

## Chapter One

### Introduction

#### 1.1. Background to the Study

In Nigeria, tax revenue has accounted for a small proportion of total revenue generated over the years compared with the bulk of revenue generated by the Federal Government. Records showed that the decline in oil prices in recent times has led to decreased funds available for distribution among Federal, State, and Local Governments in Nigeria<sup>1</sup>. Hence, over-dependence on oil as a significant source of revenue in Nigeria has become a severe setback for sustainable economic growth<sup>2</sup>. The fluctuation in oil prices in the international market has been a severe concern for Nigerians and the government to diversify the economy<sup>3</sup>. It is noteworthy that globally, there is a paradigm shift to tax revenue as a better alternative source of revenue generation, and the need for the Nigerian government to generate adequate revenue from taxation has become a matter of urgency and importance. Hence, revenue generation can be achieved by various strategies<sup>4</sup>. These strategies can be broadly classified into Tax-based strategies; and Non-tax strategies.

Amongst the many mandates of a country's government, improving the economic wellbeing of its populace is of utmost importance. The aim cannot be achieved without significant income generation. Hence the need for government to continuously find reasonable means to generate funds to achieve their goals for the society. As part of the source of revenue generation strategies, the tax becomes critical because it provides the opportunity to finance essential services within a geographical location.<sup>1</sup> Tax as a compulsory payment imposed on individuals, groups, businesses, or corporate bodies and properties are used to defray government expenditures. Taxation generates funds to finance public goods, regulates production and consumption of goods and services, controls adverse economic conditions, protects infant industries, and reduces income inequality, among others<sup>2</sup>. A tax system is a

veritable tool that mobilizes a Nation's internal resources that create enabling environment to grow the economy.

When taxes are efficiently administered, there will be an increased revenue generation, and citizens will expect such revenue to provide amenities that enhance the standard of living. However, unqualified tax personnel and fraudulent activities of tax collectors pose significant challenges to revenue generation as fraudulent tax collectors forge and divert government revenue into personal pockets. Also, the inability of the government to reciprocate the sacrifice of tax payment has induced taxpayers to explore the loopholes in tax laws to avoid and evade tax payment, hence the continuous reduction in tax revenue generation. Tax revenue includes all income gained through taxation. This refers to all the different types of taxes: personal income, sales, value-added, education<sup>5</sup>. Non-tax revenue includes revenue generated from activities such as loans from monetary funds or other governments, aid from abroad, revenue from state-owned enterprises, revenue from investment funds, fines collected and assets forfeiture as a penalty, fees generated from issuing licenses and permits, as well as donations and voluntary contributions to the government<sup>6</sup>.

The Nigerian government became concerned with seeking an alternative source of revenue generation to support her teeming population and the economy in order to socio-economic development following the fall in oil price shocks within 2014 and 2019, which resulted in a sudden and significant drop in revenue inflow from oil sales. This led the Nigerian authorities to intensify efforts at increasing non-oil revenue since late 2015<sup>6</sup>. Nigeria has resorted to tax as part of its strategy to improve its ability to generate non-oil revenue.<sup>7</sup> Tax is regarded as a compulsory levy imposed on individuals and corporate identities regardless of the status<sup>8</sup>.

Tax is considered a significant source of revenue, and revenues generated from tax can be used to finance public utilities, perform social responsibilities and grease the administrative

wheel of the government<sup>9</sup>. Tax reforms in Nigeria can be traced to the introduction of income tax in Nigeria between 1904 and 1926<sup>10</sup>.

Other reforms that have been embarked upon by the Nigerian government since the inauguration of Nigeria's tax system include: (i) granting of autonomy to Nigeria inland revenue in 1945, (ii) the Raisman Fiscal Commission of 1957, (iii) formation of the Inland Revenue Board in 1958, (iv) the promulgation of Petroleum Profit Tax Ordinance No.15 of 1959, (v) the promulgation of Income Tax Management Act of 1961, (vi) the promulgation of the Companies Income Tax Act of 1979, and (vii) Tax Policy and Administration Reforms Amendment 2001 and 2004<sup>11</sup>. However, the Federal Inland Revenue Service stated that the Tax reforms in Nigeria began in 1943 when the Nigerian Inland Revenue Department was carved out of the Inland Revenue Department of British West Africa and renamed Federal Board of Inland Revenue under the Income Tax Ordinance No.39 of 1958<sup>12</sup>.

The second reform was the Companies and Income Tax Act No.22 of 1961, establishing the Federal Board of Inland Revenue, FBIR and the Body of Appeal Commissioners (BAC) as well as the Joint Tax Board (JTB) that was charged primarily to ensure uniformity of standards and application of Personal Income Tax in Nigeria<sup>13</sup>. The third reform took place in 1993 with the enactment of the Finance (Miscellaneous Taxation provisions) Act No.3 of 1993 and Decree 104 of 1993 to review the composition of the FBIR and the functions of the Joint Tax Board respectively<sup>14</sup>. In Nigeria, the Federal Inland Revenue Services is the government agency charged primarily with assessing, collecting, accounting for, and enforcing the payment of the various taxes due to the federal government of Nigeria<sup>15</sup>.

According to the Federal Inland Revenue Services (Establishment) Act 2007, the taxes to be administered by FIRS include Companies Income Tax, Petroleum Profits Tax, Personal Income Tax, Capital Income Tax, Value Added Tax, Stamp Duty Act Cap, Taxes and Levies.

Therefore, this study seeks to empirically ascertain if forensic accounting has succeeded in improving the collection of Tax revenue in Nigeria.<sup>16</sup> Forensic Accounting in an ideal world, the role of the forensic accountant, would be redundant. Businesses without exception would operate in a manner where fraud and financial crimes, in general, were out of the equation.<sup>17</sup> Unfortunately, this is not the reality of the world we know. As such, the need for qualified and capable forensic accountants is both strong and constant. Businesses worldwide rely on the skills, knowledge, and confidence of forensic accountants every day. From identifying minor discrepancies to tackling fraud at the highest level, their role is one of extreme responsibility. It interprets results and provides opinions where forensic accounting skills are most valuable in any fraud.<sup>18</sup> An opinion may have to be supported when under cross-examination, and the other party will accept one person's say so. It can be very lonely in the witness box for a forensic accountant.

However, a good forensic investigator presents balanced and independent opinions based on a thorough understanding of all the facts.<sup>19</sup> Forensic accounting practices are used by investigative accountants to look at financial records, dig into their background and present a clear and concise account of what they mean and how they impact a particular matter that they have been asked to consider. Forensic accounting practices are not the same as standard accounting methods, such as auditing practices or methods for considering tax issues, but they include using these skills along with investigation practices, legal understanding, and a natural tenacious desire to uncover a hidden issue.<sup>20</sup> A forensic accountant is an expert accountant and experienced business advisor that is asked by one party in a dispute to provide clarification and opinion concerning the issues being debated.<sup>21</sup> There is a wide range of circumstances that can involve the need for forensic accountants. These can range from valuing assets for one or both parties in a matrimonial dispute so that a division of wealth can be made to establish how much profit has been lost due to a factory stoppage that is being

blamed on another party. Quantifying the value of damages or losses to assist with a claim is a big part of a forensic accountant's work.<sup>22</sup> However, one of the most prominent branches of forensic accounting is focused on crime. In particular; financial crime in other words, fraud. The single most important talent a forensic accountant can have is honed fraud detection skills. When financial crimes are identified at the earliest possible stage, they can be dealt with quickly and with minimal damage incurred. By contrast, when fraud is detected at a more advanced stage, the damage done may be irreversible.<sup>23</sup>

The effectiveness of the fraud detection practices the investigator works with will determine how quickly and accurately financial crimes are detected. While the learning process is continuous in this dynamic profession, working knowledge of fraud detection practices is vital for anyone looking to get started as a forensic accountant.<sup>24</sup> forensic accountants use various effective practices to identify fraud at every level. Study a range of essential sub-topics, including assessing fraud risk, identifying and evaluating risk factors, information gathering practices, analytic procedures and practices, financial statement fraud detection, billing schemes, payroll schemes, revenue recognition detection practices, and more.<sup>25</sup> The issue of employee and management fraud, money laundering, and other financial crimes in business and government organizations has made the application and practice of forensic accounting a necessity and mandatory.<sup>25</sup> Forensic accounting arises from the effect and cause of fraud and technical error made by humans.

Forensic accounting is an upcoming practice in Nigeria as companies have realized that the service of a forensic accountant is needed as cases of fraud have increased substantially in number.<sup>26</sup> Forensic accounting, also known as investigative accounting, is a branch of accounting that deals with recovering proceeds of fraud, money laundering, and other related corrupt practices in an organization. Once fraud is perceived or detected, a professional set of people, the forensic accountants, are called upon to help detect the fraud and provide

management with substantial and enough evidence to be presented in the court of law when prosecuting the suspects involved in the fraud.<sup>27</sup> Forensic means evidence or material(s) to be used in court has been incorporated into accounting and finance due to an increase in white-collar crimes. In recent years, it is also remarked that the law enforcement personnel have become more aware of white-collar crimes but lack the expertise.<sup>28</sup> Forensic accounting as a discipline encompasses fraud knowledge, financial expertise, and a sound knowledge and understanding of business reality and the working of the legal system.<sup>29</sup>

It is observed that "government spending is a big business. It has become massive that the public legislators are demanding to know whether the huge outlays of money are being spent wisely or whether they should be spent at all". Officials and employees who manage public sector activities are, under that duty, required to render adequate accounts of their activities to the public.<sup>30</sup> The incidence of fraud continues to increase across private and public sector organizations and nations. Fraud is a universal problem as no nation is immune, although developing countries and their various states suffer the most pain. Forensic accounting may be one of the most effective and efficient ways to detect and prevent accounting fraud. Presently, forensic accounting is gaining popularity worldwide.<sup>31</sup> In light of the above, this study's focus is to examine the impact of forensic accounting practices on tax revenue in Nigeria, emphasizing the Federal Inland Revenue Service.

## **1.2. Statement of the Problem**

Review of the extant literature on forensic accounting; suggest a gap exists in literature that needs to be addressed. Although study addressing forensic accounting practices and tax revenue has increased rapidly in the past few years, the theoretical and empirical evidence did not conclusively resolve the issue. Furthermore, most of the study centered on financial institutions and developed countries such as United State of America, Indian and Pakistan. There is a need to find the effects, if any, for the period of financial fraud. Further, it can be

analyzed whether the firms with a higher percentage of fraud can be resolved with forensic accounting practices. Additionally, there is a need to test empirically how tax revenue in the public sector in Nigeria is impacted by forensic accounting practices and factors like fraud prevention and detection, fraud deterrence, fraud investigation, tax audit, and investigation. Despite the plethora of studies on forensic accounting practices on tax revenue within the Nigerian context, especially with regards to the Federal Inland Revenue Service.<sup>16</sup> All and sundry have observed that Governments at all levels in Nigeria have relied heavily on oil and neglected tax revenue in the process. With the current state of the oil industry, it is now clear that reliance on oil is not sustainable, and Tax Revenue has contributed minimally to the bulk of the revenue of the Nigerian government.<sup>17</sup> Therefore, the problem associated with tax revenue in Nigeria are corruption, lack of adequate and qualified tax personnel, inadequate government supervision, lack of revenue court, lack of data management, the multiplicity of taxes, non-remittance of PAYE deductions, and tax evasion and avoidance and all these hurt the economic growth and development in Nigeria.<sup>23</sup> With these, one of the primary practices to be adopted to minimize fraud in Tax revenue is Forensic Accounting Practices. On this note, the fundamental problem this study seeks to proffer a solution is the irregularity that has become the order of the day in collecting tax revenue.<sup>27</sup>

### **1.3 Research Questions**

The study seeks to provide solutions to the following research questions:

1. What is the influence of fraud prevention and detection on tax revenue in Nigeria?
2. How does fraud deterrence impact tax revenue in Nigeria?
3. To what extent will fraud investigation affects tax revenue in Nigeria?
4. How does tax audits and investigations impact tax revenue in Nigeria?
5. In what ways will tools and procedures affect tax revenue in Nigeria?

### **1.4 Objective of the Study**

This study aims to assess the effect of forensic accounting practices and tax revenue in Nigeria. The specific objectives are to

1. determine the effect of fraud prevention and detection on tax revenue in Nigeria;
2. investigate how fraud deterrence effect tax revenue in Nigeria;
3. examine how fraud investigation affect tax revenue in Nigeria;
4. ascertain the level of which the tax audit and investigation effect on tax revenue in Nigeria; and
5. determine how tools and procedures affect tax revenue in Nigeria.

### **1.5. Hypotheses of the Study**

The study tested the following hypotheses

**H<sub>01</sub>:** There is no significant relationship between fraud prevention and detection on tax revenue in Nigeria.

**H<sub>02</sub>:** There is no significant relationship between fraud deterrence on tax revenue in Nigeria.

**H<sub>03</sub>:** There is no significant relationship between fraud investigations on tax revenue in Nigeria.

**H<sub>04</sub>:** There is no significant relationship between tax audit and investigation on tax revenue in Nigeria.

**H<sub>05</sub>:** There is no significant relationship between tools and procedures on tax revenue in Nigeria.

### **1.6. Scope of the Study**

The study assessed the effect of Forensic accounting practices and tax revenue in Nigeria with emphasis on the Federal Inland Revenue Service (FIRS). While there are many Forensic Accounting Practices, this study focuses on Fraud Prevention & Detection, Fraud Deterrence, Fraud Investigation, and Tax Audit & Investigation. All of the above aimed at strengthening

the Tax revenue through forensic accounting by boosting income generated for government activities in Nigeria. Nigeria is chosen as the area of the study, while the study will be resisted to the Federal Inland Revenue Services offices in the Southwestern States, comprises of their offices located at Lagos State, Ogun State, Oyo State, Osun State, State, Ekiti State, Ondo State. These six states listed were selected for their contribution, convenience, and ease of access to information available to them. This helps assess the effect of Forensic Accounting Practices on Tax Revenue in Nigeria to prevent and provide adequate solutions to Tax Fraud in Nigeria.

### **1.7. Significance of the Study**

The study's findings enable the Federal and State governments to increase further awareness of the value of Forensic Accounting Practices amongst its government agency that saddle with the collection of Tax Revenue in Nigeria, such as the Federal Inland Revenue Service and all other states Inland Revenue Service among their Personnel. It will give them greater impetus to increase the proportion of its workforce that serves as Forensic Accounting Practices and Tax Revenue to help fight the menace of corruption that has plagued the country for many years. Provide better Prevention, Detection, and Deterrence for Tax Revenue Fraud. Assess how sound Corporate Governance, Management Capability, and Competent staff can increase Tax Revenue. Finally, this study will serve as a reference point to future researchers in accounting, taxation, and financial studies.

### **1.8. Limitations of the Study**

There were no adequate secondary data available for Forensic Accounting Practices indices needed for this research work. Therefore, the researcher resulted in use the primary source to obtain the required information for the indices. Even at this, respondents feel reluctant to give their honest opinion because they were afraid not to reveal the secret of their employers Federal Inland Revenue Service (FIRS).

## 1.9. Operational Definition of Terms

In carrying out this study, the following terms will be operationally defined.

**Corporate Fraud:** It is the activities undertaken by individuals or companies in a dishonest designed to give an advantage to the perpetrating individual or company.

**Corruption:** This is a tendency to do what is wrong and harmful to another despite knowing what is good.

**Detective Controls:** These are the controls designed to detect and report an omission, an error, or a malicious act.

**Forensic Accountant:** This is the person who is trained to look beyond the numbers and deal with the business realities of situations.

**Forensic Accounting:** This is the specialty area of the accountancy profession, which describes engagements that result from actual or anticipated disputes or litigation.

**Fraud:** The intentional perversion of truth to induce another part with something of value or to surrender a legal right.

**Preventive Controls:** These are the controls that predict potential problems before they occur and make adjustments.

**Revenue:** Is the value of all sales of goods and services recognized by a company in a period.

**Taxable Income:** This is the gross income reduced by all allowable adjustments, deductions, and exemptions.

**Taxation:** This refers to the system of imposing a compulsory levy on all income, goods, services, and properties of individuals, partnerships, trustees, executorships, and companies by the government.

**Tax Audit:** This refers to the procedures wherein the tax authorities (FIRS) examine and verify your returns or any other transactions with tax consequences.

**Tax Compliance:** This is the obedience of a taxpayer totally under the law; it could be voluntary, induced, or compelled.

**Tax Deductions:** This refers to the expenses that the tax authority (FIRS) allows you to subtract from your adjusted gross income (sum of all the income generated over the year minus other statutory expenses) to arrive at taxable income.

**Tax Evasion:** It implies the willful and deliberate violation of the law to escape payment of a tax imposed by law.

**Tax Investigation:** This is an inquiry into a taxpayer's taxes and tax affairs to recover tax undercharged to a taxpayer.

**Tax Policy:** It is an amount of money for which it is assumed an asset or liability could be exchanged in an arm's length transaction between informed and willing parties.

**Tax Rate:** This means the amount of tax that is levied per unit of the base.

**Tax Revenue:** This is the income that governments gain through taxation.

## Endnotes

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## **Chapter Two**

### **Review of Related Literature**

This section captured a review of relevant literature to lay credence on previous studies whose earlier works and findings are in one way or the other related to this work. It is divided into Conceptual, Theoretical, and Empirical.

#### **2.1. Conceptual Review**

The concepts under review include; the independent variable (Forensic Accounting Practices) and dependent variable (Tax Revenue). It begins with an overview of Fraud Prevention and Detection, Fraud Deterrence, Fraud Investigation, Tax Audit & Investigation, and Tax Revenue.

##### **2.1.1. Forensic Accounting**

The widespread incidence of Tax Avoidance, Tax Evasion, and other forms of Tax Fraud has resulted in a corresponding increase in cases of Tax Litigation within the country, thus creating a demand for quality evidence and witnesses that can support the revenue collectors in prosecuting these cases. This is why the critical tool of forensic accounting comes in.<sup>1</sup> Forensic accounting has risen to prominence because of increased financial frauds are popularly known as white-collar crimes.<sup>2</sup> Forensic accounting is described as a specialized field of accountancy that investigates fraud and analyzes financial information used in legal proceedings.<sup>3</sup> Forensic accounting uses accounting, auditing, and investigative skills to conduct investigations into theft and fraud.<sup>4</sup> It encompasses both Litigation Support and Investigative Accounting. Forensic accounting, forensic accountancy, or financial forensics is the specialty practice area of accounting that describes engagements that result from actual or anticipated disputes or litigation.<sup>5</sup>

Forensic means "suitable for use in a court of law," and it is to that standard and potential outcome that forensic accountants generally have to work.<sup>6</sup> Forensic accountants, also

referred to as forensic auditors or investigative auditors, often have to give expert evidence at the eventual trial.<sup>7</sup> Forensic accounting is sufficiently thorough and complete so that an accountant, in his/her considered independent professional judgment, can deliver a finding as to accounts, inventories, or the presentation thereof that is of such quality that it would be sustainable in some adversarial legal proceeding, or within some judicial or administrative review.<sup>8</sup> Forensic accounting sees accounting, auditing, and investigative skills to assist in legal matters.<sup>12</sup> Forensic accounting is a tool that helps combat economic crime because it helps to identify documents, extract, sort, report, and verify all financial data or other accounting activities of an organization or office so that the findings obtained are used for settling current or prospective legal disputes. Such past financial data can also project future financial data and further settle a legal dispute.<sup>13</sup>

Forensic accounting was employed successfully by the Central Bank of Nigeria in 2009 and the Securities and Exchange Commission in 2011. It is fast gaining acceptance within the Nigerian economic landscape that is greatly affected by corrupt practices by organizing, government Parastatals, politicians, and private individuals.<sup>14</sup> Forensic accounting is a procedure that can help generate an accounting analysis that is suitable to the court. It serves as a framework for discussion, debate, and eventual resolution of any disputes related to tax compliance, tax evasion, and other tax-related matters.<sup>15</sup> One of the main factors that contribute to tax evasion in Nigeria is administrative ineffectiveness. The ineffective tax administrations are the main factor responsible for large-scale tax evasion in Nigeria. Other factors that have been indicated as contributing to tax avoidance and tax evasion include Low tax morale, High compliance costs, Insufficiencies in tax collection, Weak capacity in detecting and prosecuting tax violators.

Low quality of the service in return for taxes, High tax rates, Low transparency and accountability of public institution, High level of corruption, lack of the rule of law and weak

fiscal jurisdiction, High volume of the informal sector, Bribery of tax officials, Changes in tax laws, Unfair distribution of facilities and amenities, Lack of understanding of the essence of civic responsibility, Taxpayer inaccessibility to government services.<sup>16</sup>

### **History of Forensic Accounting**

Forensic Accounting began to be employed from as far back as 1824 when arbiters, courts, and counsels used forensic accountants to investigate fraudulent activity in Scotland.<sup>17</sup> It is believed to have coined the term forensic Accounting" in 1946; however, as in the 1900s, articles that guided an expert witness in litigations began to appear.<sup>18</sup> The adoption of the Federal Income Tax in the United States in the early 1900s created the demand for forensic accountants to track culprits of income tax evasion. Many forensic practices were used to detect tax evaders, and it is reported that the first high-profile forensic accountant was Frank J. Wilson, who spearheaded the campaign to convict Alphonse "Scarface" Capone of tax evasion in 1931.<sup>19</sup> During the trial of O.J. Simpson, forensic accountants were also involved where they evaluated his assets and their work impacted the damages awarded in the civil suit.<sup>20</sup> In 2002, the Act established the Public Companies Accounting Oversight Board (PCAOB), and as a result, there has been a continued emphasis on the value of forensic accounting.<sup>21</sup>

The development that forensic accounting has experienced over the years has been achieved primarily through on-the-job training and experience with investigating officers and legal counsel.<sup>22</sup>

### **Branches of Forensic Accounting**

Forensic accounting can be divided into major branches:

**Investigations:** This branch involves conducting investigations into the financial affairs of an organization, be it criminal or civil. It also includes activities such as insolvency support investigation, fraud prevention, and awareness strategies, fraud and fund tracing, tracing of

civil and criminal actions regarding fraud and financial irregularities.<sup>23</sup> In carrying out investigative activities, the forensic accountant reviews factual situations and provides suggestions regarding possible courses of action, assists with the protection and recovery of assets, and coordinates other experts.<sup>24</sup> Litigation support or experts witness: This branch of forensic accounting involves the preparation and review of the evidence, preparation of expert reports, and preparation of affidavits and proof of evidence, giving oral evidence in court, expert determination, arbitration, mediation, and alternative dispute resolution.<sup>25</sup> Litigation support also includes assisting counsels in investigating and assessing the integrity and amount relating to various areas. Such areas include loss of profit, construction claims, and product liabilities, breach of contract, shareholder disputes, and bankruptcies.<sup>26</sup> The forensic accountant also obtains documents necessary to support or refute a claim, reviews relevant documentation to form an initial assessment of the case in an identified area of loss, and assists in understanding financial issues and formulation of additional questions to be asked.<sup>23</sup> Forensic accounting practices make an outstanding contribution when any of the following situations are observed within an organization or affecting an organization; Fraud and fund tracing; Civil and criminal actions regarding fraud and financial irregularities; breach of contract; bank failure; breach of warranty, particularly on company acquisitions; professional negligence claims; Insurance claims; Loss of profits; Liquidation support and Regulatory enquiries.<sup>27</sup>

A well-trained forensic accountant possesses specialized knowledge in multiple financial disciplines and can support litigation issues relating to tax disputes and other legal issues.<sup>28</sup>

They appear as expert witnesses during trials that involve various kinds of financial disputes. For tax disputes, a forensic accountant may appear as a witness to ascertain tax fraud such as evasion or avoidance perpetrated by a taxpayer or as a witness in defense of a taxpayer.<sup>29</sup> In litigation matters, lay witnesses are generally not allowed to give legal testimonies consisting

of opinions, conclusions, and characterizations. However, qualified experts such as forensic accountants may give their professional opinion. This is because they are judged to have acquired the requisite skills and knowledge that make their opinion and characterization more reliable evidence admissible in the court of law.<sup>30</sup> Forensic accounting services are utilized in accounting, antitrust, damages, analysis, valuation, tax disputes, and general consulting. It is also used in divorces, bankruptcy, insurance claims, personal injury claims, fraudulent claims, construction, royalty audits, and tracking terrorism.<sup>31</sup>

Forensic accountants and experts can assist lawyers in translating complex financial issues into more understandable terminologies. These financial issues may be the key factors that can determine the outcome of the lawsuit.<sup>32</sup> The work of a forensic accountant can help uncover and expose hidden assets, identify unreported income, determine lost profit, or aid a lawyer in resolving the specific issues of the case at hand.<sup>33</sup>; Forensic accountants can be hired to examine possible suspicions of fraudulent activities within an organization to determine the certainty of the fraud, the extent, and the possible roles of the different parties/individuals involved. On the other hand, they may be hired to prevent fraudulent activities from taking place.<sup>34</sup> Companies and various corporate investigations require the services of forensic accountants to help investigate possible wrongdoing within or without the corporate environment. They can assist in addressing allegations such as kickbacks, wrongful dismissals, or management wrongdoing.<sup>35</sup>

Involving an outside party with expert forensic accounting skills allows parties involved in the allegation to be more willing to engage in discussion and allow a thorough investigation of the case.<sup>36</sup>; A forensic account must provide an objective, unbiased opinion of the case at hand. This is the only thing that can serve as a stronger argument that the court can accept.<sup>37</sup> Forensic accountants can also work to help and reduce instances of white-collar crime as they can sort out, assess and report various financial transactions related to allegations against

individuals and companies in a variety against individuals and companies in a variety of situations such as arson, scams, fraud, investment scams and stock market manipulations.<sup>38</sup>

Forensic accountants can help prepare and assess insurance claims to validate the integrity and quantum. This is especially important in calculating loss arising from business interruption, fidelity bond, and personal injury.<sup>39</sup> Forensic accounts can also help the government achieve regulatory compliance by ensuring that companies follow the relevant legislation.<sup>40</sup>

In ensuring that a forensic accountant fulfills his role as an expert witness, the following suggestions must be put in mind: Speak clearly and audibly; Refrain from using professional jargon; Use simple rather than complex terms to describe findings and opinions; Address the specific questions asked; instead of going off tangent or presenting more information than the question requires; He must not verbally fence with the defense attorney or prosecutor; Maintain a professional demeanor not smiling gratuitously at the judge, jury or lawyer who hired him nor at the opponent's counsel; Use graphs, charts and other visual aids if they help to clarify a point; Avoid reading from notes if possible; Have his documents well-arranged and organized in case he needs to retrieve them if the counsel ask foe them; Ask for repetition or classification if he does not fully understand a question; Clearly indicate if he does not know the answer to a question rather than doing guesswork; He must be honest, he must not invent, inflate or evade and He must not raise his voice in anger if the opponent's lawyer tries to bait him.<sup>41</sup>

In a litigation team, forensic experts play a crucial role, most notably in the following areas:

Case assessment; Identifying documentation required to support the case, both additional and currently available; Evaluating the scope of work; Preparing the initial financial assessment and analysis; Consulting with counsel on legal issues and approach; Preparing report and accounting schedules; Negotiating between parties; Assisting the council in court; Offering

expert evidence in court and He may also be called upon to give a different opinion from that reached by an equally credible expert accountant on the other side.<sup>42</sup>

### **Skills of a Forensic Accountant**

A forensic accountant is proficient in investigating, identifying, sorting, and analyzing financial information and determining the individuals associated with the case in question to track the flow of funds and develop a solid and quality explanation and reasoning.<sup>43</sup> A forensic accountant must possess a combination of skills such as accounting, auditing, and finance, in addition to other non-financial qualities such as persistence, judgment, insight, creativity, discretion, integrity, inquisitiveness, and concise communication skills.<sup>44</sup> When they integrate and apply these skills, he/she can furnish the lawyer with invaluable insight at every juncture during the case. They must interpret financial information using relevant accounting or financial formulas, rules, and interpretation.<sup>45</sup> Sound knowledge and understanding of investigative practices are also essential. Once issues relating to a fraud case have been identified, further information and documentation will be required, and this can only be done by applying quality investigation practices.<sup>46</sup>

The forensic accountant must know where the relevant financial documentation exists. Investigative skills will be applied at different times during their investigations as well as in litigation support. A robust investigative mentality is also of essence such that he/she can prove intent in court to prove that there was a fraud.<sup>47</sup> A forensic accountant must be skilled in presenting his/her findings by clearly communicating the findings resulting from the investigation in a manner understandable to the layperson. This presentation may involve the use of appropriate demonstrative aids. They must have above-average communication skills in distilling financial information so that the average citizen can understand, comprehend, and assess to reach a sound conclusion.<sup>50</sup>

A forensic accountant must also be proficient in studying, understanding, and interpreting different types of financial reporting systems and methods used by various organizations, different monetary units used internationally, and various laws and regulations that apply to the case in view. He tracks the flow of funds through a business to evaluate the path it has taken and determine whether illegal transactions have occurred. In a situation of tax rules violation, the forensic accountant works to determine whether any tax laws have been violated by the parties involved.<sup>51</sup> A forensic accountant must be able to sift through various issues, complaints, allegations, rumors, statements of claims, and inquiries and quickly identify the financial issues that are significantly related to the matters at hand. They have the experience and knowledge to make reasonably accurate decisions.<sup>52</sup> A forensic accountant must have a keen eye for detail because other experts and the court may scrutinize his/her work. They must have strong skills in verbal and written communication. He will write reports and give verbal accounts of evidence in the court of law.<sup>53</sup>

The forensic accountant's activities are relevant to various types of business and personal legal disputes. Much of the work is connected with evaluating past and projected profits and appraising and preparing business valuations. Forensic accounting expertise is helpful in litigation involving loss of profits, breaches of contracts, fraud, tax investigations, and professional negligence.<sup>54</sup> A forensic accountant must be skilled in identifying the possible potential fraudulent transaction, how it was perpetrated, and the potential effective procedures to prove or disprove the potential fraud. Also, the forensic account must understand what constitutes evidence, and he/she must understand the rules of evidence in court and how to conduct an investigation from the beginning such that it will be admissible in the court of law.<sup>55</sup> In summary, it is essential that a professional forensic investigator has appropriate skills and level of relevant experience, ability to work in and manage/coordinate a

team with instructing attorneys and police, administering the litigation support, assemble the documents, and organize meetings.

