

Corporate Planning on Revenue Collection at Kenya Revenue Authority in North Rift Region. Does Evaluation Strategy Matter?

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Type of the Paper: Research Paper.

Type of Review: Peer Reviewed.

Indexed in: worldwide web.

Google Scholar Citation: [IJFAE](#)

How to Cite this Paper:

Muriuki L., (2018). Corporate Planning On Revenue Collection At Kenya Revenue Authority In North Rift Region. Does Evaluation strategy Matter? *International Journal of Finance Accounting and Economics (IJFAE)* 1 (1), 12-24.

International Journal of Finance, Accounting and Economics (IJFAE)

A Refereed International Journal of OIRC JOURNALS.

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ARTICLE INFO

Article History:

Received 11th May, 2018

Received in Revised Form 18th May, 2018

Accepted 20th May, 2018

Published online 24th May, 2018

Keywords: Corporate planning, Revenue collection, Evaluation strategy, North Rift Kenya

The research was guided by Stewardship Theory and the Theory of Constraints. It adopted a cross-sectional survey design which is analytical in nature. The study targeted a population of 386 KRA employees from 3 KRA stations in north rift region. The study sampled 191 respondents using simple random sampling method. Data collection was done through questionnaires. Descriptive statistics and inferential statistics were used to analyze data. Descriptive statistics involved the use of frequency, percentages mean and standard deviation. Inferential statistics involved the use of correlation and regression model. The results of the study was presented using tables and figures. The study results showed that evaluation strategy is statistically significant with revenue collection. The study findings would be beneficial to the government in relation to policy making and strategy formulation in line to its expectations from KRA as an institution. The findings of this study would also give KRA management relevant information to help them build and improve their strategic responses in relation to revenue collection in order to satisfy its mandate to Kenyan people. Equally, the findings of this study would enrich existing knowledge and hence would be of interest to both researchers and academicians who seek to explore and carry out further investigations.

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Abstract

The study aimed at determining the influence of evaluation strategy on corporate planning in revenue collection at Kenya Revenue Authority.

1.0 Introduction

Globally, the challenges related to the taxation of multinational companies have increased the political pressure to strengthen the international rules of cooperation in corporate tax matters (Cabos, 2012). Following the crisis and the increased revenue needs, the OECD proposed an action plan against base erosion and profit shifting to reinforce the current international tax rules and stabilize national tax bases. The OECD project focuses on the interaction of different (national) tax rules and tries to detect and close loopholes in the current setup (Sadiq, Kerrie & Coleman, 2013). The EU fully

supports the on-going OECD work in this area and many of the issues addressed by the OECD are of relevance also within the EU and are important for the international competitiveness of the EU enterprises as well. Also, the EU plays an important role in addressing these questions as it is one of the largest economic players in the world.

In Africa, performance measurement has significant influence in supporting the achievement of an organization's goals and the effectiveness and efficiency of its strategic planning process. Thus, in order to assess the level of success or otherwise of a corporate body, its established strategic plans in connection with the performance of the company in

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all fronts of operations had to be established. Authors Ouakouak, & Ouedraogo, (2013) asserted to the positive correlation between strategic planning and performance achievements as very beneficial for organizations. In their studies Wairimu and Theuri (2014) further emphasized the need for organizations to align their strategies with their performance measurement systems.

A report by Tanzania Revenue Authority report (TRA) (2008) the implementation of the Second Corporate Plan. The Second Corporate Plan has a total of 70 major initiatives out of which 65 initiatives were completed and the remaining 5 were to be implemented by June 2008 making up a 100% performance. Revenue collection increased by 79% from Shs 1.4 trillion during the year 2013/04 to Shs 2.5 trillion in 2016/07 and reached Shs 3.3 trillion in 2008 which was an increase of 136% for the five year period. The performance has been very good given the fact that Management had to strike a good balance between continuously increasing revenue collections and implementing reforms and the fact that the estimated target by the fifth year of the Second Corporate Plan was to collect Shs 2.4 trillion. The vision for the Third Corporate Plan was to be A Modern Tax Administration by 2013 with a mission of being an effective and efficient Tax Administration which promotes voluntary tax compliance by providing high quality customer service with fairness and integrity through competent and motivated staff. The vision and mission have been decomposed to five balanced strategic goals namely: Increasing Revenue Collection in a Cost Effective Way; Modernized TRA Operations; Provision of High Quality and Responsive Customer Services; Promotion of Voluntary Tax Compliance and Enhancement of Staff Performance Management System.

