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Effects of Control Systems on Revenue Collection in Kenya Revenue Authority Customs Administration. A Case Study of Inland Container Depot, Nairobi Kenya

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Abstract

Ineffective control systems result in ineffective programs and eventually leading to losses, Matata, L. M. (2015). Against this background, this study seeks to determine the impact of the system of controls on revenue collection at the ICD's Kenya Revenue Authority Customs Administration. Current challenges such as fraudulent financial reporting, technological advances, business complexity, economic globalization, and the increasing number of corporate bankruptcies are increasing the interest in effective control systems in organizations. Karagioorgos, T., Drogalas, G, (2010), among many other issues.

The primary objective of this study was to determine the effects of the system of controls on revenue collection at the Kenya Revenue Authority Customs Administration at the Inland Container Depot in Nairobi, Kenya. Specifically, the purpose of this study was to determine the impact of the control environment, risk assessment, and control system on the revenue collection of the Kenyan Revenue Service's Customs Administration at a container depot located in Nairobi, Kenya. Researchers have reviewed contingency theory, reliability theory, and control theory. The method of descriptive analysis was applied to this study. The study focused on the 838 key business players at Container Depot. The study's target respondents were government employees, general staff, and clearing agents. Data was gathered by primary data collecting approaches, such as the use of a semi-structured questionnaire. Pearson the independent variables (control environment, risk assessment, control actions) exhibited a very excellent linear connection with the dependent variable revenue collection, as indicated by a correlation value of 0.951. The control environment, risk assessment, and control actions affect 90.4% of the income received at the inland container depot, according to an R-square value of 0.904.

The study recommended that additional research be conducted to determine the effects of control systems on revenue collection in Kenya Revenue Authority Customs Administration at border stations in order to construct a generalized analysis of the effect of control systems on revenue collection in Kenya Revenue Authority Customs Administration at the ICD.

Keywords: Control systems, Revenue collection, ICD

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1. Introduction

Since 1984, the Kenya Ports Authority's Inland Container Depot Nairobi has been providing shippers with dry port facilities in the commercial core of the nation through rail link to the port of Mombasa, (SCEA, 2018). Upgrading the ICD to accommodate 450,000 units instead of 180, 000 units, the Kshs.21 billion ICD is intended to reduce cargo clearance time to six hours and provide shippers a 14-day cargo detention free period (SCEA, 2018). KMA, KRA, KPA, Authority, and Kenya Railways Corporation have formed an inter-agency working partnership to help with service delivery at the facility. Kenya Maritime Authority the International Cargo Depository (ICD) has purchased five more scanners in an effort to reduce the need for human intervention in scanning cargo. In order to ensure openness and accountability, the scanners are connected to the Integrated Scanner Command Center in Times Tower.

An ICD, according to Jovin, J.M & Huang (2012), is a facility utilized by numerous parties other than a seaport and overseen by customs that provides capacity to process and store containers connected to the port at sea through a large volume method of transit. Cargo merging and distribution, receiving and delivering containers, customs clearance, and container maintenance are some of the other tasks that take place at an ICD. There is a widespread use of ICDs in industrialized nations, including the United States and Europe, as well as in Asia and Africa. There are numerous advantages to both the seaport itself and the hinterland and country as a whole, including increased capacity and reduced congestion, as well as reduced accidents, congestion, and maintenance costs and pollution caused by fewer trucks. There are also new job opportunities and a decrease in migration to the port itself, as documented by Lumsden, Roso, and Kent (2009).

Control systems are an essential part of corporate management and are a basis for the safe and sound operations in companies, according to Olumbe, (2012), in his documentation. Control systems that are ineffective lead to unsuccessful initiatives, which finally result in financial losses.

In order to avoid cargo being held up at the facility and the supply chain being prolonged, it is important that the ICDE is as efficient as possible, according to SCEA, (2018). Mismanagement, poor equipment utilization, procedures and processes that are separated, as well as lack of strategy coordination and planning, contributed to a complicated last mile. According to the report, the Terminal Operating System (TOS) was recognized as critical to the facility's performance and upgrading for integration with transporters was proposed. A document processing center for goods requiring more involvement in order to comply with established legislation, as well as better location of scanning equipment to facilitate truck discharge, were also indicated as ICDE concerns that would boost efficiency.

1.1.1 Control System

As defined by Hamed (2009), the term "control system" refers to a comprehensive system of checks and balances put in place by management to ensure the smooth running of the company. The system of controls, or ICS, includes everything management does to ensure a high level of effective collaboration with directors and a high level of capital insurance to prevent and detect fraud as early and efficiently as possible. Is included. 41; (Keitany, 2000). Regarding the control system, Hongming and Yanan (2012) argue that it reflects the human nervous system that communicates commands and responses between management and employees. It directly influences the structure of the company and the general principles that govern it. The control system is defined by Whittington (2001) as encompassing matters not directly related to accounting and financial reporting obligations. A control system is a systematic approach to assessing the relationship between defined criteria and actual company performance.

Independent inspection and certification from an inspector designated by the firm to oversee the finances according to the legal framework created each time is classified as control systems, according to the APC (Auditing Practices Committee). As a result of the preceding, the primary goal of control system is to permit the provision of specialized and high-quality services to the organization's management while also enabling its employees to carry out their responsibilities to the fullest extent possible. Small and medium-sized firms are increasingly relying on control systems as strategic assets. We may accomplish a methodical approach to the most efficient functioning of the organization, as a whole, by doing so (Schleifer and Greenwalt, 1996).

1.1.2 Revenue Collection

A company's revenue collection is the total amount of money it gets in a certain period of time. When subtracting costs from gross income to arrive at net income, this is the "top

line" figure. To put it simply, revenue comes from the selling of products and services to clients, which is the primary source of revenue for a firm. The term "turnover" is used to describe revenue. Interest, dividends, and royalties paid to a company by another company are some of the most common sources of income for businesses. A company's revenue might refer to the total amount of money it makes, or it can refer to the amount of money it makes in a given period of time. It's Awitta's turn (2010).

Income from the supply or production of goods, the provision of services, or other activities that are the current principal or principal of an enterprise is defined by the Financial Accounting Standards Board (FASB) as Concept Statement 6, Elements of Financial Statements (1985). December 2012).) is defined. Another definition of revenue is the receipt of an asset (often cash or receivables) from a consumer in exchange for goods or services. Compared to the KRA's definition of income, which includes taxes, duties, charges, penalties and fines, according to the first list of written laws.

1.1.3 Inland Container Depot, Nairobi Kenya

To maintain their function as agents of strong seaport performance, inland container depots in their guise as dry ports have had to operate more effectively than ever before (ESCAP, 2018). Embakasi's 1984 ICD was upgraded to a 450,000 TEU/year throughput capacity in 2017 when the Standard Gauge Railway was placed into operation (Kenya Ports Authority). An increase in TEUs from less than 100 in the first quarter of 2018 to 450 in the first three months of 2018 was predicted to lead to 1,200 by the end of the year (SCEA, 2018).

As a method of preventing goods from being held up at the facility and delaying the supply chain, the necessity for efficiency in the ICD has been underlined. Mismanagement, protocols, and isolated processes, as well as a lack of strategic coordination and planning, contributed to a difficult last mile. Terminal Operating System (TOS) upgrade for transporter linkage was proposed because of its critical role in facility effectiveness. A document processing center for cargo requiring more intervention in order to comply with established rules and the proper placement of scanning equipment were both mentioned as ways to improve ICD efficiency (SCEA, 2018).control system implemented by businesses may be less effective than they were when they were first implemented because organizations evolve and as a result, new and old jobs are filled by more people. Continuous monitoring is a vital successful management approach while installing or updating control systems (Moeller, 2013). The Kenya Revenue Authority is responsible for ensuring that the ICD's control system structures are operationally functional. They are also in responsible of distributing expectations and obligations among employees in order to maintain a controlled environment.

Employees at ICDs, on the other hand, are responsible for carrying out the control system procedures authorized by management. In contrast, the ICD's control systems are hampered by management's lack of active participation in risk and control system procedures, resulting in repeated postponement of formal risk and control system disputes. Similarly, risk and control system management are kept apart from real operations. Furthermore, because the creation of control system practice is viewed as the ultimate aim, ICD committees are sluggish to approve intricate procedures. Other than that, there isn't much in the way of heightened contemplation. There is also a dearth of effective control system and challenge, thus reporting focuses on risk coverage rather than action.

In particular, the ICD facilitates the customs clearance of goods, which is a service provided by a variety of parties. The Kenya Port Authority (KPA) is responsible for loading and unloading trains and trucks for delivery to clients. Within 30 minutes of entering the ICD, vehicles should be able to return and exit within 2 hours 30 minutes of loading and unloading a train (Kenya Ports Authority). Key selling factors include being a one-stop shop for shipping and cargo paperwork, and the ability to reduce cargo dwell time by expediting the dispatch of imports and export containers (Kenya Ports Authority). However, in the last quarter of 2018, the facility was heavily criticized for not being able to keep pace with the rising use of the Standard Gauge Railway (SGR) (Standard Digital, 2018).

1.2 Statement of the Problem

The current challenges, such as increasing allegations of fraudulent financial reporting, technological advancements, business complexity, globalization of economies, and an increase in business failures, have heightened awareness of the importance of effective control systems in organizations (Karagiorgos, Drogalas, Gotzamanis & Tampakoudis, 2009). Control system has received more attention recently as a result of high-profile losses suffered by a number of businesses. Brian (2011) believes that the losses sustained by most unsuccessful organizations might have been avoided if they had implemented effective control systems (Brian, 2011).

The incidence of control system weaknesses, unsatisfactory and deteriorating service delivery have the undesired effect of not only weakening the company’s ability to effectively collect revenue but also encourages collusion, fraud, embezzlements, loss of money (revenue), assets conversion genuine and deliberate mistakes, corruption, lack of transparency and accountability for revenue collection and other assets (Odundo, 2017). Control systems of Kenya’s Revenue Authority are in place, yet collection is still below target and resources are mismanaged. If the control systems of the organization are inadequate or subverted by the employees, this might be the cause (KRA Report, 2021). In light of this, the Kenya Revenue Authority and the Kenya

Anti-Corruption Commission signed a Memorandum of Understanding in 2011 to cooperate in the fight against bribery. Corrupt practices jeopardized the Authority's ability to collect taxes, so it created the KRA Integrity Action Plan to combat the problem. The plan focuses on improving governance, increasing transparency, and modernizing the revenue collecting process.