The forensic expert must also have a detailed understanding of the elements of economic crime and be able to testify and stand up to deliver an effective cross-examination in a court of law.<sup>56</sup>

### **Forensic Accounting Practices and Revenue Generation by FIRS**

The FIRS has many departments and units working together to generate revenue to fund government activities from year to year. Amongst these units are the investigation/Intelligence division which comprises the Intelligence Unit, the Criminal Investigations Unit, and the Civil Investigations Unit.<sup>57</sup> The Investigation/Intelligence Division is coordinates all the investigations and intelligence activities of the FIRS. This division has officials trained to conduct investigation/intelligence work, prepare a court case, and run computer searches for evidence gathering and data recovery. The unit also liaises with various other regulatory agencies on tax violations and provides the FIRS management with an update of cases prosecuted.<sup>58</sup> The Civil Investigation Unit investigates tax avoidance schemes that various companies and organizations can come up with, and then they refer cases to the Criminal Investigations Unit once they have indications of deliberate intention to evade tax or commit fraud.

The Criminal Investigation Unit is responsible for investigating, penalizing, and recommending prosecution of cases of tax evasion; cases of fraudulent diversion of FIRS taxes such as withholding tax and Value Added Tax.<sup>59</sup> Fraudulent payment of income tax and other taxes through the use of falsified withholding receipts; abuses by companies and government agencies in VAT and Withholding Tax deduction and remittance; and fraudulent procurement of Tax Clearance Certificate, revenue receipts and withholding Tax Credit notes. This unit also assists in preparing evidence for the prosecution of violators.<sup>60</sup> The

Intelligence Unit functions to gather and analyze information to maintain a database of information for civil, criminal investigation units, and the FIRS in general. Overall, this Investigation/Intelligence division will function more effectively and benefit from the expertise and skills of forensic accountants. The Legal Unit of the FIRS will also benefit immensely from the expert advice that forensic investigators and accountants can provide in prosecuting tax offenders and advising on legal issues.<sup>61</sup>

Overall, it is expected that the increased revenue that the Federal Inland Revenue Services has experienced over the last twelve years can be further boosted by encouraging the activities of Forensic accountant's activities of this four-unit as well as those of other units.<sup>62</sup>

#### **Tools required by a Forensic Accountant involved in a Tax Dispute**

If a forensic accountant is called upon to serve as an expert witness in a tax dispute, they need to collect, sort, analyze information from various sources and documents to develop valid and acceptable evidence tenable in the court of law.<sup>63</sup> They need to have unrestricted access to information concerning the company or organization he/she is assisting or investigating. They will also require unrestricted access to every individual connected in one way or the other to the company or the case in question. The accountant will require the following tools and documents: Financial Statements: this includes income statement, balance sheet, statement of owners' equity, statement of cash flows, business plans, general ledger, general journal, sales journal, a purchases journal, cash receipts journal, and cash disbursements journal.<sup>64</sup> Bank Statements: this includes the bank statement of the company, the top officials of the company and other staff that may be connected, bank statements of the relatives, bank statements of foreign accounts operated by or connected to the company, and the bank statements of any other parties that the expert may be suspicious of.<sup>65</sup>

Credit Statements: these statements help reveal expenditures that exceed the suspect's reasonable income.; Phonebooks/address books; Emails; Official memos; Spreadsheets; Tax

certificates; Income tax returns and Computers.<sup>66</sup> Forensic has been shown to have wide beneficial applications in both private and public sector organizations. Forensic accounting will go a long way in promoting good corporate governance in public sector organizations and reinforcing the public's confidence in government activities and the entire system of governance.<sup>67</sup> That forensic accounting has the potential to strengthen auditors' confidence in the evidence that is made available by their clients. It will help them in quantifying losses from the theft of cash or goods. It will help detect payments or receipts of bribes. In addition, it can help identify misstatements and misrepresentations in financial information. Experts in forensic accounting practices can be engaged to act in an advisory capacity to directors of companies for effective control of operations.<sup>68</sup>

### **Challenges of applying Forensic Accounting**

As beneficial as forensic accounting prevents financial crimes and disputes, many challenges have been highlighted associated with fully maximizing its potential. The following challenges are identifying: The task of gathering information that is admissible in a court of law; The admissibility of the evidence in compliance with the laws of evidence. If the evidence is not admissible, it cannot facilitate successful prosecution or defense in criminal or civil claims; Globalization of the economy.<sup>69</sup> This creates a situation where the suspect or fraudster could be operating from anywhere in the world; Most companies prefer to settle issues out of court to minimize costs and reduce the risk of bad publicity on their corporate image.<sup>70</sup>; Cash economy: tracking the flow of funds is difficult in a country such as Nigeria that heavily operates a cash economy. A tax system works efficiently when a country departs from the cash culture being the basis of business and private transactions. Most economics that operated cashless transaction majorly has been able to double their ability to curb tax evasion and boost the culture of voluntary tax compliance.<sup>71</sup>

### **2.1.1.1. Fraud Prevention and Detection**

Although most companies will not readily admit that their organizations may be vulnerable to fraud, it is estimated that the typical organization loses 5 percent of its revenue to fraud each year.<sup>71</sup> Based on the fraud cases reported as part of the study, the median loss caused by fraud was \$145,000, while more than one-fifth of the cases involved losses of at least \$1 million. In addition to prevention strategies, having detection methods in place and make them visible to the employees. The visibility of these controls acts as one of the best deterrents to fraudulent behavior. It is vital to continuously monitor and update the fraud detection strategies to ensure they are effective.<sup>72</sup> Detection plans usually occur during the regularly scheduled business day. These plans consider external information to link with internal data. The results of the fraud detection plans should enhance prevention controls. It is essential to document fraud detection strategies, including the individuals or teams responsible for each task. Once the final fraud detection plan has been finalized, all employees should be made aware of the plan and how it will be implemented.

Communicating this to employees is a prevention method in itself. Knowing the company is watching and will take disciplinary action can hinder employees' plans to commit fraud.<sup>73</sup> It is impossible to prevent or eliminate all frauds; it is crucial to detect fraud. Finding fraud can be one of the most challenging and exciting areas of fraud risk management. Detecting fraud early enough helps to minimize losses and increases the likelihood of recovery for frauds that have been identified.<sup>74</sup> Putting detection measures in place can also act as a deterrent, preventing potential frauds from being committed and making the organization more resilient to fraud.<sup>75</sup> Detection of tax evasion perpetrated through deliberate falsification of accounts and misrepresentation in order to reduce or altogether avoid tax; Identification and beating of tax avoidance; Checking for genuine errors or Acts of omission or commission which have

the effect of reducing tax, either through ignorance of the taxing laws or improper record keeping and application of tax laws to determine taxable profit.<sup>76</sup>

Other objectives of tax audit include the provision of avenue to educate taxpayers on various provisions of the tax law, discourage tax evasion, provide feedback to the management on various provisions of the law and recommend possible changes, forestall taxable persons' failure to render tax returns or rendering incomplete/inaccurate returns, and encourage voluntary compliance.<sup>77</sup> Tax audit and investigation is designed to ensure that taxable persons and organizations wholly comply with the provision of the tax laws, and any breach observed can serve as a potential case for litigation.<sup>78</sup>

#### **2.1.1.2. Fraud Deterrence**

Fraud deterrence is the proactive identification and removal of the causal and enabling factors of fraud." Fraud deterrence is based on the premise that fraud is not a random occurrence; fraud occurs where the conditions are right for it to occur.<sup>79</sup> Fraud inherently involves efforts of concealment; many cases will never be detected. Therefore, organizations are encouraged to implement specific anti-fraud internal controls to lessen the opportunities to commit fraud.<sup>80</sup> Understanding how occupational fraud is executed is the first step in determining which internal controls to implement. Based on the study, occupational fraud schemes are classified into three categories: asset misappropriation (theft of cash, data, and property); corruption; and financial statement fraud schemes (deliberate misstatement, misrepresentation, or omission of financial statement data).<sup>81</sup> Historically, although theft of assets has produced the lowest average losses, these schemes have accounted for the vast majority of reported fraud activity.<sup>82</sup>

Within this category, there are various practices that an employee may utilize to steal company assets and resources, including theft of cash receipts and fraudulent disbursements of cash such as through billing schemes, fictitious vendors, fraudulent expense

reimbursements, or check tampering.<sup>83</sup> Understanding and analyzing each of these categories is a critical first step in designing an effective control environment throughout the organization, which may aid in preventing and detecting fraudulent activity. Based on the study, victim organizations that had implemented specific standard anti-fraud controls such as the following experienced considerably lower losses than organizations lacking these controls.<sup>84</sup> Implementation of a Fraud Hotline or Web-Based Portal whereby internal and external sources may anonymously and confidentially report fraudulent or suspicious behavior.<sup>85</sup>

Policies and procedures related to the hotline should be well-publicized by management to promote and encourage its use. Implementing a fraud hotline, especially when accompanied by an anti-retaliation policy and whistleblower reward program, will effectively improve an organization's overall control environment by increasing the perception of detection. Historically, the receipt of internal or external tips has represented the most common detection method for each of the three categories of fraud schemes listed above.<sup>86</sup> Separation of Duties involving the custody of assets, authorization of transactions affecting those assets, and recording/reporting of related transactions.<sup>87</sup> The underlying theory of separation of duties is that a single employee should not be in a position to both commit and then conceal fraudulent activities. For example, the Institute of Internal Auditors [ii] suggests there needs to be a good division of responsibilities among those who perform accounting procedures or control activities (authorization/recording) and those who handle the assets (custody).

In general, the flow of internal processes should be designed so that one individual's roles and responsibilities serve, in part, as a check and balance of another individual's work. Such a system would reduce the risk of undetected errors and limit opportunities to misappropriate assets or conceal intentional misstatements in the financial statements.<sup>88</sup> Reconciliation of Bank Accounts and Management Review of periodic account: reconciliations (bank

reconciliations and petty cash) and bank statements. Bank reconciliations provide insight into the differences between an organization's cash balance per the balance sheet and the bank statement while also proving the completeness and accuracy of the data recorded in the organization's cash ledger. Depending on the size of the organization and the volume of cash transactions, bank reconciliations can be performed daily or monthly.<sup>89</sup> Adequate separation of duties should also be implemented in the bank reconciliation process, in that the cash bookkeeping, bank reconciliation, and check signer functions should be separated.<sup>90</sup>

Review and Authorization of Expense Reimbursements by supervisors and management: in a timely fashion. As per the study, a significant portion of asset misappropriation schemes involve situations where an employee claims reimbursement of fictitious or inflated business expenses.<sup>91</sup> Management should first ensure all policies and procedures, including those related to expense and travel reimbursements, are communicated to all employees, along with timely notifications of any relevant updates.<sup>92</sup> Furthermore, expense reports submitted by employees, including any underlying support, such as credit card bills, receipts, and telephone bills, should be reviewed and signed-off by the employee's immediate supervisor and the organization's payroll department. Other members of management should review expense reports submitted by members of management.<sup>93</sup> Safeguarding and Reconciliation of Petty Cash: funds periodically by authorized employees. Although petty cash funds typically represent an insignificant amount of cash held by an organization, primarily used for small day-to-day expenses, petty cash improprieties may signal broader issues regarding management's approach to internal controls and the organization's control environment.<sup>94</sup>

To help strengthen the processes surrounding petty cash, sequentially numbered vouchers should be kept and disbursement receipts with the disbursement date, amount, purpose, and employee name. Further, the petty cash custodian should reconcile the petty cash fund, reconciling total cash on hand plus outstanding receipts to the total petty cash maximum.<sup>95</sup>

Access to the petty cash fund should also be limited to a small number of employees, with the funds kept in a locked box. Lastly, to test compliance with organizational policies and further increase the perception of detection, management may periodically order an independent audit of the petty cash fund.<sup>96</sup> Management should maintain a proactive approach to identifying vulnerabilities unique to their organization and implement effective and efficient internal controls to help prevent and detect fraudulent activities. Demonstrating a genuine interest and concern in the implementation of sound internal controls will aid management in establishing an ethical organizational culture.<sup>97</sup>

Employee fraud is a significant problem organization face of all types, sizes, locations, and industries.<sup>98</sup> While we would all like to believe our employees are loyal and working for the benefit of the organization (and most of them probably are), there are still many reasons why your employees may commit fraud and several ways in which they might do it.<sup>99</sup> Fraud and Abuse, the research shows that the typical organization loses 5% of its annual revenue each year due to employee fraud. Prevention and detection are crucial to reducing this loss.<sup>100</sup> Every organization should have a plan in place as preventing fraud is much easier than recovering losses after a fraud has been committed.<sup>101</sup> There are ways to minimize fraud occurrences by implementing different procedures and controls. Know Your Employees Fraud: Fraud perpetrators often display behavioral traits that indicate the intention to commit fraud. Observing and listening to employees can help identify potential fraud risks.<sup>102</sup> It is essential for management to be involved with their employees and take time to get to know them. Often, an attitude change can give a clue into risk.<sup>38</sup>

This can also reveal internal issues that need to be addressed. For example, if an employee feels a lack of appreciation from the business owner or anger at their boss, this could lead them to commit fraud as a way of revenge.<sup>103</sup> Any attitude change should warrant close attention to an employee. This may minimize a loss from fraud and make the organization a

better, more efficient place with happier employees.<sup>104</sup> A discussion with the employee reveals that his brother lost his job, and his family has moved into the employee's house in addition to his new, heavier workload. This could be a signal of potential fraud risk.<sup>41</sup> Very often, and unfortunately, it is the employee least expect that commits the crime. It is imperative to know the employees and engage them in conversation.<sup>105</sup> Make Employees Aware/Set up Reporting System: Awareness affects all employees. Everyone within the organization should be aware of the fraud risk policy, including types of fraud and their consequences.<sup>106</sup>

Those planning to commit fraud will know that management is watching and will hopefully be deterred by this. Honest employees who are not tempted to commit fraud will also be aware of possible signs of fraud or theft.<sup>107</sup> These employees are assets in the fight against fraud. Most occupational fraud (over 40%) is detected because of a tip.<sup>108</sup> While most tips come from employees of the organization, other important sources of tips are customers, vendors, competitors, and acquaintances of the fraudster. Since many employees are hesitant to report incidents to their employers, consider setting up an anonymous reporting system.<sup>109</sup> Employees can report fraudulent activity through a website keeping their identity safe, or by using a tip hotline.<sup>110</sup> Implement Internal Controls: Internal controls are the plans and programs implemented to safeguard your company's assets, ensure the integrity of its accounting records, and deter and detect fraud and theft. Segregation of duties is an essential component of internal control that can reduce fraud risk. For example, a retail store has one cash register employee, one salesperson, and one manager.<sup>111</sup>

The cash and check register receipts should be tallied by one employee while another prepares the deposit slip and the third brings the deposit to the bank. This can help reveal any discrepancies in the collections.<sup>112</sup> Documentation is another internal control that can help reduce fraud. Consider the example above; if sales receipts and bank deposit preparation are

documented in the books, the business owner can look at the documentation daily or weekly to verify that the receipts were deposited into the bank. In addition, make sure all checks, purchase orders, and invoices are numbered consecutively.<sup>113</sup> Internal control programs should be monitored and revised consistently to ensure they are practical and current with technological and other advances.<sup>114</sup> An expert will analyze the company's policies and procedures, recommend appropriate programs and assist with implementation. Monitor Vacation Balances: You might be impressed by the employees who have not missed a day of work in years.

While these may sound like loyal employees, it could be a sign that these employees have something to hide and are worried that someone will detect their fraud if they were out of the office for some time.<sup>115</sup> It is also a good idea to rotate employees to various jobs within a company. This may also reveal fraudulent activity as it allows a second employee to review the activities of the first. Hire Experts: Certified Fraud Examiners (CFE), Certified Public Accountants (CPA), Certified Forensic Accounting Researchers, and CPAs who are certified in Financial Forensics (CFF) can help in establishing anti-fraud policies and procedures. These professionals can provide a wide range of services from complete internal control audits and forensic analysis to general and basic consultations.<sup>116</sup> Live the Corporate Culture: Positive work environment can prevent employee fraud and theft. There should be a clear organizational structure, written policies and procedures, and fair employment practices.<sup>117</sup> An open-door policy can also provide a great fraud prevention system.

It gives employees open lines of communication with management.<sup>118</sup> Business owners and senior management should lead by example and hold every employee accountable for their actions, regardless of position.

### **2.1.1.3. Fraud Investigation**

A fraud investigation determines whether a scam has taken place and gathers evidence to protect the victims involved. Fraud is misrepresentation with the intent to deceive. For example, if a company makes a specific claim about a product and knows that the production does not work as promised, they are guilty of fraud.<sup>119</sup> Fraud is an authentic and costly problem that causes loss of money and severe injury, and sometimes even death. Fraud investigation is summaries as the process involves systematically gathering and reviewing evidence to document the presence or absence of fraud.<sup>120</sup> Fraud investigations typically commence as a result of some indication that fraud may have occurred. Most fraud investigations begin with a meeting between the invigilator and the client.<sup>121</sup> The person launching the investigation explains to their invigilators whom they suspect with fraud and handover any evidence to their investigator. A good fraud investigator will use this initial information to find more evidence and more facts.<sup>122</sup>

A fraud may use surveillance, asset searches, background checks, employee investigations, business investigations, and other types of methods to get to the bottom of a case.<sup>123</sup> In most cases, fraud investigations are of white-collar crime, which involves surveillance and careful consideration of complicated financial records.<sup>124</sup>

### **2.1.1.4. Tax Audit and Investigation**

Tax Audit seeks to ensure the fair implementation of tax laws regardless of the status of the individuals or organizations concerned or the nature of goods or services involved.<sup>125</sup> Tax Audit is the review of tax returns (which comprise financial statements and schedules and income tax and capital allowances computations) that a taxpayer submits to ensure that they comply with relevant laws and other statutory regulations.<sup>126</sup> In a system that operates the self-assessment scheme of taxation such as Nigeria, tax audit plays a crucial role in promoting voluntary compliance, audit rate, and thoroughness of audits encourages taxpayers

to be more prudent in completing their tax liabilities.<sup>127</sup> On the other hand, taxpayers who have never been audited may be tempted to under-report their actual income and claim false deductions; if taxpayers realize that the probability of detection is high, they tend to declare their income correctly.<sup>128</sup>

The main objective of a good tax audit exercise is to enable tax authorities determine whether or not the taxpayers have complied with relevant tax laws and as such, a good tax audit exercise has the following qualities: There must be adequate and detailed audit plan; Risk assessment must be done to identify specific areas of attention during the audit; The taxpayers' books and records must be sufficiently reviewed in order to get reliable and relevant information on the identified risk areas; Appropriate audit tests should be carried out on the specific areas of focus; The exercise should be conducted with full regards to both taxpayer's rights and tax auditor's obligations; The audit processes and conclusions reached must be well documented in simple and straightforward language; The taxpayer must be assessed objectively and appropriately based on the conclusion reached at the end of the exercise; The taxpayer must be fully enlightened on the areas of its shortcomings with a view to encouraging voluntary compliance and The audit exercise must be completed within the stipulated time frame.<sup>129</sup>

During a tax audit, relevant tax authorities, like the tax authorities, examine issues relating to the profits of a company and its other related returns. This is usually a routine exercise, and the outcome could lead to a re-assessment or referral for special investigation if tax evasion is suspected.<sup>130</sup> A tax audit is the examination of an individual or organization's tax report by relevant authorities to ascertain compliance with the state's applicable tax laws and regulations.<sup>131</sup> During the process, relevant tax authorities check to confirm that the numbers filed align with the client's tax return documents. The process was further described by stating that tax return documents are selected using specific selection criteria. The documents

are then critically examined to relate them to the tax return filed. The different types of audit that can be conducted on an organization or taxpayer include the following: Desk audit: this is done within the confines of the office of the tax officials. The tax officials simply request the taxpayers to provide additional documents to clarify some issues on the submitted returns. The taxpayer is not given any official notice of an impending desk audit exercise.

Letters are simply written to him requesting certain documents or explanations. A desk audit helps to ensure some level of compliance with tax laws, rules, and regulations.<sup>132</sup> Field audit: in this case, taxpayers are formally notified of the arrival of the tax auditor and the requirements of the auditors in terms of documents to be audited. These documents must be made available in advance.<sup>133</sup> The scope of verification to be done depends on the outcome of the desk audit work that was initially carried out by the tax auditors as well as the risk factors of the audit exercise and Back duty audit: this kind of audit is usually instituted if the taxpayer fails to disclose or include in full any income or earning in return made available to the tax office; when doubtful claims of capital allowance in respect of the current or previous year are made; when reduction in the profit in the returns is filed in the tax office, or when the tax charged or assessed is less than what ought to be.<sup>134</sup>

What are the key objectives of a tax audit? The tax audit establishes a viable and effective tax administration and deals with a constantly evolving economy.<sup>135</sup> It also helps put measures in place to ensure that tax disputes are resolved readily between tax authorities and liable taxpayers. Further, tax audit helps prove the completeness, accuracy, and timely filing of tax returns submitted by taxpayers.<sup>136</sup> The primary purpose of tax audit is to determine the extent to which taxpayers may have complied with the relevant statutory provision of the tax Act concerning their audited financial statements and other tax-related returns. This helps maintain the integrity reposed in the self-assessment taxation scheme, which is currently being operated and promotes voluntary compliance.<sup>137</sup> It has been argued that the rate and

thoroughness of tax audits has a way of encouraging taxpayers to be more prudent in completing their tax returns, report all income, and claim the correct deductions to ascertain their tax liability.<sup>138</sup>

On the other hand, taxpayers who are not subjected to audits tend to give false representations of their income when completing tax returns, and they end up claiming false deductions. Tax audits have a significant role in increasing tax compliance reported a positive correlation between tax audit and tax compliance in Nigeria.<sup>139</sup> However, some studies have shown no correlation or negative correlation between tax audit and increased tax compliance. Tax Audit stimulated compliance in some of the groups studied, but it did not significantly correlate with evasion for all the groups studied.<sup>140</sup> They found that tax audits induced taxpayers to over-claim deductions rather than encourage them to accurately report their income.<sup>141</sup> Tax audits have yet to substantially improve tax compliance by corporate organizations in Nigeria. On examining the impact of tax audits and investigations on revenue generation in Nigeria, that tax audits and investigations can increase the revenue base of the government as well as reduce the incidence of tax evasion in the country.

They recommended that tax audits and investigations be done more often as thoroughly as possible in order to help further the Federal Inland Revenue Service achieve its goals and objectives.<sup>142</sup> Conducting a tax audit involves a detailed and extensive examination. The tax auditor is usually expected to examine all transactions, items in an account balance, and controls for the period under review. He may decide to check the whole item or pick some representative among the whole item and test those representatives, using them to form his opinion. This application of audit procedures to selected items within an account balance or class of transaction is known as Audit sampling.<sup>143</sup> Audit sampling is usually done in conditions where there are many items of transactions, assets, liabilities, and owner equity to be examined. It may also be done to save time, meet a set deadline, or when an auditor sees

that it is possible to reach appropriate conclusions through sampling procedures.<sup>144</sup> However, in conditions where the items are unusual or extraordinary or when internal control procedures are weak, audit sampling may not be appropriate.

The sampling will result in the building up of an audit opinion, and this is based on appropriate evidence that is obtained from a mix of the text of control and substantive procedures. Various practices and procedures will be employed and used to examine the books and records behind every return. Information obtained through observation, discussion, documents, records will be investigated and analyzed to enable the tax auditor to form an accurate audit opinion.<sup>145</sup> The general unwillingness of most taxpayers to pay their taxes necessitates the use of tax audits by appropriate tax authorities, and it helps increase revenue generated for the government.<sup>146</sup> Once a tax audit is done, the employer stands responsible for any tax liability arising from the tax audit of his/her employees. The employer is expected to make a deduction or adequately account for the amount, together with a penalty of 10% per annum of the amount of tax that is liable; tax audit has a positive relationship with revenue generation by the FIRS. Thus, an increase in tax audit results in an increase in revenue generated from taxes.<sup>147</sup>

#### **2.1.1.5. Forensic Accounting Application**

Forensic has wide beneficial applications in both private and public sector organizations. Forensic Accounting will go a long way in promoting good corporate governance, whitening public sector organizations, and reinforcing the public's confidence in government activities and the entire system of governance.<sup>148</sup> Forensic Accounting has the potential of strengthening the confidence of auditors in the evidence that is made available by their clients. It will help them in quantifying losses from the theft of cash or goods. It will help detect payments or receipts of bribes. In addition, it can help identify deliberate misstatements and misrepresentations in financial information. Experts in forensic accounting

practices can be engaged to act in an advisory capacity to directors of companies for effective control of operations.<sup>149</sup>

### **2.1.2. Tax Revenue**

Tax is a compulsory levy imposed on the taxable income of every taxable individual, company, institution, or product by the government within a particular jurisdiction to defray expenditure on public goods. Taxation is the concept and science of imposing a tax on the taxable income of taxpayers within a particular jurisdiction.<sup>150</sup> The tax collected is used for the common good of every citizen within the state to produce certain services, which are considered of paramount importance to the wellbeing of the citizens. The above description of taxation underlines the primary purpose of taxation: to raise revenue to defray the cost of services provided by the government.<sup>151</sup> It also includes reducing inequalities arising from the distribution of wealth, restraining certain types of consumption, protecting home industries, and controlling certain areas of the country's economy. Examples of this include a balance of payment, employment, savings, investment, and productivity.