In Mauritius according to its Revenue Authority report (2014) Corporate Planning process constitutes a landmark for an organization, especially an institution as crucial for the country and the economy as the MRA. The MRA Board bears an overarching responsibility for the operational performance and strategic management of the MRA, and fully assumes its vital role in shaping its future orientation. The 2014-2016 Corporate Plan articulates the MRA's strategic vision and direction. The cornerstone of the MRA's revenue administration strategic planning process

and policymaking philosophy is the aspiration and expectation of its stakeholders. The launch of the 2014-16 Corporate Plan of the MRA heralds a new era in tax revenue administration in terms of catering for the needs of remains focused on increased rigor in promoting a culture of tax compliance and infusing a sound tax culture across the Mauritian landscape, whilst deepening a culture of corporate governance at the MRA. Revenue Collection remains a pillar in public sector investment programme management in a Welfare State context within a framework of sustainable economic development.

The Kenya revenue Authority (KRA) was established by an Act of parliament, Cap. 468 of the laws of Kenya, which became effective on 1st July 1995. The Kenya Revenue Authority was established for the purpose of enhancing the mobilization of government revenue, while providing effective tax administration and sustainability in revenue collection. In particular, the functions of the Kenya Revenue Authority are to assess, collect and account for all revenues in accordance with the written laws and the specified provisions of the written laws, advise on matters relating to the administration, and collection of revenue under the written laws or the specified provisions of the written laws, and perform such other functions in relation to revenue as the Minister may direct. In order to achieve these objectives, the organization structure has been divided into five departments namely; Corporate Support Services, Customs Services, Domestic Taxes (Large Taxpayers' Office), Domestic taxes (Small & Medium taxpayers' Office), Technical Support Services and Investigation & Enforcement Department (Kenya Revenue Authority, 2015).

According to the KRA Revenue Performance Report 2016-17 revenue collection in FY 2016/17 reached a new record with sh. 1.365 trillion being collected in comparison with sh. 1.210 trillion collected in FY 2015/16, a growth of 13.8%. In comparison with 2011/12 when sh. 707.4 billion was collected, revenue collection has doubled in a span of 5 years. FY 2016/17 growth represents an improvement over last year's performance of 12%, and compares well with the 5-year average growth trend of 14.3%. It also represents the highest growth over the previous 3 -year period 2014/15 to 2016/17. FY 2016/17 performance compares well with prevailing

economic indicators including GDP growth of 5.5% and average inflation rate of 8.1%, the latter which mainly affected food items exempt from taxation. The FY also recorded weak growth in cargo import traffic, a phenomenon witnessed across all the EAC economies, and which adversely impacted Customs revenue. Presently Kenya's Tax-to-GDP ratio stands at 19.3%, which is the 2nd highest in non-oil economies within Africa, and the highest within the EAC where the average stands at 14.8% (John Njiraini, Commissioner General, KRA. June, 2017).

Enhancing revenue growth remains the core objective of the Sixth Corporate Plan with focus on the utilization of innovative practices and technology products to deliver better efficiency. As they continue with their traditional focus on revenue mobilization, they are cognizant of other national imperatives including the Government's commitment to improving Kenya's Doing Business ranking to a position among the top 50 within 3 years. Besides, the enhancement of Border Control as part of overall national security improvement requires a re-focus of Customs operations through staff skills enhancement and infrastructure investment (Njiraini, 2017).

