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INFLUENCE OF POLICY IMPLEMENTATION ON REVENUE ENHANCEMENT IN DEVOLVED GOVERNMENTS IN KENYA

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ABSTRACT

Revenue enhancement has been a challenge to the decentralized units since the introduction of the county governments in Kenya. This study was an attempt to evaluate the role that policy framework plays in the reinforcement of the County Revenue collection ecosystem. The study aimed at designing an effective policies which creating favourable room for revenue mobilization strategy. The study topic is to examine the influence of policy implementation on revenue enhancement in devolved governments in Kenya. The research applied the correlation research design. The study sample was drawn from a representation of the present 47 counties in Kenya. The study sampled 5 counties representing 10% of the counties using a sample size of 402 respondents. Primary data was collected by the use of structured questionnaires. The collected data was analysed using Statistical Package for Social Sciences (SPSS) version 22. The result showed that the composite variable measure of policy implementation had a significant and positive relationship with revenue enhancement. Model estimation between policy implementation and revenue enhancement yielded a significant coefficient estimate for policy implementation in the bivariate model to imply that policy implementation significantly influenced revenue enhancement. The study recommends that relaxed and friendlier government policies, regulations affecting revenue enhancement should be encouraged to expand the amount to be collected and full implementation of the existing policies rather than enacting various additional policies without implementation and the county governments should not operate in a vacuum in spite of the policies. The county government management should be accountable and should have a clear road map for policy implementation with reasonable commitment of funds to facilitate the processes. The study then suggests further research on the existing integrated financial management systems as implemented and adopted by the county government to guide revenue collection since it does address the management issues that come with local revenue collections against policy set for revenue collection modules.

Key Words*: Policy implementation, Revenue enhancement, Devolved governments and Kenya*

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INTRODUCTION

Despite the many strides made towards the improvement of policies leading to improvement of services to the Kenyan citizenry since the introduction of devolved Governments, revenue collection remains a prerequisite for the implementation of local government plans and programmes and policy implementation becomes vital. The Kenya County Own Source Revenue Report (2019), in its review of the first six years of devolution, noted that strengthening local revenue performance is essential to creating fiscal space for local developmental needs. They added that all counties were raising less than 40 per cent of their estimated revenue potential except counties with game parks. Counties that have a larger economic size (county GCP) have higher revenue collections than small economic sized counties. Counties with higher economic diversification collect more own-source revenue compared to counties with lower economic diversification.

Revenue enhancement can be attained by increasing the collection of taxes, excise and customs duties, issuing of licenses or other sources of income to facilitate smooth execution of government operations. Public revenue collection is a vital component of the fiscal policy and administration within an economy due to its impact in national government functions and the operations at the grassroots.

Jacobs (2019) assessed how South African municipalities can enhance revenue amidst the overwhelming socio-economic odds. His conclusion was that Municipalities should ensure that adequate processes and procedures are in place to ensure that all services rendered are correct and complete. Recognising these challenges, The Waterburg District Municipality (WDM, 2022) developed another South African effort to identify and implement revenue enhancement strategies that boost the Municipality in its efforts towards improved revenue collection. They noted that WDM had limited opportunities for revenue due to reduced powers and functions and therefore fully dependent on Government grants. This made them unable to execute their service delivery programs to their stakeholders

Namaliya (2017) confirmed that Africa has a high rate of revenue under-collection especially in public water utility companies. They add that addressing inefficiencies in collecting water fee revenues will facilitate positive social change by increasing profits, growing the water business and reducing the crime rate by employing more people.

Moffat and Anyumba (2017) explored the revenue enhancement strategies in Rural parts of South Africa. Their findings were that the major constraints to revenue enhancement in rural municipalities are attributed to ineffective municipal business model and structural constraints.