Other purposes are increasing efficient productivity, increasing the services provided by the government, providing employment, enhancing modern technology the system, and rationalizing the terms and conditions of the economic system.<sup>97</sup> Taxation is a compulsory levy imposed on the citizens of a country by the government to generate revenue used in general administration.<sup>152</sup> Taxation is the process by which communities of persons are made to contribute in some agreed quantum and method for administration and development of the society.<sup>153</sup> Tax is dynamic, so reforms are necessary to effect the required changes in the national economy. Tax is assessed following some reasonable rules of apportionment on persons or property within the tax jurisdiction. Tax revenue is a compulsory transfer or payment from private individuals, institutions, or groups to the government. Tax is a

contribution exacted by the state; it is a compulsory and unrequited transfer of resources from the private to the public sector, levied based on predetermined criteria.<sup>154</sup>

The classical economists believed that the only objective of tax revenue was to generate revenue for the government. Nevertheless, with the change in circumstances and ideologies, the aim of taxes has changed. Besides raising revenue, tax is levied to affect consumption, production, and distribution to achieve social welfare through economic development.<sup>155</sup> Four key issues must be understood for tax revenue to play its functions in society; Firstly, a tax is a compulsory contribution made by the citizens to the government, which is for everyday use. Secondly, tax imposes a general obligation on the taxpayers. Thirdly, there is a presumption that the taxpayer's contribution to the public revenue may not be equivalent to the benefits received. Finally, a tax is not imposed on citizens because it has rendered specific services to the citizens. Thus, it is evident that a good tax structure plays multiple roles in the economic development of any nation.<sup>156</sup>

### **Tax Administration in Nigeria**

The current Nigerian law, tax revenue is enforced by the three tiers of government. That is Federal, State, and Local Government Area with each having its sphere spelled out in the Taxes and Levies (approved list for Collection) Decree, 1998. Successive governments have expressed concern about the low level of productivity of the Nigerian tax system. This has been attributed mainly to the tax administration and collection system deficiencies, complex legislation, and apathy, especially those outside the tax net.<sup>157</sup> This is because as a means of meeting expenditure requirements, many developing countries undertook tax reforms in the 1980s. However, most of these reforms focused on tax structure rather than tax administration geared towards generating more revenue from existing tax sources. The Nigerian tax system has undergone several reforms geared at enhancing tax administration with minimal enforcement costs.

The recent reforms include the introduction of Taxpayer Identification Number (TIN) became effective in February 2008. It involves the Automated Tax System that facilitates the tracking of tax positions. This E-payment system enhances smooth payment procedures and reduces the incidence of tax touts, an enforcement scheme that engages special tax officers in collaboration with other security agencies to ensure strict tax compliance.<sup>158</sup> Section 8(a) of the Federal Inland Revenue Service Establishment Act 2007 has led to an improvement in the tax administration in the country. Thus, the integrated tax offices and authorities now have the autonomy to assess, collect and record tax. Despite this improvement, several contentious issues still require urgent attention, such as appropriate tax authority to administer taxes, the issue of multiple taxes administered by different levels of government which sometimes imposes welfare costs, and unavailability of the database, which contributes to tax avoidance in the country.<sup>159</sup> The corruption issue is perennial to the country and reduces the confidence and trust reposed on the government by the taxpayers to discharge their civic duty.

The issue of the infrastructural deficit is crucial, and most facilities are often privately sourced. Hence, taxpayers always question the rationale behind tax collection and consequently tend to evade tax payment.<sup>106</sup> The development and growth of any society require the provision of some basic infrastructure and amenities. Providing these things and achieving other essential goals requires that the government generates funds. Funding government activities and projects require the generation of funds, and this task is in the hands of various revenue-generating agencies of the government.<sup>160</sup> Some of the primary sources of government areas outline below, and the subject of the research work is centered on Tax revenue. Taxation is a significant source of revenue in many countries worldwide, especially in Europe. In developing countries like Nigeria, tax evasion and avoidance prevail and severely limit the revenue generated through taxes. Various forms of taxes are collected

by governments worldwide. A good example is the Petroleum Profit Tax which is the primary source of revenue to the Nigerian Government.<sup>108</sup>

Grants: these are income received in the form of aid from other countries or international organizations like World Bank and IMF.<sup>161</sup> Rent, royalties, and profits: these are income derived from the use of government properties and profits generated by government-owned corporations and business enterprises. Loans: these are income generated by borrowing from individuals, foreign organizations, or countries to finance specific projects.<sup>162</sup> Fees, fines, and specific charges: these are incomes derived from the use of government services like vehicle licenses, water rates, and stamp duties.<sup>163</sup>

### **Tax Compliance in Nigeria**

Tax compliance is the willingness of individuals to comply with relevant tax authorities by paying their taxes. It can also be defined as the ability of a tax-sensitive body to submit accurate, complete, and satisfactory returns in conformity with tax laws and regulations of the state to the authority for tax assessment.<sup>164</sup> Tax compliance by taxpayers will generally result in increased revenue generation, and various strategies can be employed to improve tax compliance. Firstly, taxpayers must have a thorough understanding of their obligation under the law. In fulfilling their obligations, taxpayers must understand that they are required to be duly registered with appropriate tax authorities, they must timely file and lodge their requisite taxation information, give complete and accurate reports of their activities, and their tax obligations must be paid in due time.<sup>165</sup> One of the measures that have been put in place to improve tax compliance part of the Nigerian Tax Reforms is the introduction of self-assessment in 1992. Self-assessment was projected as a measure that would improve voluntary compliance.

However, for this to work, other tools such as tax payment education, increased interaction with taxpayers, academia, and other stakeholders need to be incorporated to reinforce a more

profound tax culture amongst Nigerians.<sup>166</sup> Self-assessment is a situation where in a taxpayer is granted the right to compute his tax liability and pay the tax due and produce evidence of tax paid when filing his tax return at the tax office on the due date.<sup>167</sup> Under this Self-Assessment system of compliance, a taxpayer is expected to compute his tax liabilities based on applicable tax laws provisions and complete his tax return forms in the manner prescribed by the appropriate Tax authority. The completed forms are then to be submitted by the due date of filing returns, and payment of all or part of the tax due is made within the statutory payment timeline.<sup>168</sup> In order to promote voluntary compliance among Nigerian taxpayers, the tax policy should be formulated after due consultations with relevant stakeholders. Policies should not be made and forced down on people without due consultation. Involving the stakeholders enhances the government's sincerity and minimizes the problems of trust associated with tax avoidance and evasion.<sup>169</sup> The self-assessment scheme was not introduced in Nigeria until 1998, and one of the challenges it posed was increased tax evasion and avoidance due to incorrect filing of tax returns by taxpayers.<sup>170</sup>

### **Tax Evasion and Tax Avoidance in Nigeria**

Tax evasion and tax avoidance are worldwide phenomena as old as the concept and practice of taxation itself; it has been estimated that developing countries lose \$285 billion every year because of tax evasion in the informal domestic economy.<sup>171</sup> In addition, tax evasion by wealthy individuals is estimated to cause additional revenue losses ranging from US\$15 Billion to US\$124 billion annually. The studies have revealed that African countries have lost US\$854 billion in cumulative capital flight throughout 1970 – 2008 (GFI, 200).<sup>172</sup> Tax evasion refers to an intentional effort by people, corporate bodies, trust, and other institutions to illicitly refuse to pay their tax and reporting true and fair value of their earnings using evading, posited that tax evasion is associated with intentional underreporting of income as well as over-claiming of tax deduction.<sup>173</sup> Tax evasion is intentional, illegal, and

unacceptable behavior or activity involving a direct violation of tax law to evade the disbursement of tax. Tax evasion could either be complete evasion or partial evasion.

Partial evasion is observed when an individual or corporation understates its earnings for tax and thus declares low income.<sup>174</sup> Whereas, complete evasion occurs when a person or corporation qualifies to pay tax but fails to register with tax authorities to enroll in the tax system. Such complete tax evasion will involve declaring less earning and overstressing deductions. Tax evasion and tax avoidance are the two biggest challenges militating against revenue generation through taxation in Nigeria. All over the world, tax collection faces various challenges that need to be addressed to ensure that government revenue is not negatively affected. Two significant challenges that have been identified include tax evasion and tax avoidance.<sup>176</sup> A taxable person thus makes fraudulent or untrue claims on the income tax form and thus ends up neglecting tax payment or paying inappropriately lower taxes. Tax is evaded through different methods, and such methods include refusal to register with relevant tax authorities, failure to furnish a return, making an incorrect return by omitting or understating an income liable to tax, as well as overstating expenses to reduce taxable profit or income.<sup>177</sup>

Tax evaders can be charged to court for criminal offenses and consequent fines, penalties and jail terms may be levied on him/her for evading tax.<sup>178</sup> Tax avoidance is the arrangement of taxpayers' affairs using the tax shelters in the tax law and avoiding tax traps in the tax laws to pay less tax than he or she would otherwise pay.<sup>179</sup> Such taxpayers take advantage of the loopholes in a tax levy. Some of the ways taxpayers avoid tax payment include incorporating the taxpayer's sole proprietorship or partnership into a limited liability company, claiming allowances and reliefs available in tax laws to reduce the amount of income or profit be taxed. Other things that can be done include minimizing the incidence of high taxation by acquiring business entities that have sustained a heavy loss to offset the loss against future

profits, minimizing tax liability by investing in capital assets, and many more.<sup>180</sup> Tax evaders can be identified by the audit unit of the Federal Inland Revenue Service when they employ various audit tools, which include a risk engine tool for identifying tax evaders and non-compliant taxpayers.<sup>181</sup> If such tools flag a company, it is subjected to a tax audit or a tax investigation.<sup>182</sup>

Most citizens do not pay taxes at all, and the ones that pay taxes do so irregularly. For the most part, employed individuals are the ones who are still relatively consistent in paying taxes, especially government employees. In addition to tax evasion, officials' inadequate remittance of actual tax revenue is another factor contributing to low revenue generated by taxation in Nigeria. Revenue collection officers are lenient or even connive with individuals and organizations during the enforcement of tax policies, thus leading to further revenue loss.<sup>183</sup> To stem this tide, he recommended that tax audit and investigation be done regularly to stamp out the incidence of tax evasion and increase the government's revenue base. One of the measures recommended for curbing corrupt practices by tax officials was that the Audit Unit of the FIRS should be strengthened to continuously audit tax remittance by the collectors at all levels. He emphasized the need for the application of forensic accounting practices to investigate and detect cases of corruption in Nigeria.<sup>184</sup>

Thus, forensic accounting is one of the tools that can also help minimize tax evasion and tax fraud committed by both taxpayers and tax officials. Forensic accounting will involve the use of financial information and other information obtained from other relevant sources to provide proper evidence that can be used in a law court for a fraud or tax compliance trial case. Taxpayers have adopted various methods and strategies in perpetrating tax frauds, tax evasion, and tax avoidance. Some of these include misreporting and not declaring personal income or corporate profits to circumvent income taxation or tax obligations resulting from sales of goods and services. Other tax evaders have been reported to hold offshore financial

accounts, which aid the concealment of taxable income from tax authorities in the country of residence and allow them to benefit from zero or low taxes abroad.<sup>185</sup> Once tax evasion is suspected within an organization by the Federal Inland Revenue Service. A tax audit is recommended and carried out.

If problems of fraud or financial mismanagement are observed that affect the whole organization or a particular segment of the organization, a more detailed tax investigation may be conducted.<sup>186</sup> Failure to file tax returns, filing of incomplete or inaccurate returns, or failures to register for tax purposes are other instances of situations that may predicate a tax investigation to be initiated by the FIRS.<sup>187</sup> The FIRS officials involved in the investigation will be officials who have special training and competence in investigation practices. Ideally, the majority of them should be forensic accountants, and they will usually require the assistance of police investigators and enforcers. The investigation helps to unearth any and every circumstance of fraud or tax evasion and obtain evidence necessary for possible prosecution.<sup>188</sup> Carrying out a tax investigation may necessitate that the business premises be sealed up to do a thorough job of obtaining evidence of tax evasion and fraud. Once solid evidence has been built up in support of tax evasion or fraud, the case will be brought before a court of law for criminal prosecution.<sup>189</sup>

In minimizing the occurrence of tax evasion and avoidance, the following can be done: Educating and enlightening taxpayers; Improving the quality of services delivered to taxpayers and the general public; The criminal prosecution process should be strengthened; Addressing tax compliance costs; Identifying existing and potential loopholes in tax laws which can be exploited to reduce tax liabilities; Devising appropriate sanctions to dissuade defaulters or offenders from evading tax and Building capacity of tax officials and improving their competencies.<sup>190</sup> To minimize tax evasion cases and therefore boost revenue, the enforcement of tax policies must be improved upon. Tax personnel must be well trained and

updated to match up to the sophistication of tax evasion associated with the use of modern technology.<sup>191</sup>

### **Tax Audit and Revenue Generation**

In order to combat the ugly phenomenon of tax evasion, many countries around the world have introduced tax audits into their tax system.<sup>192</sup> A tax audit can be defined as a process by which a taxpayer is examined to determine whether he has correctly assessed and reported his/her taxpayer liability and fulfilled the corresponding obligations. Up until 1998, the government carried out the role of assessing taxpayers through the activities of relevant tax authorities. However, from 1998, the self-assessment process was introduced into the Nigerian tax system to promote voluntary compliance.<sup>193</sup> This allows taxpayers to file their tax returns independently, hence creating an opportunity for taxpayers to reduce their tax liability either through tax evasion or tax avoidance, thus leading to loss of revenue to the government.<sup>194</sup>

### **Tax System in Nigeria**

Taxation is currently enforced by the three tiers of government, with each tier having it marked out a sphere of taxes and levies that it can collect. This helps to prevent the multiplicity of taxes and further enhances tax compliance amongst the populace. Taxes collected by the Federal Government includes Company income tax, withholding tax (only on residents of the Federal Capital Territory, Abuja, corporate and non-resident individuals), petroleum profits tax, education tax, Value Added Tax, Capital gains tax (only on residents of the Federal Capital Territory, Abuja, corporate and non-resident individuals), Stamp duties (only on bodies corporate and residents of the Federal Capital Territory, Abuja). Personal income tax levied on members of the Nigeria Police force and residence of the Federal Capital Territory, the Ministry of Foreign Affairs staff, and non-resident individuals.<sup>195</sup>

## **Tax History, Tax Reforms, and Federal Inland Revenue Service**

The history of the Federal Inland Revenue Service dates back to 1958 when the Income Tax Ordinance of 1958 was established, and it created the Board of Revenue. Before then, the Federal Inland Revenue Service functioned under the Inland Revenue Department of Anglophone West Africa, covering Nigeria, Ghana, Sierra Leone, and The Gambia. By 1943, the Nigeria Inland Department was carved out of the Inland Revenue Department of Anglophone West Africa and established to operate independently under the supervision of the Commissioner of Tax. This body comprised of the Resident, chiefs, and elders in each district, any native authority (which by native law and custom was recognized as a tax collection authority), and any native council or group of persons appointed by the Governor (History of FIRS, FIRS White Paper, 2016).<sup>198</sup> In 1958, the Income Tax Administration Ordinance No. 39 was enacted, and it provided a framework for the establishment of The Federal Board of Inland Revenue, and in 1961, the Federal Board of Inland Revenue (FBIR) began operation guided by Section 4 of the Companies Income and Tax Act (CITA).<sup>199</sup>

The Board comprised of a Chairman, a Deputy Chairman, the Senior Assistant Secretary which is responsible for the revenue matters in the Federal Ministry of Finance, the Legal Adviser, two other members that function as Chief Inspector of Taxes or Officers of equivalent rank, and one other member appointed by notice in the Gazette by the Minister.<sup>200</sup>

In 1961, the name was changed to the Federal Board of Inland Revenue (FBIR), operating Section 4 of the Companies Income and Tax Act (CITA).<sup>91</sup> In 1993, The Federal Inland Revenue Service was established as the operational arm of this Federal Board of Inland Revenue. Series of tax reform activities involving changes from one form to another culminated in the enforcement of the Federal Inland Revenue Service Establishment Act, 2007.<sup>102</sup> This Act gave the FIRS administrative autonomy and the authority to appoint, promote and discipline its staff. With this Act, the Federal Inland Revenue Service was

empowered and charged with the responsibility of assessing and collecting Federal Taxes and accounting for tax revenues accruable to the federation's government.<sup>36</sup>

The FIRS replaced the former Federal Board of Inland Revenue and took over the functions previously executed by the FBI. Furthermore, the FIRS Management Board was set up and empowered to supervise the service as indicated under the Act (FIRS Act, 2007).<sup>42</sup> By powers of the Act, the FIRS may request individuals, corporate organizations, or bodies, returns of their income or profits for tax. The FIRS was vested with powers to authorize an officer of the service to execute a warrant of detaining any defaulting taxpayer.<sup>25</sup> The FIRS Act 2007 states that any person who was having an obligation to deduct tax, fails to deduct, or after having deducted fails to remit the deductions to the service within 30 days after the duty to deduct arose shall be liable upon conviction for the amount of tax withheld or not remitted in addition to a penalty of 10% of the tax withheld or not remitted per annum (FIRS Act, 2007).<sup>106</sup> The Service was vested with powers to employ its legal officers who can prosecute any of the offenses under the FIRS (Establishment) Act 2007 subject to the power of the Attorney General of the Federation. These powers are essential in fighting tax evasion, which is a major challenge militating against tax compliance in Nigeria.<sup>102</sup>

In order to improve tax compliance and increase revenue generated through taxation, the FIRS, over the years, has created new departments and units to meet up with challenges associated with taxation and tax compliance. This includes the Process Operation Department (POD), The Audit Department, the Investigation and Intelligence Division (Later merged with the Audit Department in February 2006), and the Values and Doctrine Division.<sup>28</sup> The Process Operation Department had five units, including Information Communication and technology Unit, Bank Collection Services Unit, Return and Payment Processing Unit, Tax Refund Processing Unit, and the Procurement and Due Process Unit.<sup>109</sup> When the Investigation and Intelligence Division was merged with the Audit Department, the new unit

formed from that merger was saddled with the responsibility of Investigating civil and criminal cases and violations of tax laws; Installing effective database and efficient intelligence network; Prosecuting violators of the tax laws to serve as deterrence and Fostering close working relationships with other government agencies. (FIRS, 2012)<sup>100</sup>

Another critical step in restructuring the FIRS was that various VAT offices and area tax offices were merged to form integrated tax offices (ITOs). The FIRS was granted autonomy under the FIRS Act of 2007 and thus became both independent in funding and human resources. New departments were created, including the process operation department (POD), Audit department, tax policy research, development department (TPRD), regional coordination department, modernization department, with each department assigned specific functions, all working together to achieve better and more effective performance. Groups of departments were merged and headed by directors who report directly to the chairman of the FIRS.<sup>11</sup>

There has been an overall increase in tax revenue generated by the Federal Inland Revenue Services over the last twelve years. This can be preliminarily attributed to the tax reforms introduced in 2004 and the consolidations made by the management of the service over the years. This tax reform includes the series of actions taken by the Nigerian government to promote and strengthen the tax system. These actions were designed to broaden the tax base, reduce that tax burden on taxpayers, restore the confidence of taxpayers in the tax system and promote voluntary compliance by taxpayers, thus enhancing public revenue generation.<sup>102</sup>

The tax reforms have been embarked upon in the years before the study period and over fifteen years have been designed to achieve the following objectives: Bridge the gap between national development needs and the funding of the needs; Accelerate improved service delivery to the public; Boost non-oil revenue by structurally diversifying the economy; Make practical efforts at reviewing the tax laws and thus reduce the incidence of tax avoidance and evasion; Improve the system of tax administration and thus make it more responsible,

reliable, skillful and taxpayer-friendly; Increase the confidence of the public on the tax system and thus enhance voluntary compliance and reduce the complexity of the tax system both for the tax administrator and the taxpayer.<sup>130</sup> The tax reforms introduced in 2004 resulted in the presentation and ratification of specific bills, which resulted in increased revenue generation. These bills include the Federal Inland Revenue Service Act 2004, Personal Income tax act 2004, petroleum profit tax act 2004, value-added tax act 2004, education tax act 2004, custom excise tariff (consolidation) Act 2004, National Sugar Development Act 2004, and National Automotive Council Act 2004.<sup>114</sup> In addition to the tax reforms, tax authorities such as the FIRS have become more resolute in instituting civil actions against tax defaulters to recover taxes due to interest and penalties for contributing to the revenue targets of the service. In addition, it has been observed that tax authorities generally prefer to institute civil actions against tax defaulters to recover taxes due in addition to interest and penalties to contribute to the revenue targets of the Service.<sup>195</sup>

### **Revenue Generation and Federal Inland Revenue Service**

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## **2.2. Theoretical Review**

The five major theories that are of interest to this study (theory of fraud, system theory, the fraud triangle theory, ability to pay theory, and benefit theory) are presented below:

### **2.2.1. Theory of Fraud**

Fraud is identified as a significant cause of bank distress and eventual failure in the Nigerian banking sector.<sup>16</sup> In the review, about one thousand nine hundred and fourteen (1914) bank staff of various banks were involved in bank fraud between 1996 and 1998. The report also established that fraud contributed immensely to the failure of most banks in the 1990s, the amount involved representing as many as 32.1% of shareholder's funds in 1998.<sup>12</sup> The key to preventing fraud is to understand that fraud exists and then limit the potential for harm. To do

that, the detection of fraud is paramount, along with exceptional fraud prevention programs. Preventing fraud is often harder than it would appear. Human nature and greed guarantee that society and corporations would always face the issue of fraud. Lessening or removing the opportunity is one way to fight fraud. Improved internal controls and accountability can accomplish it. Understanding fraud prevention is critical for a business organization in the new era of improved corporate governance.<sup>20</sup>

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### **2.2.2. System Theory**

A system is considered a set of interrelating or co-dependent constituent parts, making a complex or intricate entire intended to achieve a set goal. An organization is a multifaceted system divided into numerous departments that need a system of control over those subdivisions for its efficiency and survival.<sup>14</sup> Operational internal control structure needs to be an incorporated system with interconnected constituents and supporting values. They further identified the controlled situation, accounting classification besides control actions forming critical components of internal controls. An internal control structure accessible for a company consists of; administration oversight and control philosophy, control activities, hazard assessment and recognition, information and communication, monitoring actions, and adjusting insufficiencies.<sup>58</sup> The committee of sponsoring organization was custom-built in the 1980s by the State Commission of Falsified Monetary Reporting (The Treadway

Commission) to recognize as well as evaluate the aspects that instigated deceitful company monetary reports as well as make commendations and has since established to become a thought frontrunner in business risk administration (ERM), internal control, and deception discouragement.<sup>226</sup>

The view of organizations as open social systems that must interact with their environments to survive is known as the systems theory approach. Organizations depend on their environments for several essential resources: customers who purchase the product or service, suppliers who provide materials, employees who provide labor or management, shareholders who invest, and governments that regulate.<sup>27</sup> This approach identifies organizational behavior by mapping the repeated input, throughput, output, and feedback cycles between an organization and its external environment. Systems receive input from the environment either as information or in the form of resources. The systems then process the input internally, which is called throughput, and release outputs into the environment to restore equilibrium to the environment.<sup>18</sup> The system then seeks feedback to determine if the output was effective in restoring equilibrium. As can be seen, the systems approach focuses on the means used to maintain organizational survival and emphasize long-term goals rather than the short-term goals of the goal-attainment approach.

Theoretically, systems can be considered either open or closed. Open organizations exchange information, energy, or resources with their environments, whereas closed systems do not. In reality, because no social systems can be completely closed or open, they are usually identified as relatively closed.<sup>29</sup> The distinction between closed and open systems is determined by the level of sensitivity to the external environment. Closed systems are insensitive to environmental deviations, whereas open systems are responsive to changes in the environment. This perspective is broader than the goal-attainment approach because it is not limited to measuring effectiveness as meeting goals determined by powerful internal

coalitions that may or may not be propitious for the whole organization. Most effective organizations, according to systems theory, adapt to their environments.<sup>23</sup> The environment is the events occurring in the world that affect the activities and outcomes of an organization. Environments range from "static" on one extreme to "dynamic" on the other.

Static environments are relatively stable or predictable and do not have significant variation, whereas dynamic environments are in a constant state of flux. Because environments cannot be wholly static or constantly changing, organizations have varying levels of dynamic or static environments.<sup>31</sup> Organizations that exist in dynamic environments must be open systems in order to maintain homeostasis. Because dynamic environments are constantly changing, they create much uncertainty about what an organization must do to survive and grow. The key to dealing with uncertainty is information. An open organization monitors its environment and collects information about environmental deviations that are labeled as input. Input can also be thought of as a form of feedback.<sup>22</sup> The most critical information is negative input, according to systems theorists, because this information alerts the organization to problems that need to be corrected. Negative input tells the organization that it is doing something wrong and must make adjustments to correct the problem; positive input tells the organization that it is doing something right and that it should continue or increase that activity.

Organizations then organize and process this information to formulate solutions or responses to these changes. The adjustments affect the structure or process of the organization or both.<sup>36</sup>

The structure is what the organization *is*, whereas the process is what the organization *does*.

Adjustments are "intended to reduce, maintain, or increase the deviations. Other organizations may change their processes in order to adhere to new environmental laws. Processing positive and negative input to adjust to environmental change is called throughput. In the throughput of information, the organization analyzes it and tailors it

strategically to fit with its goals, values, and relationship with the public. After an organization adapts to environmental changes, its actions and messages represent its output.<sup>20</sup>

The automobile industry constantly entices car consumers to try the latest models, hoping that it has responded to changing expectations. Recently, many auto manufacturers have attempted to color their products as "green" or environmentally friendly. However, messages are not enough.