During the 2017/2018 fiscal year, the government collected KES 1.31169 trillion in tax revenue; this year, the government collected KES 1.44021 trillion in tax revenue, an increase of KES 0.12852 trillion. However, the tax income generated in FY 2019/2020 decreased by KES 0.0127 Trillion to KES 1.42751 Trillion, while the revenue generated in FY 2020/2021 decreased by KES 0.11703 Trillion to KES 1.31048 Trillion. When government revenue collection efforts fall short of expectations, the people suffer as a result of being deprived of essential services. In this context, it was critical to examine the roadblocks that prevent the government from coordinating peak revenue collection in order to arrive at conclusions and recommendations that, if implemented, would make county governments financially independent.

For example, Yemer and Chekol (2017) investigated the impact of hotel control systems and found that not all systems had a positive impact on revenue collection. Regionally, the impact of control systems on hotels was also investigated by Yemer and Chekol (2017). According to Ibrahim (2017), an empirical assessment of public sector revenue collection in Nigeria, public sector revenue collection in Nigeria is facilitated by the mechanisms of the control system, albeit with some obstacles. Research by Al-Zwyalif, I.M. (2015) on the role of control systems in Jordanian businesses, found that these systems improve the efficiency of corporate governance in the country.

According to Aden and Addow, control mechanisms in Mogadishu remittance businesses reduce financial misrepresentation by preventing errors and discovering fraud (2015). Uwingabiye (2020) discovered that tightening control environments enhanced financial performance in Rwandan public institutions by examining how financial performance corresponds with control systems adopted by Rwandan public institutions. Mire and Mukhongos (2016) investigated the influence of control systems on the performance of remittance firms in Mogadishu, Somalia, and discovered that control systems increased the performance of remittance enterprises in Somalia.

Njagi and Mwangi (2020) investigated the impact on revenue collection of the control system adopted by a Tier 5 hospital in Kiambu district and found a significant positive association between the control system and revenue collection. I found as pointed out by Shigirai (2016), the lack of control system mechanisms at Nakuru Level Five Hospital contributes to collusion in lost revenue, embezzlement and fraud. The KRA Customs Administration revenue collection assessment is unique to this study, as no other researchers have considered the background of this study. This study sought to fill this information gap by examining the impact of the KRA Customs Administration's control system mechanisms on the efficiency of revenue collection.

1.3 Objectives of the Study

1.3.1 General objective

To examine the effects of control systems on revenue collection in Kenya Revenue Authority Customs Administration.

1.3.2 Specific Objectives

The specific objectives of the study were as follows:

i. To explain how the control environment affects Revenue Collection Kenya Revenue Authority's Customs Administration at Inland Container Depot's revenue collection.

ii. To evaluate the impact of risk assessment on revenue collection in the Kenya Revenue Authority Customs Administration at the Inland Container Depot.

iii. To assess how control operations; affect revenue collection at the Kenya Revenue Authority's Customs Administration at Inland Container Depot's revenue collection.

1.4 Research Questions.

The following are the research questions that the project intends to investigate:

i. What effect does the control environment have on revenue collection in Kenya Revenue Authority Customs Administration at Nairobi Inland Container Depot?

ii. What impact does risk assessment have on revenue collection at the Kenya Revenue Authority's customs administration at the Inland Container Depot in Nairobi, Kenya?

iii. How do control system actions effect revenue collection in Kenya Revenue Authority Customs Administration at Nairobi Inland Container Depot??

1.5 Justification

It is hoped that the research would raise awareness of the extent to which control systems have been applied, and that the recommendations provided will be incorporated into the policies currently in place. Understanding how control systems affect Revenue Collection in Kenya Revenue Authority Customs Administration and the many ways control systems may be addressed and how to apply them will be furthered by this presentation.

To assist Kenya's government design sector policies, for example, this study's findings will be useful Organizational strategies for managing people and physical resources are aimed at achieving sectoral goals via comprehensive, integrated, and coordinated approaches. The goal of the research is to help the Inland container depot become more effective in a way that all parties benefit in the long term by

developing a budget and setting collection targets for the revenue collecting body.

This study is an academic work which seeks to further explore phenomena that has been studied by earlier researchers. It will shed more light on the relationship between control systems and revenue collection in Kenya Revenue Authority Customs Administration at the Inland Container Depot in Nairobi and as such it will contribute to the furtherance of knowledge in the area and be a source of reference for researchers who choose to study the area. Further, it will also give recommendations on areas of further study and thus act as a guide to researchers who seek to explore this topic further.

1.6 Scope

The geographical scope of the study will be the Inland Container Depot, Nairobi Kenya. Where the control systems on revenue collection in Kenya Revenue Authority Customs Administration to be studied will be based. It will focus on the effects of control systems on revenue collection, in Kenya Revenue Authority Customs Administration, a Case Study of Inland Container Depot, Nairobi Kenya and focusing on control environment, risk assessment and the influence of control systems. The study will be conducted between the periods of November 2021 and March 2022.

1.7 Limitations of the study

Researchers were forced to conduct this study on a limited budget due to lack of resources. Some respondents provided distorted information for fear of being bullied if the results of the study were found to be negative. Being an employee, there was a lot of time pressure. Research participants were understandably skeptical and anxious when asked to participate without being informed of the purpose of the study. Explained that this was an academic endeavor and that information provided by participants would remain anonymous.

2. Literature review

This chapter provides an overview of the existing literature on this study. It begins with a theoretical review, ends with a conceptual framework, and ends with a highlight of existing research gaps.

2.2 Theoretical Review

The researcher critiques the subsequent theories at the effects of control structures on revenue collection in Kenya Revenue Authority Customs Administration with an emphasis on Inland Container Depot, Nairobi Kenya.

2.2.1 Contingency Theory

This theory traces its proponent to the work of Fred Edward Fielder (1964)'s landmark article entitles, 'A Contingency Model of Leadership Effectiveness.' The theory states that there is no better mechanism to manage a firm, leading firms or of making firm resolutions since firms depend on their and external environment (Fielder, 1964). This is the case because the organizational environment is not static and it must keep on changing and adapting to new changes for its survival. The theory promulgates the idea of a changing business environment. In an environment full of uncertainties, integration strategy can be achieved at lowered levels and mainly through personal interconnected relationships with just a moderate use of administrative methods. Despite criticisms, Lawrence and Lorsch (1967)'s work plays a vital role in developing the theory of organizations which takes account of change, variable interactions, and uncertainties.

Although Fiedler (1964) argues that there are no structures or procedures that boost business performance characteristics such as revenue collection, he also points out that other variables must be taken into consideration. Because there is no one-size-fits-all method for managing an organization's operations, the Contingency theory holds that managers must take into account a wide range of variables, such as the type of environmental impulsiveness that exists and how that influences the organization's structure and information system. According to the findings of this study, the contingency theory is the best way to characterize the efficiency of control systems.

The work of Lista, Advisor, and Rojas (2014), who contend that there is no ideal method to run an organization, manage its control systems, or make choices, lends weight to this thesis. According to the view, everything depends on the manager's personality and the environment in which they work (Fiedler, 1964). The idea suggests taking into account other variables that academicians typically ignore, such as culture, technology advancements, and environmental elements that affect an organization's structure and operations. The contingency theory is criticized by Child (1972) on the grounds that organizational structure is not entirely determined by changes in contingencies. This theory is however appropriate to this study since it proposes that organizations implement strategies based on their unique experiences which then enhance control systems.

2.2.2 Reliability Theory

To put it simply, dependability theory is a way of describing how likely it is that a system will perform its intended function at the end of a certain period of time. Each component of a control system is linked to the others, and each component has a predetermined success rate, according to reliability theory. Whether or not a component is a success is what determines its condition. Reliability may be described as the likelihood of finding a component in "success" state, and this is how it is measured. There are two potential values for the overall control system's dependability: success and failure, and these two values are used to connect the overall system's reliability to the reliability of its individual components.

Control systems may be evaluated and designed using reliability theory, but no implementations have been documented that make use of this theory's considerable

capability (Kinney, 2000). The external auditor and therefore the management of the corporate area unit 2 potential uses of the notion of irresponsibleness. External audits, per Kinney Jr, W. R. (2000) area unit want to acquire proof to support knowledgeable opinion. An interior management system's principal perform is to research and manage risks. There's an on the spot correlation between weak control systems and enhanced prices and poor monetary performance.

To determine an interior management system's "weakness," Gavrilov and Gavrilova (2001) state that it's basically a matter of judgment. Comparison of knowledge from the organization's past performance or different corporations might give an additional solid basis for judgment of the results of an interior system on the firm's financial gain risk and so give additional rational allocation of the auditor's time and energy when formulation of the method and system dependableness estimates. A significant feature of the irresponsibleness theory is its tight association to the auditor's demands for understanding the interior system and risk assessment, per Messier and writer (2000).

Although the literature claims that reliability theory can be used to evaluate and design control systems, no application has been found that makes full use of reliability theory (Kinney, 2000). Reliability theory can be applied to external auditors as well as senior management. According to Kinney (2000), external audits are used to obtain evidence to support expert opinion. 15 Risk assessment and risk management system are the basic goals of the control system. Losses occur when critical errors are not prevented or discovered in a timely manner. Weak control system mechanisms are work intensive and costly. Gavrilov and Gavrilova (2001) state that determining the "weakness" of a control system is essentially a matter of judgment. A control system can be judged to have a greater influence on the firm's income risk by comparing its performance to that of other businesses' historical performance or other firms' reliability estimations. This comparison can help the auditor better allocate his or her time and effort. A major advantage of the reliability theory is that it is closely related to the auditor's demands in terms of comprehending the control system and risk assessment, according to Messier Jr, W. F., & Austen, L. A. (2000). This theory explains the likelihood that a system will perform as predicted at some point in time. Control systems, according to the idea, are primarily designed to analyze and control system risks. Moreover, the idea asserts that inadequate control systems mechanisms lead to substantial work, which in turn increases costs. Based on the study's overall goal, this idea is appropriate.