To address the imminent challenges, KRA has developed a three year blueprint dubbed Vision 2018 which consists of 12 specific and measurable Performance Indicators. To further underpin the initiative, they have commenced the process of changing the tax compliance approach to focus more on customer facilitation rather than the traditional enforcement. This re-orientation will focus on building trustful relationships internally (amongst staff) and externally (with citizens) as the key driving forces to sustain tax compliance enhancement in the long term. The new approach forms the basis for the Sixth Plan's theme namely, 'Building Trust through Facilitation so as to enhance Tax Compliance'. Another element is the revision of the Corporate Vision and Mission statements and Core Values. The new Vision Statement seeks to capture KRA's pivotal role in Kenya's transformation in line with Vision 2030. On the other hand, their Mission seeks to reflect our new approach to taxpayer engagement and compliance enhancement. In respect of our Core Values, these have been reduced to four from the previous six, with the primary objective being to ensure that staff

more conveniently recall and hence internalize the values. Moreover, Core Values need alignment with the new direction, where emphasis is placed on trustful and facilitative relationships (Njiraini, 2017).

Statement of the Problem

Despite considerable growth in revenue collection, KRA has had to make stringent decisions in order to match the revenue targets given by the treasury. Among these decisions including but not limited to raising enforcement levels to non-compliant taxpayers which includes arrest and confiscating properties, freezing of bank accounts, reintroduction of new tax obligations such as CGT, which saw KRA face serious court battles with taxpayers, introduction of withholding VAT, tax on foreign income and rental income tax obligation among other measures to try meet the pressure of revenue targets given by government.

According to IMF report, Kenyan GDP growth has been consistently growing for the past 4 years from USD50.4billion in 2012 to USD68.9billion in 2016 a development which should be reflected by and large in revenue growth, GDP to tax rates dropped from 8.4% in 2010 to 5.3% in 2015. According to ICPAK Fiscal Analysis (2015), Kenyan Tax revenue to GDP still remains low at 15.3% compared to Swedish counterparts whose rate stands at 25% and are now global best practice in adopting corporate planning techniques in improving revenue collection.

It's from the basis of this rationale that there has been serious conversation within the authority to depart from traditional focus to revenue mobilization to the one that focus on corporate planning a move which ensure seamless flow of information from Authority to staff and to the taxpayer through efficient Communication, Implementation and Evaluation of performance. For this reason, there was a need to study the effect of corporate planning on revenue collection.

Objective of the Study

- i. To assess the influence of Evaluation strategy on improving revenue collection at Kenya Revenue Authority.

Research hypothesis

H₀₁ Evaluation Strategy has no significant effect on revenue collection at Kenya Revenue Authority.

2.0 Literature Review

The systems theory

The systems theory was postulated by Ludwig von Bertalanffy's in 1968. The systems theory views organizations as open systems which are influenced by the environment. In the process of conducting business, the influence and change with their external surroundings while at the same time being influenced by the external changes in the local and global environments.

The assumption of the theory states that organizations are composed of a number of interconnected subsystems so that a change in part of the system will have an impact on other parts of the system and in turn on its overall performance. The open systems theory regards organizations as capable of continuously changing their structural form to respond to changes in the environment.

Critic of the theory by Burnes (2009) argues the organization functions in such a way as to define certain lines of coordination and sub-system interdependence. If this is successful then the objectives of the organization can be pursued. As the organization is an open system, a systematic and comprehensive understanding of the organization's environment is necessary to bring about change effectively and efficiently (Scott, 2003).

The theory supports the influence of Evaluation strategy objective on improving revenue collection. Systems theory asserts that Organization Development is an effort which is planned, organized widely, and managed from the top to increase organizational effectiveness and health through planned interventions in the organization's processes using behavioral science knowledge (Schein, 2006). According to Bradford and Burke (2005), Organization Development places emphasis on the human factors and data inherent in the organization- employee relationship.

Empirical Review

Evaluation Strategy

IEA (Institute of Economic Affairs) (2012) advises that there is need for effective Evaluation which is increasingly being recognized as an indispensable

tool of both project and portfolio management. This is because Evaluation provides a basis for accountability in the use of development resources. Further Evaluation can be applied to strengthen the project design and implementation and stimulate partnership with project stakeholders. Due to the foregoing, different countries have adopted aspects of this approach. For example, Ghana came up with a commission the National Development Planning Commission (NDPC) as a regulatory policy to assimilate the principle of M&E operations. NDPC adapted the Results Based Monitoring and Evaluation System (RBMES) and Results Based Budgeting (RBB) in the M&E process. This was purposely to ensure cost effectiveness, institutional capacity strengthening, promotion of good governance and accountability as well as credibility to the partners and government. Since acquisition of independence of Kenya in 1963, there have been several attempts to tailor a system of socio economic development best suited for the rural poor population. Towards this, the government came up with concept of pooling resources together in the spirit of Harambee' consequently many institutions especially schools and other facilities in the health sector were put up successfully in the spirit of Harambee.

