 1-10.
51. Mohammed, A. (2018). Effect of internal control on revenue collection in Kintampo Municipal Assembly [Thesis, University of Cape Coast]. http://erl.ucc.edu.gh/dspace/handle/123456789/3396
52. Msenga, S. (2020). Factors influencing revenue collection in selected local government authorities in Tanzania. 102.
53. Mugenda, O.M & Mugenda, A.G. (2003). “Research methods, quantitative and qualitative” Approaches, (revised Ed), laba graphics services Ltd, Nairobi
54. Mumba, F. N., & Wekesa, M. (2020). Effect of internal control on financial performance of star rated hotels at the Kenyan Coast. International Journal of Advanced Research and Review, 5(5), 101-122
55. Murithi, W (2015), Review of the 2005/06 budget. KIPPRA Special Report No.9.
56. Muthusi, D. M. (2017). Internal controls and financial performance of commercial banks in Kenya. 117.
57. Mwangi, K, M,. (2012) , Effects risk management practices on financial performance of Commercial Banks in Kenya , Unpublished MBA thesis , University of Nairobi
58. Njeri, C. K. (2014). Effect of internal controls on the financial performance of manufacturing firms in Kenya. Unpublished Thesis
59. Njiru, D. (2016). The effect of internal controls on financial performance of public water companies in Kenya (Doctoral dissertation, KCA University).
60. Nyabenge, V. (2009). “Effect of Working Capital Management on Financial Performance of Manufacturing Firms in Kenya”. Journal of Financial Management & Analysis, 2(2), 75–80
61. Onyango, R. O. (2014). Influence of internal controls on performance of county governments in Kenya (Doctoral dissertation, University of Nairobi).
62. Osmond, V. (2011), “Evaluation & Auditing Standards for Internal Control Over Financial Reports” Demand media
63. Otoo, I., & Danquah, M. (2021). Fiscal decentralization and efficiency of public services delivery by local governments in Ghana. African Development Review, 33(3), 411425.
64. Owino, P. O., Senaji, T. A., & Ntara, C. (2017). Effect of innovation in revenue collection processes on organizational performance of Nairobi City County. International Academic Journal of Human Resource and Business Administration, 2(3), 361-380.
65. Owuor, J. (2010). Analysis of risks that affect value added tax revenue collection by Kenya Revenue Authority (Doctoral dissertation, University of Nairobi, Kenya)
66. Pandey, P., & Pandey, M. M. (2021). Research methodology tools and techniques. Bridge Center.
67. Quinn, M. (2011). Routines in management accounting research: Further exploration. Journal of Accounting and Organizational Change, 7. 337-357
68. Ranti, U. O. (2011). “Corporate Governance and Financial Performance of Banks: A 55 Study of Listed Banks in Nigeria”. International Journal of Economics and Finance, 2(3)
69. Scott, W. R. (2001). “Institutions and Organizations”. Thousand Oaks, CA, Sag
70. Scott, W. R. (2013). Institutions and Organizations: Ideas, Interests, and Identities. SAGE Publications. This work explores how institutions influence organizational behavior through various constraints
71. Sigilai, D. K. (2016). Assessment of internal control systems effects on revenue collection 77 at Nakuru level five hospital. 57.
72. Stacey, R., (2011). Strategic management and organizational dynamics: The challenge of Management Journal, 14, 33-46. doi:10.1002/smj.4250140105
73. Sunday, A. & Oluwaleke, E. (2022). The Effect of Risk Control Techniques on Organisational Performance of Selected SMES in Lagos State. Acta Universitatis Danubius 18 (1)
74. Tapiwa, M. (2013). “Independence of the Internal Audit in Public Sector Organizations; A Case of Chitungwiza Municipality”. International Journal for Management Science and Technology, 2(4), 54–57
75. Theofanis, K., Drogalas, G and Giovanis, N. (2011). “Evaluation of the Effectiveness of Internal Audit in Greek Hotel Business”, International Journal of Economic Sciences and Applied Research, 4(1), 19-34.
76. Wang’ombe, J., & Kibati, P. (2017). Analysis of financial management practices on effective use of public funds in the county government of Nakuru, Kenya. International Journal of Economics, Commerce and Management, IV(4), 1197- 1223.
77. Waweru, C. N. (2021). Effect of internal control environment on financial performance of public organizations in Kenya. International Journal of Scientific Research and Engineering Development, 4(1), 1092-1099.
78. Yahya, I. A. (2018). Relationship Between Internal Controls Practices and Financial Performance of Commercial State Corporations in Kenya (Doctoral dissertation, University of Nairobi).
79. Zakaria, K. M., Nawawi, A., & Salin, A. (2016). Internal controls and fraud: Empirical evidence from oil and gas company. Journal of Financial Crime, 23(4 1154-1168
80. Zheng, Y., Wu, L., & Li, X. (2023). Institutional Constraints and Organizational Performance: A Double-Edged Sword? Journal of Institutional Economics, 19(3), 456-478