2.2.3: Control Theory

Control system is defined by Millichamp (1993) Control theory as the entire system of controls (financial, policies, procedures, etc.) established by an entity's management to help them achieve their goal of ensuring, as far as practicable, the orderly and efficient conduct of its business, including adherence to policies, asset safeguarding, the prevention and detection of frauds and errors, and the accuracy and completeness of data. An organization's structure should be guided by the ideals of openness and transparency, fair competition, impartiality, and honesty (Robert, 2003). A manager is responsible for upholding institutional standards as well as executing policies (Bennington and More, 2010).

A person abusing a system of control systems is more likely to act alone than to work with a group, according to control theory and experience. Rotter (2001) defines the notion of locus of control (ILOC) and external locus of control (ELOC) as how people see their own actions to influence the occurrences in their life. It is more common for people with an locus of control (ILOC) to attribute events to their own activities, whereas people with an external locus of control (ELOC) prefer to ascribe occurrences to other causes, such as strong persons or chance (Levenson,2000).

A strong ILOC in a highly competitive environment may be expected to feel empowered to make things happen and to feel that the success or failure of the organization is a direct result of its own efforts. On the other hand, companies with external controls may believe that the success or failure of their business depends primarily on factors outside their control. According to this theory, the Kenya Revenue Authority Customs Administration and a good control system will increase revenue.

2.3 Empirical Review

2.3.1 Control Environment

Norms, cycles and structures form the control environment that is essential for the development of control systems within an organization (Yurniwati and Afdhal, 2017). Her five components of the control system are set up in the control environment. Meanwhile, the remaining four factors are influenced by the company's overall behavior and its mission and activities. As a result, the environment of the control system has a direct impact on the effectiveness of the structure of the control system, and innovative initiatives must create an appropriate control environment. Faculty honesty and quality are frequently included in the control environment, according to Ndamenenu (2019). Control systems of the association are a two-way street, with the staff acting as both a control subject as well as an object in the organization's administration and control systems structure. The integrity and quality of the people, who create, monitor, implement, and administer the control systems structure will not be compromised in any way.

The style of management and the executive thoughts. Individual charm and the ability to come to a decision are two of the most important factors that influence how well a project will be managed by a supervisor and the board. The venture's directors control it mostly by authorizing and designing the structure of the organization and the instrument of the executives. Setting up the framework of the group, assigning

responsibilities, and determining what the individual's place in the association is and what authority and responsibility he has. The grantor of the effort is the association structure, and ventures should create, implement, control, and administrate in accordance with the organization's structure.

2.3.2 Risk Assessment

Assessment of elements that might jeopardize an organization's goals is referred to as a risk assessment. In order to achieve the organization's goals, it is necessary to identify and analyze relevant risks (Karagiorgos et al 2019). A risk assessment is an effort to identify and analyze risks important to preparing financial statements in accordance with generally accepted accounting principles, according to the authors. For example, a firm may investigate the probability of unrecorded transactions or large estimates in the financial statement as part of a risk assessment process.

There are risks associated with certain occurrences or transactions that are crucial to accurate financial reporting. External and events and circumstances that may negatively influence an entity's capacity to start, record, process, and present financial data consistent with the statements of management in the financial statement constitute risk relevant to financial reporting.

Three phases in the risk assessment process have been identified by Sigilai (2018). These are the processes of identifying the risks, analyzing the risks, controlling the risks, and reporting the results. A risk assessment requires the company to identify and analyze risks, such as their nature, kinds and causes of occurrence, etc. It is only via quantitative analysis of digital data gathered through mathematical methods that the scientific basis for risk management can be established. An accurate basis for decision-making is provided by the likelihood and size of occurrence as a consequence of risk analysis and appraisal.

Management should take into account how to manage risk while doing risk analysis and assessment. Controlling risk is typically done by transferring risk, minimizing risk, or dispersing risk. In this research, the term "control environment" referred to a set of policies, a company's overall tone, and an adequate level of oversight (Andrews, Beynon and Genc, 2017).

2.3.3 Control Activities

A control system is a technique, system, or component designed to ensure that the administration's requirements are properly executed. Control (Aikins2011). Attestation of procedures and tactics helps determine how control systems exercises are to be carried out. An arrangement ought to be obtained on what IT indicates for control activities that are pertinent to organizing. In certain cases, the IT control systems exercises may be viewed by a small number of people. Individual application control systems ensure that all exchanges are permitted, and that they are documented and handled in full and accurate detail; they include modify checks of data, mathematical arrangement checks, and manual generation of specific case reports. Server farm and organization task framework programming procurement and upkeep; access security and information application framework procurement, advancement, and support were among the most common general control systems functions (Berra, 2018).

According to Awitta (2019), control exercises should allow the desired board rules to be implemented in a variety of ways. Control system measures help organizations ensure that they have taken actions to minimize hazards consistent with the goals set by the organization. Control activities, such as authorized controls, are derived from day-to-day business objectives. In other words, it suggests that managers should delegate authority to their subordinates so that they can decide on solutions and compare commitments without waiting for their superiors to make decisions.

This is a reference to the norm of combining aspects of division and its hallmark, which characterizes authority and obligation. Interaction and activity methods in business. The process by which all business is conducted is known as business measurement. Each issue should be explained in depth as an action technique.

2.4 Conceptual Framework

The researcher uses the following conceptual framework to explain the relationship between the dependent and the independent variables of the study.

Figure 2.1: Conceptual Framework

2.5 Critique of the Existing Literature Relevant to the Study.

To begin, Brian (2013) conducted study at Kenya Revenue Authority to investigate the impact of controls (KRA). Both qualitative and quantitative approaches were used in the investigation. The study's primary data were gathered through the use of structured questionnaires. The study had 38 participants in total. It was decided that in order to enable control systems, the five parts of control—environment, risk assessment, actions related to control, communication and information, and evaluation—should be implemented. According to the research, ineffective control mechanisms have aided fraud schemes, asset losses, and revenue appropriation. The study discovered that control systems are still in use, albeit with some difficulty and that there is a significant relationship between control systems and revenue collection.

The effectualness of control systems and audit in regime is additionally being studied abroad, as proven by Simangunsong (2014) in state. A census style was utilized in the study. The study relied on questionnaires to gather primary information. Associate in Nursing SPSS multivariate analysis was done to check the hypothesis. Before assessing the hypothesis, the analysis conducted a validity and dependableness check. In keeping with the findings, the

effectualness of control systems and audit had a good impact on the performance of the regime.

Another research looked at Jordanian enterprises to examine if controls aided in improved corporate governance (Al-Zwyalif, 2015). Primary data was gathered via a questionnaire. Statistical analysis and research results reveal that when all areas of control systems are attended to, a company's governance pillars are reinforced to a greater degree. According to the findings, control systems play a vital role in maintaining the corporate governance pillars in Jordanian insurance businesses. The study discovered that the success of corporate governance is dependent on tight adherence to all parts of control systems. As a result, more study is required to assess if control systems have the desired influence on revenue collection.

2.6 Summary of Literature and Gaps

Many academics do not appear to have explored the relationship between control systems and revenue collection in their studies (Karagiorgos, Drogalas, Gotzamanis & Tampakoudis, 2009; Brian, 2011; Odundo, 2017; Yemer and Chekol 2017; Al-Zwyalif, 2015). However, this study will seek to establish a link between control systems and revenue collection, and the findings will be verified or rejected after real data is obtained.

2.7 Research Gaps

Many researchers have looked at how control systems in Kenya Revenue Authority Customs Administration affect revenue collection, but none has been able to address all questions conclusively. Major infrastructural and policy improvements at the Inland Container Depot, Nairobi Kenya, had not been undertaken or were still being implemented at the time of these investigations. As a result, no research has examined the potential impact on revenue collection efficiency of the resultant logistical, policy, managerial, and human resource adjustments made at the Inland Container Depot in Nairobi, Kenya Revenue Authority Customs Administration, as well as across the country. This study, therefore, aims to fill in the gaps in present research and bring in this new body of information.

3. Methodology

Here, the study technique is outlined, including the steps that will be taken to gather and analyze information. The project's design, target population, sampling strategy, sample frame, and data collecting methods are all covered, as are the results of the pilot study and the equipment used to gather the data.

3.2 Research Design

The researcher's overall strategy for answering the study's research questions was referred to as the research design. For Polit and Hugler (1999), research design is a plan for performing a study in such a way as to maximize control systems over issues that might interfere with research validity. When a study is designed, researchers may organize and perform the study in a way that increases their odds of getting information that is relevant to the circumstance, as stated by Burns and Grove (2001).

Descriptive research was used in this study. Description research design, according to Chandran (2004), has several advantages for human context research since it allows researchers to get current facts through data collection, test hypotheses, and then draw conclusions from the findings. When data on the same subject were obtained concurrently from multiple regions at the terminal, a descriptive research design was best suited for this study. As a result, the data to be gathered specifically describes the phenomena that will be researched, namely the effects of control systems on revenue collection in Kenya Revenue Authority Customs Administration at the Inland Container Depot Nairobi Kenya. Kenya. A descriptive design allows a researcher to learn more about the population under study.

3.3 Population and Sampling Design

3.3.1: Target Population

The term "population" refers to the total group of people that are the focus of the study in the study region (Mugenda & Mugenda, 2003). In statistics, the population to be studied is known as the "target population." The Inland Container Depot's 838 major business participants were the focus of the study. Members of the Kenya International Freight and Warehousing Association, which is an umbrella organization for all clearing, forwarding, and warehousing companies in Kenya, agents, staff for the various government agencies, Ken Trade, clearing agents, and the Kenya Ships Agents Association comprised the population.