During the 1980s this concept of Harambee spirit of development was further enhanced by empowering committees at grass root level. The government on its part purposed to bring management of projects closer to the people through district focus for rural development, have budgeting process using the district as the focal point for allocation of financial resources. Organization should make publicly known the roles and responsibilities of the board and the management to provide the stakeholders with a level of accountability. This should be Internal control systems, Corporate Planning, Public Awareness Staff Motivation Revenue Collection, done through Annual General Meetings, Auditing and producing regular financial statements, disclosure of material matters concerning the organization and ensure that all stakeholders must have access to the right and factual information. Organization should also understand the needs of its stakeholders and try as much as possible to satisfy them. According to the United Nations Economic Commission of Africa (UNECA, 2002) good corporate planning strategies exists in economic activity is un-impeded by corruption and other

activities inconsistent with the public trust and where the institutions of government have the capacity to manage resource efficiently, can formulate, implement and enforce sound policies and regulations, can be monitored and be held accountable and have respect for the rules and norms of social and economic interactions.

As such, from a corporation perspective, the key elements contributing to an environment of good corporate planning strategies and transparency enabling environment for private sectors development and growth, and institutional development and effectiveness (UNECA 2013). According to Rossouw (2013) there are many obstacles that frustrate the quest for good corporate planning strategies such as: - general lack of effective regulatory and institutional frameworks, lack of discipline and transparency, fear that the greater scrutiny of their corporate activity and disclose demands that go along with being listed can be exploited by the state and competitors.

Mueller (2015) indicates that insufficient incentives for enterprises to list and thus enter the domain where the standards of the corporate planning strategies is required and enforced, and a poor example of good corporate planning strategies often set by state owned enterprises (Corporations) as this the board of directors do not display either competence or the independence that is required for good corporate planning strategies. According to UNECA (2012) in recognition that the responsibility for governance issues lies first and must be committed to improve governance for reasons as to execute public management functions in accountable manner, to demonstrate transparent and particularly economic policy making and execution as well as an open flow of information evaluate to all stakeholders. A number of codes of corporate planning strategies initiatives have been adopted such as Kenya Private Sector Corporate planning strategies Trust, 1999 (PSCGT) based on the international standards.

Patton, and Marlow. 2011, states that national codes emphasize the ethical nature of good Corporate planning strategies and special emphasizes is placed on the fact that good corporate planning strategies is based on the following fundamental values: - transparency, accountability, responsibility and probity. The various aspect of corporate planning strategies that play a major role to realize these fundamental values are for example the importance

of the role of boards of the institutions, risk management and reporting disclosure.

In addition Bainbridge (2010) states that, Corporations refers to the mechanisms through which corporations and their management are governed. As such, it involves a set of relationship among an organization management, its board of directors, its shareholders and its stakeholders. It furthermore provides structures through which objectives and monitoring of performance are determined to ensure sound corporate planning strategies. The following is required; an established and seamless institutional and legal framework and pursuit of objectives that are supported by the board and management and that represent the interest of the organization and to shareholders.

Absence of governance controls would allow managers to pursue interests that are likely to deviate from that of the corporate owners. According to the WOCCU report (2011) internal governance defines the responsibilities and accountability of the general assembly, the board of directors, management and the staff. These responsibilities include achieving an appropriate governing structure of the credit union, preserving the continuity of future credit union operations, creating balance within the organization and remaining accountable for their actions. Boards of Directors are widely recognized as an important mechanism for monitoring the performance of managers and protecting shareholders' interests and hence an important component of internal governance. The board control is challenged when faced with lack of know how among the members leading to weak policies and weak supervision of management. Some stakeholders do not know their rights and have no adequate financial literacy (Kyazze, 2010). The WOCCU report (2011) recommends that all board members should have basic financial literacy, or commit to acquiring these skills through education or training. Shaw (2016) also asserts that emergence of a better educated membership in the board is very essential since skilled directors can assist the organization to meet its financial performance objectives. According to the WOCCU report (2012) the board must be independent and able to question management about issues they do not understand or are unclear.