Katunzi and Mfungo (2020) looked at engaging small taxpayers in the enhancement of revenue collection for local government authorities in Tanzania. They observed that targeted revenues as planned by local governments are not met. The resulting deficit in revenues in Tanzania are caused by poor tax-compliance on small taxpayers who in turn are the most beneficiaries of the services provided by local authorities. However, strategies to engage them and an extent to which they should feel engaged in the exercise of revenue collection seem not to be fully explored in Tanzania.

A National Treasury 2018 study on revenue streams by county governments in Kenya showed that the six key revenue streams by counties were property tax, building permits, business licenses, liquor licenses, vehicle parking fees and outdoor advertising. These streams had adequate policy rationale, clear legal basis, a high contributor and a revenue-raising objective applicable across all counties.

Madegwa, Nambuswa and Namusonge (2018) studied automation of revenue collection on the Performance of County Government of Transnzoia. They confirmed that automation was resulting in reasonable financial gains for counties but needed to be paid attention to. On their part, Murimi, Wadongo and Olielo (2021) looked at determinants of revenue management practices and their impacts on the financial performance of hotels in Kenya. Their study paid attention to financial performance and development of a theoretical model for revenue management.

An UN-HABITAT Report (2017) on supporting revenue enhancement in Kiambu County, Kenya observed that the success of the counties will now be determined not by their duplication of past practices of local governments that were primarily dependent upon the National Government for the provision of services and funding but by their local actions. Counties must, thus, play a critical role of revenue collection for purposes of service delivery and infrastructure development

Statement the Problem

Revenue enhancement is a global phenomenon and plays a vital role in the public sector organizations. A number of researchers have delved into this domain to establish the issues around its challenges and opportunities. Gyamfi (2014) while exploring effective revenue mobilization by district assemblies in Ghana concluded that some of the issues undermining effective revenue collection were inadequate data regarding the revenue sources, lack of properly enforced revenue mobilization by-laws, few and poorly trained revenue collectors. Cottarelli (2011) while studying revenue mobilization in a section of developing nations came up with the conclusion that a lot needed to be done by the respective countries to maximize the revenue collection in most African countries. Other researchers have focused on control of rules and procedures to ensure compliance to revenue collection (Saleiman & Ahmed, 2017), revenue enhancement through mergers and acquisitions (Ma et al, 2012), inefficient revenue collection methods leading to low profitability (Rao & Apparao, 2014) and inability by leaders to collect revenue (Hope, 2015).

The debate about revenue enhancement has continued further home in the African continent. Jacobs (2019) studied how South African firms can maximize revenue collection. Katunzi and Mfungo (2020) addressed small scale tax payers and revenue enhancement. Other studies (Abiola & asiweh, 2012; Moffat & Anyumba, 2017; Akorsu, 2015) have paid attention to tax administration on government revenue, revenue enhancement strategies and reliance of local governments on central government revenue.

In Kenya, Kondo (2015) studied revenue enhancement strategies on financial performance of the Kenya Revenue Authority. Maina (2010) studied factors influencing the collection of revenue in local governments in Nyeri Municipality Council was marred with severe inefficiencies that affected its effectiveness. Muhaki (2009), on a study of the factors impacting revenue collection in the local governments in Uganda ascertained that there were several constraints to the prevailing local revenue generation. According to the County Own Source Revenue Report (2019), revenue had increased a little but spending had nearly doubled. Other studies on revenue enhancement have been done to assess the factors affecting revenue collection, ineffective revenue structures, automation and revenue performance and determinants of revenue management.

The myriads of studies reviewed above reveal that revenue enhancement has largely been explored as a finance concept and not necessarily from a governance perspective. This, despite the fact that revenue is a critical component of any governance process. From the above studies, it is evident that adequate research is yet to be conducted on revenue enhancement as a leadership and governance issue in the Kenyan context. Moreover, the studies already done excluded some essential concepts of governance that form the basis of the present study. A literature and contextual gap thus exist that this study aimed to fill. This study, therefore, aimed at establishing the role that policy implementation play on revenue enhancement for devolved governments in Kenya.

Research Objective

The examined the influence of policy implementation on revenue enhancement in devolved governments in Kenya.