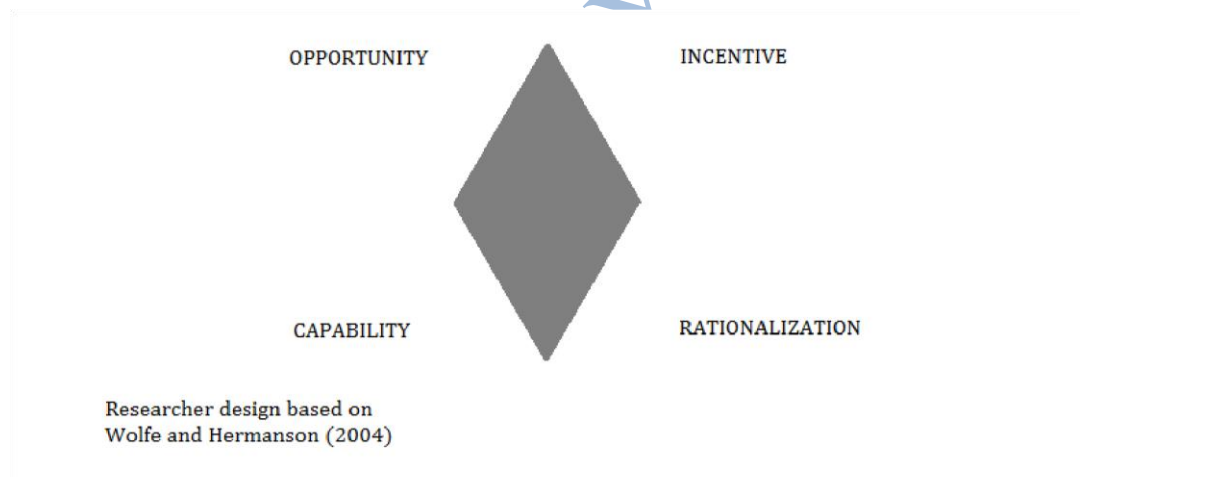
If the cars are not friendlier to the environment, these messages eventually will fall on skeptical ears and impugn the organization's credibility. An organization measures the effectiveness of its output by seeking feedback.<sup>51</sup> If its actions and messages were ineffective, then the process is repeated until the appropriate solution is found. If the organization cannot adapt to the environmental variation, it will eventually cease to exist. The public relations professional engaged in an organization that takes a systems approach is continually focusing on feedback to measure organizational success. The public relations professional can use the academic concept of systems theory to implement protocols for regular feedback to the organization, thereby aligning it with the public's desires in its environment. This theory can also help understand the role of research and feedback in creating a thoroughly analyzed and consistent strategy (the throughput stage of information in systems theory).<sup>172</sup>

The analysis of information and creation of strategy known as throughput helps to conceptualize and justify the research budget of the public relations department and the need for making decisions that strategically align the public communications of an organization with the information needed by the public. The practical implementation of this approach keeps public relations from being used as a simple publicity function and places the function squarely in the strategic planning process. Systems theory, however, is not without some shortcomings.<sup>28</sup> The first shortcoming relates to measurement, and the second is whether how an organization survives matters. Robbins noted that one criticism of this approach focuses

on "the means necessary to achieve effectiveness rather than on organizational effectiveness itself. Measuring the means or process of an organization can be very difficult compared to measuring specific end goals of the goal-attainment approach."<sup>39</sup>

### 2.2.3. The Fraud Triangle Theory

The Fraud Triangle Theory focused on what drives persons to interrupt expectation. Two hundred fifty offenders were questioned in five months whose conduct met two principles; primarily, individuals accept accountabilities of faith in good faith, and secondly, situations make them breach the reliance.<sup>14</sup> It was noted that three aspects, pressure, opportunity, and justification, should be present for persons to breach their place of belief. The three basics of the scam were shortened as follows: The Fraud Diamond Philosophy- The Fraud Diamond Philosophy: apparent pressure may exist with a prospect as well as a justification; it is improbable for the scam to happen except if the fourth component (ability) also exists.<sup>242</sup>



### Figure 2.1 The Fraud Diamond Philosophy

Opportunity: Opportunity is produced by weak controls or poor authority structures that permit workers to commit an employee scam. It is referred to as weaknesses in internal controls and asserts that persons will gain accessible situations. Opportunities will exist in the awareness of the culprit. Mostly, the low the probabilities of being found, the more likely the likelihood of fraud occurring and the opportunity to supersede given scam controls.

Opportunity is the power and ability to establish weak institutional systems of control and capitalize on committing fraud.<sup>43</sup> Rationalization: For fraud to occur, the perpetrator formulates an unacceptable idea to him before committing fraud. The person carrying out the scam frequently justifies the scam. Justifications may comprise, "I will remunerate the cash back" "They will not miss the money," or "They do not pay me sufficiently." This posits that fraudsters have a specific mindset that allows them to rationalize their behavior. Capability: This is having the characteristics necessary for an individual to commit a scam. This is where the impostor acknowledged the specific scam opportunity and the capability to go it into realism, considering that only the individual with high capability to comprehend the general internal control classification and detect its flaws will commit a scam.<sup>24</sup>

Place/Purpose: The original aspect that enables the impostor to commit fraud is their designation in their workplace. The place and role performed by the worker might facilitate his way to violate the administrative belief. They further explained that numerous companies do not execute adequate checks and balances to alleviate their CEO's ability to influence and disseminate scams. This essentially creates a situation for management to override the existing controls.<sup>45</sup> Intelligence/Creativity and Ego: For fraud to take place, the perpetrator needs to be capable of exploiting weaknesses in internal controls and their designation to their gain. Creative, intellectual, and knowledgeable employees with a concrete understanding of existing controls and weaknesses commit most of the fraud. This knowledge and understanding influence a person's apprehension to approve admittance to classifications or assets.<sup>33</sup> This impact on internal controls instituted within the organization. Thus, people who commit fraud need to have a strong ego, which enables them to exploit loopholes in the internal controls.<sup>169</sup>

#### 2.2.4. Ability to Pay Theory

This theory propounds that the sole aim of imposing taxation is to obtain revenue, and then a reasonable distribution of taxation could indeed be based upon the citizens' ability to pay. The difficulty comes in when we try to assign a definite meaning to this idea; at present, it is the most generally accepted theory, but possibly because it is so conveniently vague.<sup>128</sup> Ability to pay at least three different and distinct meanings. We may consider it entirely from the point of view of equity, consumption, and the production of wealth. If taxation is to be levied solely to obtain revenue, then equality may be a very desirably ideal at which to aim. However, what does equality mean? Everybody should not pay an equal share of taxation, and three possible critical forms of distribution have been suggested from time; each is intended to secure equity, and each is supposed to be based on the ability to pay.<sup>124</sup> The first is the Pure Proportional form; taking income as the standard, it is laid down that the criterion of ability to pay would be attained by taxpayers paying in the proportion of their income proportion being considered in the strict mathematical sense of the word.

This is perhaps of his view, but indeed it must be repudiated by common sense, a single example will show. Suppose that the State required a quarter of a man's income; then a man earning N10 a week would pay 25%, and the one getting N2 a week would pay 10% each week; the first man might now no longer be able to keep a motorcycle, while the latter would hardly be able to feed his wife and family.<sup>148</sup> Such considerations lead men to think of a progressive or graduated form of distribution, in which the rate of taxation levied increases with the size of the income. Second is equality of taxation; therefore, as a maxim of politics, it means equality of sacrifice. It means apportioning each person's contribution towards the expenses of government so that he/she shall feel neither more nor less inconvenience from his/her share of the payment than every other personal experience.<sup>149</sup> In estimating a man's faculty or ability to pay, one must not alone think of the burden imposed on him in parting

with his property or income, but one must also consider the opportunities he has enjoyed in securing that property or income.

If this is so, it is a simple case that equity requires a graduated rate of taxation; many higher incomes (and the so-called "unearned" incomes) are obtained as the result of particular privileges, particularly that of inheritance and this legal or social privilege enjoyed in the production of an individual's income increases its "ability to pay."<sup>120</sup> However, the strongest argument against this graduated form of taxation seems to be that it checks to save. However, in a way, does any form of taxation; a progressive system most considerably the vast incomes, but it encourages saving among the middle classes and the people with relatively small incomes. It should be noticed that although income and inheritance taxes are the particular ones to which graduation is most efficiently applicable, yet progression can also be realized to a certain extent by levying heavy taxes on luxuries and better kinds of several articles.<sup>51</sup>

Thirdly, we come to a form of distribution that may be called a qualified proportion alone. Here, once again taking income as the standard, "equality of sacrifice" can be obtained (it is said) by exempting a certain amount of income and levying a uniform or possibly a slightly graduated rate of tax on any income above that limit. This is, of course, how our present income tax works, which allows "a personal allowance." The two central principles of taxation are related to the impact of tax on efficiency (concerned with the allocation of resources) and equity (concerned with the distribution of income). As the critical principles of taxation in any system, it is worth taking an in-depth look at "efficiency" and "equity (fairness)."<sup>152</sup> A sound tax system should be efficient in that it should save as little money and resources as possible. Efficiency can be measured against three standpoints; administrative costs, compliance costs, and excess costs. These three relate to the cost of operation of the tax

system, to its flexibility and certainty. Administrative costs are the costs to the government (and ultimately to the taxpayer) of collecting tax revenue.

In order to comply with their regulation to pay taxes, citizens are bound to incur costs. In order to collect taxes, the government must hire collectors to collect the revenue; data entry clerks to process the tax returns; auditors to inspect questionable returns; lawyers to deal with disputes, and accountants to track the flow of money.<sup>155</sup> All these costs are those that the government incurs to administer the tax system. On the other hand, compliance costs are the cost (other than the taxes themselves) of making tax payments to the government.<sup>192</sup> These compliance costs include the money that people spend on accountants, tax preparers, and tax lawyers and the time spent filing tax returns and keeping records. The third aspect of efficiency, Excess burden, relates to a tax-induced change in behavior displayed by taxpayers. When the government levies taxes on goods, it distorts consumer behavior as people are bound to buy less-taxed goods and more of other goods. Thus, the intrinsic value of goods is shadowed by the taxes which are imposed on the goods.

In general, the larger any of this cost gets, the worse it is for efficiency.<sup>200</sup> However, the other central principle of taxation is that the tax burden should be distributed fairly. Accordingly, equity or fairness is further highlighted by the ability-to-pay principle and the benefits principle. The ability-to-pay principle holds that the amount of taxes that people pay should be based on their ability to pay. This principle implies two things: Horizontal Equity: People in equal positions should be made to pay the same amount of taxes Vertical Equity: A tax system should distribute the burden of paying taxes fairly across people with different abilities to pay. Thus, people who earn more should pay more than those people who make less them.<sup>117</sup>

### **2.2.5. Benefit Theory**

Benefit theory is also known as the "voluntary exchange" theory. Under the benefit theory, tax levels are automatically determined because taxpayers pay proportionately for the government benefits, they receive. In other words, the individuals who benefit the most from public services pay the most taxes.<sup>128</sup> This provided solution to three problems through his discussion on the benefit approach. These problems include the Extent of state activity: Allocation of the total expenditure among various goods and services: and Allocation of the tax burden. Conclusively, this study is based on the Ability and Benefit theory of taxation to ensure transparency. The ability-to-pay approach treats government revenue and expenditures separately. Thus, taxes are based on taxpayers' ability to pay; there is no quid pro quo.<sup>125</sup> Taxes paid are seen as sacrifices by the taxpayer. While the benefit principle is a concept in the theory of which bases taxes to pay for public goods expenditures on a politically revealed willingness to pay for benefits received? The benefit principle takes a market-oriented approach to taxation. Thus, its objective is to accurately determine the optimal amount of revenue spent on public goods.<sup>160</sup>

### **Theoretical Framework**

Though five major theories are of interest to this study, such as; theory of fraud, system theory, the fraud triangle theory, ability to pay theory, and benefit theory as presented above, this study, therefore, adopts the benefit theory because this study is based on Ability and Benefit theory of taxation is aimed at ensuring transparency. The ability-to-pay approach treats government revenue and expenditures separately. Thus, taxes are based on taxpayers' ability to pay; there is no quid pro quo. Taxes paid are seen as sacrifices by the taxpayer. While the benefit principle is a concept in the theory of which bases on taxes to pay for public goods expenditures on a politically revealed willingness to pay for benefits received. The benefit principle takes a market-oriented approach to taxation. Thus, its objective is to

accurately determine the optimal amount of revenue spent on public goods. The study's objective is to assess the relevance of Forensic Accounting Practices in Tax Revenue to increase the revenue generated and reduce any form of fraudulent activities if not eradicated at all.

### **2.3. Empirical Review**

Empirical review deals with original research (such as scientific experiments, surveys, and research studies). They are researches based on experience and observation rather than on systematic logic.

#### **2.3.1. Fraud Prevention, Detection, and Tax Revenue**

Fraud Prevention and Detection are not being practiced accordingly in some firms but particularly important to firms that experience fraud. Consequently, it is difficult to decompose the value of fraud prevention and detection to the firms that need it most. In contrast, the first analysis is performed using only fraud firms, as it hypothesized that Fraud Prevention and Detection and tax revenue relation is fundamental because when there are no adequate measures put in place by the organization to prevent and detect fraud, all the revenue generated will be embezzled by some people who will affect the growth of the firm. The visibility of these controls acts as one of the best deterrents to fraudulent behavior.<sup>14</sup> It is vital to continuously monitor and update the fraud detection strategies to ensure they are effective. Detection plans usually occur during the regularly scheduled business day. These plans consider external information to link with internal data.

The results of fraud detection plans should enhance the prevention controls. It is essential to document fraud detection strategies, including the individuals or teams responsible for each task. Once the final fraud detection plan has been finalized, all employees should be made aware of the plan and how it will be implemented. Communicating this to employees is a prevention method in itself. Knowing the company is watching and will take disciplinary

action can hinder employees' plans to commit fraud.<sup>62</sup> It is not possible to prevent or eliminate all frauds. That is why it is important to put in place measures to detect fraud. Finding fraud can be one of the most challenging and exciting areas of fraud risk management. Detecting fraud early enough helps to minimize losses and increases the likelihood of recovery for frauds that have been identified. Putting detection measures in place can also act as a deterrent, preventing potential frauds from being committed and making the organization more resilient to fraud.

Detection of tax evasion perpetrated through deliberate falsification of accounts and misrepresentation in order to reduce or altogether avoid tax; Identification and beating of tax avoidance; Checking for genuine errors or act of omission or commission which have the effect of reducing tax, either through ignorance of the taxing laws or improper record keeping and Application of tax laws to determine taxable profit. Hence, it is difficult to identify all cases of both detected and undetected fraud thoroughly. Some measures about the nature of the fraud and the detection can facilitate a traceable setting for the analysis.<sup>101</sup>

### **2.3.2. Fraud Deterrence and Tax Revenue**

There was an examination about the effect of using Fraud deterrence on the organization's performance if the revenue generated increased or decreased in Kenya. The study covered the period of 2007 to 2012 using the Fraud deterrence index to measure the risk. The study reveals that Fraud Deterrence has no significant impact on the organization's revenue generated within the period.<sup>121</sup> Therefore, organizations are encouraged to implement specific anti-fraud internal controls to lessen the opportunities to commit fraud. Understanding how occupational fraud is executed is the first step in determining which internal controls to implement. The study classified occupational fraud schemes into three categories: asset misappropriation (theft of cash, data, property), corruption, and financial statement fraud schemes (deliberate misstatement, misrepresentation, or omission of financial statement

data). Historically, although theft of assets has produced the lowest average losses, these schemes have accounted for most reported fraud activity.

Within this category, there are various practices that an employee may utilize to steal company assets and resources, including theft of cash receipts and fraudulent disbursements of cash such as through billing schemes, fictitious vendors, fraudulent expense reimbursements, or check tampering. All these decisions are to make the organization secured the revenue generated.<sup>99</sup>

### **2.3.3. Fraud Investigation and Tax Revenue**

A study review reveals that fraud is a genuine and costly problem that causes loss of money and severe injury, and sometimes even death. Fraud investigation is summaries as the process involves systematically gathering and reviewing evidence to document the presence or absence of fraud.<sup>161</sup> Fraud investigations typically commence as a result of some indication that fraud may have occurred. Most fraud investigations begin with a meeting between the invigilator and the client. Fraud investigations typically commence as a result of some indication that fraud may have occurred. Most fraud investigations begin with a meeting between the invigilator and the client.<sup>121</sup> The person launching the investigation explains to their invigilators whom they suspect with fraud and handover any evidence to their investigator. A good fraud investigator will use this initial information to find more evidence and more facts.<sup>122</sup>

A fraud may use surveillance, asset searches, background checks, employee investigations, business investigations, and other types of methods to get to the bottom of a case.<sup>123</sup> In most cases, fraud investigations are of white-collar crime, which involves surveillance and careful consideration of complicated financial records.<sup>124</sup> The person launching the investigation explains to their invigilators whom they suspect with fraud and handover any evidence to their investigator. A good fraud investigator will use this initial information to find more

evidence and more facts. A fraud may use surveillance, asset searches, background checks, employee investigations, business investigations, and other types of methods to get to the bottom of a case. By doing this, all the stolen assets will be recovered from the perpetrators, and the organization's performance and Tax revenue will be improved.<sup>192</sup>

#### **2.3.4. Tax Audit, Investigation, and Tax Revenue**

Several studies came up with inconclusive results regarding the relationship between Tax Audit & Investigation and Tax Revenue; they found no relationship between having independent auditors for different objectives. The main objective of a good tax audit exercise is to enable tax authorities determine whether or not the taxpayers have complied with relevant tax laws and as such, a good tax audit exercise has the following qualities: There must be adequate and detailed audit plan; Risk assessment must be done to identify specific areas of attention during the audit; The taxpayers' books and records must be sufficiently reviewed in order to get reliable and relevant information on the identified risk areas; Appropriate audit tests should be carried out on the specific areas of focus; The exercise should be conducted with full regards to both taxpayer's rights and tax auditor's obligations; The audit processes and conclusions reached must be well documented in simple and straightforward language.

The taxpayer must be assessed objectively and appropriately based on the conclusion reached at the end of the exercise; the taxpayer must be fully enlightened on the areas of its shortcomings with a view to encouraging voluntary compliance and The audit exercise must be completed within the stipulated time frame.

#### **2.3.5. Forensic Accounting Practices and Tax Revenue**

Some studies reveal that Forensic accounting has not been used in some organizations due to some cost, but forensic accounting sees as the use of accounting, auditing, and investigates skills to assist in legal matters. Forensic accounting is a tool that helps in combating

economic crime because it helps to identify documents, extract, sort, report, and verify all financial data or other accounting activities of an organization or office so that the findings obtained can be used for settling current or prospective legal disputes. Such past financial data can also be used to project future financial data and further settle a legal dispute. Forensic accounting was employed successfully by the Central Bank of Nigeria in 2009 and the Securities and Exchange Commission in 2011. It is fast gaining acceptance within the Nigerian economic landscape that is greatly affected by corrupt practices by organizing, government Parastatals, politicians, and private individuals.<sup>121</sup>

Involving an outside party with expert forensic accounting skills allows parties involved in the allegation to be more willing to engage in discussion and allow a thorough investigation of the case. A forensic accountant must be able to provide an objective, unbiased opinion of the case at hand. This is the only thing that can serve as a stronger argument that the court can accept. Forensic accountants can also work to help and reduce instances of white-collar crime as they can sort out, assess and report various financial transactions related to allegations against individuals and companies in a variety against individuals and companies in a variety of situations such as arson, scams, fraud, investment scams and stock market manipulations.

## 2.4. Conceptual Framework

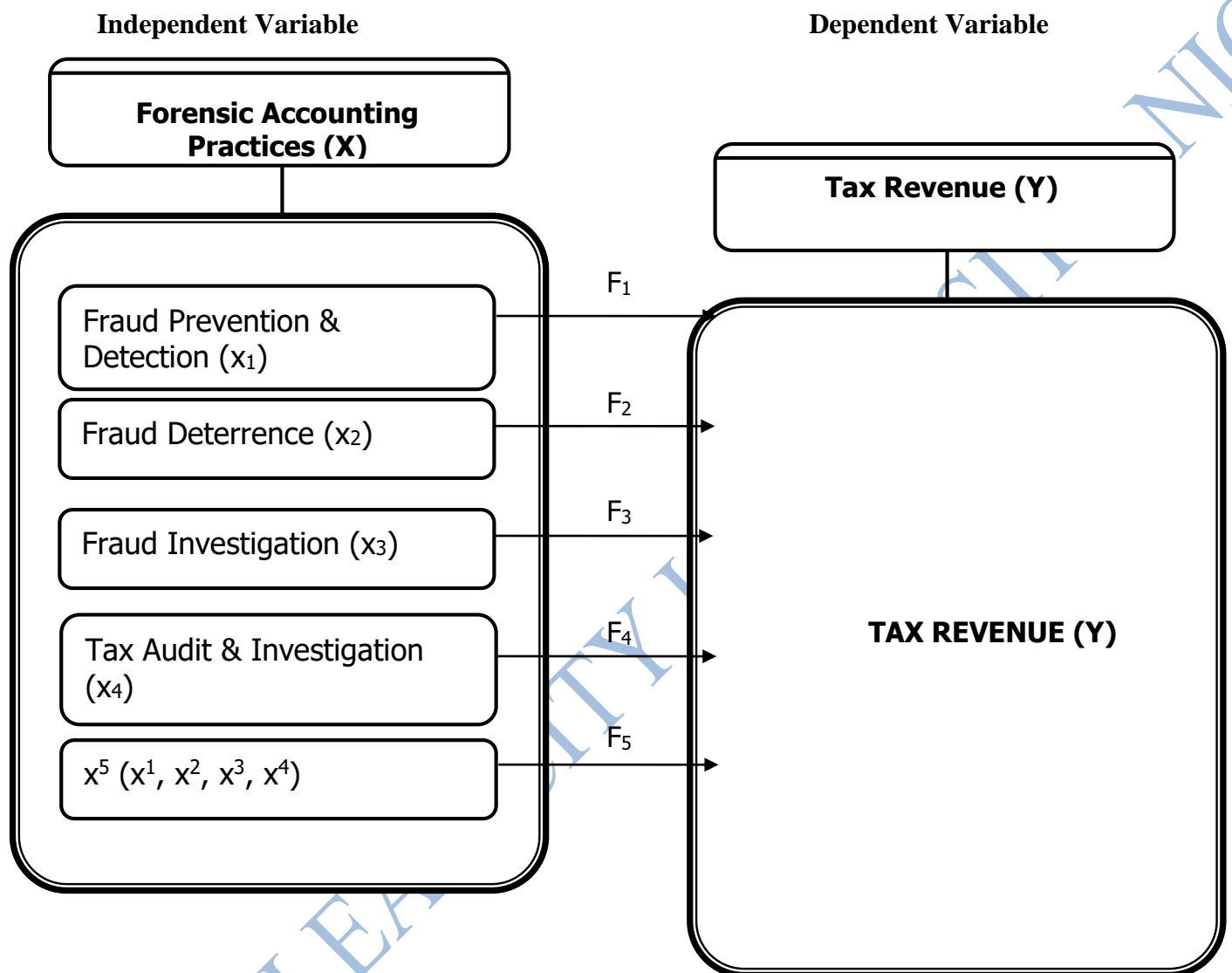


Figure 2.4: Researcher's Conceptual Model, 2021

## 2.5 Summary of Gaps in the Literature

S/N	Author's Name and years	Research Title	Findings	Gaps
1	Umoh, O.O. Ubom, A.S (2012)	Corruption in Nigeria: Perceived Challenges of executives is a major impediment to EFCC's and Financial Crimes Commission (EFCC) in the Fourth Republic	Results indicated that the immunity clause is needed in especially by the preventive and detective method, so that the fraud could be discovered immediately or reduced drastically. EFCC's fight against corruption.	Further research is needed in preventive and detective method, so that the fraud could be discovered immediately or reduced drastically.
2	Lalit Wadhwa, Virender Pal (2012)	Forensic Accounting and Examination in India	The study indicated that all of the larger accounting firms as well as many medium-sized and boutique firms have recently created forensic accounting departments. Forensic accounting, in fact, integrates accounting,	The study did not investigate much on preventive method of fraud. Further research could be focus preventive methods to minimize or eradicate fraud through forensic

auditing, and accounting  
investigate skills to application  
conduct an  
examination in to a  
company's financial  
statements.

- 3 Nenyiaba, Ile Charles (2012) White Collar Crime and Accounting Standards in the Nigerian Public Sector
- Results indicated that Crime and non-compliance with accounting standards is responsible for the increasing spate of white collar crime in the Nigerian private sector and the extent to which forensic accounting existing courses in the training programme of standards are practicing accountants helping to stem are responsible for the occurrence of inability of auditors to detect, early enough, white collar crime in the public sector thereby aggravating the scam.

- 4 Onuorah Anastasia Chi-chi, Fraudulent Activities and Forensic Accounting Services of Banks in Port Harcourt, Nigeria (2011)
- The study found that the application of forensic accounting services affects the level of fraudulent activities of banks. This result implies, simply, that forensic accounting services provide banks with necessary tools to deter fraudulent activities.
- The study did not investigate all the banks in Nigeria, the only focus on some banks in the south-south region. For the study, the results might to some degree mislead. Other part of the country should be investigated in the future experimental designs.
- 5 B.O. Ali-Momoh and A.I. Oseni (2010)
- Corporate Governance, Transparency and Shareholders' Rights: The Role of Forensic Accountants in Propelling Forensic Accounting discipline. The
- Results indicated that Forensic Accounting is very new in Nigeria. There are Private and Public Consultants who have shown strong interest in the Forensic Accounting discipline. The
- Control processes that will safeguard the quality of their services and products are unsecured in the interest of the shareholders and

Economic forensic accountant market  
 Growth. can make significant efficiency. The  
 contributions as part of international  
 the government codes of  
 committee. For corporate  
 instance, in the area of governance are  
 corporate governance not properly  
 etc. adopted to meet  
 the need of  
 Nigerian  
 governance  
 environment.

6 Sayel Ramadhan (2015)

Certified Results indicated that Further research  
 Accountants' an increasing demand is needed to  
 Perceptions of on forensic accounting examine  
 Forensic in the business academicians'  
 Accounting environment as a perceptions  
 Education: The means to restore regarding  
 Case of Bahrain investors' confidence forensic  
 in financial reporting. accounting  
 education.  
 Research is also  
 needed to  
 investigate the  
 extent of growth

- of forensic accounting services and the growth.
- 7 Okoye, E.I, Gbegi, D.O (2013) An Evaluation of The study found that The findings the Effect of fraudulent practices gave low insight Fraud and and financial related towards effective Related crimes have portrayed monitoring of Financial Crimes Nigeria in a bad light advance fee fraud on the Nigerian and as such foreign in Nigeria. Economy. investors are skeptical in doing business in our country.
- 8 Oluwatoyin muse Johnson Forensic The study found that Other industry Popoola, Ayoib Che-Ahmed, Accounting forensic accountants such as private Rose Shamsiah Samsudin Knowledge and may have penchant to sector was not (2013) Skills on Task access all fraud risk investigated in Performance factors at a higher the study, further Fraud Risk level than auditors. research could Assessment: This is so when focus on private Nigerian Public adequate and proper sector to know sector consideration is given how to prevent, Experience to the forensic detect and accountant specialized respond to fraud skills such as require a holistic

information approach in technology skills, adopting forensic auditing skills, accounting investigating skills, knowledge and communication skills, skills in the task legal system and court performance risk procedural skills and assessment. technology skills.

9 Poonam Murlidhar Lohana Forensic Accounting- At Nascent stage in Indian Results indicated that Further research is needed in area of corporate governance to level of assurance and integrates to add credibility to accounting, the financial auditing, and statements. However, investigate skills forensic accounting to conduct an has tremendous examination in to potential as new area a company's of practice for Indian financial Chartered statements. Accountants.