According to Muhammad Saeed Akhtar (2014), independence of elected board members vis-à-vis full time staff and management is critical for effective controlling and supervising of

management. Elected officers should not be financially dependent on management and that often, independence of board members may be compromised once an elected officer became monetarily interested in attending board meetings, because the person would depend on management to call meetings in order to earn fees and would no longer be free to occasionally hold opposing views to management. The report further argues that financial compensation for elected officers and committee members should be a reimbursement of incidental costs only, not be a financial incentive or quasi-salary.

Romano & Guerrini (2012) assert that large boardrooms tend to be slow in making decisions, and hence can be an obstacle to achieving good financial performance as opposed to small board size. WOCCU report (2012) observes that a board constituted by fewer than five members, may find it difficult to adequately represent its diverse member body, just as a board constituted by more than nine members may make consensus achieving difficult and may increase logistical problems. The report suggests that the board may be composed of an odd number of members, no less than five and no greater than nine. The purpose of this structure is to prevent tied votes.

Conceptual Framework

Evaluation strategy
✓ Key performance indicators
✓ Assessment reports
✓ Moving beyond evaluation
✓ Feedback sustainability

Independent variable Dependent variable

Fig: 2.1 Conceptual Framework

3.0 RESEARCH METHODOLOGY

Research Design

The study adopted a cross-sectional survey design which is analytical in nature. This design was chosen since it allows the capture of information based on data gathered for a specific point in time. The data gathered was from a pool of participants with varied characteristics. Also cross-sectional survey design

Conceptual framework shows the relationship between the variables in the study. The concept explains the independent variable and dependent variable which include the corporate planning as the independent variable while the revenue collection is the dependent variable.

was chosen because it is not costly to perform and does not require a lot of time.

Target Population

The target population in statistics is the specific population about which information is desired. According to Denscombe (2008), a population is a well-defined or set of people, services, elements, and events, group of things or households that are being investigated. The study targeted 386 employees from the 3 KRA stations selected from North Rift Region (Eldoret, Lodwar and Kitale).

Sample size and Sampling Procedures

Churchill and Brown (2014) noted that the correct sample size in a study is dependent on factors such as the nature of the population to be studied, the purpose of the study, the number of variables in the study, the type of research design, the method of data analysis and the size of the accessible population.

Revenue Collection	
✓	Value Added Tax collected
✓	Performance level
✓	Efficiency level of collection

Proportionate sampling technique was used to arrive at a sample size of the study which was 191 KRA employees derived using Krejcie & Morgan table (attached in appendix I) derived from formula for finite population which is calculated as:

$$S = \frac{X^2NP(1-P)}{d^2(N-1) + X^2P(1-P)}$$

Where:

S = Required Sample size

X = Z value (e.g. 1.96 for 95% confidence level)

N = Population Size

P = Population proportion (expressed as decimal) (assumed to be 0.5 (50%))

d = Degree of accuracy (5%), expressed as a proportion (.05); It is margin of error

The sample size for the study was therefore 191.

The study used stratified sampling technique where the north rift region KRA stations formed strata. Proportionate sampling was used to distribute the sample between stations. The sample per stations was further proportionately distributed between the employees (Commissioners Customs and Border Control officers, Domestic Taxes officers, Investigations & Enforcement officers, Intelligence and Strategic Operations officers, Legal Services and Board Coordination officers, Strategy, Innovation and Risk Management officers). This enhanced distribution, representation and avoidance of bias in sampling.

Research Instruments

The study utilized questionnaires to collect data from respondents. The questionnaire was responded by Employees from the three Kenya Revenue

Authority stations in North rift region. A fully structured questionnaire was developed for this study as it ensured a standardized data collection procedure so that the data obtained are internally consistent and can be analyzed in a uniform and coherent manner.