Table 3.1: Target population

3.3.2: Sampling Design

3.3.2.1: Sampling Frame

Collection of data that is used to categorize a whole population for statistical purposes, or a sample frame (Mugenda & Mugenda, 2008). Government personnel, all the employees (Members of the General work force) and clearing agents of the container depot in Nairobi County, Kenya, were included in the study's sample.

3.3.2.2 Sampling Technique

Methods for selecting examples for analysis are referred to as sampling techniques in research plans. A sampling methodology, according to Collins and Hussey (2006), is a way of picking items from a population that are representative of the population. This study utilized stratified random sampling and proportional sampling. It was necessary to apply stratified sample in this study because all of the ICD in Embakasi's departments were included. The researcher was able to get a more representative sample of the population by using stratified sampling. A stratified random sampling method was used to pick individuals at random from

subgroups in proportion to the whole population's real size (Van Dalen, 1979).

3.3.2.3: Sample Size

To choose a subset of a larger population for research purposes, researchers use a sampling approach, process, or technique (Ogula, 2005). All 838 employees of the Container Depot were randomly selected to serve as a sample. According to Kothari (2012), at least 10% of the target population should be included in a representative sample. As a result, 84 employees of Nairobi County's Container Depot were included in the research.

Table 3.2: Sample Size

3.4: Data Collection Instruments

Triangulation was performed using data from both primary and secondary sources (Sekaran 2003; Stiles and Taylor, 2001). Secondary data, usually quantitative, was used to measure the dependent variable (Revenue Collection). The operationalized variables of the study were the focus of primary data, which contained both qualitative and quantitative data (control environment, risk assessment, control activities). The majority of the information was gathered through the use of questionnaires. The questionnaire was divided into many sections: At the Container Depot, some of the important players were introduced briefly. Section B addresses issues about control environments, Section C addresses questions about risk assessment, and Section D addresses questions about control system activities. A five-point likert scale will form the foundation of the survey, with 1 denoting significant disagreement and 5 denoting strong agreement. The container depot provided secondary data for a five-year period.

3.5: Research Procedure

Proposals for research projects are initially vetted by the researcher's university supervisor before being submitted to an Institutional review board (IRB) for assessment and approval. The researcher was allowed to apply for research permission from the National Commission for Science, Technology, and Innovation after receiving a letter from the institution's research office. Kenya's Container Depot will be contacted by researchers to request permission to use its staff as subjects in this study if they receive the green light. Questionnaires are double checked. The instrument is then put through a pilot run. The results of the pilot survey will be used to improve the survey. The researcher then meets with the target audience to explain the purpose of the research and build relationships. Sample questions are handed out to respondents once all parties have agreed. Each questionnaire includes a cover letter to help potential participants understand the purpose of the study.

3.6 Diagnostic Tests

The gathered data was analyzed using stationary diagnostic procedures to verify its normalcy. Standard deviation, mean, and variance were among the statistical methods put to the test as part of this phase. For the purpose of determining if the data gathered are normally distributed around the mean, normality tests such as Shapiro-Wilk and Kolmogorov-Smirnov were performed. The validity and reliability, autocorrelation, heteroscedasticity, and multicollinearity tests are also included in this category.

3.6.1 Validity Test

Whether or whether an indicator (or combination of indications) designed to assess a notion really gauges that concept is the subject of the term "validity." Bryman and Bell (2011). Content validity will be used in this investigation. Expert opinion enhances an instrument's content validity. Each measurement item in the questionnaire will be evaluated by a panel of peers to see if it is vital, useful, or required in capturing the concepts of the research variables (Cooper & Schindler, 2011). Statistical significance is determined by a content validity ratio for each panelist's essential replies to each question (Cooper and Schindler, 2011). According to Gay (1997), content validity is determined by specialists and determines whether or not the instrument contains itself covering all aspects of the variable being studied. Professional evaluators will score the individual components in terms of how closely they align with the overall concept (Ojera, 2011). As a result, three experts in the field will assess the instrument used in this study.

According to Waltz, Stickland, and Lenz (2005), the Content Validity Index (CVI) is the percentage of items given a "quite/very relevant" evaluation by both raters. The CVI can only be calculated if the assessors agree that a certain item is suitable. Researchers have found that a CVI of 0.7 or greater is considered appropriate for food safety testing purposes (Oso, 2013, Strickland & Lorenz, 2005).

Validity that is both convergent and discriminant will be examined. The researcher will use correlation coefficients to determine whether or not distinct indicators in the same variable are connected. Then, the researcher will use correlation coefficients to determine whether or not distinct study variables are connected. There is no association between indicators or variables with a correlation coefficient of less than 0.5 and indicators or variables that have correlation coefficients of higher than 0.5. For both convergent and discriminant validity, a correlation coefficient less than 0.5 is considered acceptable. More than a 0.5 coefficient will result in changes to the surveys.

3.6.2 Reliability Test

The term "reliability" relates to the constancy of a concept's measure (Bryman, 2012). An instrument is dependable if it consistently produces the same results time after time (Kothari, 2009). When it comes to measuring, reliability relates to how consistent results are across different versions of the same instrument or data collection, and how error-free measurements are (Schumacher, 2001). It is necessary to conduct a preliminary research to ensure that the pilot

instruments are capable of collecting the necessary data. In order to confirm that all items have strong consistency and assess the same underlying construct consistently, Cronbach's alpha () will be utilized. An alpha (a value between 0 and 1) is used to measure the consistency (homogeneity) or correlation of items in a test (Sushil & Verma, 2010). At least 10% of the parent sample will participate in a pre-test of the instrument before the real data collection begins. As a result, people from a different demographic will be selected, but they will have comparable backgrounds.

Estimating dependability will be done by splitting it in half. The pilot instrument will be divided into two, and the precision of scores will be collected to determine how near participants will score on the instrument to their actual characteristics. Cronbach's Alpha coefficient will be used to check that the scores are consistent. Using this instrument, Bryman (2011) asserts that it may be used to identify variables that can be measured and those that cannot. Items in the research must meet a minimum score of 0.7 on a test to be considered for inclusion (Cronbach and Richard, 2004).

3.6.3: Tests of Significance

The p-value, that is predicated on a ninety-five % confidence interval, are accustomed confirm the applied math significance of the link between control systems and revenue assortment. F-statistical significance threshold of fifty was accustomed assess the model's work ability victimization Analysis of Variance (ANOVA).

3.7: Data Analysis

The acquired data will be classified using variables. The SPSS program will be used to generate statistical and interpretive results. SPSS will be suggested due to its vast range of statistical and visual data analysis capabilities. Primary data will be investigated using descriptive statistics to assess the influence of control systems in Kenya Revenue Authority Customs Administration at ICD regulations on control systems.

Graphs and charts will be utilized to show the data so that the researcher may understand and evaluate it better. Here is the regression model that we used:

$Y = \beta 0 + \beta 1X1 + \beta 2X2 + \beta 3X3 + Ɛ$

Where,

Y - Revenue collection

β0 - constant β1 - β4= regression coefficient

X1 - control environment

X2 - risk assessment X3 - control activity

Ɛ= error term

4. Research findings and discussion

The results, analysis, and discussion of findings were examined in this chapter. Government Personnel, Members of the General Staff and Clearance agents at the depot's container depot were the primary focus of the investigation. The data was then summarized and explained using descriptive statistics. The linearity of the data was depicted as a regression assumption using correlation analysis. The association between the independent and dependent variables was demonstrated using a linear regression analysis.

4.2: Response Rate

Figure 4.2: Response Rate

One hundred and eighty-four people were asked to take part in the research, and ninety percent of them responded. The study was able to draw conclusions based on this response rate. It is sufficient for analysis and reporting if at least 50% of respondents respond; 60% respond favorably, and at least 70% respond favorably, according to Mugenda & Mugenda (2019). The response rate was judged to be excellent on the basis of this claim.

4.3: Validity and Reliability Analysis

Cronbach's Alpha, a measure of consistency, was used to assess the questionnaire's reliability. Using SPSS 26 for reliability analysis, Cronbach's alpha was computed. For dichotomous and multi-point surveys or scales, alpha coefficients can vary from 0-1 and can be used to characterize the reliability of components derived at a 0.5 significance level. A higher number indicates a more dependable scale. An acceptable dependability coefficient, as determined by Cooper and Schindler (2008), is 0.7. To summarize, risk activities had the highest reliability (=0.765), followed by control activities (=0.814), and the control environment (=0.754), according to Table 4.1. In this way, it can be seen that the dependability values of all three scales exceeded the 0.7 criterion (Mugenda & Mugenda, 2008).

Table 4.3: Reliability Coefficients

4.4: Demographic information

Respondents' demographics and lifestyles were also examined. In the following sections, the findings from the analysis of findings are presented.

4.4.1: Gender of the respondents

The study sought to establish gender of the respondents. The results from the analysis of findings are illustrated in the figure 4.3 below as shown.

Figure 4.3: Gender of the respondents

According to the data, men made up the majority of respondents (43 out of the respondents, or 56.6%), while women accounted for 43.4% of the total. The gender gap in the Container Depot's revenue collection research was so small that there was no evidence of a gender bias.

4.4.2 Level of Education

The study sought to establish the academic/professional qualification of the respondents. The results from the analysis of the findings is illustrated in the in the Figure 4.4 below.

Figure 4.4: Academic Qualification

The majority of respondents (36, 47.4%) stated that they had a bachelor's degree, while 34.2 percent of respondents stated that they had a diploma, and 17.1 percent stated that

they had a master's degree as their highest academic level. As a result of the data, 1.3 percent of respondents stated that their highest educational level was a doctoral degree. Control systems at the Container Depot had a positive impact on revenue collection in Kenya Revenue Authority Customs Administration, according to the study's findings.

4.4.3: Position Held at the Container Depot

The study sought to establish the position the respondents held at the container depot. The results from the analysis of findings are illustrated in the figure below as shown.