LITERATURE REVIEW

Theoretical Framework

The Path Dependence Theory

The path dependence analytical framework is part of the school of thought of the historical institutionalism, which considers institutions as structural variables from which stem arrangements of ideas, interests, and powers. They are the focal point of the activity of public policies, in the sense that institutions contribute to structuring them by encouraging or constraining the organizations and their actors and thus their activities (Steinmo, Thelen & Longstreth, 1992).

Path dependency theory is pegged on the premise that organizations and actors are part of institutions that structure and channel their behavioral standards and activities along established paths. These paths are made up of institutions (with their values, standards and rules) and public policies determined by previous choices that impose constraints on institutional development processes (Pierson, 1993). Thus, the notion of dependence in relation to the path taken highlights the historical dynamic that dictates that once a path is chosen, it is difficult to change it because the processes become institutionalized and are reinforced over time (Palier & Bonoli, 1999).

It becomes increasingly difficult to reverse past institutional choices because not following the rules and standards established by previous choices (exit option) generates 'costs' in terms of investment, learning, coordination and anticipation. That is why existing institutions are usually modified and not replaced despite their less-than-optimal nature, and institutional inertia is generated (Bonoli G, Palier, 2000).

When analysing the question of policy change (or lack thereof), one can draw on the literature on path dependence (Pierson 2000). This model argues that it is generally difficult to change policies because institutions are sticky, and actors protect the existing model (even if it is suboptimal) (Greener 2002). Path dependence means that 'once a country or region has started down a track, the costs of reversal are very high' (Levi 1997: 27). As Pierson (2000) notes, public policies and formal institutions are usually designed to be difficult to change so past decisions encourage policy continuity.

Applying path dependence to policy implementation, Hansen (2002: 271) argues that 'path dependence is established only when it can be shown that policy change was considered and rejected for reasons that cannot be explained without reference to the structure of costs and incentives created by the original policy choice'. In addition, to introduce a major change, policy-makers have to wait for a critical juncture (Capoccia and Kelemen 2007) or a window of exceptional opportunity called conjuncture (Wilsford 1994).

Therefore, how policies are implemented influences revenue enhancement, and hence the theory is linked to the variable and research hypothesis which further shade light to the rejection of null hypothesis leading to the acceptance of alternative hypothesis that:

$H1$: *Policy Implementation significantly influence revenue enhancement in devolved governments in Kenya*

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Conceptual Framework

The study adopted the following conceptual framework:

Policy implementation
- Policy awareness
- Policy compliance and enforcement
- Adequacy of policy on institutional management
- Policy harmonization

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Revenue Enhancement
- Meeting Revenue Targets
- Meeting service demands
- Revenue protection
- Debt collection/recovery
- Accurate billing
- Meeting recurrent budget needs

Independent Variable **Dependent Variable**

Source: Author 2022

Figure 1: Conceptual Framework

Policy Implementation and Revenue Enhancement

There is no gainsaying the fact that a policy is simply a statement of the goals and objectives of an organization in relation to a particular subject and the description of the strategy for the attainment of these goals and objectives. It incorporates a concern with the selection of goals, and the means for achieving them within a given situation. Policy is generally a guide to action for the achievement of defined goals (Effiong, 2013).

Policies are a set of procedures, rules, and allocation mechanisms that provide the basis for programs and services (WHO, 2005). In multi-level systems of governance (Hooghe & Marks, 2003) the implementation of public policies is often de-centralized: policies adopted at the highest level are adapted, implemented, and enforced by actors at lower levels. Effiong (2013) defines implementation as the process of converting human and materials inputs, including information, technical, human, demands and support, and so on into outputs in the form of goods and services.

Ekelegbe (1996) observes that implementation involves the committal of funds, the establishment of structures and methods, the hiring of personnel, the administering or executing of activities, and the security of policy goals, services and other intended outcomes.