Pilot Study

The researcher piloted the instruments by distributing 20 questionnaires to respondents at Turkana County Government, which is not part of the area sampled. The pilot respondents represented 10% of the sample size.

Validity of the Research Instruments

Validity of research instrument refers to the extent to which the instrument measures what it is supposed to measure whereas reliability of the instrument refers to the degree to which they said instrument consistently measures whatever it is measuring (Zohrabi, 2013).

The research purposed to ensure validity of research instruments by using simple language free from jargon to make it easily understood by the respondents. Validity was tested through availing the research instruments to be used in the study to the supervisors and other specialized lecturers in the field of study in the School to review the test items so as to ensure that they are based on the content area before commencing on the real data collection. The researcher also intended to seek the opinion of individuals who can render intelligent judgment about their adequacy (Sayer, 2011). The researcher therefore gave to the supervisor and other research experts to ensure that the questions were tested.

Reliability of the Instruments

Reliability of the instrument refers to the degree to which the said instrument consistently measures whatever it is measuring in order to ascertain reliability of the research instruments (Zohrabi, 2013). The researcher piloted the instruments by distributing 20 questionnaires to respondents at Turkana County Government, which is not part of the area sampled. The pilot respondents represented 10% of the sample size. According to Pallant (2011) when using the Cronbach's Alpha value to test reliability, a value above 0.7 is considered acceptable; however, a value above 0.8 is preferable. The results of the piloted research instruments enabled the researcher to determine the consistency

of responses to be made by respondents and adjust the items accordingly by revising the document.

Once the relationship was estimated, it was possible to use the equation:

$$Y = \beta_0 + \beta_1x_1 + \beta_2x_2 + \beta_3x_3 + \varepsilon$$

Where X=independent variables: x_1 represents communication strategy

x_2
represents
implementation
strategy

x_3
represents
evaluation
strategy

Y = The dependent variable (Revenue Collections)

β_0 is a constant while $\beta_1, \beta_2, \beta_3$ are the coefficients of proportionality for communication strategy, implementation strategy and evaluation strategy respectively while ε = Error of margin

4.0 DATA ANALYSIS, PRESENTATION, INTERPRETATION AND DISCUSSION

In this study data were collected by administering questionnaires to respondents. Out of the 191 questionnaires administered, 188 were dully filled and returned therefore representing a response rate of 98.4%. According to Bable (1995) a response rate

Table 4.1 Reliability Test

Items	Cronbach's Alpha	N of Items
Evaluation strategy	0.857	4
Revenue Collection	0.879	3

The study findings indicated that all values of Cronbach's Alpha were above 0.7 giving an implication that the research instruments used for data collection were all reliable. The Cronbach's values for dependent variable; revenue collection was 0.879. The Cronbach's values for evaluation strategy was 0.857. The findings imply that the research instruments used to collect the data was reliable as it surpassed the 0.7 threshold for use in research studies. According to Pallant (2011) when using the Cronbach's Alpha coefficient value to test

of 70% and above is satisfactory to conduct adequate data analysis.

Validity and Reliability

Data collected from pilot study which was carried in Uasin Gishu County Government were used to test for validity and reliability of research instruments. The validity of the research instruments was determined through the content validity. Content validity was determined using constructive criticism from project supervisor who have an extensive experience and expertise in questionnaire construction. Research instruments were revised and improve according to the supervisor advice and questions.

Piloted data were used to test for reliability using Cronbach's Alpha. According to Pallant (2011) when using the Cronbach's Alpha value to test reliability, a value above 0.7 was considered acceptable; however, a value above 0.8 was preferable. The results of the piloted research instruments enabled the researcher to determine the consistency of responses to be made by respondents and adjust the items accordingly by revising the document. In planning of this research study, appropriate research instrument was chosen. Research instruments were developed carefully to fit the research design and the plan of data analysis so that the data collected to facilitate the answering of research questions. The results of the reliability tests were as shown in the (Table 4.1);

reliability, a value above 0.7 is considered acceptable.

Descriptive Analysis

In this section, the study analyzes the specific objectives of the study regarding the effects of corporate planning on revenue collection at Kenya revenue authority, a case study of north rift region. These specific objectives relate to communication strategy, implementation strategy, evaluation strategy.