Figure 4.5: Position Held at the Container Depot

According to the statistics, the vast majority of respondents (52, or 68.42 percent) worked as members of the general workforce at the depot's in-house container. Respondents (15, 19.74 percent) who identified themselves as clearing agents were next in line. Respondents in the container depot who identified themselves as government personnel provided the fewest responses (9, 11.84 percent).

4.4.4: Age bracket of the respondents

The study sought to establish the age brackets of the respondents. The results from the analysis of findings are illustrated in the Figure 4.6 as shown below.

Figure 4.6: Age of the respondents

The majority of respondents (23, 30.3 percent) were between the ages of 20 and 29, according to the data. Respondents who said they were between the ages of 30 and 39 came in second with 26.3% of the respondents. 22.4 percent of the respondents were between the ages of 40 and 49, while 21.1 percent of the respondents were over the age of 50. According to the findings, the vast majority of participants were of legal age to comment on the effect's controls on revenue collection in Kenya Revenue Authority Customs Administration at the ICD.

4.5 Descriptive Analysis

The primary objective of the study was to determine how the control system of Nairobi's inland container facility affected revenue collection at the Kenya Revenue Authority Customs Administration. After analyzing the data, we found the following: Respondents were asked to rate their opinion on a five-point scale on several variables related to the control system and revenue collection at the Kenya Revenue Authority Customs Administration. It went from "Very High" to "Very Low" (1). A significant difference in effect is indicated by a standard deviation greater than 1.5.

4.5.1: Effects of Control Environment on Revenue Collection in Kenya Revenue Authority Customs Administration at the Inland Container Depot.

The study sought to determine whether control environment had a significant influence on revenue collection in Kenya Revenue Authority Customs Administration. The Table 4.5 below shows the findings of from the respondents.

Table 4.4. Effects of Control Environment on Revenue Collection in Kenya Revenue Authority Customs Administration at the Inland Container Depot.

There was a transparent majority of respondents World Health Organization united (mean = four.862) with the statement: Systems are place in situ to correct and avoid errors, in keeping with the results of the SPSS analysis. In keeping with the results of the analysis, the respondents' replies had a customary deviation (SD) of zero.045. Various survey participants united that the inland instrumentation Depot had a good accounting and money management system in situ, that was additionally underlined. This was insured by the calculable average of four.622. The average computed within the study of four.482 indicates that a substantial majority of respondents additionally united with the assertion that the ICD Board of administrators is devoted to the implementation of the interior control System. The SPSS computed variance of zero.706 showed very little variance within the replies of the participants. A second finding of the analysis was that policies and procedures square measure each specific and recorded. In keeping with the average of four.335, the bulk of respondents united with the statement, and also the variance worth of but one.5 shows that the average wasn't considerably deviated from. The study over that the inland instrumentation depot's revenue assortment in African nation Revenue Authority Customs Administration at the ICD is influenced by the management atmosphere.

4.5.2. Effects of Risk Assessment on Revenue Collection in Kenya Revenue Authority Customs Administration at the Inland Container Depot.

The purpose of this study was to determine the impact of risk assessment on revenue collection in the Kenya Revenue Authority Customs Administration. The results are shown in Table 4.5.

Table 4.5. Effects of Risk Assessment on Revenue Collection in Kenya Revenue Authority Customs Administration at the Inland Container Depot.

Almost everyone who participated in the survey said that staff is well-versed on revenue leakage areas. This was confirmed by the high mean of 4.596 that was derived from the study's findings analysis. The 1.096 standard deviation found here indicates a lack of variation among the people who took the survey. It was discovered via the study that the majority of respondents believed that the organization has a sufficient number of employees who are competent and skilled enough to oversee its operations, and that these employees have been given appropriate resources to support their efforts. The high mean value of 4.221 confirmed this. The estimated standard deviation of.4814 suggests that the replies of the respondents are uniformly distributed. In addition, it was found that the collecting methods were adequately described. In the SPSS study, the 4.215 mean values were shown to be

correct. There is a steady deviation of 0.1132, which indicates little variation in the responses. Surveillance personnel were also present to detect potentially hazardous areas. This was confirmed to be correct with an average score of 4,133. There is a slight variation in the mean, which indicates that most people strongly agree with this statement. Research shows that revenue collection at the Kenya Revenue Authority at Inland Container Depot is significantly influenced by the risk assessment.

4.5.3. Effects of Control Activities on Revenue Collection in Kenya Revenue Authority Customs Administration at the Inland Container Depot.

The purpose of this study was to determine the impact of control system activity on revenue collection in the Kenyan Revenue Authority's customs administration at an inland container warehouse. The results are shown in Table 4.8 below.

Table 4.6: Effects of Control Activities on Revenue Collection in Kenya Revenue Authority Customs Administration at the Inland Container Depot.

Control activities had a substantial impact on revenue assortment in Kenya Revenue Authority Customs Administration at the inland instrumentation terminal, in step with the descriptive information. In step with the results analyzed, advanced measures are place in situ to contend with control systems weaknesses. By calculative an average of four.506, this was evident. There was a regular deviation of zero.287, which recommended that the majority of the respondents control an equivalent read. Respondents additionally in agreement that freelance reconciliations of revenue assortment in Kenya Revenue Authority Customs Administration are dole out on a daily basis. The mean of four.446 was wont to get this conclusion. In step with the small variance of zero.687, the replies of the respondents were quite consistent. Most respondents additionally felt that ICD's junior workers are properly and closely supervised. This was confirmed by the computed mean of four.255 that was found to be correct. The study's variance of zero.508 recommended that the replies of the respondents were uniform. In step with the survey results, personnel are turned on a daily basis as a result of a system in situ. The mean of four.215 was wont to get this conclusion. Respondents' replies varied slightly, as incontestable by the low variance of zero.308. Most respondents additionally in agreement that sensitive material ought to solely be shared with a pick cluster of workers. Supported the statement's median of four.012, this was found to be correct. The study's variance of zero.694 showed that respondents' replies were consistent.

4.6. Tests of Assumptions of Linear Regression

4.6.1. Tests of Normality for identification of key risk indicators in strategy execution

With the aim of determining if control environment, risk assessment and control systems activities have a normal distribution a normal probability plot as in the figure below was used. It is established that the data is approximately normal for all the predictor variables

Annex Figure 4.7: Normality plot for Control Activities

Annex Figure 4.8: Normality plot for Control Environment

Annex Figure 4.9: Normality plot for Risk Assessment

4.6.2. Test of Multicollinearity

To determine the assumption of no multicollinearity for control environment, control systems activities and risk assessment. VIF have been used as in the Table 4.7 below. Based on the Coefficients output collinearity statistics above, the obtained VIF of 3.287, 1.779 and 1.621 respectively indicate that it is between 1 and 10. Thus it can be concluded that there is no multicollinearity for the variables control environment, risk assessment and control activities respectively.

4.7: Inferential Statistics

The purpose of this study was to establish the relationship between the control system and revenue collection at the Customs Department of the Kenya Revenue Authority Customs Administration located in an inland container warehouse in Nairobi, Kenya. This study used bivariate correlation and regression analysis to demonstrate the relationship between predictor variables (control environment, risk assessment, and control activities) and dependent variables (receipt collection).

Table 4.7: Collinearity Statistics

4.7.1: Bivariate Correlation Analysis

The correlation between the variables was demonstrated via linear correlation analysis. The findings are shown in Table 4.8.

Annex Table 4.8: Bivariate Linear Correlation

Table 4.4 shows that the positive correlation between all the predictor variables provided are significantly 0.01 and thus included in the analysis. The values of the bivariate linear correlation analysis are as follows:

Control Environment X1 = 0.729**

Risk AssessmentX2 = 0.746**

Control Activity X3 = 0.680**

Table 4. Nine above gives the regression version goodness of in shape to set up if regression evaluation is applicable for the data. Pearson Correlation fee of 0.775 changed into hooked up depicting that the unbiased variables (manage environment, danger assessment, inner manage sports) had a superb linear dating with the structured variable (sales collection). The manage environment, danger assessment, and inner manage sports have an effect on 60.1% of the earnings obtained on the inland box depot, as proven via way of means of an R-squared fee of 0.601).

4.7.2: Regression Analysis

The study conducted multiple regression analysis of:

Y= □0 + □1□1 + □2□2 + □3□3 + □

□0 is the regression model constant; □1 - □3 are the regression coefficients. Y is Revenue Collection. □1 is Control Environment; □2 is Risk Assessment; □3 are Control Activities and □ is the error term obtained from the F-significance from ANOVA.

Table 4.9. Model Goodness of Fit

Table 4.9 above shows the goodness of fit of the regression model to determine whether regression analysis is suitable for your data. A Pearson correlation value of 0.775 was determined, indicating that the independent variables (control environment, risk assessment, control activity) had a very good linear relationship with the dependent variable (receipt collection). As indicated by an R-squared value of 0.601, the control environment, risk assessments, and control activities influence 60.1% of the revenue generated by inland container depots.

Table 4.10: Analysis of Variance (ANOVA)

The study sought to investigate the multiple regression models whether it was valid or not. The F statistics was used to determine the model validity. The study found out that the model was valid F (4, 75) = 36.202, P<0.001. Therefore, this implies that all the predictor variables are good in explaining variation in revenue collection

See Table 4.11: Regression Coefficient

The study established the following regression model:

Revenue Collection= 2.645 + 0.154*Control Environment + 0.154*Risk Assessment + 0.103* Control Activities

The study found that revenue collection in Kenya Revenue Authority Customs Administration would be 2.645 if the control environment, risk assessment, and control activities were all zero. Moreover, a unit increase in control environment would result to a .154 unit increase in revenue collection in Kenya Revenue Authority Customs Administration. A unit increase in risk assessment would lead to a .103 unit increase in revenue collection in Kenya Revenue Authority Customs Administration at the Inland Container Depot in Embakasi, Kenya. The study thus found all the predictor variables statistically significant to revenue collection in Kenya Revenue Authority Customs Administration.

