

# **Internal Control System and Revenue Collection in Local Governments A Case Study of Lira District Local Government**

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The study assessed the effect of internal control system on revenue collection in Lira district local government. The main objective was to assess the effects of internal control system with emphasis on control environment, control activities and monitoring of controls on revenue collection. Specific objectives were to: examine the influence of control environment on revenue collection; assess the effect of control activities on revenue collection; and determine the effects of monitoring on revenue collection. The research adopted cross-sectional research design with descriptive and quantitative approaches, and employed both primary and secondary method of data collection with 93 respondents selected from the population of district staffs and executives. To determine the reliability of research instruments a pilot study was conducted before the actual data collection and further split half method was carried out to calculate Cronbach alpha. A value of above 0.899 was obtained and confirmed the reliability of the research instruments. The data was analyzed using both inferential (multiple regression and correlation) and descriptive statistics (frequencies, percentages, mean and standard deviation) and was presented by use of tables and charts. The study findings indicated that that control environment and monitoring has no significant effect on revenue collection (coefficient=0.542,  $p=0.005$ ). The study recommends that, Lira district local government should ensure compliance with laws, regulations and operational controls in their internal control systems. Finally, there is need to avail competent internal and external professionals who have responsibilities of making an effective and efficient control environment as well as ensure effective control activities in their institution.