Evaluation Strategy

The study sought to establish the evaluation strategy on improving revenue collection at Kenya Revenue Authority. The results were analyzed in the table 4.2;

Table 4.2 Evaluation Strategy

Statement	N	Mean	Sd
KRA has developed a set of KPIs to track the success of strategic initiatives and business objectives	188	4.01	.87
There are clearly set up assessment reporting systems and procedures on strategic initiatives	188	3.98	.99
Implementing 6th corporate plan doesn't translate to improved revenue collection	188	4.04	.94
There is clear feedback mechanisms that is sustainable and provides reliable information on the need for corrective measures	188	3.88	1.05
Aggregate mean score	188	3.98	0.96

The study findings on evaluation strategy on improving revenue collection in table 4.5 revealed respondents agreed that the KRA has developed a set of KPIs to track the success of strategic initiatives and business objectives (mean=4.01 and Sd. =0.87). The study findings also revealed that respondents agreed that there are clearly set up assessment reporting systems and procedures on strategic initiatives which improves revenue collection (mean=3.98 and Sd. =0.99). Further respondents agreed that implementing 6th corporate plan doesn't translate to improved revenue collection (mean=4.04 and Sd. =0.94) and respondents agreed that there is clear feedback mechanisms that is sustainable and provides reliable information on the need for corrective measures (mean=3.88 and Sd. =1.05).

The aggregate mean score revealed that majority of the respondents agreed that the KRA has developed a set of KPIs to track the success of strategic initiatives and business objectives. This gives the implication that with evaluation strategy the organization can collect revenue effectively. Therefore there is need for effective evaluation which is increasingly being recognized as an indispensable tool of revenue collections. This is because evaluation provides a basis for accountability in the use of development resources. Further Evaluation can be applied to strengthen the project design and implementation and stimulate partnership with project stakeholders.

The study findings agree with study done by IEA (Institute of Economic Affairs) (2012) who advises that there is need for effective evaluation which is

increasingly being recognized as an indispensable tool of both project and portfolio management. This was purposely to ensure cost effectiveness, institutional capacity strengthening, promotion of good governance and accountability as well as credibility to the partners and government. This is because Evaluation provides a basis for accountability in the use of development resources. Further Evaluation can be applied to strengthen the project design and implementation and stimulate partnership with project stakeholders. Due to the foregoing, different countries have adopted aspects of this approach. For example, Ghana came up with a commission the National Development Planning Commission (NDPC) as a regulatory policy to assimilate the principle of M&E operations. NDPC adapted the Results Based Monitoring and Evaluation System (RBMES) and Results Based Budgeting (RBB) in the M&E process.

The study findings further concurs with a study by United Nations Economic Commission of Africa (UNECA, 2002) that Organization should have good evaluation strategy by making publicly known the roles and responsibilities of the board and the management to provide the stakeholders with a level of accountability. This should be Internal control systems, Corporate Planning, Public Awareness, and Staff Motivation Revenue Collection, done through Annual General Meetings, Auditing and producing regular financial statements, disclosure of material matters concerning the organization and ensure that all stakeholders must have access to the right and factual information.

Table 4.3: Correlation Table

Evaluation strategy	Pearson Correlation	Revenue collection
	N	.387*
		188

From Pearson Correlation the study results indicated that evaluation strategy were positively correlated with and revenue collection ($r = 0.387$; $p < 0.000$). This means that the more the efficient the communication strategy, implementation strategy and evaluation strategy the more revenue collections. This implies that KRA should adopt efficient strategies in order to increase revenue collection.

Table 4.4 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.561	.314	.303	.55283

From the study results the coefficient of correlation coefficient (R) and determination (R^2) shows the degree of association between corporate planning and revenue collection at Kenya revenue authority. The results in table 4.4 on model summary indicated that $R = 0.561$ and $R^2 = 0.314$. R value gives an indication that there is a linear relationship between

corporate planning and revenue collection at Kenya revenue authority. The R^2 indicates that explanatory power of the independent variables is 0.314. This means that about 31.4% of the variation in revenue collection is explained by the regression model. This implies that the data that had been employed in the regression model were accurate.