10 Augustine, EhijeagbonAkhidime, RoseMary E. Uagbale-Ekatah Forensic The Growing Relevance of that Forensic accounting practice is The findings revealed Since the study only focus its findings in a

(2014)

Accounting as a largely considered to particular area  
Tool for be at its infancy stage without taking  
Combating and lacking statutory other region of  
Fraud and support, and that Nigeria into  
Corruption: although its relevance consideration, the  
Nigeria in unraveling complex results might not  
Experience. official corruption is be revealing  
on increase in Nigeria, actual fraud and  
it nevertheless has no corruption stages  
statutory backing and in the country.  
has no significant Further research  
impact against is needed  
corruption, fraud and particularly in  
financial crime in other region of  
Nigeria. the country.

11 Lalita B, Malusare (2013)

The The study indicated The study did not  
Effectiveness of that Forensic auditors reflect what  
Forensic must be capacitated really applicable  
Accounting in materially and in other part of  
Detecting, technically to improve the world as the  
Investigating, their effectiveness issue of the fraud  
and Preventing need drastically  
Fraud in India action through  
forensic  
accounting tools

- to deter fraudulent activities.
- 12 Nwankwo Odi (2014) Impact of The study revealed Further research corruption on that the level of is needed to economic growth corruption in Nigeria examine a in Nigeria over the years has Critical Issue in significant negative Nigeria impact on economic Economic growth in Nigeria. Development and the extent to which forensic accounting are helping to stem the occurrence of the crime in the country.
- 13 Md. Jahirul Islam, Md. Habibur Rahman, Mohd. TakirHossan (2011) Forensic Accounting as a tool for Detecting Fraud and An Empirical Study in Bangladesh Forensic Accounting as a fraud detection tool has relevance to combating fraud and corruption in Bangladesh The research revealed that Forensic Accounting as a fraud detection tool has other sector of the economy and how could be prevented or eradicated No comments as to how such issues affected

- through forensic accounting tool.
- 14 Wurim, Ben Pam (2013) Fraud and other Financial Crimes Prevention: The Legal and Regulatory Frame Work Versus Zero Tolerance Fraud in Nigeria The study found that corruption has eaten so deep into the fabric of the society and the battle against corruption being prosecuted by men who are only allowed to operate within visible boundaries imposed by the government of the day
- Holistic approach in not adopting in the study of forensic accounting knowledge and skills in the task performance risk assessment.
- 15 Cletus O, Akenbor, UwaomaIronkwe (2014) Forensic Auditing Practices and Fraudulent Practices of Public Institutions in Nigeria Results indicated that both the proactive and reactive forensic auditing practices have a negative significant relationship with fraudulent practices in Nigerian public institutions. Further research could focus on private sector to know how to prevent, detect and respond to fraud require in adopting forensic accounting knowledge.
- 16 Dada, Samuel Olajide (2014) Forensic The study has been further research

Accounting established the need effort should be  
 Technique: A for application of made to capture a  
 means of forensic accounting larger population  
 successful practices to investigate and sample. This  
 eradication of and detect cases of will in fact  
 corruption corruption in Nigeria. permit a  
 through fraud The court system that comparative  
 prevention, usually causes delays analysis of data  
 Bribery in the trial of accused and increase our  
 prevention and persons needs to be confidence in the  
 embezzlement strengthened, to ensure conclusion.  
 prevention the success of the  
 efforts of EFCC.

17 Madan Lal Bhasin (2013)

Corporate The study, therefore, Further research  
 Governance and concluded that it is needed to  
 Forensic necessary for the examine  
 Accountants' professionals (viz., the academician's  
 Role: Global chartered accountants, perceptions  
 Regulatory company secretaries, regarding  
 Action Scenario auditors, legal and IT forensic  
 professionals) and accounting  
 companies to shift education.  
 their focus from mere  
 compliance approach  
 to study and

investigate the behavior of board of directors, CG practices, and financial reporting systems.

There is no doubt that a qualified, trained and mature Chartered Accountants, possessing forensic accounting (FA) skills, can prove to be a valuable asset to the corporate-sector, and gradually help to improve their CG system

18 Linda Bressler (2016)

The role of forensic accountants in fraud investigations: Importance of attorney and fraud. The study indicated that fraud investigators will spend many weeks working on a case to prosecute and fraud. A possible future study could involve conducting a quantitative research project on the

judge's Forensic accountants perceptions of perceptions must be well trained in judges directly the rules of evidence, involved in financial data, AIS validating AIS software, forensic communication skills evidence. It as well as be able to might be convince a judge that especially they should be viewed helpful to inquire as an as to what AIS evidence was put aside or not allowed as expert testimony and find out why these rulings were made.

- 19 Adeyemi, B.M, Uchehara, C.C, Crime Investigative Control in fingerprinting can help Nigeria Using address the critical that the Brain elements in the fight investigators Fingerprinting as against terrorism know because he a Cyber Tool including assisting in has been exposed Technique determining who has to all available

participated in terrorist information in a  
 acts, directly or previous trial,  
 indirectly, assisting in there is no  
 identifying trained available  
 terrorists with the information with  
 potential to commit which to  
 future terrorist acts, construct probe  
 even if they are in a stimuli, so a test  
 “sleeper” cell and have cannot be  
 not been active for conducted.  
 years.

20 Ahmad Bukola Uthman, Curbing The study found that Further study is  
 Lukman Adebayo Oke, financial crimes respondents group needed on how to  
 Mohammed Kayode Ajape, with anti-graft perceived the anti- apply forensic  
 Zayyad Abdul-Baki bureaus in graft agencies as accounting  
 and Murhtala Oladipupo Tijania Nigeria: The highly effective but practices on fraud  
 (2015) accountants’ could not establish that and other  
 Perception accountants in various financial related  
 walks of life differ crimes of  
 significantly in their government to  
 perception of the veiled from  
 efficacy of the public glare. .  
 Nigerian Anti-graft  
 bureaus

21 Fatoki J.O (2014) An Empirical Results indicated that The study did

Study of Tax Forensic Accounting is mention the  
 Evasion and Tax very new in Nigeria. importance of  
 Avoidance: A The forensic applying forensic  
 Critical Issue in accountant can make accounting  
 Nigeria significant  
 Economic contributions to the  
 Development. Economy development  
 of the Country.

- 22 Izedonmi, Famous & Ibadin, Forensic Accounting and the motivations for that future study  
 Peter Okoeguale (2012) Financial Crimes: built around some risk inference  
 Crimes: Adopting the factors, which include network analysis  
 Inference, the incentive (or and inference  
 Relevance and pressure), opportunity model in order to  
 Logic Solution and rationalization prove that an  
 Approach surrounding the ultimate fact rests  
 financial criminals. solely on the  
 strength of the  
 inferences and  
 not just the  
 evidence.  
 Perhaps, too,  
 future empirical  
 study on this area

is advised. This will enable a clear picture of the linkage between IRLS approach by the forensic accountant and in resolving financial crimes in Nigeria.

- 23 Sutan Emir Hidayat & Abdullah Hamzah Al-Hadrami (2015) Forensic Accounting Education Bahrain: Survey Educators' Opinion the study recommends that the accounting departments in Bahraini universities on should be encouraged to offer a program that specializes in forensic accounting or at least offer a course in this topic in the accounting curriculum. Future study is to conduct a comparative study between the opinion of educators and practitioners regarding the same issue.
- 24 Rotimi Ekundayo Mathew, Obasaju Barnabas, Lawal Adedoyin Isola & Ise Olorunkanmi Analysis of Corruption and Economic of The results revealed further research and that corruption impairs effort should be made to capture a and impacts economic made to capture a

Joseph (2013)

Growth in growth and that its larger population  
Nigeria consequences and and sample. This  
effects are also on the will in fact  
increase. Therefore, it permit a  
is obvious that in a bid comparative  
to minimize corruption analysis of data  
in order to restore the and increase our  
fame and dignity of confidence in the  
the economy making it conclusion.  
an environment for  
rapid  
economic growth, the  
identified issues and  
problems of corruption  
setting back the  
economy over time  
must be seriously  
identified and tackled.

25 Onaja ML &Iwarere (2015)

Effects of Tax Results indicated that No comment as  
Audit on in addition to tax to measures that  
Revenue evasion, inadequate have been put in  
Generation: remittal of actual tax place by the  
Federal Inland revenue by officials is FIRS to check  
Revenue Service, another factor such practices by  
Abuja contributing to low tax officials.

	Experience	revenue generated by taxation in Nigeria	however made some recommendations as to how to stem the tide but he made no mention of the potential benefits (or lack thereof) of applying forensic accounting
26	Adebisi &Gbegi (2013)	Effects of Tax Avoidance and Tax Evasion on Personal Income Tax Administration in Nigeria	Results indicated that tax evasion is associated with issues of intentional underreporting of income as well as over-claiming of tax deduction. No comments as to how such intentional underreporting can be detected and dealt with.
27	Faseun, B. A (2011)	“Tax Planning” Lagos Tax. The News Letter of CITN, Lagos District Society	The study revealed that Tax evaders can be charged to court for criminal offences and consequent fines, such cases to penalties and jail terms increase the

may be levied on chances of a him/her for evading definitive ruling tax. that ensures that appropriate fines are imposed or evade taxes are eventually paid.

28 Enofe A.O.

The Impact of Forensic Accounting on Fraud Detection The study outlines that He did not Forensic Accounting indicate the Accounting on can help provide applications of Fraud Detection litigation support forensic service in court of law. accounting to He posits that deal with cases of traditional auditing has tax fraud and tax limitations in detecting evasion. fraud, but forensic accounting can help identify such fraud.

29 Onaja ML &Iwarere (2015)

Effects of Tax Audit on Revenue Generation: Federal Inland Revenue Service, Abuja The study revealed that in addition to tax evasion, inadequate measures that remittal of actual tax have been put in place by the FIRS to check contributing to low such practices by

			Experience	revenue generated by tax officials, taxation in Nigeria however, made some recommendations as to how to stem the tide but he made no mention of the potential benefits (or lack thereof) of applying forensic accounting
30	A.O. Enofe, G.A. Ekpulu, T. O. Ajala (2015)		Forensic Accounting and Corporate Crime Mitigation	Findings of results indicated that forensic accounting could be a valuation tool in strengthening corporate governance which could help to curb the menace of corporate crime in Nigeria. Further research is needed to examine academicians' perceptions regarding forensic accounting.
31	Aribaba, Foluso Olugbenga (2013)		Application of Forensic Accounting: A	The results show that forensic accounting in Nigeria is still new and comparative Future study is to conduct a comparative

Study of the impacts as at now study between  
 Companies in are not been felt as the opinion of  
 Nigeria expected. However, the educators and  
 Professional practitioners  
 accountants and the regarding the  
 legal practitioners are same issue  
 advised to Utilize  
 these new  
 opportunities to the  
 fullest salvage our  
 nation for the future  
 generation. Also, the  
 performance on the  
 witness box is key to  
 the success in forensic  
 accounting. Therefore,  
 we need to develop  
 this area in students of  
 professional institutes  
 knowing full well that  
 they might be called  
 upon one day to  
 defend opinions given  
 in their report.

32 Ijeoma Ngozi Blessing (2015) Empirical From the findings of Further research

Analysis on the the study it was is needed to use of Forensic revealed that strong examine Accounting evidence exists on the academicians' Practices in effectiveness of perceptions Curbing practices used by regarding Creative forensic accountants in forensic Accounting curbing the fraud accounting through creative education. accounting.

- 33 Tariq Tawfeeq Yousif The Role of The main findings of Further research Alabdullah, Moayad Forensic the study revealed that should be made Mohammad Ali Alfadhli, Sofri Accounting in there is a to capture a Yahya & Ala Mohammad A. Reducing significant relationship larger population Rabi. (2014) Financial between the forensic and sample. This Corruption: accounting methods will in fact A Study in Iraq and effectiveness of permit a the control and comparative auditing bodies to analysis of data detect financial and increase our corruption cases. On confidence in the the other hand, the conclusion. majority of the audit and accounting personnel in Iraq are suffering from poor

- perception and information of the forensic accounting methods.
- 34 OfiafohEiya, John I Otor& Chris Awili& co (Chartered Accountants) (2013) Forensic Accounting as a Tool for Fighting Financial Crime in Nigeria Financial crimes and fraud have serious negative effect on human capital and infrastructural development in developing economies, especially countries like Nigeria where the menace has become endemic. Further research is needed to examine academicians' perceptions regarding forensic accounting education.
- 35 Dada Samuel O., Enyi Patrick Enyi and Owolabi Sunday Ajao (2013) Forensic accounting: A relevant tool for effective investigation of bribery cases in Nigeria The study concluded that, applying forensic accounting technique in the investigation and detection of cases of bribery has positive relationship with bribery prevention but it has not been applied by anti-corruption Further research should be made to capture a larger population and sample. This will in fact permit a comparative analysis of data and increase our

agency, hence many confidence in the cases of bribery being conclusion.

handled by the commission have been dismissed by trial courts due to ineffective system of investigation.

- 36 Olukowade Eliezer, Balogun Emmanuel (2015) Relevance of Forensic Accounting in the Detection and Prevention of Fraud in Nigeria
- The study revealed that the role of a forensic accountant made to capture a larger population under contemporary conditions no doubt is and sample. This will in fact permit a comparative analysis of data and increase our confidence in the investigating and documenting frauds. The increasing occurrence of fraud in modern day business environment requires

the services of forensic accountants to unearth fraudulent activities within and outside an organization.

- 37 Gbegi, D. O, Adebisi, J. F. Forensic Accounting Skills and Practices in Fraud Investigation in Nigerian Public Sector (2014)
- The study revealed that, forensic is needed to examine accounting skills and practices have academicians' perceptions regarding uncovering fraud in the Nigerian forensic public sector. accounting education.
- 38 Surpreet Kaur (2014)
- Financial Forensics: Way to Abate Corruption
- The study indicated that Forensic Accounting is a new concept which can help to investigate white collar crimes and embezzlements and various frauds in the financial statements. Financial examiners are required
- Further research is needed to examine academicians' perceptions regarding forensic accounting education.
- Further research is needed to examine academicians' perceptions regarding forensic accounting education.

in a country like India who can take this concept to newer better heights and robust research for collaboration between accounting examiners and information systems.

- 39 Sachin Lala, Manish Gupta, and Raj Sharman (2014) *Fraud Detection through Routine Use of CAATs* The study concluded that fraud detection should be made through Routine Use of CAATs has gained momentum to capture a in industry and in larger population academia due to the and sample. This emergence of newer will in fact fraud practices and permit a capabilities. To thwart comparative fraud attempts by early analysis of data detection, it has been and increase our unanimous in choice confidence in the that automation is the conclusion. way to go. The costs presented by new fraud detection practices hampers

- development of new tools and software.
- 40 Eme Joel Efiog (2012) Forensic Accounting Education: Exploration of Level of Awareness in Developing Economies - Nigeria as a Case Study Accounting Education: Exploration of Level of Awareness in Developing Economies - Nigeria as a Case Study
- The study found that there is a very low level of awareness on forensic accounting variables among undergraduate students. We contend that adoption of corruption on forensic accounting policy into the universities formulations and their implementations has a huge potential to enhance students' skills and competencies and could be used as a veritable resources from which fraud could be mitigated.
- 41 Abdullah Al-Hadrami and Sutan Hidayat (2014) Obstacles to Integrating Forensic Accounting in
- The results of this study also indicated that the majority of instructors are This suggests a further research to conduct a comparison

the Accounting expecting an between the Curriculum: The increasing demand on benefits of Case of Bahrain forensic accounting. opining a new program in Additionally, it has forensic been found that accounting or obstacles related to integrating a academic matters forensic (curriculum and accounting faculty) are the most course in the important obstacles accounting that prevent the curriculum. accounting Department in universities across Bahrain from offering a program or a course in forensic accounting. the results of this study also indicated that the majority of instructors are expecting an increasing demand on

forensic accounting.

Additionally, it has been found that obstacles related to academic matters (curriculum and faculty) are the most important obstacles that prevent the accounting Department in universities across Bahrain from offering a program or a course in forensic accounting.

- 42 Nada Arežina, Goranka Forensic Accountant: The results of the Future similar research indicated research in that attorneys, countries in Innate Trait or Acquired Skill? academics, and the region, this certified public issue can be accountants, further examined highly ranked and new insights analyticity, ethics and related to this curiosity, as traits that highly demanded
- Knežević, Nataša Simeunović, Sofija Vukićević (2014)

forensic accountants profession can be should have, but they given. considered equally important skills that are acquired through experience, including critical thinking, public speaking and simplifying complex information.

43 T. Subash (2015)

Forensic Accounting: A Dynamic Approach to Investigate Fraud

The importance of the forensic accountant's role in the detection of fraud is continuously growing. Armed with combination of skills, these financial detectives are today important assets to modern legal teams. Forensic accounting is simply a specialty field within the broader arena of accounting.

Further research is needed to examine academicians' perceptions regarding forensic accounting education.

- 44 Zabihollah Rezaee, Michael Ha, Daniel Lo (2014) China Forensic Accounting Education Needs Results show that the demand for and interest in forensic accounting practice in China is expected to continue to increase; Chinese business schools and accounting programs should respond to such demand by offering forensic accounting courses at either undergraduate and/or graduate levels. Further research and effort should be made to capture a larger population and sample. This will in fact permit a comparative analysis of data and increase our confidence in the conclusion.
- 45 Faboyede Olusola Samuel, MukoroOluku Dick and Babajide (2015) Achieving Public Sector Competitiveness through Vision 2020 Goals Delivery in Nigeria: Role of Forensic Accounting The research finds that fraud and corruption are fundamental problems of the Nigerian public sector in and that forensic accounting is relevant in making Nigeria globally competitive via a successful vision. Further research is needed to examine the academician's perceptions regarding forensic accounting education.

2020 agenda that  
 entrenches stable  
 economic growth,  
 crime free society,  
 foreign direct  
 investments and  
 positive image both  
 locally and  
 internationally.

- 46 Kalsom Salleh and Rozainun Ab Aziz (2014) Traits, skills and ethical values of public sector forensic accountants: an empirical investigation The study concluded that Forensic accountants should possess various combinations of skill and knowledge including accounting, auditing, law, comparative investigation practices along with strong ethical values and soft skills (Digabriele, 2008). Once the detective work is done, good interpersonal and communication skills Further research should be made to capture a larger population and sample. This will in fact permit a comparative analysis of data and increase our confidence in the conclusion.

are necessary for forensic accountants to communicate findings to many audiences such as judge, jury, government authorities, lawyers, defendants (Harris and Brown, 2000; Bressler, L. 2012).

- 47 A. O. Enofe, O. R. Forensic The study findings Further research  
 Agbonkpolor, O. J. Edebiri accounting and show that; (i) there is a to be conducted  
 (2015) financial fraud need for forensic on comparison  
 accountants in the between the  
 Nigerian banking benefits of  
 system. (ii) Forensic opining a new  
 accounting is an program in  
 effective tool forensic  
 for addressing accounting or  
 financial crimes in the integrating a  
 banking system and forensic  
 (iii) there are accounting  
 significant differences course in the  
 between the roles of accounting

forensic accounting curriculum.

and that of

conventional

accounting in curbing

financial crimes.

- 48 Mahua Biswas, Kiran G Hiremath & Shalini R Forensic Accounting in Indian Perspective
- The study indicated that forensic accounting in India is being used as an investigative tool, rather than a preventive tool. Further research effort should be made to capture a larger population and sample. This will in fact permit a comparative analysis of data financial and corporate and increase our confidence in the conclusion. thousands of crores can be avoided. With the above objectives in mind, some of the initiatives taken by regulatory bodies show a positive sign in preventing scams.

49 Mau, Kelly Kingsley

The Role of Finding in the study Further research  
Forensic point to the fact that is needed to  
Investigation forensic investigation examine  
Professionals in professional plays a academician's  
the Prevention of complimentary role to perceptions  
Fraud and the government anti-regarding  
Corruption in fraud and anti-forensic  
Developing corruption agencies in accounting  
Countries. strategies and policies education.

to curb menace of  
corruption in the  
system. Also,

finding shows that  
Forensic Investigation  
Professionals (FIPs)  
have significant role in  
curbing the menace of  
fraud and corruption in  
developing countries.

50 Nooraslinda Abdul Aris, Rohana  
Othman, Siti Maznah Mohd  
Arif, Mohamad Affendi Abdul  
Malek and Normah  
Omar (2013)

Fraud Detection: The study concluded Further research  
Benford's Law that Accounting fraud should be made  
vs Beneish is a serious threat to to capture a  
Model any firms, small or larger population  
big as no one is and sample. This  
immune from it. The will in fact

opportunity to engage permit a  
in comparative  
fraud increases as the analysis of data  
firm's control structure and increase  
is weak; confidence in the  
ineffective corporate conclusion.  
governance and  
quality of audit  
function deteriorate.

51 Oluwagbuyi Olusola Luke Application of The study revealed  
(2013) Forensic that the situations in  
Accounting: A audit risk areas such as  
Tool for losses from theft of  
Confidence in cash or goods,  
Auditors' payments and receipts  
Reports of bribes, intentional  
misstatement in  
financial information  
such as over statement  
of revenue and  
earnings,  
understatement of cost  
and expenses and  
intentional  
misrepresentations

made to auditors are rampant occurrences.

- 52 Goddy Osa Igbaekemen; The Effect of The research indicated In order to  
Maryam Tijjani Abbah; Maryam Corruption on that It has been noted stimulate the  
MalahGeidam (2014) Socio-Economic for so long that generalization of  
Development of corruption has played the results,  
Nigeria a very bad role in further research  
determining the level and effort should  
of Nigeria's economic be made to  
performance in the capture a larger  
comity of nations. To population and  
that negative effect, sample. This will  
independence from her in fact permit a  
country's freedom or comparative  
independence from her analysis of data  
colonial master, she's and increase our  
still battling. The two confidence in the  
bodies ICPC and conclusion. There  
EFCC should be is also a need to  
allowed certain include more  
autonomy in the variables in the  
discharge of their duty study such as the  
so that better result can effect of  
be achieved rather than corruption on  
over interference from policy

governments which formulations and often scuttles every their effort. implementations in Nigeria.

53 Ifeanyi Madumere& Joseph Forensic Accounting: a highest level managers is needed to Relief to do not want to work examine Corporate Fraud for too long rather academicians' perceptions would prefer to work regarding for a short whole and forensic become owners. The accounting study further revealed education. that the supplying firms are owned by these managers thereby ignoring the much pronounced 'due process'. In some cases, there is no internal control unit and where one exists, the staff are relations of the managers or under the

supervision of the managers.

Management decides what to include in the financial report.

54 Ozili, Peterson K (2015)

Forensic Accounting and Fraud: A Review of Literature Policy Implications

The study concluded that forensic accounting is gaining to capture a larger population among academics, progress in forensic accounting permit a comparative analysis of data and increase our confidence in the conclusion. fraud perpetrators do leave traces after performing the act. However, in the coming years, regulators will be more concerned about fraud perpetrators who do

not leave any trace of  
some sort.

- 55 Nor Bahiyah Omar, Nafsiah Mohamed, Betsy Jomitin & Rosmawati Haron (2013) The Relevance of Forensic Accounting in Public Sector (A Study of Selected Government Agencies in Klang Valley) The results shows that majority of the government administrator understands the role of forensic accountants and believe that the existence of forensic accounting is a financial strategy to curb and resolve the financial fraud and crime in Malaysian economy. Further research should be made to capture a larger population and sample. This will in fact permit a comparative analysis of data and increase our confidence in the conclusion.
- 56 Dickson Ogijoyamusa & Samuel Faboyede (2013) mukoro, The Role of forensic accountants in fraud Detection And National security in Nigeria The Role of forensic accountants in forensic accountants are relevant in investigating crime and corruption in the public sector. Forensic accountants play a role other in litigation in Researchers The results of the findings show that forensic accountants all areas of forensic accounting. The study could not have covered all areas of forensic accounting. It is therefore suggested that other Researchers

supportive of the should extend to public the private sector Sector. and increase the number of population to be covered.

57 Sudhir Yadav & Sushama Forensic Accounting: A New Dynamic Approach to Investigate Fraud Cases  
 Yadav (2013)

The study revealed that forensic accountants are currently in great demand, with the public need for honesty, fairness and transparency in reporting fraud cases. There is a need to include more variables in the study such as the effect of corruption on policy formulations and their implementations in Nigeria.

58 Adegbe, Folajimi Festus & Fakile, Adeniran Samuel (2012)

Economic and Financial Crime Forensic Accounting as Antidote

The results show that Future study is needed to conduct a comparative study between economic and financial crimes in the opinion of Nigerian economy. educators and practitioners

regarding the same issue.

59 Sara Aliabadi, Alireza Dorestani & Mohammed Qadri (2011) Fraud Prevention and Detection in the United States: A Macro Perspective The study concluded that either there is no adequate training in public accounting firms for forensic prevention/detection and ethical values or their programs are not effective. Further research is needed to examine academician's perceptions regarding forensic accounting education.

60 A. O. Enofe, P. O. Okpako & E.N. Atube (2013) The Impact of Forensic Accounting on Fraud Detection The study reveals that the application of forensic accounting services on firms affects the level of fraudulent activities. Further research is needed to examine academician's perceptions regarding forensic accounting education.

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Source: Researchers' Study, 2021

### Endnotes

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## **Chapter Three**

### **Methodology**

This chapter describes the methods and procedures employed in conducting this research work. It also details the research design, sources of data, determination of sample size, procedures employed in data collection, and the practices used in analyzing the data collected.

#### **3.1. Research Design**

The study adopted a survey research design. The choice of survey research was based on the fact that it is used to observe the population of the study and the population's reaction to a particular approach.<sup>1</sup> It helps to proffer answers to 'what,' 'who,' 'where,' 'how much, and 'how many questions. It includes the use of questionnaires, structured observation, and collection of data<sup>2</sup>.

#### **3.2. Population of the Study**

The study population consists of 278 staff of 69 listed offices in Southwestern Nigeria of the Federal Inland Revenue Service, selected randomly and located at Lagos, Ogun, Oyo, Osun, Ekiti, and Ondo States. These six states listed were selected for their contribution, convenience, and ease of access to information available to them.

### 3.3. Sample and Sampling Technique

The purposive random sampling technique was adopted for the study. These practices ensure that only people with specified characteristics are selected. This has to do with the researcher choosing 278 employees of the 69 listed FIRS offices in the southwest Nigeria. The rationale for using the purposive sampling technique is that it enables the researcher to press much information out of the data collected.