4.8: Discussion of Findings

The results of the study revealed a positive relationship between the control environment, risk assessment, control activities and revenue collection at the Customs Administration of the Kenya Revenue Authority Customs Administration inside containers at Embakasi. The study's findings were consistent with Whitney and Piley (2015) who found that scandals in recent years have emphasized the need to evaluate, question, and reformulate checks-and-balances control systems to leaders and individuals to guide in decision-making. Their study found that as much as an organization wishes to implement appropriate derived control systems measures, it must also consider the amount of money involved in implementing such measures. The misappropriation of funds from public bodies or organizations, particularly essential services or monopolistic public bodies, has become more common and has raised concerns about their control systems.

The study findings conjointly supported with Karagiorgos et al (2009) United Nations agency discovered that risk relevant to monetary coverage embody external associate degreed events and circumstance which will occur and adversely have an effect on an entity's ability to initiate, record, method and report monetary information according to the assertions of management within the plan. Risk will arise because of modification in in operation setting, new personnel, new or revamped data systems, and rise and per technology. Karagiorgos et al (2009) discovered that risk assessment aids in characteristic, analyzing and managing risks that have an effect on revenue assortment.

Andrews, Beynon and Genc, (2017) declared that management ought to take into consideration the way to manage risk whereas doing risk analysis and assessment. Dominant risk is often done by transferring risk, minimizing risk, or dispersing risk. During this analysis, the term "control environment" cited a group of policies, a company's overall tone, associate degreed an adequate level of oversight.

Abbott and colleagues (2020) studied whether audit committee activity and independence are negatively connected to falsified financial statements. Abbott (2020) replaced the variable audit committee presence used in previous research with audit committee activity and independence in the study, because previous studies found contradictory results about the connection between audit committee and likelihood of fraud.

According to the study's findings, organizations with independent directors and a low level of activity are less likely to be connected with misleading financial statements. Amudo and Inenga (2019) evaluated control systems in Africa Development Bank Group (AFDB) Regional Member Countries (RMCs), with a focus on Uganda in East Africa. According to the findings of the study, several control system components of successful control systems are missing in these projects, rendering the present control system structures completely ineffective. The report advised that the project's existing control mechanisms be improved.

5. Summary, discussion, conclusion, and recommendations

This chapter contains a summary of the findings, comments of the findings, conclusions, recommendations, and recommendations for further research.

5.2: Summary of Findings

The study's goal was to determine the effects of control systems at the Inland Container Depot affected revenue collection in Kenya Revenue Authority Customs Administration at the ICD. Out of 84 surveys given to government officials, importers, exporters, and clearing agencies, 76 questionnaires were filled out and returned, according to the data obtained. The research had a response rate of 90%, which was judged adequate to draw inferences from the data.

According to the data, 56.6 percent of the respondents were male, with 43.4 percent of respondents being female. Male respondents were found to outnumber female respondents, but the difference was not substantial enough to affect the findings. The majority of respondents (36, 47.4%) held a bachelor's degree, according to the results. The fact that 52 out of the 68.42 percent of respondents were either importers or exporters was also mentioned in the finding's analysis. The bulk of respondents (44.4 percent) were between the ages of 20 and 29, according to the replies to the surveys.

According to the results of the research, the respondents' replies had a standard deviation (SD) of 0.045. Numerous survey participants agreed that the Inland Container Depot had an effective accounting and financial management system in place, which was also underlined. The study concluded that the inland container depot's revenue collection in Kenya Revenue Authority Customs Administration is influenced by the control environment.

Almost everyone who participated in the survey said that the staff is well-versed on revenue leakage areas. This was confirmed by the high mean of 4.596 that was derived from the study's findings analysis. The 1.096 standard deviation found here indicates a lack of variation among the people who took the survey. It was discovered via the study that the majority of respondents believed that the organization has a sufficient number of employees who are competent and skilled enough to oversee its operations. The high mean value of 4.221 confirmed this. The estimated standard deviation of.4814 suggests that the replies of the respondents are uniformly distributed. In addition, it was found that the collecting methods were adequately described. In the SPSS study, the 4.215 mean values were shown to be correct. The study found that revenue collection in Kenya Revenue Authority Customs Administration at the Inland Container Depot was significantly influenced by risk assessment.Control systems actions had a considerable impact on revenue collection in Kenya Revenue Authority Customs Administration at the inland container terminal, according to the descriptive data. According to the results analyzed, complex measures have been put in place to deal with control systems weaknesses. By calculating a mean value of 4.506, this was evident. There was a standard deviation of 0.287, which suggested that most of the respondents held the same view. Respondents also agreed that independent reconciliations of revenue collection in Kenya Revenue Authority Customs Administration are carried out on a regular basis. The mean of 4.446 was used to get this conclusion. According to the tiny standard deviation of 0.687, the replies of the respondents were quite consistent. Most respondents also felt that ICD's junior employees are properly and closely supervised. This was confirmed by the computed mean of 4.255, which was found to be accurate. The study's standard deviation of 0.508 suggested that the replies of the respondents were uniform. Based on the statement's median value of 4.012, this was found to be accurate. The study's standard deviation of 0.694 showed that respondents' replies were consistent.

Control environment, risk assessment, and control activities were shown to have a very strong linear connection with the dependent variable (revenue collection). The control environment, risk assessment, and control activities affect 60.1% of revenue collection in Kenya Revenue Authority Customs Administration at the ICD in Embakasi, as shown by an R-squared value of 0.601. The study found that revenue collection in Kenya Revenue Authority Customs Administration would be 2.032 if the control environment, risk assessment, and control activities were all zero. To put it another way: A unit increase in control environment (0.154), risk assessment (0.154), and controlling activities (0.103) would all lead to a larger increase in revenue collection in Kenya Revenue Authority Customs Administration at the inland container depot if other factors remain the same, according to the study's findings.

5.3 Conclusion

For the purpose of this research, the inland container depot's control systems were evaluated. Analysis found that control environment, risk assessment, and control activities had a major effect on revenue collection in Kenya Revenue Authority Customs Administration.

According to the findings of the study, the effects of control systems structure execution is directly influenced by the environment of control, and cutting-edge ventures should establish a fair control climate. According to the findings of the study, directors have the most influence on a business since they create the association and the executive's tool, approve the framework, and plan it.

The studies also showed that risk assessment is concerned with how an institution evaluates the likelihood of unrecorded transactions or detects and analyzes important estimates reflected in the financial statement. It is. Control systems exercises may be better completed if thorough and detailed corroboration of strategy and procedures is maintained. The researchers also came to the conclusion that control activities help businesses ensure that they have made steps to decrease a loss, as evidenced by their acknowledgement of the venture's goal.

5.4: Recommendations of the Study

Stable laws, policies, regulations and procedures should be instituted as control activities and be made known to the employees to guide them and enhance revenue collection in Kenya Revenue Authority Customs Administration at the Inland Container Depot. A lot of efforts should be put into consideration especially on some elements such as authorization, supervision, observation, and re–calculate, integrity and compliance with laws and regulations although there are others.

Container Depot in Embakasi needs to avail competent and external professionals who have responsibilities of making an effective and efficient control environment. Organizational auditors furthermore should ensure effective control systems activities in their institution including the policies and procedures ensuring necessary actions are put into place to address risks to the achievement of the organization's set objectives.

ICD should ensure efficiency of monitoring activities as an element of controls system is well managed in the accounts departments so as to enable all parties within the department to freely access and utilize the official information.

ICD should ensure the physical security of assets that include enough safeguards like secured facilities over access to records, assets and authorization for accessing data files and computer programs and together with periodic counting and comparing the amounts showing on the control records this will ensure effective corporate governance.

Lastly, ICD in Embakasi should ensure that an independent Audit unit is in place to ensure continuous evaluation and monitoring of control systems to ensure effectiveness in revenue collection.

5.5: Areas for Future Research

This research aimed to find out how the inland container depots control systems affected revenue collection in Kenya Revenue Authority Customs Administration. Research into the effects of control systems on revenue collection at different institutions should be conducted in order to build a generalized study of the effect on revenue collection from controls.

The research found that the study variables were responsible for 60.1% of the differences in income collection. Additional research is needed to identify additional possible influences on revenue collection, as shown by the adjusted R Square for the remaining 39.9 percent of the total respondents.

Policymakers should regulate and set regulations that make implementing control systems in container depots simple. Only the ICD in Nairobi was the focus of the investigation. Since control systems have a significant effect on revenue collection, the results of this research should be compared with those from the Border Stations' Customs and Border Control Departments.

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Independent Variables	Dependent Variables