Policy enactment refers to the execution of legislation. This entails the procedure of implementing the policies at the county government level. This concept defines the execution of policy decisions through a change that is directed to the operational environment to achieve the objectives at an acceptable and projected cost (Hannah, 2013). As per the study by Bennett et al (2011), implementation and making of policies are interconnected and may occasionally occur simultaneously. Establishing the situations under which a positive correlation between the policy objectives and desired results can be obtained is crucial in realizing success in the functions of a devolved system of governance. Public policy is dynamic, and therefore adoption is aligned to the changing environment; however, changes are not always embraced and more often than not the changes are countered with resistance from proponents of the status quo (Ewa & Udoayang, 2012). Resistance need not deter these changes and once envisioned; a gradual implementation process would foster acceptance. Ahmed and Dantata (2016) argue that effective policy implementation can only be achieved not only through a continuous political commitment and clear definition of responsibilities and coordination, but also through genuine commitment to eradication of corruption at all levels of government.

Dewey and Rogers (2012) recommend certain conditions for successful policy implementation: Public policies have to be embedded on realistic perceptions of the connection between behaviour change among the target group and the attainment of the policy goals. Occasionally, the behaviour and attitude of the target group is the focus of the policy. Therefore, during the policy implementation phase, this condition must be taken into account. Interested stakeholders and legislators need to root for public policies throughout the implementation stage and the judiciary should either be considerate or neutral to them (Khouja & Liu, 2021). Executive officers and legislators have to support the policy programs by putting aside resources for the policy implementation. Periodically, it may be advantageous to secure support from active pressure groups so as to influence actions at the local government level.

Consequently, implementation of the policies may be hindered by the association between those in authority particularly when either level of governance, central or decentralized have vested interests or successful implementation of a particular policy has a direct implication on specific desired results, Bennett *et al*. (2011). Changes in socio-economic conditions should not be allowed to interfere with the relative importance of the policy objectives. The policy environment tends to be dynamic and policy issues are interconnected (Akitoby *et al*., 2020). Political support for a certain policy may diminish as other aspects become clearer or as the policy gains more public support (Dewey & Rogers, 2012). Hence this condition has to be considered during the policy implementation. Administrative skills are a general term for the ability to exercise effective financial control, recruit and deploy human resources efficiently, and create a conducive working environment and procedures (Hannah, 2013). On the other hand, political skills mean the ability to maintain a good working relation with the public officers, use media effectively, mobilise support and provide a fair treatment at the county government level. Therefore, it is important to have the commitment of the public official and political support for a public policy to be successfully implemented (Common, 2007).

Legislation and policy decisions should personify unambiguous policy guidelines that effectively offer a structure for the implementation process. Guidelines should provide the objectives as well as indicate the order of priority. Furthermore, resources like finance, human resource, equipment and material need to be in place to support the implementation of policy (Hannah, 2013). This is a crucial part of policy implementation. Implementation often turn out to be the graveyard of many policies. From experience, little attention is paid to the subject of policy implementation by policy makers. It is often taken for granted that once a policy is adopted by government, it must be implemented and the desired goals achieved. And in most cases, little or no attention is paid to the problems and complexities associated with execution of policies (Ahmed & Dantata, 2016).

Both policy formulators and implementors are key actors in the working of the entire policy driven system. Usually, the organization responsible for the implementation of policy is a unit of the government bureaucracy. Leadership is an input and a processing or conversion factor as it has ability to alter and modify other critical inputs in the implementation of any given policy or programme (Ojong, Owui, & Effiong, 2013). While assessing policy implementation in the education sector in Kenya, Ireri, Kingendo, Wangila and Thuranira (2020) established the school strategies were not anchored in overcoming physical barriers that hindered the implementation of inclusive education, with various challenges affecting the strategies.

The challenges associated with policy implementation depend largely on the problems passed on to the implemented by policy formulators and those that are inherent within the implementation stage itself. Secondly, mere is also the issue of including implementation plan and analysis within the broader policy formulation framework, where the chains and multiples factors for successful policy implementation will be considered and appropriate measures taken, that will provide for clear definition of goals and coordination as well as defined programme for achievement of goals. Maritim (2013) argued that the main challenges for foreign policy lie in its implementation.