The representative sample size was calculated with the certainty that the population is known as (Krejcie and Morga, 1970), the sample size was calculated using the formula below:

$$n = N \times \frac{Z^2 \times p \times (1-p)}{e^2} \div \left( N - 1 + \frac{Z^2 \times p \times (1-p)}{e^2} \right)$$

Where,

n = Sample size

N = Population Size = 1,000

Z = Critical value of the normal distribution at the required confidence level = 1.96

e = Margin of error = 0.05

P = Sample proportion = 0.5

$$n = 1,000 \times \frac{1.96^2 \times 0.5 (1-0.5)}{0.0025} \div \left( 1,000 - 1 + \frac{1.96^2 \times 0.5 (1-0.5)}{0.05^2} \right)$$

$$n = 1,000 \times \frac{3.8416 \times 0.5 \times 0.5}{0.0025} \div \left( 1,000 - 1 + \frac{3.8416 \times 0.5 \times 0.5}{0.0025} \right)$$

$$n = 1,000 \times \frac{3.8416 \times 0.25}{0.0025} \div \left( 999 + \frac{3.8416 \times 0.25}{0.0025} \right)$$

$$n = 1,000 \times \frac{0.9604}{0.0025} \div \left( 999 + \frac{0.9634}{0.0025} \right)$$

$$n = 1,000 \times \frac{384.16}{1383.16}$$

$$n = 1,000 \times 0.27774$$

$$n = 278$$

= (95% confidence level and e = 0.05 assumed and the standard deviation as 8.5)

### 3.4. Description of Research Instrument(s)

This study adopted survey questionnaires as an instrument. The purpose of using a questionnaire is because of the respondents' direct response, feedback, and literacy level. However, the questionnaire items were adopted. In this study, Ordinal scale of measurement was used. The reason for this is that it used to provide information about the specific order of the data points, mostly seen in the use of satisfaction surveys. The questionnaire was divided into three sections: 1, 2, and 3. Section 1 cover respondents' bio-data, which includes; Age, Marital status, Educational qualification and years of experience, and Sex. Section 2 consists of forensic accounting practices variables that are (i) Fraud Prevention Detection, (ii) Fraud Deterrence, (iii) Fraud Investigation (iv) Tax Audit & Investigation. Section 3 comprises of Tax revenue.

**Table 3.2 Sources of Adopted Questionnaire**

Objectives	Variables
Forensic Accounting Practices	Fraud Prevention & Detection
	Fraud Deterrence
	Fraud Investigation

**Tax revenue**

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**Source: Field Survey, 2021**

**3.5. Pilot Study**

A pre-test of the questionnaire was conducted to evaluate the relevance and proper understanding of the research questions. Furthermore, 28(10%) of the study's response (employees) who correspond to the study's population of 278 were evaluated (within Southwest state) to see if the questionnaire measures what it intended to measure. After completing the pilot study, items 4, 8, 19, 22, 24, 26, 28, and 30 of the questionnaire were recorded, while items 31-38 were removed because of their perceived redundancy. By doing this, the researcher saved two minutes it took to fill the questionnaire. Finally, the pilot showed that forensic accounting practices elements have a significant effect relationship on Tax revenue generation by FIRS.

**3.6. Validity of Research Instrument**

The researcher ensured the validity of the questionnaire items by subjecting the draft copy of it to the expert scrutiny of the supervisor and other two Senior Lecturers in the Department of Management and Accounting, Faculty of Environment, Management and Social Sciences, Lead City University, Ibadan. The researcher received the maximum support of the officers mentioned above, and the items were expediently corrected; suggestions did work upon. More reliable items were used for data collection. Construct Validity: Factor analysis was employed using Kaiser-Meyer Olkin (KMO) value of 0.5 percent and Berlet test of sphericity with p-value < 0.05. Factor analysis is a construct validity technique used in accessing the quality of the questionnaire<sup>6</sup>. The table results of the analysis are presented in table 3.4. validity was also assessed by comparing the AVE with the squared correlations between the two constructs was less than the AVEs, which suggested that the constructs were distinct.

**Table 3.3 KMO and Bartlet test for each variable in the Research Instrument**

S/N	Variables	KMO Measure of Sampling Adequacy	Bartlet test of sphericity	Remark
1	Fraud Prevention and Detention	0.823	724.005 (000)	Accepted
2	Fraud Deterrence	0.848	618.756 (000)	Accepted
3	Fraud Investigation	0.865	642.236 (000)	Accepted
4	Tax Audit & Investigation	0.866	698.714 (000)	Accepted
5	Tax revenue	0.888	860.755 (000)	Accepted
	Total	0.8074	809.775 (000)	Accepted

**Source: Researcher's Computation, 2021**

### 3.7. Reliability of Research Instrument

To establish the reliability of the research instrument, the Cronbach Alpha method of internal consistency was used to estimate the items that make up the questionnaire. The questionnaire was pilot-tested on a sample of 42 employees of FIRS in Southwest offices in Nigeria. According to the Cronbach Alpha principle, every item in the instrument was analyzed for quality and selection. The retention for inclusion in the final instrument was based on the inter-item analysis. Items that were considered inadequate were removed based on their weak position on coefficient compared to other items. For instance, the questionnaire has a total of 55 items before the analyses. However, after the inter-item analyses, it was reduced to 34 items. The items were tested for significance at the  $P < 0.05$  level of significance. The Cronbach Alpha summary shows that the processing summary reliability statistics. The instrument has  $\alpha = 0.80$ ,  $P \leq 0.5$  level of significance.

The researcher employed the Test-Retest reliability method. This method was used because there is no substantial change in the construct being measured on the two occasions and the

two observations are related overtime<sup>7</sup>. The reliability index for forensic accounting and Tax revenue was **0.867** for the overall scale average, and the researcher's revalidation scale was **0.936**. the reliability index for the subscale is shown in Table 3.4

**Table 3.4 Revalidation of Research Instrument**

S/N	Variables	Number of items	Reliability Index by the Author	Revalidation by the Author	Remark
1	Fraud Prevention & Detection	5	0.819	0.938	Reliable
2	Fraud Deterrence	5	0.879	0.903	Reliable
3	Fraud Investigation	5	0.894	0.926	Reliable
4	Tax Audit & Investigation	5	0.851	0.970	Reliable
5	Tax revenue	10	0.890	0.942	Reliable
	Overall Average	30	0.867	0.936	Reliable
	Alpha for the Instrument ( $\alpha$ )				

**Source: Researcher's Computation, 2021**

### **3.8. Method of Data Collection**

The present study used the primary data collection method of a structured questionnaire. Data were collected through the aid of six (6) Likert Type Scale questionnaire items. Such as SD-Strongly Disagree, D-Disagree, PD-Partially Disagree, PA-Partially Agree, and SA-Strongly Agree. The justification for using a primary form of data collection is that; it enabled the researcher to gather first-hand information from the selected 278 management employees of 69 listed offices in southwest Nigeria. More so, due to the nature of the study (survey), sourcing for data primarily remained inevitable. This supports the claim that the primary source of data provides for data are reliable, dependable, and risk-reduced for the ingenuity of findings<sup>8</sup>. In addition, the researcher distributed copies of the questionnaire items in the Zonal headquarters and offices of FIRS through six research assistants. The researcher duly trained these researchers' assistants.

### **3.9. Method of Data Analysis**

Data collected through a structured questionnaire was analyzed through Statistical Package for the Social Science (SPSS). It is the primary statistical analysis tool used across a variety of academic subject area<sup>9</sup>. Specifically, major analytical instruments used include; descriptive and inferential analysis. Descriptive statistics such as frequency distribution means and standard deviation were used to analyze section 1 of the questionnaire. In contrast, inferential statistics, that is, linear and multiple regression analysis were used to analyzed section 2 (hypothesis testing) of the questionnaire, which dealt with effects between the independent variables (Forensic Accounting Practices: Fraud Prevention and Detection, Fraud Deterrence, Fraud Investigation; Tax Audit and Investigation. The dependent variable (Tax revenue). The rationale for adopting linear and multiple regression analysis was that it helps variables. Also,

regression helps to provide predictions and causal inferences for a given variable<sup>10</sup>. In addition, it also shows that a change in one variable co-occurs with variation in another.

### 3.9.1. Model Specification

Model specification is the process of determining which independent variables to include and exclude from a regression equation. The need for model selection often begins when a researcher wants to mathematically define the relationship between independent variables and the dependent variable.

#### Functions:

$$Y = f(X)$$

Y = Dependent Variable

X = Independent Variables

Where:

Y = Tax Revenue

X = Forensic Accounting Practices

○ Y =

○ X = (x<sub>1</sub>, x<sub>2</sub>, x<sub>3</sub>, x<sub>4</sub>, x<sub>5</sub>)

x<sup>1</sup> = Fraud Prevention and Detection

x<sup>2</sup> = Fraud Deterrence

x<sup>3</sup> = Fraud Investigation

x<sup>4</sup> = Tax Audit & Investigation

x<sup>5</sup> = Forensic Accounting Practices Application, and

○ Y = f(x<sup>1</sup>, x<sup>2</sup>, x<sup>3</sup>, x<sup>4</sup>, x<sup>5</sup>)

The variables in equation 1 – 5 are the working equations to be evaluated in this study.

Equations 1-6 can be transformed into an econometric model as follows:

$$Y = a^0 + \beta_1x_1 + \mu \text{ -----(1)}$$

$$Y = a^0 + \beta_2x_2 + \mu \text{ -----(2)}$$

$$Y = a^0 + \beta_3x_3 + \mu \text{ -----(3)}$$

$$Y = a^0 + \beta_4x_4 + \mu \text{ -----(4)}$$

$$Y = a^0 + \beta_5x_5 + \mu \text{ -----(5)}$$

$$Y = a^0 + \beta_1x_1 + \beta_2x_2 + \beta_3x_3 + \beta_4x_4 + \beta_5x_5 + \mu$$

Where:

$a^0$  = the constant or intercept of the slope of the regression equation.

$\beta_1$  to  $\beta_5$  = the parameters or coefficients of the model.

$\mu$  = is the stochastic error term.

### Endnotes

- <sup>1</sup>N. Asika, *Research Methodology in the Behavioral Science*, Lagos; Longman Nigeria Plc. (2016)
- <sup>2</sup>J.O. Oyebanji, *Principles and Practice of Taxation in Nigeria*: Ibadan, Frontline Publishers, 3<sup>rd</sup>Edition(2017)
- <sup>3</sup>O.A .Adebiy, : *Principle of Taxation, Tax administration*. Nigeria; Deveteil Global service Publishers.(2017)
- <sup>4</sup>O. O. Olanrawaju, *IFRS Pal-Handy Approach*: Nigeria Dimkem Publication Limited. (2012)
- <sup>5</sup>O. B. Taiwo, *An Overview of IFRS and challenges posed to professionals: Seminar on IFRS Adoption in Nigeria*; CITN. (2016).
- <sup>6</sup>O.O. Uwadiae, *IFRS Adoption in Nigeria & Optimizing the Gains of Global Investment Climate*: Nigeria, Deloitte.(2016).
- <sup>7</sup>O. A. Akandé, *International Financial Reporting Standard (IFRS): Benefits, Obstacles and Intrigues for Implementation in Nigeria*”, *Research Journal of Finance and Accounting Research Paper* Volume 3, No 10, 2017.
- <sup>8</sup>A. S. Fasile, O. S. Faboyede & Nwobu Obiamaka, *The Impact of International Financial Reporting Standards on Taxation*: *International Journal of Business and Social Science Research paper* vol.4 No. 10. 2016.
- <sup>9</sup>K. A C, Adejoh, *Adoption of International Financial Reporting Standard in Nigeria: Concepts and Issues*” *Journal of Advanced Management Science Research paper* vol. 2, No 1, 2017.
- <sup>10</sup>B. Stine, B Moss, B.Stine, *Cash conversion cycle and firm size: A study of retail firm managerial finance* 19(8) 25-34.(1993).

## Chapter Four

### Results and Discussion of Findings

This chapter presents the analysis of data collected and the discussions of the findings. The information collected from copies of the questionnaire were collated, scored and computed with the use of statistical software called Statistical Package for Social Sciences (SPSS).

#### 4.1 Data Presentation

A total number of two hundred and seventy eight (278) copies of the questionnaire were administered, four hundred and seven (271) were filled, returned and considered usable, which represents 97.4% response rate. The response rate is shown in Table 4.1.

**Table 4.1 Questionnaire Administration and Response Rate**

Questionnaire	Frequency	Percentage (%)
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<b>Response</b>	<b>271</b>	<b>97.4</b>
<b>Non-response</b>	<b>7</b>	<b>2.6</b>
<b>Total</b>	<b>278</b>	<b>100</b>

**Source: Field Survey, 2021**

#### **4.1.1 Demographic Data Respondents**

This study established the demographic characteristics of the respondents in terms of gender, age, marital status, and educational level. Demographic characteristics were considered important in providing relevant background of the respondents from whom data was generated. They were also important because they had a bearing on the respondents' understanding of the influence between the study variables. Summary of respondent's demographics are presented in Table 4.2 below:

**Table 4.2 Demographic Characteristics of the Respondents**

<b>Variables</b>	<b>Options</b>	<b>Frequency</b>	<b>Percentage</b>
<b>Gender</b>	Male	262	64.3%
	Female	145	35.6%
<b>Age</b>	20-25	84	20.6
	26-30	94	23.1
	30-35	35	8.6
	36-40	104	25.6
	41-45	34	8.4
	45-50	28	6.9
	51 and Above	28	6.9

<b>Marital Status</b>	Single	136	22.5
	Married	247	60.7
	Widow/Widower	11	3.2
	Divorced	13	2.7
<b>Educational Level</b>	B.Sc./B.A	113	27.8
	MSc/MBA	242	59.5
	PhD/DBA/Others	52	12.8

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**Source: Field Survey, 2021**

The demographic characteristics of the respondents are presented in Table 4.2. The table shows that in terms of gender, there were more male than female operating in Federal Inland Revenue Service (FIRS). There are a total number of 262 (64.3%) male and 145 (35.6) female. This implies that a general perception that women are more business inclined than men is being countered here. In terms of age of respondents, within age range of 20 to 25 years, a total number of 84 (20.6%) respondents indicated they were within this age range. 94 (23.1) indicated that they were within age range of 26 to 30years. 35 (8.6%) respondents attested to the fact that they were within age range of 30 to 35 years of age. Age range of 36 to 40 years has a total number of 104 (25.6%) respondents saying that they are of this range. Ages 41 to 45 fell within the age range of 34 (8.4%). 46 to 50 years of age had a data figure of 28 (6.9%) and finally in the context of 51 years and above, 28 (6.9%) respondents attested to belong to this age range.

This age range data implies that employees in Federal Inland Revenue Service (FIRS) comprises of active people who are at their prime of age. With this active people in place, it is perceived that they can be pretty much innovative, determined and resilient in maximizing profit by all means at all cost. It also implies that they still have much energy to drive the agency to optimum height of sustainability irrespective of whatever challenge that might

confront the agency. For those within the age range 41 to 50 and 51 years of age and above, it implies that they must have had much experience in life, thereby that experience must have translated into much knowledge which when applied can actually contribute to the development of the agency.<sup>1</sup> The marital status of employees in the FIRS is an interesting aspect of the demographic aspect of this study. 247 (60.7%) respondents actually indicated that they are married. 136 (22.5%) are single while 11 (3.2) are widows and widowers while 13 are divorces. This means that for there to be 247 married employees in the FIRS, then these categories of respondents as far as this context is conceded means that they are responsible men and women.

Another implication of this part of the demographic characteristics means that those that are single seem not want to toil with idleness. A total number of 136 single are also within the agency. This means that these categories of respondents are actually very much engaged with something meaningful to do. Adding the figures of those that are single and those married which results in a total sum of 373 respondents outweighs those are widows, widowers and divorced which has a total result of 24. This totally means that FIRS Staff in the south west constitute of responsible men and women. Surveying the level of educational qualification of employees in the agency, as far as this work is concerned, 112 (27.8%) respondents attested to the fact that their highest educational qualification is the first degree (B.A/B.Sc.). 242 (59.5%) are of the master's degree while doctoral degree holders constitute 52 (12.8%) respondents. This implies that FIRS staffs in the south west are well educated. It is expected that with this level of education, much knowledge should be applied to the development of their various departments.

Going by this result, as it was stated earlier when reflecting on the level of educational qualification of the FIRS staff in the south west Nigeria that there seem to be responsible men

and women in the agency, there seem to be thorough breed for professionals who actually know that they are doing.

## 4.2 Data Analysis and Interpretation

### 4.2.1 Restatement Research Question and Hypothesis 1

#### Research Question 1: What is the influence of Fraud Prevention and Detection on Tax Revenue in Nigeria?

H<sub>01</sub>: There is no significant relationship between Fraud Prevention and Detection on Tax Revenue in Nigeria.

Respondents were asked to respond to statements relating to level of agreement on Fraud Prevention and Detection on Tax Revenue in Nigeria. The responses were on a scale of 1-6, where 1=strongly disagree, 2=disagree, 3=fairly disagree, 4=fairly agree, 5=agree and 6=strongly agree. The frequencies, percentages, mean and standard, were computed as presented in Table 4.2.1.

**Table 4.2.1 Descriptive Statistics of Responses on Fraud Prevention and Detection**

ITEM	SD	D	PD	PA	A	SA	Mean	Std. Dev.
	(%)	(%)	(%)	(%)	(%)	(%)		
There was not a strong mechanism put in place to prevent fraud to happen in my organization	145 (35.6)	262 (64.4)	0	0	0	0	1.64	.479
The misappropriation type of	84	94	35	132	34	28	3.05	1.529

fraud is difficult to observe and measure in my organization	(20.6)	(23.1)	(8.6)	(32.4)	(8.4)	(6.9)		
Has your organization suffered any financial misappropriation in the past?	113	242	52	0	0	0	1.85	.620
Management and executives of my organization covers-up themselves when anyone of them involved in fraudulent activities.	(27.8)	(59.5)	(12.8)					
There have been opportunities for executives to deceive stakeholders financially in my organization.	20	139	162	19	51	16	2.98	1.201
If you currently or previously had occurrence of fraud in your organization, Is there any detection measures in place.	(4.9)	(34.2)	(39.8)	(4.7)	(12.5)	(3.9)		
	14	7	0	117	231	38	4.33	1.226
	(3.4)	(1.7)		(28.7)	(56.8)	(9.3)		
	16	126	10	3	236	16	3.90	1.533
	(3.9)	(31.0)	(2.5)	(7)	(58.0)	(3.9)		

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**Average mean = 1.64 + 3.05 + 1.85 + 2.98 + 4.33 + 3.90 = 2.95**

**An Average mean of 2.95 on a 6 pointlikert scale with 3.50 decision rule**

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**Source: Field Survey 2021**

Table 4.2.1 presents the descriptive statistics on the level of agreement of Fraud Prevention and Detection of selected FIRS staff in South West Nigeria. 145 (35.6%) respondents were strongly against the assertion that strong mechanism was not put in place to prevent fraudulent practices in my organization. The second item of this study says that

“Misappropriation type of fraud is difficult to observe and measure in my organization”. A total number of 84 (20.6%), 94(23.1%) and 35(8.6%) respondents were strongly against this premise. However, 132(32.4%), 34(8.4) and 28(6.9%) respondents affirmed this assertion. Those that support this assertion were pretty much more than those that were against this particular statement. The third statement on Fraud Prevention and Detection is on “If your organization suffered any financial misappropriation in the past’. This study found that 113 (27.8%) 242 (59.5%) 52 (12.8%) respondents strongly disagreed, disagreed and partially disagreed respectively on this assertion. This implies that there is a detection measure in place if there is any form of opportunity for fraudulent behaviors.

A mean score of 1.85 on a Likert scale of 6 points of 3.50 decision rule speaks in support of this finding. Another item on this part of the research instrument says “Management and executives of my organization covers-up themselves when anyone of them involved in fraudulent activities”. The response to this assertion has it that 20 (4.9%) 139 (34.2%) 162 (39.8%) 19 (4.7%) 51 (12.5%) 16 (3.9%) respondents strongly disagree, disagree, partially disagree, partially agree, agree and strongly agree respectively. Out of all these many respondents were the opinion that there haven’t been opportunities to covers-up themselves when anyone of them involved in fraudulent activities. A mean score 2.98 was generated in affirming this position, still on the type of financial misconduct, “There have been opportunities for executives to deceive stakeholders financially in my organization” 14 (3.4%), 7 (1.7%) 117 (28.7%) 231 (56.8%) 38 (9.3%) respondents respectively strongly disagreed, disagreed, partially disagreed, agreed, partially agreed and strongly agreed on this particular item of the questionnaire.

However, many respondents affirmed that indeed, there have been opportunities for executives to deceive stakeholders financially. To further buttress this, a mean score of 4.33 was actually generated for this particular item which clearly means that it is highly possible

for executives to deceive stakeholders financially. The last item in determining the level of agreement on fraud prevention and Detection says that “If you currently or previously had occurrence of fraud in your organization. Is there any detection measures in place” Respondents’ reaction to this is as follows: 16(3.9%) 126 (31.0%) 10 (2.5%) 3 (7%) 236 (58.0%) 16 (3.9%). This response level means that out of a total number of 407 respondents surveyed in this study, 253 (62.16%) agreed on this while 174 (42.7%) were against. This implies that the organization suffered financial misappropriation in the past. Finally, the cumulative average mean score of Fraud Prevention and Detection in FIRS is at 2.95 on 6-point Likert scale with a decision rule of 3.50. This implies that Fraud Prevention and Detection in FIRS is not too alarming.

#### 4.2.2 Restatement of Research Question and Hypothesis 2

##### Research Question 2: How does Fraud Deterrence impact Tax Revenue in Nigeria?

**H<sub>02</sub>:** There is no significant relationship between Fraud Deterrence on Tax Revenue in Nigeria.

The second hypothesis of this study stated that there is no significant relationship between Fraud Deterrence on Tax Revenue in Nigeria. Also, Respondents were asked to respond to statements relating to Fraud Deterrence in Federal Inland Revenue Service in Nigeria. The responses were on a scale of 1-6, where 1=strongly disagree, 2=disagree, 3=fairly disagree, 4=fairly agree, 5=agree, 6=strongly agree. The frequencies, percentages, mean and standard, were computed as presented in Table 4.2.1.

**Table 4.2.2 Descriptive Statistics of Responses on Fraud Deterrence**

ITEM	SD	D	PD	PA	A	SA	Mean	Std. Dev.
There is ongoing fraud	8	2	29	79	289	0	4.57	.809
awareness training carried out in	2.0	.5	7.1	19.4	71.0			
my organization from time to								

---

time to deterred fraudulent

activity.

New employees are not aware of 119 212 76 0 0 0 1.89 .685

the organization's position on 29.2 52.1 18.7

fraud in my organization.

Misappropriation of funds is 113 24. 52 0 0 0 1.85 .620

some of fraudulent practices in 27.8 2.59 12.8

my organization.

Adequate monitoring controls 145 262 0 0 0 0 1.64 .479

are not in place and effective to 35.6 64.4

identify red flags for fraud, in

case it occurs in my

organization.

Physical control are not in place 84 94 35 104 34 28 3.26 1.81

to deterred fraud potential, 20.6 23.1 8.6 25.6 8.4 6.9 8

including access to corporate

assets, records and files in my

organization.

Adequate steps are not in place 113 242 52 0 0 0 1.85 .620

to protect company data and 27.8 59.5 12.8

employee information to deterred

fraudulent activities in my

organization.

---

**Average mean = 4.57 + 1.89 + 1.85 + 1.64 + 3.26 + 1.85 = 2.51**

**An Average mean of 2.95 on a 6 pointlikert scale with 3.50 decision rule**

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**Source: Field Survey 2021**

Table 4.2.2 centers on respondents' level of agreement on fraud deterrence. The first item is based on the premise that "There is ongoing fraud awareness training carried out in my organization from time to time to deterred fraudulent activity". This particular item attracted a strongly agree level of 0 number of respondents, followed by a total number of 289 (71.0) % respondents who strongly agreed on the assertion, 79 (19.4%), 29 (7.1%), 2 (.5%) and 8 (2.0%) partially agreed, partially disagreed, disagreed and strongly disagreed respectively on this assertion. With a mean score of 4.57 on a 6-point scale on a 3.50 decision rule, it can be adjudged that many employees of FIRS in the south western states in Nigeria are of the opinion that the There is ongoing fraud awareness training carried out in their organization from time to time to deterred fraudulent activity. The second items on new employees are not aware of the organization's position on fraud in the organization".

Only 119 (29.2%), 212 (52.1%) and 76 (18.7%) respondents strongly agreed, disagreed and partially disagreed on this assertion. A mean score of 1.89 was recorded which implies that the new employees are aware of the organization's position on fraud in the organization and this is to be reckoned with considering the Likert scale was on a level of 6 with 3.50 decision rule. Another item on the section of fraud deterrence says "Misappropriation of funds is not some of fraudulent practices in my organization". This particular item recorded a total of 113 (27.8%), 242 (59.5%) and 52 (12.8) respondents attested to the fact that they strongly disagreed, disagreed and partially disagreed respectively on this premise. A mean score of 1.85 on a 6-point Likert scale with a decision rule of 3.50 was recorded. This shows that respondents in total are saying that adequate monitoring controls are not in place and effective to identify red flags for fraud, in case it occurs in my organization. 145 (35.6%) and 262 (64.4%) respondents affirmed that their firm has adequate monitoring controls are in place and effective to identify red flags in the firm.

Their affirmation was in the context of strongly disagree and disagree. The item recorded a mean score of 1.64 on a 6-point Likert scale with a bench mark of 3.50. The fifth item on fraud deterrence says that “Physical control are not in place to deterred fraud potential, including access to corporate assets, records and files in my organization”. 84 (20.6%), 94 (23.1%) and 35 (8.6%) strongly disagreed, disagreed and partially disagreed respectively. However, 34 (8.4%), 28 (6.9%) and 28 (6.9%) partially agreed, agreed and strongly agreed respectively on the assertion. The implication of this assertion was based on an average mean score of 3.26 on a 6 points Likert scale with a decision rule of 3.50. the implication is that to a large extent Physical control are in place to deterred fraud potential, including access to corporate assets, records and files in the organization. The last item in this section says that “Adequate steps are not in place to protect company data and employee information to deterred fraudulent activities in my organization. 113 (27.8%) respondents strongly disagreed, 242 (59.2%) disagreed and 52 (12.8%) respondents partially disagreed. A mean score of 1.85 was generated. This mean score is low on a 6-point Likert scale with a decision rule of 3.50. This means that adequate steps are in place to protect company data and employee information to deterred fraudulent activities in my organization. In total an average mean score of 2.51 on a point scale with a decision rule of 3.50 indicates the level of agreement of fraud deterrence in Federal Inland Revenue Service of Nigeria. With this average mean score, it shows that fraud deterrence of FIRS south western states of Nigeria is at a low level.