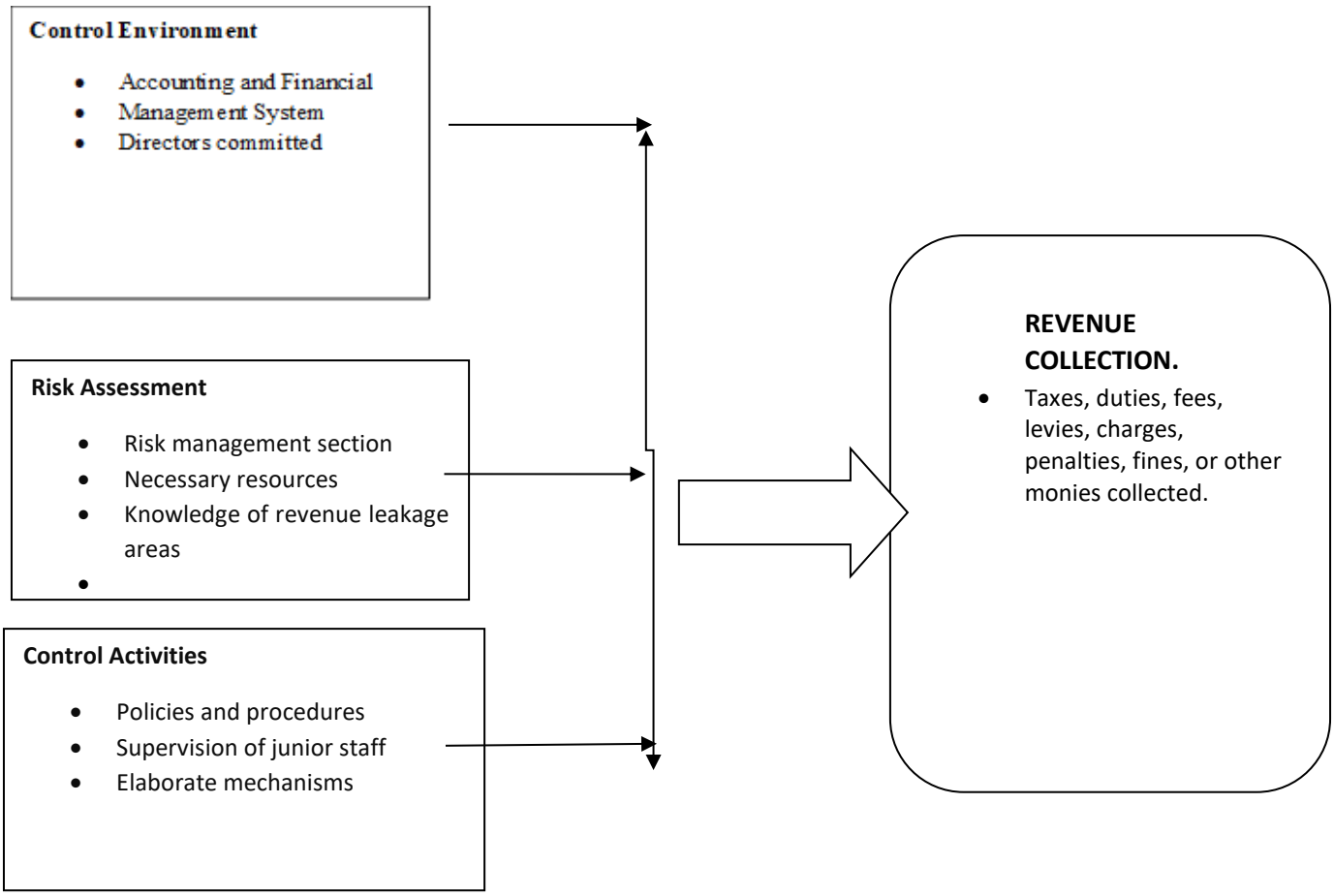

Table 3.1: Target population

	Population	Proportion
Government Personnel	**89**	**10.62%**
Members of the General Work Force	**564**	**66.35%**
Clearing Agents	**185**	**22.08%**
Total	**838**	**100.00%**

Source: Researcher (2022)

	Population	Sample Size

Government Personnel	**89**	**9**
Members of the General Staff	**564**	**56**
Clearing Agents	**185**	**19**
Total	**838**	**84**

Table 3.2: Sample Size

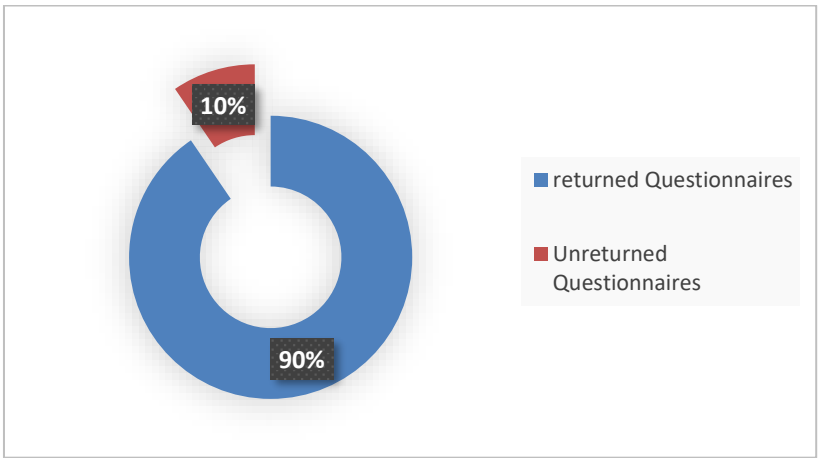

Figure 4.2: Response Rate

Table 4.3: Reliability Coefficients

Scale	Cronbach's Alpha	Number of items
Control Environment	**0.754**	**3**
Risk activities	**0.765**	**3**
Control Activities	**0.814**	**3**

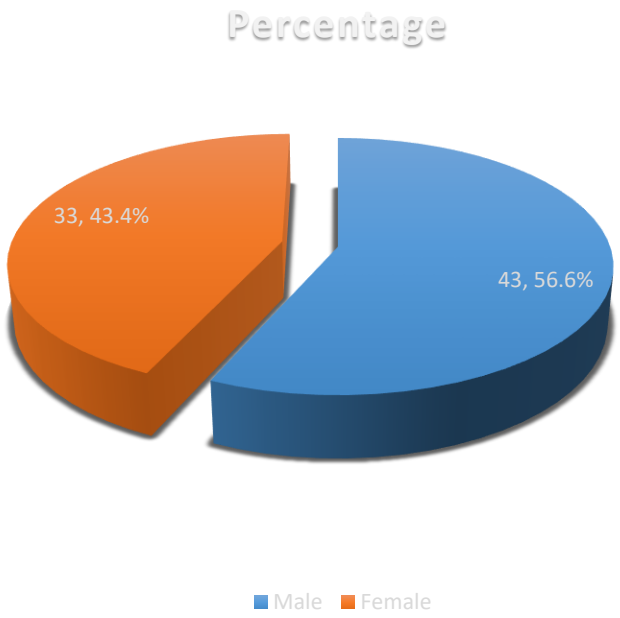

Figure 4.3: Gender of the respondents

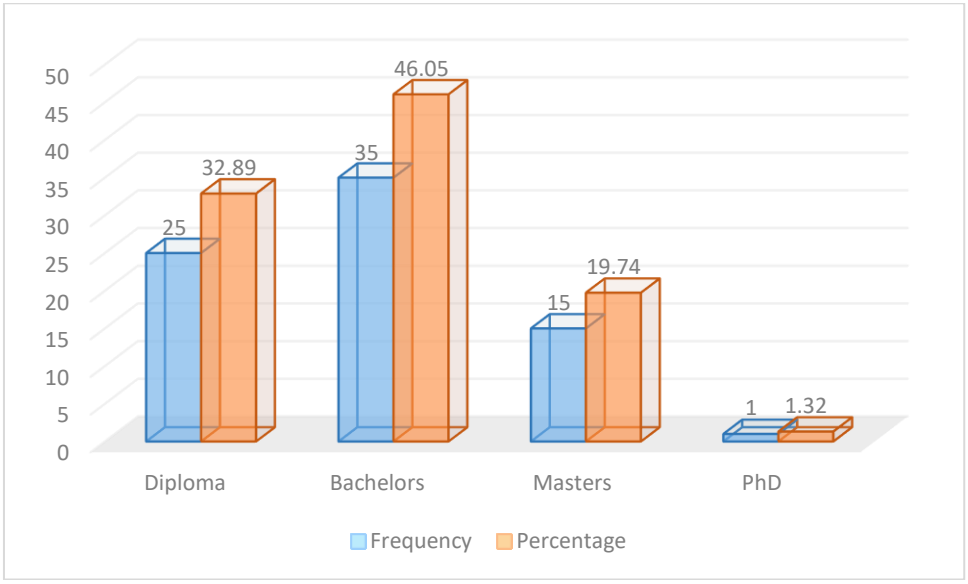

Figure 4.4: Academic Qualification

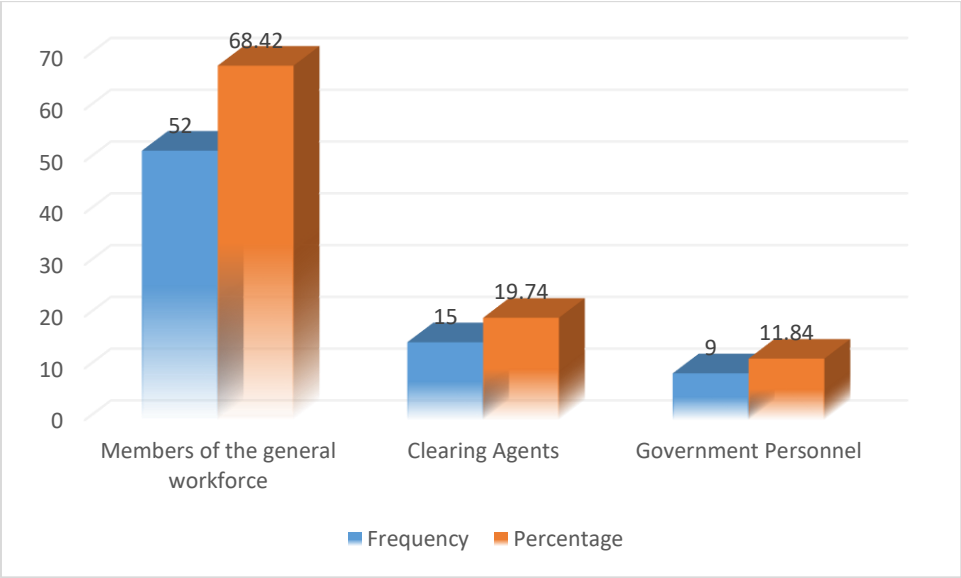

Figure 4.5: Position Held at the Container Depot

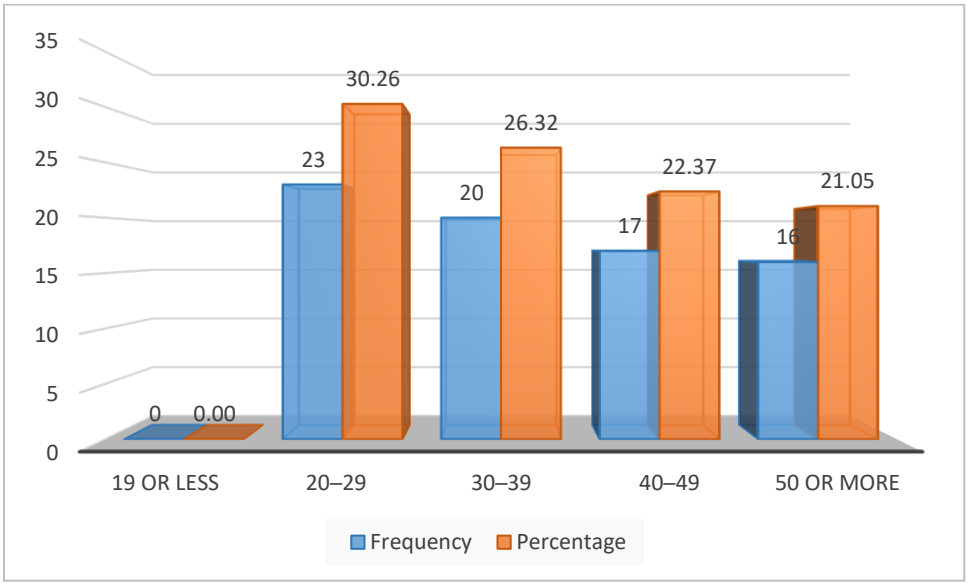

Figure 4.6: Age of the respondents

Table 4.4. Effects of Control Environment on Revenue Collection in Kenya Revenue Authority Customs Administration at the Inland Container Depot.