Table 4.6 ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	25.763	3	8.588	28.099	.000
	Residual	56.234	184	.306		
	Total	81.998	187			

The ANOVA (table 4.6) for the regression F test provides an overall test of significance of the fitted regression model. The F value indicates that all the variables in the equation are important hence the overall regression is significant. The F-statistics produced ($F = 28.099$) was significant at $p=0.000$

thus confirming the fitness of the model and therefore, there is statistically significant relationship between corporate planning and revenue collection at Kenya revenue authority. This means that at least one of the independent variables is a significant predictor of the dependent variable.

Table 4.7 Regression Analysis

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.957	.373		2.566	.011
Evaluation strategy	.203	.062	.223	3.249	.001

From the findings in table 4.7 the study found that with a constant revenue collection of 0.957 a unit increase in a unit increase in evaluation strategy will lead to an increase in revenue collection by 0.223. This represented in the following equation;

$$Y = 0.957 + 0.223x_1, \text{ translating to;} \\ \text{Revenue Collection} = 0.957 + 0.223 (\text{evaluation strategy})$$

These results were interpreted to mean communication strategy was the most important variable in revenue collection contributing about 22.3%.

In addition the study coefficient were all significant giving an implication that there was a significant relationship between corporate planning and revenue collection as depicted by the t-test; constant evaluation strategy ($t=-3.249$, $p=0.001$). Therefore the study rejected null hypothesis.

Hypotheses Testing

In the study for each hypothesis, the regression equation was first obtained using the B coefficients on the line of best fit. The decision rule was that if the p-value is less than conventional 0.05 the null hypothesis was rejected and when its above 0.05 we fail to reject the null hypothesis.

Hypothesis was tested at 5% alpha level of significance.

The study findings rejected H_{01} because there was a statistical significant effect of evaluation on revenue collection at Kenya Revenue Authority. This gives the implication that with evaluation strategy an organization can collect revenue effectively. Therefore there is need for effective evaluation which is increasingly being recognized as an indispensable tool of revenue collections. This is because evaluation provides a basis for accountability in the use of development resources. Further Evaluation can be applied to strengthen the project design and implementation and stimulate partnership with project stakeholders.

The study findings concur with study done by IEA (Institute of Economic Affairs) (2012) who advises that there is need for effective evaluation which is increasingly being recognized as an indispensable tool of both project and portfolio management. This was purposely to ensure cost effectiveness, institutional capacity strengthening, promotion of good governance and accountability as well as credibility to the partners and government. This is because Evaluation provides a basis for accountability in the use of development resources. Further Evaluation can be applied to strengthen the project design and implementation and stimulate partnership with project stakeholders.

5.0 SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

Summary of the findings

The study findings of objective indicates that majority of the respondents (80.2%) were of the opinion that the KRA has developed a set of KPIs to track the success of strategic initiatives and business objectives. This gives the implication that with Evaluation Strategy the organization can collect revenue effectively. Therefore there is need for effective evaluation which is increasingly being recognized as an indispensable tool of revenue collections. This is because evaluation provides a basis for accountability in the use of development resources. Further Evaluation can be applied to strengthen the project design and implementation and stimulate partnership with project stakeholders.

Conclusions

Lately the study concluded that revenue collection at Kenya Revenue Authority is affected positively by evaluation strategy on improving revenue performance. KRA has developed a set of KPIs to track the success of strategic initiatives and business objectives. This gives the implication that with Evaluation Strategy the organization can monitor and keep track on revenue collection

Recommendation

An organization should have an effective evaluation which is increasingly being recognized as an indispensable tool of revenue collections. This is because evaluation provides a basis for accountability in the use of development resources.

Suggestions for Further Research

From the study findings it is recommended that a topic to be done at county government in order to understand the effects of corporate planning on revenue collection at county level and how to improve the revenue collection. This will enable the researchers to consider the problems from a broad perspective, which will benefit revenue collection authorities.

Also the study recommends further researchers to research on effects of Integrity issues, Politics, Economical issues, Social issues, Technical advancements, Environmental Analysis and Legal on revenue collection.

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