#### **4.2.3 Restatement of Research Question and Hypothesis 3**

**Research Question 3: To what extent will Fraud Investigation affect Tax Revenue in Nigeria?**

**H<sub>03</sub>:** There is no significant relationship between Fraud Investigation on Tax Revenue in Nigeria.

The responses were on a scale of 1-6, where 1=strongly disagree, 2=disagree, 3=fairly disagree, 4=fairly agree, 5=agree and 6=strongly agree. The frequencies, percentages, mean and standard, were computed as presented in Table 4.2.3

**Table 4.2.3: Descriptive Statistics of Responses on Fraud Investigation**

ITEM	SD	D	PD	PA	A	SA	Mean	Std. Dev.
My organization is not established a process to detect, investigate and resolve potential significant fraud.	116 (28.5)	146 (35.9)	8 (2.0)	131 (32.2)	6 1.5	0	2.42	1.245
There are no competent staffs that have deep knowledge in Fraud Investigation in my organization when fraudulent case is reported.	8 2.0	193 47.4	8 2.0	192 47.2	16 1.5	0	2.99	1.042
My organization is not implemented checks and balance at the process level to prevent, deter and detect each of the significant fraud.	8 2.0	2 .5	29 7.1	79 19.4	89 21.9	0	4.57	.809
Investigation is taken immediately when there is any reported case of fraud in my organization.	118 29.0	92 22.6	29 7.1	79 19.4	89 21.9	0	2.83	1.559
There is no implementation of a process to promote ethical	122 30.0	145 35.6	140 34.4	140 34.4	0	0	2.04	.802

behaviour, deter wrongdoing during investigation in my organization

Fraud Investigation is carrying out as at when due in my organization to enable discover any anomaly with tax payers.	145	129	126	7	0	0	1.99	.858
	35.6	31.7	31.0	1.7				

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**Average mean = 2.42 + 2.99 + 4.57 + 2.83 + 2.04 + 1.99 = 2.80**

**An average mean of 2.95 on a 6 pointlikert scale with 3.50 decision rule**

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**Source: Field Survey 2021**

Table 4.2.3 reveals the findings of that organization is well established a process to detect, investigate and resolve potential significant fraud in Federal Inland Revenue Service of Nigeria. The first item in this section is centered on the statement that says “my organization is not established a process to detect, investigate and resolve potential significant fraud’ 116 (28.5%) respondents disagreed on this, 146 (35.9%) disagreed, 8 (2.0%) partially disagreed, 131 (32.2%), 6 (1.5%) respondents agreed and no respondent strongly agreed on this. A mean score of 2.42 on a 6 point scale with a decision rule of 3.50 was realized. Going by this it can be deduced that the organization is well established a process to detect, investigate and resolve potential significant fraud in FIRS south western state of Nigeria. The second item in this part of the research instrument says that “There are no competent staffs that have deep knowledge in Fraud Investigation in my organization when fraudulent case is reported, (2.0%) of respondents strongly disagreed, 47.4% respondents disagreed, 2.0% respondents partially disagreed, 15% respondents agreed, and no respondents agreed.

A mean score of 2.99 on a 6-point Likert scale with a decision rule of 3.50 was realized. This determined the level of agreement on the fact that there are competent staffs that have deep knowledge in Fraud Investigation in the organization when fraudulent case is reported. A mean score of 4.57 was generated for the third item on fraud investigation. This mean score negates the assertion that “My organization is not implemented checks and balance at the process level to prevent, deter and detect each of the significant fraud”. 118 (29.0%) respondents are saying that “organization implemented checks and balance at the process level to prevent, deter and detect each of the significant fraud”, 92 (22.6%) also are of this assertion. 29 (7.1%) partially affirmed this as well. 79 (19.4%) and 89 (21.9%) respondents partially agreed and agreed against this assertion. However, a mean score of 2.83 served as the determining level of agreement on fraud investigation “if Investigation is taken immediately when there is any reported case of fraud in my organization”.

122 (30.0%), 145 (35.6%), 140 (34.4%) respondents strongly disagreed, disagreed, and partially disagreed respectively on the item that is centered on the item that says “there is no implementation of a process to promote ethical behaviour, deter wrongdoing during investigation in my organization”. This is further buttressed by the mean score of 2.04. The last item in this section of the research instrument says “Fraud Investigation is carrying out as at when due in my organization to enable discover any anomaly with tax payers.”. 145 (35.6%), 129 (31.7%), 126 (31.0%) strongly disagreed, disagreed and partially disagreed on this assertion. Only 7 respondents partially agreed on the assertion. A mean score of 1.99 on a 6-point Likert scale with a 3.50 decision rule was recorded for this particular item, this therefore implies that there is implementation of a process to promote ethical behavior, deter wrongdoing during investigation in the organization. There is no implementation of a process to promote ethical behavior, deter wrongdoing during investigation in my organization,

#### **4.2.4 Restatement of Research Question and Hypothesis 4**

**Research question 4: How does Tax Audit and Investigation impact Tax Revenue in Nigeria?**

**H<sub>04</sub>:** There is no significant relationship between Tax Audit and Investigation Tax Revenue in Nigeria.

The responses were on a scale of 1-6, where 1=strongly disagree, 2=disagree, 3=fairly disagree, 4=fairly agree, 5=agree and 6=strongly agree. The frequencies, percentages, mean and standard, were computed as presented in Table 4.2.4.

**Table 4.2.4 Descriptive Statistics of Responses on Tax Audit and Investigation**

ITEM	SD	D	PD	PA	A	SA	Mean	Std. Dev.
Tax audit/investigation is not carrying out as at when due in my organization to enable discover any anomaly with tax payers.	192	166	49	49	0	0	1.65	.685
There is no avenue to discover during the tax audit/investigation of any miss-information such as tax depreciation, compliance of various provisions of income tax law etc in my organization.	206	118	10	21	14	38	2.10	1.593
There is no taxpayer compliance measurement program in my office to discover incorrect data or	156	162	57	0	16		2.03	1.228

incomplete tax returns during tax audit.

There is no avenue to enable 205 128 38 0 0 36 1.94 1.419

tax authorities in verifying the 50.4 31.4 9.3 8.8

correctness of income tax returns filed by the taxpayer.

Calculation and verification of total income claim for deductions etc in my organization.

Tax audit and investigation do 349 22 0 0 0 36 1.50 1.423

not contribute to the revenue 85.7 5.4 8.8

generation in my organization.

During the Tax audit and 200 207 0 0 0 0 1.51 .501

investigation, there is no 49.1 50.9

process of examining a taxpayer's record and

documents in order to ascertain

whether such taxpayer has

appropriately assessed,

reported and remitted its tax

liability for the relevant year of

assessment.

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**Average mean = 1.65 + 2.10 + 2.03 + 1.50 + 1.94 + 1.51 = 1.78**

**An average mean of 1.78 on a 6 pointlikert scale with 3.50 decision rule**

Table 4.2.4 reveals the findings of the level of Tax audit and Investigation of Federal Inland Revenue Service in Nigeria. The first item in this section is centered on the statement that says “Tax audit/investigation is not carrying out as at when due in my organization to enable discover any anomaly with tax payers”. 192 (47.2%) respondents disagreed on this, 166 (40.8%) disagreed, 49 (12.0%). A mean score of 1.65 on a 6 point scale with a decision rule of 3.50 was realized. Going by this it can be deduced that Tax audit/investigation is carrying out as at when due to discover any anomaly with tax payers in Federal Inland Revenue Service in Nigeria. The second item in this part of the research instrument says that “There is no avenue to discover during the tax audit/ investigation of any miss-information such as tax depreciation, compliance of various provisions of income tax law etc in my organization. 50.6% of respondents strongly disagreed, 29.0% respondents disagreed, 2.5% respondents partially disagreed, 5.2% respondents agreed, and no respondents agreed. A mean score of 2.10 on a 6 point scale with a decision rule of 3.50 was realized. This determined the level of agreement on this particular item.

A mean score of 4.57 was generated for the third item on fraud audit and investigation. This mean score negates the assertion that “There is no taxpayer compliance measurement program in my office to discover incorrect data or incomplete tax returns during tax audit”. 118 (29.0%) respondents are saying that “There is taxpayer compliance measurement program to discover incorrect data or incomplete tax returns during tax audit”, 92 (22.6%) also are of this assertion. 29 (7.1%) partially affirmed this as well. 79 (19.4%) and 89 (21.9%) respondents partially agreed and agreed against this assertion. However, a mean score of 2.03 served as the determining level of agreement on tax audit and investigation in Federal Inland Revenue Service in Nigeria. This mean score implies that “There is no avenue

to enable tax authorities in verifying the correctness of income tax returns filed by the taxpayer. Calculation and verification of total income claim for deductions etc in my organization.”

122 (30.0%), 145 (35.6%), 140 (34.4%) respondents strongly disagreed, disagreed, and partially disagreed respectively on the item that says “There is avenue to enable tax authorities in verifying the correctness of income tax returns filed by the taxpayer. Calculation and verification of total income claim for deduction in Federal Inland Revenue Service of Nigeria.” What these respondents are saying is that “Tax audit and investigation contribute to the revenue generation. This is further buttressed by the mean score of 2.04. The last item in this section of the research instrument says that “During the Tax audit and investigation, there is no process of examining a taxpayer's record and documents in order to ascertain whether such taxpayer has appropriately assessed, reported and remitted its tax liability for the relevant year of assessment”. 200 (49.1%), 207 (50.9%), 126 (31.0%) strongly disagreed, disagreed and partially disagreed on this assertion.

A mean score of 1.5.1 on a 6-point Likert scale with a 3.50 decision rule was recorded for this particular item, hence, this implies that During the Tax audit and investigation, there is process of examining a taxpayer's record and documents in order to ascertain whether such taxpayer has appropriately assessed, reported and remitted its tax liability for the relevant year of assessment.

#### **4.3.5. Restatement of Research Question and Hypothesis 5**

**Research question 5: In what ways will Tools and Procedures affect Tax Revenue in Nigeria?**

**H<sub>05</sub>:** There is no significant relationship between Tools and Procedures on Tax Revenue in Nigeria.

The responses were on a scale of 1-6, where 1=strongly disagree, 2=disagree, 3=fairly disagree, 4=fairly agree, 5=agree and 6=strongly agree. The frequencies, percentages, mean and standard, were computed as presented in Table 4.2.5.

**Table 4.2.5 Descriptive Statistics of Responses on Forensic Accounting Practices**

ITEM	SD	D	PD	PA	A	SA	Mean	Std.
Forensic accounting practices are used to analyze and examine the tax payers' financial statements and records presented in order to detect fraud and clear any allegations of fraud in my organization.	139	268	0	0	0	0	1.66	.475
Forensic accounting practices are used by investigative accountants in my organization to look at financial records, dig into their background and present a clear and concise account of what they mean and how they impact a particular matter that they have been asked to consider.	90	97	34	132	40	14	2.94	1.467
Forensic Accounting practices are used as modern and important information base of checking of legality operational and financial performance of enterprises in my organization.	107	248	52	0	0	0	1.86	.611

Despite of having several laws 41 173 126 13 411 13.3 2.70 1.211  
 enforcement across countries, forensic 10.1 41.5 31. 3.2 0.1 2  
 accounting practices are not put in to  
 practice to guide against corporate  
 frauds in my organization.

Forensic accounting practices utilize 20 31 94 56 185 21 4.03 1.281  
 accounting, auditing, and investigative 4.9 7.6 23. 13.8 45. 5.2  
 skills to resolution due to their high 9 5  
 level of involvement in legal issues and  
 results of the breach of a nondisclosure  
 or non-compete agreement by the tax  
 payers.

Forensic accounting practices change 31 154 0 18 191 13 3.50 1.613  
 and legal reform can also have an 7.6 37.8 0 4.4 46. 3.2  
 influence upon my organization in 9  
 improving in the collection of tax  
 revenue.

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**Average mean = 1.66 + 2.94 + 1.86 + 2.70 + 4.03 + 3.50 = 2.78**

**An average mean of 2.78 on a 6-point Likert scale with 3.50 decision rule**

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**Source: Field Survey 2021**

Interestingly, as shown in Table 4.2.5, the overall mean score on forensic accounting technique is at 2.78. This is also low based on a Likert scale of 6 points with a decision rule of 3.50. However, the first item on this particular scale says “Forensic accounting practices are used to analyze and examine the tax payers’ financial statements and records presented in order to detect fraud and clear any allegations of fraud in my organization” This item has a mean score of 1.66 with 139 (34.2%), 268 (65.8%) respondents expressing their level of

strongly disagree and disagreeing. This implies that these respondents are saying that forensic accounting practices are not a yardstick for better functioning of the firm. Also “Forensic accounting practices are used by investigative accountants in my organization to look at financial records, dig into their background and present a clear and concise account of what they mean and how they impact a particular matter that they have been asked to consider” item attracted a mean score of 2.94. This also is low considering its bearing on a 6 point scale with 3.50 mean score.

“Forensic Accounting practices are used as modern and important information base of checking of legality operational and financial performance of enterprises in my organization” has an abysmal low mean score – 1.86. This actually means that forensic accounting practices do not have an influence upon their firm’s revenue generation. Another item in this section says “Despite of having several laws enforcement across countries, forensic accounting practices are not put in to practice to guide against corporate frauds in my organization”. A mean score of 2.70 was attributed to this item. This is quite low as well based on a 6 point scale of 3.50 decision rule. On a positive note, 4.03 mean score, was generated for the fifth item used in measuring forensic accounting practices.

“Forensic accounting practices utilize accounting, auditing, and investigative skills to resolution due to their high level of involvement in legal issues and results of the breach of a nondisclosure or non-compete agreement by the tax payers”<sup>2</sup> was the item. This particular item seems to generate the highest score here. Going by this result, it truly reveals that the monitoring activity of large forensic accounting practices can lower agency costs in a firm and increase revenue for the government. The last item in measuring forensic accounting practices says “Forensic accounting practices change and legal reform can also have an influence upon my organization in improving in the collection of tax revenue” attracted a mean score of 3.50. With a mean score of 3.50 on a 6 point with a decision rule of 3.50, this

particular item is exactly at the average level. This indicates that in terms of achieving high level performance of a firm, which means it will definitely increase the tax revenue if forensic accounting practices are put in to use.

**Hypothesis 1**

**H<sub>01</sub>:** There is no significant relationship between Fraud Prevention and Detection on Tax Revenue in Nigeria.

<b>Model Summary</b>				
<b>Model</b>	<b>R</b>	<b>R Square</b>	<b>Adjusted R Square</b>	<b>Std. Error of The Estimate</b>
1	.672 <sup>0</sup>	.451	.450	.450

**Source: Field Survey 2021**

<b>ANOVA</b>						
<b>Model</b>		<b>Sum of Squares</b>	<b>Df</b>	<b>Mean Square</b>	<b>F</b>	<b>Sig.</b>
1	Regression	67.389	1	67.389	332.858	.000 <sup>b</sup>
	Residual	81.995	405	.202		
	Total	149.385	406			

a. Dependent Variable: tax\_revenue

b. Predictors: (Constant), fraud\_prevention\_detection

a.Predictors: (Constant), fraud\_prevention\_detection

**Source: Field Survey 2021**

<b>Model</b>	<b>Coefficients<sup>a</sup></b>			<b>Standardized Coefficients</b>		
	<b>B</b>	<b>Std. Error</b>	<b>T</b>	<b>Beta</b>	<b>T</b>	<b>Sig.</b>
1 (Constant)	.571	.126	4.539			.000
Fraud_prevention_detection	.764	.042	18.244	.672		.000

a. Dependent Variable: tax\_revenue

**Source: Field Survey 2021**

As shown in Table above,  $F = 332.858$ ,  $(R) = .672$ ,  $(R^2) = .451$  but the  $p$  value = .000 which is lesser than 0.05 level of significance. This implies that since the  $p$  value which is .000 is lesser than the level of significance which is 0.05, therefore it is concluded that fraud prevention and detection has positive significant influence on revenue of Federal Inland Revenue Service in Nigeria. Going by this, the null hypothesis is hereby rejected.

### Hypothesis 2

**H<sub>02</sub>:** There is no significant relationship between Fraud Deterrence on the Tax Revenue in Nigeria.

**Model summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.097 <sup>a</sup>	.009	.007	.604

Source: Field Survey 2021

Model		Sum of Squares	Df	Means Square	F	Sig.
1	Regression	1.398	1	1.398	3.825	0.51 <sup>b</sup>
	Residual	147.987	405	.365		
	Total	149.385	406			

Source: Field Survey

Model	Unstandardized Coefficients	Standardized Coefficients	Beta	T	Sig.
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5	(Constant)	2.472	.186		13.309
	fraud_deterrence	.143	.073	.097	1.956

a. Predictors: (Constant), fraud\_deterrence

Source: Field Survey 2021

ANOVA<sup>a</sup>

Model		Sum of Squares	Df	Means Square	F	Sig.
1	Regression	1.398	1	1.398	3.825	
	Residual	147.987	405	.365		
	Total	149.385	406			

a. Dependent Variable: tax\_revenue

b. Predictors: (Constant), fraud\_deterrence

Source: Field Survey 2021

Coefficients<sup>a</sup>

	Unstandardized	Standardized
	Coefficients	Coefficients

Model		B	Std. Error	Beta	T	Sig.
1	(Constant)	2.472	.186		13.309	.000
	fraud_deterrence	.143	.073	.097	1.956	0.51

a. Dependent Variable: tax\_revenue

**Source: Field Survey 2021**

As shown in Table above,  $F = 3.825$ ,  $(R) = .097$ ,  $(R^2) = .009$ , however, the p value = .051 which is greater than 0.05 level of significance. This implies that since the p value which is .051 is greater than the level of significance which is 0.05, therefore it is concluded that fraud deterrence has no positive significant influence on tax revenue of selected FIRS south west states in Nigeria. Going by this, the null hypothesis is hereby accepted.

**Hypothesis 3**

**H<sub>03</sub>:** There is no significant relationship between Fraud Investigation on Tax Revenue in Nigeria.

**Model summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.136 <sup>a</sup>	.018	.016	.602

a. Predictors: (Constant), investigation\_skills

**Source: Field Survey 2021**

**ANOVA<sup>a</sup>**

Model	Sum of Squares	Df	Means Square	F	Sig.
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1	Regression	2.747	1	2.747	7.587	.006 <sup>b</sup>
	Residual	146.638	405	.362		
	Total	149.385	406			

a. Dependent Variable: tax\_revenue

b. Predictors: (Constant), investigation\_skills

**Source: Field Survey 2021**

**Coefficients<sup>a</sup>**

Model		Unstandardized		Standardized		
		Coefficients		Coefficients		
		B	Std. Error	Beta	T	Sig.
1	(Constant)	2.296	.196		11.706	.000
	investigation_skills	.193	0.69	.136	2.754	.003

a. Dependent Variable: tax\_revenue

**Source: Field Survey 2021**

As shown in Table above,  $F = 7.587$ ,  $(R) = .136$ ,  $(R^2) .018$ , however, the  $p$  value = .003 which is lesser than 0.05 level of significance. This implies that since the  $p$  value which is .003 is lesser than the level of significance which is 0.05, therefore it is concluded that investigation skills has positive significant influence on west n tax revenue of selected FIRS south west states in Nigeria. Going by this, the null hypothesis is hereby rejected.

**Hypothesis 4**

**H<sub>04</sub>:** There is no significant relationship between Tax Audit and Investigation on Tax Revenue in Nigeria.

**Model summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.688 <sup>a</sup>	.474	.472	.441

a. Predictors: (Constant), tax\_audt\_investigation

**Source: Field Survey 2021**

**ANOVA<sup>a</sup>**

Model		Sum of Squares	Df	Means Square	F	Sig.
1	Regression	70.755	1	70.755	346.436	.000 <sup>b</sup>
	Residual	78.630	405	.194		
	Total	149.385	406			

a. Dependent Variable: tax\_revenue

b. Predictors: (Constant), tax\_audt\_investigation

**Source: Field Survey 2021**

**Coefficients<sup>a</sup>**

Model	Unstandardized		Standardized		
	Coefficients		Coefficients		
	B	Std. Error	Beta	T	Sig.
1 (Constant)	1.875	.055		34.333	.000
tax_audt_investigation	.534	.028	.688	19.090	.000

a. Dependent Variable: tax\_revenue

**Source: Field Survey 2021**

As shown in Table above,  $F = 364.436$ ,  $(R) = .688$ ,  $(R^2) .474$ , however, the  $p$  value = .000 which is lesser than 0.05 level of significance. This implies that since the  $p$  value which is 0.00 is lesser than the level of significance which is 0.05, therefore it is concluded that tax audit and investigation has positive significant influence on tax revenue of selected FIRS south west states in Nigeria. Going by this, the null hypothesis is hereby rejected.

**Hypothesis 5**

**H<sub>05</sub>:** Joint indicators (fraud prevention and detection, fraud deterrence, investigation, tax audit and investigation and forensic accounting practices) forensic accounting practices do not have positive significance on tax revenue of Federal Inland Revenue Service in Nigeria.

**Model summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.944 <sup>a</sup>	.891	.899	.202

a. Predictors: (Constant), forensic\_accounting\_practices

Fraud prevention & detection\_fraud deterrence\_investigation, tax audit & investigation

Source: Field Survey 2021

ANOVA<sup>a</sup>

Model		Sum of Squares	Df	Means Square	F	Sig.
1	Regression	133.067	5	26.613	653.998	.000 <sup>b</sup>
	Residual	16.318	401	.041		
	Total	149.385	406			

a. Dependent Variable: tax\_revenue

b. Predictors: (Constant), fraud prevention & detection\_fraud deterrence\_investigation, tax audit & investigation

Source: Field Survey 2021

Coefficients<sup>a</sup>

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	T	Sig.
1 (Constant)	.195	.118		1.647	.100
forensic_accounting_practices	.828	.022	.728	38.229	.000
fraud_prevention_detection	.474	.013	.610	36.398	.000
fraud_deterrence	.096	.025	.068	3.896	.000
Tax audit_investigation	-.400	.029	-.271	-13.985	.000

**Source: Field Survey 2021**

Table above shows that, overall, there is an influence between the dependent variable (tax revenue), R-squared = .891 of the variation in the dependent variable that is explained by the four constructs of forensic accounting practices (fraud prevention & detection, fraud deterrence, fraud investigation and tax audit and investigation). Besides,  $F = 653.998$ ,) additionally, the analysis revealed that fraud prevention and detection ( $\beta = - .001$ ,  $P < .05$  because the p value has a score of .000), fraud deterrence ( $\beta = .610$ ,  $P < .05$  because the p value is .000), fraud investigation ( $\beta = .068$ ,  $P < .05$  because the p value is .000) and tax audit & investigate ( $\beta = -.271$ ,  $P < .05$  because the p is .000). Going by this multiple regression analysis, forensic accounting practices did not positively significant influence tax revenue of Federal Inland Revenue Service in Nigeria. However, all the four forensic accounting practices indices which are fraud prevention & detection, fraud deterrence, fraud investigation and tax audit & investigation all contributed positively significantly to revenue generated by Federal Inland Revenue Service of Nigeria.

### 4.3 Discussion of Findings

#### 4.3.1.1 Research question 1: What is the influence of Fraud Prevention and Detection on Tax Revenue in Nigeria?

This particular research question was designed to determine how respondents feel about whether there is a strong mechanism to prevent fraud in their organization. A cumulative mean score of 2.95 served as the deciding factor in answering this research question. With a 6-point, Likert scale on a 3.50 decision rule factor, fraud prevention & detection in Federal Inland Revenue Service in Nigeria is below average. Besides this finding, the study found that 145 (35.6%) respondents were strongly against the assertion that there is a strong mechanism to prevent fraud from happening in my organization. The second item of this study says that "The misappropriation type of fraud is difficult to observe and measure in my organization." A total number of 84 (20.6%), 94 (23.1%), and 35 (8.6%) respondents were strongly against this premise. However, 132 (32.4%), 34 (8.4%) and 28 (6.9%) respondents affirmed this assertion. Those that support this assertion were pretty much more than those that were against this particular statement.

Misappropriation type of fraud is difficult to observe and measure in my organization. The affirmation on this statement on Fraud Prevention and Detection is in line with the assertion that misappropriation type of fraud is difficult to observe and measure in my organization. The opinion that "If you currently or previously had an occurrence of fraud in your organization, there are detection measures in place" This study found that 113 (27.8%) 242 (59.5%) 52 (12.8%) respondents strongly disagreed, disagreed, and partially disagreed respectively on this assertion. This implies that the management staff of the Federal Inland Revenue Service in Nigeria will not take advantages of the naivety of shareholders then there is an opportunity for fraudulent behaviors. Fraud in an accounting context is typically defined

concerning the standard audit definition as either one of two types of misconduct—misappropriation of assets or financial statement fraud<sup>1</sup>. It is the responsibility of forensic accountants to Consider Fraud in Tax audits). Specifically, fraud is "an intentional act by one or more individuals among management, those charged with governance, employees, or third parties, involving the use of deception to obtain an unjust or illegal advantage" However, it is much more difficult to identify and measure misappropriation-type fraud<sup>2</sup>.

The investment community has recognized the dangers of corporate fraud and the importance of fraud prevention to ensure a well-functioning and equitable financial market. However, individual instances detected within a fraud firm may not necessarily amount to a material loss of that firm. Moreover, companies must divert further frauds towards the Investigation of reported detected frauds and implementing fraud prevention measures. Curbing executive excesses and fraudulent behavior in an organization is a stated regulatory priority<sup>3</sup>. The central question is whether fraud events can be systematically attributed to revenue reduction. The motivation for suitable governance mechanisms in agency theory is founded on the premise that agents of the organization may choose to act against the government's best interests. Managers and executives may be inclined to forsake the interests of shareholders when an opportunity for fraudulent behavior arises that provides a substantial private payoff.

The ideals of maximizing the long-run total value of the firm for the sake of shareholder wealth may be a distant thought for executives when faced with the prospect of gaining dizzying amounts of personal benefits. Considerable managerial discretion may not only manifest itself as misappropriation managers may choose to do nothing (shirk) if that is in their interests. If faced with a threat of fraud, it may be less costly personally and to the firm to tolerate some loss by fraud given the cost of a proactive campaign to prevent it. If fraud occurs, managers may be reluctant to report misappropriation-type fraud perpetrated by no

managerial agents. Forensic accounting practices measures may reduce the extent of fraud and improve the welfare of shareholders only in firms where agents of the firm are prone to fraudulent behavior. In well-managed firms, abiding by strict governance standards may be a costly Endeavour that reduces efficiency by forcing a deviation from their optimal governance structure.

Studies have identified various triggers that encourage the occurrence of forensic accounting practices, such as external pressures on management to perform, opportunities for executives to deceive stakeholders, and the absence of effective oversight<sup>5</sup>. A corollary of the forensic accounting practices relation is that firms with a high risk of forensic accounting practices react differently to improvements in governance than firms at a low risk of fraud. That is, there is heterogeneity in the forensic accounting practices and tax revenue relation across firms. The tendency of agents to commit fraud determined the most effective and optimal structure for the firm, among other factors. Indeed, ample research suggests that forensic accounting practices are an endogenously determined characteristic of the firm.

#### **4.3.1.2 Research question 2: How does Fraud Deterrence affect Tax Revenue in Nigeria?**

Fraud Deterrence significantly impacts an organization's performance, and the findings of this study where it was revealed that "There is ongoing fraud awareness training carried out in the organization from time to time to deterred fraudulent activity." The mean score of this particular item was at a level of 1.85 on a 6-point scale with a 3.50 decision rule. Also, studies have posited inconclusively that the new employees are unaware of the organization's position on fraud in my organization. The result of this particular item was at a level of 1.64 on a 6-point scale with a 3.50 decision rule. Furthermore, 145 (35.6%) and 262 (64.4%) respondents affirmed that the new employees are aware of the organization's position on fraud in the organization. Their affirmation was in the context of strongly disagree and

disagree. The item recorded a mean score of 1.64 on a 6-point Likert scale with a benchmark of 3.50.

Another striking finding of this study could be seen in the item on section c of the research instrument on fraud deterrence which says that "Misappropriation of funds is some of the fraudulent practices in my organization." 84 (20.6%), 94 (23.1%), and 35 (8.6%) strongly disagreed, disagreed, and partially disagreed, respectively. However, 34 (8.4%), 28 (6.9%), and 28 (6.9%) partially agreed, agreed, and strongly agreed, respectively, on the assertion. The implication of this assertion was based on an average mean score of 3.26 on a 6-point Likert scale with a decision rule of 3.50. The implication is that to a significant extent, misappropriation of funds is some of the fraudulent practices in the organization which can affect the tax revenue collected by the FIRS, with a mean score of 2.51 considering a decision rule of 3.50, it can be adjudged that fraud deterrence can lead to a reduction of tax revenue.