METHODOLOGY

The study adopted a mixed research design considering descriptive, causal and cross-sectional survey approaches aiming at addressing the objectives of the study. A cross-sectional survey was adopted since it comprised of the population sharing similar characteristics and differs in some key factors of interest like the age, income levels and geographical location. The study also adopted descriptive method for the collection of information demonstrating relationship between variables and the unit of analysis which was the County Government.

The study qualitatively described the revenue mobilization process from all parties through in-depth interviews, focus group discussions as well as community fora. Consequently, considering that there were documented reasons for the dismal performance in revenue mobilization by County government in Kenya and beyond, it was prudent to determine specific indicators into the hindrances as experienced by those charged with the revenue mobilization tasks. The causal approach was adopted considering the objectives of the study which sought to assess influences of independent variables (policy implementation) on revenue enhancement. A causal research design is aimed at addressing cause effect relationships between variables (Schutt, 2009). This is referred to as a nomothetic causal explanation which looks at the variation in an independent variable as a cause to the variation in the dependent variable ceteris paribus (all other things are held constant). The research population was from the total of 47 counties in Kenya with 416 respondents selected from five counties that is Kisumu, Nakuru, Nairobi, Vihiga and Nyeri counties respectively. Data for the study were obtained through the following two data collection methods, in depth interview schedules for key informants and questionnaires for revenue clerks, all purposively sampled.

In-depth interviews were used to collect information from the Auditor General, Commission on Revenue Allocation chairman, Controller of Budget at the national level and from the County, The Director of Revenue, Minister of Finance and Economic Planning, Head of Revenue streams and the Speaker of the County Assembly. This was not limited to, rationale behind the revenue allocation for the county, policies guiding revenue mobilization, ways counties can increase revenue resources, leadership qualities necessary to ensure accountability of county funds and interventions to ensure that citizens comply in tax payment.

The questionnaire was used to gather information from revenue clerks. And the community for a was used to gather basic and factual information regarding the tax experience from citizens. The researcher was interested in; reasons for poor collection, suitable methods to increase collection, challenges faced in revenue mobilization and interventions required.

FINDINGS

Policy Implementation

Descriptive statistics for policy implementation

Another independent construct in this study was the policy implementation. The items (indicators) selected for this construct were also formulated into questions that were measured on an ordinal scale of 5. The respondents were asked to state their level of agreement with questions on policy implementation in devolved governments.

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Table 1: Policy Implementation in Devolved Governments

Statement	1	2	3	4	5	Mean	SD
Every activity is defined by the existing county policies	5.7%	3.7%	6.5%	46.5%	37.6%	4.2	2.744
There are clear work plans with regard to revenue collection	1.7%	6.2%	7.7%	49.8%	24.6%	4.03	2.7
Funds have been committed for policy implementation	6.2%	3.0%	9.2%	54.5%	27.1%	4.04	2.241
There are established structures and methods of revenue generation in my section	2.2%	6.2%	14.2%	46.8%	30.6%	3.97	0.948
The department secures support from groups before implementing their action plans.	4.0%	5.0%	14.7%	43.3%	33.1%	4.1	2.74
Every legislation on revenue is executed promptly and effectively by the staff in my department	4.7%	4.2%	7.7%	52.0%	31.3%	4.02	0.985

The results showed that for the first question on policy implementation, a majority (46.5%) of the respondents agreed that every county revenue activity was defined by the existing county policies, 37.6% strongly agreed while 6.5% were uncertain. Of the remaining respondents, 5.7% strongly disagreed, whereas 3.7% disagreed. The average response was considered to be of an agreement by the respondents that adequate policies were in deed available as defined by their various Acts from the county assembly. The respondents were also asked whether there were clear work plans with regard to revenue collection. A majority (49.8%) were in agreement, 24.6% strongly agreed and 17.7% were uncertain. Other respondents did not believe this to be the case in their counties. These were 6.2% of the respondents who disagreed and 1.7% who strongly disagreed.