	Mean	**Std. Deviation**
ICD has good Accounting and Financial Management System in place	4.622	0.045
The ICD Board of Directors are committed to the Control System implementation	4.482	0.706
Policies, procedures and documented as well defined	4.335	0.358
Systems have been put in place to correct and avoid errors	4.862	0.225
The Management and the BOD are people of high Integrity	4.054	0.584
The company's culture, code of conduct, human resource policies, and performance reward systems support the business objectives and control systems.	4.493	0.421

Table 4.5. Effects of Risk Assessment on Revenue Collection in Kenya Revenue Authority Customs Administration at the Inland Container Depot.

	Mean	**Standard deviation**
The ICD has formulated the Affairs Department	4.146	0.2132
There are sufficient staff members who are competent and knowledgeable to manage company activities and these have been provided with	4.221	0.4814
ICD has installed software and ICT up to date to help KRA in revenue collection	3.587	0.3859
The employees know revenue leakage areas	4.596	1.096
Collection procedures are well documented	4.215	0.1132
Revenue loss and risks have been identified by management	4.087	0.8814
Measures have been put in place for risk identification	3.511	0.6859
There are surveillance officers to identify risk areas	4.133	0.096
The ICD staffs are adequately involved in control systems.	3.964	0.7132

Table 4.6. Effects of Control Activities on Revenue Collection in Kenya Revenue Authority Customs Administration at the Inland Container Depot.

	Mean	**Std. Deviation**
Policies and procedures exist to ensure critical decisions are made with appropriate approval.	4.135	0.594
There is proper and close supervision of junior staff at ICD	4.255	0.508
There are elaborate mechanisms put in place to address weaknesses of control systems	4.506	0.287
Sensitive information is restricted to certain employees only	4.012	0.694
There is a system in place to ensure that employees are rotated periodically.	4.215	0.308
Independent reconciliations of revenue collection on regular basis is done	4.446	0.687

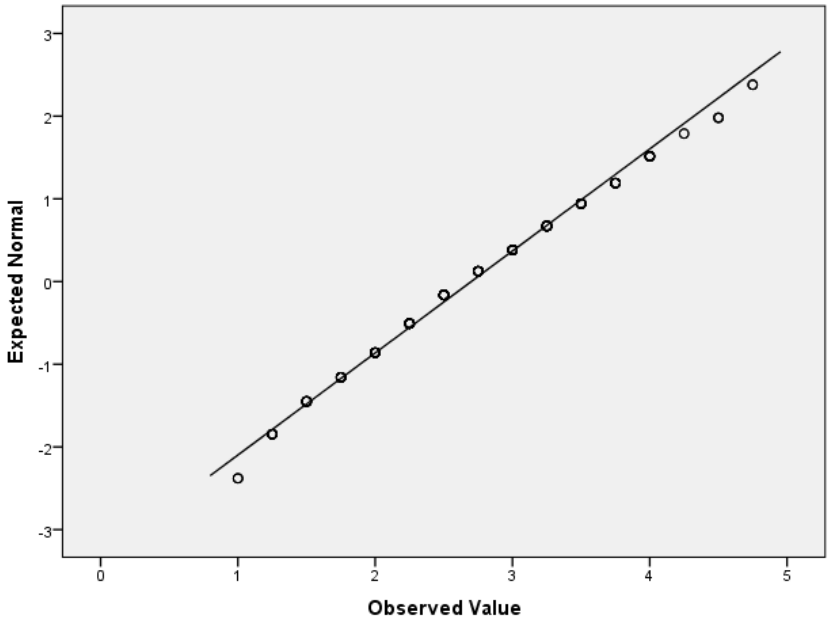

Figure 4.7: Normality plot for Control Activities

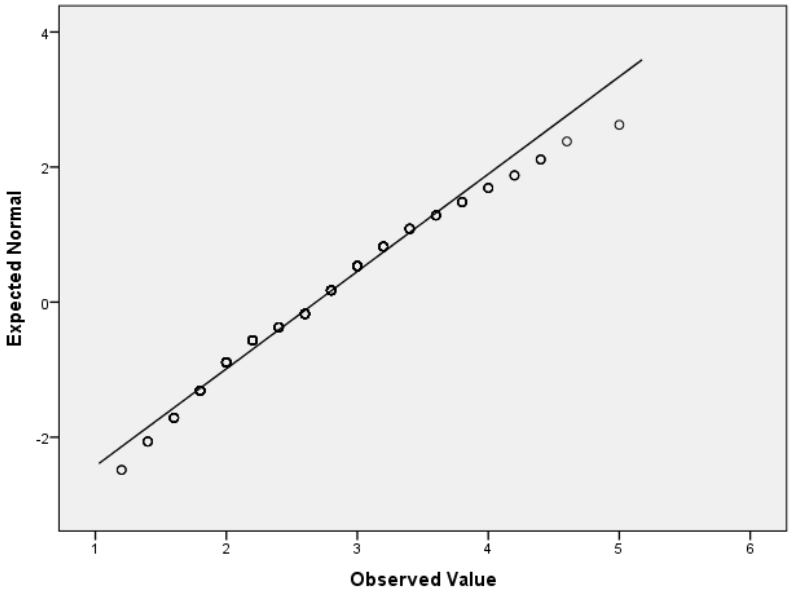

Figure 4.8: Normality plot for Control Environment

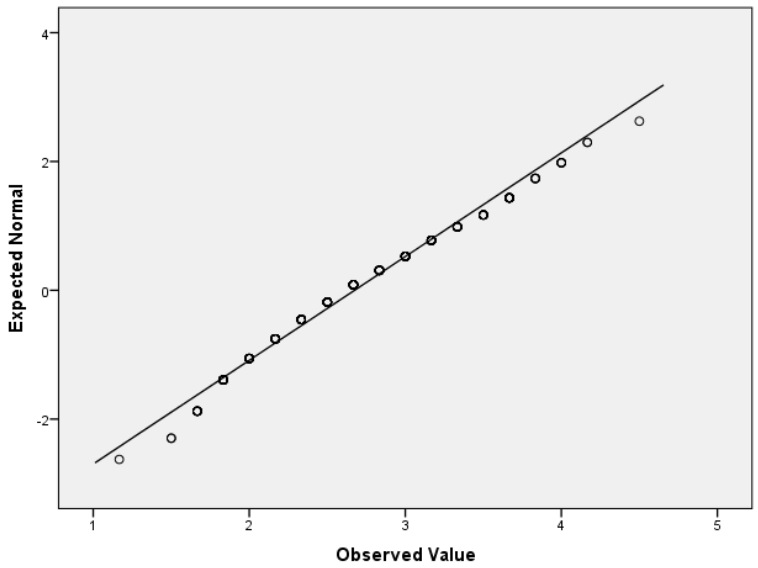

Figure 4.9 Normality plot for Risk Assessment

Table 4.7. Collinearity Statistics

Coefficients			
		Collinearity Statistics	
Model		**Tolerance**	**VIF**
	Control Environment	.304	3.287
	Risk Assessment	.562	1.779
	Control Activities	.617	1.621

a. Dependent Variable: Revenue Collection

Table 4.8: Bivariate Linear Correlation

****. Correlation is significant at the 0.01 level (2-tailed).**

		Control Environment	Risk Assessment	Control Activity	Revenue Collection
Control Environment	**Pearson Correlation**	**1**	**.858****	**.726****	**.729****
	Sig. (2-tailed)		**.000**	**.000**	**.000**
	N	**76**	**76**	**76**	**76**
Risk Assessment	**Pearson Correlation**	**.858****	**1**	**.793****	**.746****
	Sig. (2-tailed)	**.000**		**.000**	**.000**
	N	**76**	**76**	**76**	**76**
Control Activity	**Pearson Correlation**	**.726****	**.793****	**1**	**.680****
	Sig. (2-tailed)	**.000**	**.000**		**.000**
	N	**76**	**76**	**76**	**76**
Revenue Collection	**Pearson Correlation**	**.729****	**.746****	**.680****	**1**
	Sig. (2-tailed)	**.000**	**.000**	**.000**	
	N	**76**	**76**	**76**	**76**

Table 4.9. Model Goodness of Fit

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.775[a]	.601	.585	.19199

a. Predictors: (Constant), Control Activity, Control Environment, Risk Assessment

Table 4.10: Analysis of Variance (ANOVA)

Model		Sum of Squares	do	Mean Square	F	Sig.
1	Regression	4.003	3	1.334	36.202	.000[b]
	Residual	2.654	72	.037		
	Total	6.657	75			

a. Dependent Variable: Revenue Collection

b. Predictors: (Constant), Control Activity, Control Environment, Risk Assessment

Table 4.11: Regression Coefficient

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.645	.128		20.695	.000
	Control Environment	.154	.075	.301	2.052	.044
	Risk Assessment	.154	.077	.330	1.998	.050
	Control Activity	.103	.063	.200	1.619	.110

a. Dependent Variable: Revenue Collection