One of the strongest pillars for revenue enhancement is the committal of funds for policy implementation. Asked about this, the majority (54.5%) of the respondents agreed that, 27.1% strongly agreed, 9.2% were uncertain. Only 6.2% were in strong disagreement with the remaining 3.0% also disagreeing. As to whether there were established structures and methods of revenue generation in their section, 46.8% of the respondents agreed, 30.6% strongly agreed, 14.2% were uncertain, 6.2% disagreed and 2.2% strongly disagreed. On average, the respondents agree with this assertion. This is shown by the mean response score of 3.9, which is greater than 3 (uncertainty) and tending towards 4. It was also observed that 43.3% of the respondents agreed that the department secures support from groups before implementing their action plans. There were 33.1% of the respondents who strongly agreed, 14.7% who were uncertain while 5.0% and 4.0% disagreed and strongly disagreed respectively. These translated to a mean response score of 4, implying that on average the respondents affirm that their departments seek the support of groups as per county government guidelines. Finally, for this construct, the respondents were asked whether legislation on revenue was executed promptly and effectively by the staff in the revenue departments. A majority (52.0%) of the respondents agreed to this, 31.3% strongly agreed, and 7.7% were uncertain. The remaining (4.7%) strongly disagreed and 4.2% disagreed. The mean response score for this question was 4.02, which indicated that the clerks' common belief is that their counties executed revenue policies.

The results on the proxy measurements of policy implementation revealed high scores on the levels of formulation and implementation of policies in the devolved governments. On average, respondents agreed with all the positive questions that sought to measure the levels of policy implementation. The same items were also sought as measures of policy implementation in empirical studies. Nyongesa (2014) recommended citizen participation and formation of a tax database which were considered as measures of policies as essentials in revenue collection. Guldentops (2001) also cited the importance of citizen participation while Ndunda *et al.* (2015) recommended increased competence of revenue clerks and also investigated in this construct as critical factors contributing to the optimal collection of revenue. From this descriptive analysis, it was observed that there are varying levels of policy implementation from the various responses. The presence of strong county policies was visible. Further analysis would reveal the effect of these variations on revenue enhancement.

Regression analysis on Policy Implementation

Another simple linear regression analysis was fitted aimed at the realization of the second specific objective which sought to determine the influence of policies governing revenue collection on revenue enhancement in devolved governments in Kenya. Tables below shows the results of the bivariate regression analysis between these 2 variables. Table below presents the model summary with the goodness of fit statistics of the model. The R, which is equivalent to the correlation coefficient between the 2 variables, is 0.211 while the R-square is 0.045. The R-square is a measure which shows that only 4.5% of the variation in revenue enhancement is explained by variations of policy implementation (the predictor) in the model. The remaining 95.5% of the variance on revenue enhancement is explained by other factors that were not considered in this model.

Table 2: Model summary on policy implementation

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.211[a]	.045	.042	.10090

a. Predictors: (Constant), Policy implementation

Table below presents the ANOVA, which consists of calculations providing information about levels of variability within the regression model. The information on variation due to regression and residuals were used to calculate the F-statistic that was used for testing the general significance of the model. The p-value was of the F-statistic found to be less than 0.05, which implied that the model is significant and the F-value (18.693) is greater than 0.05, indicating that the model is significant.

Table 3: ANOVA on policy implementation

Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	.190	1	.190	18.693	.000[b]
1	Residual	4.072	400	.010		
	Total	4.262	401			

a. Dependent Variable: Revenue enhancement
b. Predictors: (Constant), Policy implementation

Table showed the parameter coefficients of the model fitted. The results in the table include the coefficient estimates and the test statistics for investigating the significance of the estimated coefficients. The results show that “Policy implementation which” was the only predictor in this model had a significant coefficient estimate (β= 0.044, t=4.324, p-value = 0.000) as shown by the p-value which is less than 0.05. The constant term in this model is also significant, implying that the equation has an intercept and does not pass through the origin. The coefficient of policy implementation is the expected change in revenue enhancement due to a unit change in the levels of policy implementation whereby 4.4% change in existing policy would bring about a unit change in revenue enhancement. The intercept in this model is the expected level of revenue enhancement when the levels of policy implementation are perceived to be at zero. The equation generated from the model is given below;

$$Y = 4.542 + 0.044X_2 + 0.016$$

Thus, the results then indicate that in every increase of policy implementation by 4.4%, there shall be an increase of revenue enhancement by 100% holding a constant of 4.542 and a standard error of 0.016.

Table 4: Model Coefficient for policy implementation

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.542	.016		292.444	.000
	Policy implementation	.044	.010	.211	4.324	.000

a. Dependent variable: Revenue enhancement

The analysis thus revealed that policy implementation have a significant coefficient estimate in the model. The model results were used in testing the hypothesis linked to the objective seeking to determine the influence of policy implementation governing revenue collection on revenue enhancement in devolved governments in Kenya.

***H_1**: Policy Implementation does not significantly influence revenue enhancement in devolved governments in Kenya*

From the model, the coefficient estimate of policy implementation was found to have a p-value of 0.000, which is less than 0.05. The F-value obtained is greater than 0.05 (F=18.693>0.05) indicating that the null hypothesis is rejected and the research then concludes that: policy implementation have significant influence on revenue enhancement in devolved governments in Kenya. The null hypothesis was thus rejected and a conclusion is drawn that policy implementation significantly influences revenue enhancement in devolved governments in Kenya. A unit positive change in the index of policy implementation is expected to yield a 0.044 increase in the levels of revenue enhancement. The inference drawn from the findings is that the formulation of policies and implementation of policy implementation within the devolved governments play a role in the maximization of revenue.

Further inferences drawn from this analysis are that the dimensions considered as indicators of policies in this study contribute to the levels of revenue enhancement in the units. This is in line with empirical studies that also considered the development and implementation of policies as a governance framework on revenue collection. Marsden (1983) mentioned that change in tax policy affects the economic planning and business activities of a country. A report on revenue collection in Kitui County (2016), recommended a citizen participation policy as one of the factors to consider to realize revenue enhancement. The Public participation policy is also argued out by Common (2007) and (Chiumya, 2014). Public participation in public policy-making and policy implementation also keeps public officials in check (Chiumya, 2014). Common (2007), argued out, the essence of the commitment of public official and political support for successful implementation of public policy is hinged on public participation.

CONCLUSIONS AND RECOMMENDATIONS

The study concluded that policies governing revenue collection significantly influence revenue enhancement in devolved governments in Kenya. The regression analysis results were used as the basis of hypothesis test where the null hypothesis was rejected and a conclusion drawn that policies governing revenue collection significantly influence revenue enhancement at the county government

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levels. The responses given indicate that the citizens do not entirely appreciate the role they play in the county to ensure there is sufficient public participation in the county budgeting process, and the institutions for revenue collection is therefore ineffective. The study also concludes that the process employed by the counties in enacting relevant policies for revenue collection is not adequate and has failed to address critical areas.

The study concludes that there are weak government policies and regulations in terms of collection methods and sources of revenue, consequently restricting the amount to be collected in the counties. The study also concluded that there exists lethargy within the line ministry; no metrics and deadlines are given for enhanced revenue collection. Finally, the study concludes that taxable income is not maximized because policies in place do not help county staff charged with the revenue collections to be competent in their work as stipulated in their terms of employment.

The study recommends that relaxed and friendlier government policies and regulations affecting revenue enhancement should be encouraged to expand the amount to be collected. This may be through expanded tax base and additional revenue streams.

The study recommends for full implementation of the existing policies rather than enacting various additional policies without implementation. The study further recommends that the county governments should not operate in a vacuum in spite of the policies. The county government management should be accountable and should have a clear road map for policy implementation with reasonable commitment of funds to facilitate the processes.

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