#### **4.3.1.3. Research question 3: How will Fraud Investigation affect Tax Revenue in Nigeria?**

This study reported that Fraud Investigation is positively associated with tax revenue. The findings of this study revealed that "the organization is established a process to detect, investigate and resolve significant potential fraud." This is seen from the mean score of 2.04.

#### **4.3.1.4. Research question 4: How does Tax Audit and Investigation affect Tax Revenue in Nigeria?**

The opinion is that tax audits and Investigations on an array of risks may disrupt business continuity<sup>6</sup>. This assertion is against the findings of this study which reports that Tax audit/investigation is not carrying out as at when due in my organization to enable discover any anomaly with taxpayers. Two hundred six employees strongly disagreed with this, 118 disagreed with this as well. A mean score of 2.10 was generated for this item which means that, indeed, the statement negates the study found that the Tax audit/investigation is carrying

out as at when due in my organization to enable discover any anomaly with taxpayers. With a mean score of 1.51, this confirms that assertion. An interesting finding of this study has it that there is a venue to discover during the tax audit/ investigation of any miss-information such as tax depreciation, compliance with various provisions of income tax law in my organization, and that implies that the interests of tax audit and Investigation are to put into consideration.

This negates the position where it was reported that there is no taxpayer compliance measurement program in my office to discover incorrect data or incomplete tax returns during a tax audit. There was a compliance measurement program to discover incorrect data or incomplete tax returns during tax audits. The above empirical studies reveal a taxpayer compliance measurement program in my office to discover incorrect data or incomplete tax returns during a tax audit; this has a positive and significant impact on the tax revenue generated by the FIRS.

#### **4.3.1.5. Research question 5: In what ways will Tools and Procedures affect Tax Revenue in Nigeria?**

In this study, it was reported that and Procedures of Forensic Accounting Practices effect on Tax Revenue. The item recorded a mean score of 1.66. This is an attribute that truly Forensic Accounting Practices are a yardstick for maximizing tax revenue. The study found that Forensic accounting practices are used to analyze and examine the taxpayers' financial statements and records presented to detect fraud and clear any allegations of fraud in my organization. The findings of this study negate this report. A mean score of 2.94 buttressed the finding of this particular item. Investigative accountants use forensic accounting practices to look at financial records, dig into their background and present a clear and concise account of what they mean and how they impact a particular matter that they have been asked to

consider.<sup>4</sup> Forensic Accounting practices are used as a modern and essential information base for checking enterprises' legality, operational and financial performance.

This finding is in tandem with the findings of this study. A mean score of 4.03 was generated for this particular item, proving that monitoring activity, despite several laws enforcement across countries, forensic accounting practices are put into practice to guide against corporate frauds. All in all, an average mean score of 2.78 served as the determining level of forensic accounting practices adoption in FIRS of Nigeria. This 2.78 means that forensic accounting practices in FIRS of Nigeria are far below the people's expectations.

#### **4.3.2.1. Hypothesis One**

The first null hypothesis of this study says that "There is no significant relationship between Fraud Prevention and Detection of Forensic Accounting Practices and Tax Revenue in Nigeria." This hypothesis revealed that  $F = 332.858$ ,  $(R) = .672$ ,  $(R^2) = .451$  but the  $p$ -value = .000 which is lesser than 0.05 level of significance. This result implies that Fraud Prevention and Detection have a significant relationship with Tax Revenue. It is the strong mechanism put in place to prevent fraud from happening in on tax revenue. This is an affirmation of this finding that Fraud Prevention and Detection has a long way in determining the tax revenue of a firm. Because the tax revenue level of FIRS in Nigeria is at a level of 2.83 on a 6-point Likert scale with a 3.50 decision rule, it is almost certain that indeed forensic accounting practices must have brought this level of tax revenue. This corresponds with the fact that the Fraud Prevention and Detection, as examined before, was at a level of 2.95. This also implies that though the practice of fraudulent activities in FIRS in Nigeria is not at the average level of tax revenue, anything to write home about in the context of Fraud Prevention and Detection determining this. Fraud Prevention and Detection should be at the barest minimum level.

In an assertion, it was asserted that fraud starts small and gradually grows to a significant event. This assertion affirms the position of this study based on the first null hypothesis tested, which gave a result that Fraud Prevention and Detection has an influence on tax revenue in FIRS of Nigeria. Buttrressing this point, one of the findings of this study which also is in line with the finding of this first null hypothesis, reveals that since there are cases of fraudulent activities in FIRS of Nigeria, then tax revenue level is something that cannot be write off in the sector.

In addition, the finding of this study agreed with Agency theory which stated that managers create agency costs for the firm by not working for the maximization of shareholders' wealth. Instead of increasing tax revenue for the government yearly, they are involved in activities that promote their self-interest and draw personal benefits<sup>7</sup>. This view follows a fair construct that people do the work they are employed to do as long as they are paid for it but, there is a possibility of betrayal of trust, especially where motivation is lacking<sup>8</sup>. This better explains the variation between tax revenue and fraud prevention and detection, which has led to a decrease in tax revenue generated by FIRS.

#### **4.3.2.2. Hypothesis Two**

The second null hypothesis of this study says, "There is no significant relationship between Fraud Deterrence of Forensic Accounting Practices and the Tax Revenue in Nigeria." With a result of  $F = 3.825$ ,  $(R) = .097$ ,  $(R^2) = .009$ , and p-value at .051, which is greater than 0.05 level of significance means that Fraud Deterrence will not significantly influence tax revenue of FIRS in Nigeria and a study reported that a negative but significant relationship exists between Fraud Deterrence and the tax revenue of FIRS. This negates the findings of this hypothesis that Fraud Deterrence has no positive hold on tax revenue. However, in one of the findings of this study, a mean score of 4.57 was statistically attributed to an item in the research instrument on Fraud Deterrence which says that "There is ongoing fraud awareness

training carried out in my organization from time to time to deterred fraudulent activity" The study focused on effects fraud deterrence on tax revenue of FIRS.

A likely contributory determinant to forensic accounting practices not determining the tax revenue of level of FIRS in Nigeria is an item on fraud deterrence. The research instrument of this study which says that "New employees are not aware of the organization's position on fraud in my organization," attracted a mean score of 1.64, with all 407 respondents disagreeing with the statement of this particular item in the research instrument. This brings to mind that if perhaps the new employees are aware of the organization's position on fraud in the Federal Inland Revenue Service of Nigeria, there is every tendency that the fraud deterrence will influence tax revenue in the organization.

#### **4.3.2.3. Hypothesis Three**

There is no significant relationship between Fraud Investigation of Forensic Accounting Practices and Tax Revenue in Nigeria is the third null hypothesis tested in this study. The result has it that  $F = 7.587$ ,  $(R) = .136$ ,  $(R^2) .018$ , however, the  $p$ -value = .006 which is lesser than 0.05 level of significance. This implies that since the  $p$ -value, which is .006, is lesser than the level of significance, which is 0.05, it is therefore concluded that Investigation has a significant positive influence on tax revenue in FIRS of Nigeria. A study reported that there was no significant relationship between forensic accounting practices and tax revenue. In the context of this study, Investigation is one of the indices of forensic accounting practices; the hypothesis tested here revealed that Investigation is positively significant to tax revenue. This result is contrary to the findings where they reported that there is no significant relationship between Fraud Investigation of Forensic Accounting Practices and Tax Revenue in Nigeria. Nevertheless, the findings support the findings where they reported a positive relationship between fraud investigation and tax revenue.

In various studies carried out for Indian firms, it was revealed that there is a positive impact of fraud investigation on tax revenue. This is also in line with the findings of this particular hypothesis. However, in reporting the mean level of forensic accounting practices under the item that centers on several fraud investigations in FIRS of Nigeria, it was reported that only 140 out of the total number of respondents of this study which is 407, attested to the fact that the FIRS had a relatively high number of an established process to detect, investigate and resolve significant potential fraud. A mean score of 2.04 on a 6 point scale with a decision rule of 3.50 was realized for this particular item. This did not in no way determine the tax revenue of FIRS in Nigeria.

#### **4.3.2.4. Hypothesis Four**

Null hypothesis four of this study states, "There is no significant relationship between Tax Audit and Investigation of Forensic Accounting Practices and Tax Revenue in Nigeria." The result of the hypothesis says that "F = 364.436, (R) = .688, (R<sup>2</sup>) .474, however, the p-value = .000 which is lesser than 0.05 level of significance. This implies that since the p-value, which is .000, is lesser than the level of significance, which is 0.05, therefore it is concluded that tax audit and Investigation have a significant positive influence on the tax revenue of FIRS in Nigeria. Studies have revealed different findings as regards how tax audit and investigation influences revenue. There was a report that most of the tax audits and investigations positively impact the state revenue of sampled Ogun states internal revenue service in Nigeria. Also, the study reported that tax audit and Investigation had no significant impact on revenue sampled state.

This is also in line with the finding of this study. In all the studies carried out, it was reported that tax audits and investigations have a significant favorable influence on revenue. Conclusively, from the findings of various studies, it seems to a large extent that tax audit and

Investigation are pretty much influential to tax revenue. This is in line with the finding of this particular null hypothesis tested here.

#### **4.3.2.5. Hypothesis Five**

The last hypothesis of this study is a combination of all the indices of forensic accounting practices and tax revenue of FIRS in Nigeria. In precise terms, the hypothesis says, "Joint indicators (fraud prevention and detection, fraud deterrence, fraud investigation, tax audit, and investigation) of forensic accounting practices do not have a positive significance on tax revenue in FIRS of Nigeria." With a multiple regression approach in statistically evaluating the testing of this hypothesis, the result has it that "R-squared = .891 of the variation in the dependent variable that is explained by the five constructs of forensic accounting practices (fraud prevention and detection, fraud deterrence, fraud investigation, tax audit, and Investigation). Besides,  $F = 653.998$ ,) their analysis revealed that fraud prevention and detection ( $= -.001$ ,  $P < .05$  because the p-value has a score of .000). fraud deterrence ( $= .610$ ,  $P < .05$  because the p-value is .000), fraud investigation ( $= .068$ ,  $P < .05$  because the p-value is .000) and tax audit and investigation ( $= -.271$ ,  $P < .05$  because the p-value is .000). Going by this multiple regression analysis, not all forensic accounting practices indices positively significantly influence the tax revenue of FIRS in Nigeria. However, all the four forensic accounting practices indices, fraud prevention and detection, fraud deterrence, fraud investigation, tax audit, and Investigation, all contributed positively significantly to the tax revenue of FIRS in Nigeria.

The findings on the impact of forensic accounting practices on tax revenue are pretty exciting. Tax revenue is associated with forensic accounting practices. This study did not report whether negative or positive association on tax revenue. Therefore, one cannot analyze how the findings here relate to the findings of this hypothesis. However, the study reported that there is no significant relationship between forensic accounting and tax revenue. This

affirms the result of this hypothesis that reported a significant positive relationship between forensic accounting and tax revenue. These findings negate the hypothetical result of this particular finding.

Finally, various results border the level of significant influence between forensic accounting practices and tax revenue is a mixed one. Moreover, in the context of this work, studies carried out on the level of influence between forensic accounting practices and tax revenue in developing economics did not yield any positive or negative results. However, lessons can be learned from positive and applied to contribute to the tax revenue generated by the Federal Inland Revenue Service in Nigeria.

It is noteworthy that researchers and stakeholders in the Federal and State Inland Revenue Service understand that in boosting the tax revenue in states across Nigeria, fraud prevention & detection, fraud deterrence, fraud investigation, and Tax Audit and Investigation serve as significant indicators used to measure corporate governance in this study should be well managed and considered.

#### 4.4. Summary Table of Findings

The study had five hypotheses. Table 4.4 outlines the summary of the hypothesis test.

**Table 4.4 Summary Table of Findings**

S/N	Hypotheses	Decision
1	H <sub>01</sub> :	There is no significant relationship between Fraud Prevention and Detection on Reject Tax Revenue in Nigeria.
2	H <sub>02</sub> :	There is no significant relationship between Fraud Deterrence on reject Tax Revenue in Nigeria.
3	H <sub>03</sub> :	There is no significant relationship between Investigations on Reject Tax Revenue in Nigeria.
4	H <sub>04</sub> :	There is no significant relationship between Tax Audit and Investigation on Reject Tax Revenue in Nigeria.
5	H <sub>05</sub> :	There is no significant relationship between Tools and Procedures on Reject Tax Revenue in Nigeria.

**Source: Researcher's Filed Survey, 2021**

## Endnotes

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## **Chapter Five**

### **Conclusion**

This chapter summarized the analysis and interpretation of the study, provides recommendations for the problems identified, and makes suggestions for further studies. Also, the chapter highlights the implication of the findings and contributions to the existing knowledge in the field of Forensic Accounting and Taxation.

#### **5.1. Summary of Findings**

The study examined the effect of forensic accounting practices (fraud prevention & detection, fraud deterrence, fraud investigation, tax audit, and investigation) and tax revenue in Nigeria's Federal Inland Revenue Service. While tax is described as a compulsory payment imposed on individuals, groups, businesses, or corporate bodies, properties are used to defray government expenditures. Tax is considered a significant source of revenue, and revenues generated from tax can be used to finance public utilities, perform social responsibilities and grease the administrative wheel of the government. The study defined forensic accounting as applying financial skills and investigative mentality to unsettled issues conducted within the rules of evidence. The first chapter deals with the background of the study, identify appropriate problems related to the study, outline the study's objectives, and formulated appropriate research questions and hypotheses. The chapter also highlighted the scope and significance of the study and gave the operational definition of terms.

The second chapter reviews the conceptual, theoretical, and empirical literature relevant to forensic accounting and tax revenue. A conceptual model that combined forensic accounting practices and tax revenue was also developed based on the review of relevant literature. New definitions were provided, and existing ones were carefully reviewed. Major theories reviewed. Such as the theory of fraud, system theory, the fraud triangle theory, ability to pay theory, and benefit theory. Benefit theory as adopted. More so, past forensic accounting and

taxation studies were reviewed. Chapter three presented the methodology used in the study. The chapter presented the research design, the population of the study; sample and sampling practices; description of the instruments, pilot study; validation of the research instrument; reliability of the instrument; administration of instrument, and method of data analysis.

In this study, the survey research design was employed. Four hundred seventeen employees were selected randomly from 69 listed offices of the Federal Inland Revenue Service in Nigeria. Questionnaire items were used to gather data from 278 selected employees of the Federal Inland Revenue Service in Nigeria, out of which 271 questionnaire items were retrieved. Chapter four presents the analysis, results, and discussion of the findings. The analysis was done through descriptive and inferential statistics. Descriptive analysis interpreted the respondent demographic information as well as response to the research question. Inferential analysis was used to determine the possible effect of forensic accounting practices (variables) and tax revenue of the Federal Inland Revenue Service in Nigeria. Data generated from the questionnaire was sorted, arranged, coded, analyzed, and substituted in the functional equations to obtain linear and multiple regression analysis. Specifically, hypotheses 1, 2, 3, and 4 were analyzed using linear regression analysis, while hypothesis 5 was analyzed using multiple regression analysis.

**Major empirical findings and results of hypotheses testing are outlined as follows:**

1. The study found that fraud prevention and detection ( $F = 332.858$ ,  $(R) = .672$ ,  $(R^2) = .451$ ,  $p \text{ value} = 0.000 < 0.05$ ), have significance effect on tax revenue in Federal Inland Revenue Service of Nigeria.
2. Fraud deterrence ( $F = 7.587$ ,  $(R) = .136$ ,  $(R^2) = .018$ ,  $p \text{ value} = .003 < 0.05$ ), have significance effect on tax revenue in Federal Inland Revenue Service of Nigeria.
3. Fraud investigation ( $F = 364.436$ ,  $(R) = .668$ ,  $(R^2) = .474$ ,  $p \text{ value} = .000 < 0.05$ ), have significance effect on tax revenue in Federal Inland Revenue Service of Nigeria.

4. Forensic accounting practices (fraud prevention and detection; Fraud deterrence Fraud deterrence; Fraud deterrence and Tax audit and investigation)  $F = 653.998$ ,  $R\text{-squared} = .891$ ,  $p \text{ value} = 0.00 < 0.05$ , have combined significance effect on tax revenue in Federal Inland Revenue Service of Nigeria.

5. Tax audit and investigation ( $F = 3.825$ ,  $(R) = .097$ ,  $(R^2) = .009$ ,  $p \text{ value} = 0.00 < 0.05$ ) do not have significance effect on tax revenue in Federal Inland Revenue Service of Nigeria.

## **5.2. Conclusion**

The study examined the impact of forensic accounting practices (fraud prevention and detection; Fraud deterrence; Fraud deterrence and tax audit and investigation) and tax revenue in Nigeria's Federal Inland Revenue Service. The study concluded that forensic accounting practices contribute to tax revenue in Nigeria's Federal Inland Revenue Service. More so, the study's findings conformed to the adopted theory of Benefit theory of taxation, which aimed at ensuring transparency and accountability. The benefit principle is a concept in the theory of which base taxes to pay for public goods expenditures on a politically revealed willingness to pay for benefits received. The benefit principle takes a market-oriented approach to taxation.

The study's objective is to assess the impact of Forensic Accounting Practices and Tax Revenue to increase the revenue generated and reduce any form of fraudulent activities if not eradicated at all. Thus, its objective is to accurately determine the optimal amount of revenue spent on public goods. These theories provide a new explanation for the relationship between forensic accounting practices and tax revenue. These new findings will be helpful for future researchers. The study also concluded that fraud prevention and detection, fraud deterrence, fraud investigation, and tax audit and investigation were quintessential factors in determining tax revenue of the Federal Inland Revenue Service in Nigeria. These new findings agree with the Ability and Benefit theory and past studies examined in this work.

### **5.3. Recommendations**

Based on the findings from the study, the following recommendations are to be considered and implemented by the relevant stakeholders.

1. It is recommended that Federal Inland Revenue Service should put more machinery in place to discourage, minimize, and total eradication of fraud within their operations and systems. This study found that fraud to be a contributing factor in decreased tax revenue generated by their organization—however, one of the ways to increase their commitment and honesty within the workplace.
2. Fraud prevention & detection and deterrence were found to significantly impact tax revenue generated by the Federal Inland Revenue Service in Nigeria. By implication, executive directors should do away with bad politics or anything that can tarnish their image and reduce the tax revenue-generating in their organization.
3. Fraud Investigation was found to have a significant impact on tax revenue. The Federal Inland Revenue Service should always be alerted and act promptly to investigate and resolve significant potential fraud and discover any anomaly with taxpayers as at when due.
4. Tax Audit and Investigation was found to have a significant impact on tax revenue. Therefore, Federal Inland Revenue Service should examine a taxpayer's record and documents to ascertain whether such taxpayer has appropriately assessed, reported, and remitted its tax liability for the relevant year of assessment to the government.
5. Therefore, forensic accounting practices should be applied by tax authorities in Nigeria, especially the Federal Inland Revenue Service, to check cases and instances of tax fraud to ensure that forensic accounting practices are used to improves tax revenues generated in the country.

### **5.4. Contribution to Knowledge**

In conceptual terms, this study further explains forensic accounting practices. For instance, in the study, forensic accounting practices are defined as the ways investigative accountants use to look at financial records, dig into their background, and present a clear and concise account of what they mean and how they impact a particular matter asked to consider. At the same time, tax revenue is seen as all income gained through taxation. This refers to all the different types of taxes as personal income tax, sales tax, value-added tax, education tax. Similarly, the study introduced the new conceptual model to the research area of forensic accounting practices. The new model includes fraud prevention & detection, fraud deterrence, fraud investigation, and tax audit and investigation and how these variables measure tax revenue.

Empirically, this study found components of forensic accounting practices: fraud prevention & detection, fraud deterrence, fraud investigation, and tax audit and investigation, to have a significant positive impact on tax revenue in the Federal Inland Revenue Service of Nigeria. Also, the study finds a positive influence when checking for the multiple impacts of forensic accounting practices and tax revenue. The new evidence will be helpful to the debate of forensic accounting and tax revenue.

### **5.5. Area of Further Research**

To overcome the limitation of the study, the researcher suggests that there is a need for further investigation as follows:

1. The present study examined the effect of forensic accounting practices on tax revenue in the Federal Inland Revenue Services of Nigeria; however, the scope might limit the findings of this study. The future should study phenomenon using other sectors and only considered Federal Inland Revenue Service offices in southwestern states in Nigeria were considered in this study. The scope should be expanded to the State Inland Revenue Service in Nigeria.

2. It was the researcher's interest to use simple random sampling practices (since this provides for equal representation of all the elements under observation); however, due to the nature of this study, cross-sectional design (a study conducted under a short period), which provides limited time for the researcher to administer the questionnaire. Consequently, a non-probability sampling technique (purposive) was employed. Based on this background, future studies should adopt a longitudinal research design, allowing sample random sampling practices.

3. The researcher resolved to use a survey research design due to the study participants' lack of adequate information. Future studies should use the expo-facto to test the relationship between forensic accounting practices and tax revenue. This will employ various states of Inland Revenue Service reports knowing if the forensic accounting practices can improve their tax revenue-generating in their various state.

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## Appendices

### C and M Formula

N	S	N	S	N	S	N	S	N	S
10	10	100	80	280	162	800	260	2800	338
15	14	110	86	290	165	850	265	3000	341
20	19	120	92	300	169	900	269	3500	346
25	24	130	97	320	175	950	274	4000	351
30	28	140	103	340	181	1000	278	4500	354
35	32	150	108	360	186	1100	285	5000	357
40	36	160	113	380	191	1200	291	6000	361
45	40	170	118	400	196	1300	297	7000	364
50	44	180	123	420	201	1400	302	8000	367
55	48	190	127	440	205	1500	306	9000	368
60	52	200	132	460	210	1600	310	10000	370
65	56	210	136	480	214	1700	313	15000	375
70	59	220	140	500	217	1800	317	20000	377
75	63	230	144	550	226	1900	320	30000	379
80	66	240	148	600	234	2000	322	40000	380
85	70	250	152	650	242	2200	327	50000	381
90	73	260	155	700	248	2400	331	75000	382
95	76	270	159	750	254	2600	335	100000	384

Source: from R. V. Krejcie and D. W. Morgan, "Determining Sample Size for Research Activities," *Education and Psychological Measurement*, 30, p. 608, copyright © 1970 Sage Publications, Inc. Reprinted by permission of Sage Publications, Inc.

## Research Instrument

Department of Management and Accounting,  
Faculty of Management and Social Sciences,  
Lead City University, Ibadan, Nigeria

### **Questionnaire on Forensic Accounting Practices and Tax Revenue in Nigeria- a study of Federal Inland Revenue Service (FIRS)**

Dear Respondent,

#### **Request for Completion of Questionnaire**

I am a postgraduate student of the above named school and department currently undertaking a research study titled “**Forensic Accounting Practices and Tax Revenue in Nigeria- a study of Federal Inland Revenue Service (FIRS)**”. In Partial Fulfillment of the Requirements for the Award of Doctor of Philosophy (Ph. D) Degree in Accounting

The main objective of these research questionnaires aimed at eliciting your response for the purpose of data collection for an on-going Ph. D research work. Below are questions related to **Forensic Accounting Practices and Tax Revenue in Nigeria** which is to enable the researcher to know the level of compliance in your organization, Please, you are required to provide answers to the questions, while frank and candid opinion would be appreciated. The information provided shall be used for research purposes only and confidentiality is guaranteed.

Thanks for your anticipated corporation.

Yours faithfully,

**Adegbenro Saheed Aderemi**

## Questionnaire

### Section A: Demographic Information

Please tick ( ) in the boxes and write at the space provided appropriate:

1. Age: (a) 20 – 30 years [ ] (b) 31– 40 years [ ] (c) 41 – 50 years [ ] (d) 51 years & above [ ]
2. Sex: (a) Male [ ] (b) Female [ ]
3. Branch Name \_\_\_\_\_
4. Post held/Position: \_\_\_\_\_
5. Highest Qualification: (a) OND/NCE [ ] (b) HND/BSc [ ] (c) Master & Above [ ] (d) Professional(s) [ ]
6. Years of Experience: (a) 0 – 5 years [ ] (b) 6- 10 years [ ] (c) 11- 15 years [ ] (d) 16 years & above [ ]
7. Accounting Qualification: (a) Yes [ ] (b) No [ ]
8. Awareness of Forensic Accounting Practices (a) Yes [ ] (b) No [ ]

### Section B: Level of Agreement on the Fraud Prevention and Detection in your Organization

Please identify your level of agreement with the following statements on the Fraud Prevention and Detection Skills in your Organization.

(SD – Strongly Disagree, D – Disagree, PD- Partially Disagree, PD- Partially Agree, A- Agree, SA – Strongly agree)

<b>Items</b>	<b>SD</b>	<b>D</b>	<b>PD</b>	<b>PA</b>	<b>A</b>	<b>SA</b>
There is a strong mechanism put in place to prevent fraud to happen in my organisation.						
The misappropriation type of fraud is difficult to observe and measure in my organisation.						
If you currently or previously had occurrence of fraud in your organization, there are detection measures in place.						
Management and executives of my organization covers-up themselves when anyone of them involved in fraudulent activities.						
There have been opportunities for executives to deceive stakeholders financially in my organization.						
Is the organization suffered any financial misappropriation in the past						

**Section C: Level of Agreement on the Fraud Deterrence in your Organization**

Please identify your level of agreement with the following statements on the Fraud Deterrence Skills in your Organization.

(SD – Strongly Disagree, D – Disagree, PD- Partially Disagree, PA- Partially Agree, A- Agree, SA – Strongly agree)

Items	SD	D	PD	PA	A	SA
There is ongoing fraud awareness training carried out in my organization from time to time to deterred fraudulent activity.						
New employees are not aware of the organization's position on fraud in my organization.						
Misappropriation of funds is some of fraudulent practices in my organization.						
Adequate monitoring controls are not in place and effective to identify red flags for fraud, in case it occur in my organization						
Physical control are not in place to deterred fraud potential, including access to corporate assets, records and files in my organization.						
Adequate steps are not in place to protect company data and employee information to						

deterred fraudulent activities in my organization.						
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**Section D: Level of Agreement on the Fraud Investigation in your Organization**

Please identify your level of agreement with the following statements on the Fraud Investigation Skills in your Organization.

(SD – Strongly Disagree, D – Disagree, PD- Partially Disagree, PA- Partially Agree, A- Agree, SA – Strongly agree)

Items	SD	D	PD	PA	A	SA
My organization is not established a process to detect, investigate and resolve potential significant fraud.						
There are no competent staff that have deep knowledge in Fraud Investigation in my organization when fraudulent case is reported						
My organization is not implemented checks and balance at the process level to prevent, deter and detect each of the significant fraud.						
Investigation are taken immediately when there is any reported case of fraud in my organization						
There is no implementation of a process to promote ethical behaviour, deter wrongdoing						

during investigation in my organization						
Fraud Investigation is carrying out as at when due in my organization to enable discover any anomaly with tax payers.						

**Section E: Level of Agreement on the Tax Auditand Investigation in your Organization**

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Please identify your level of agreement with the following statements on the Tax Audit and Investigation in your Organization.

(SD – Strongly Disagree, D – Disagree, PD- Partially Disagree, PD- Partially Agree, A- Agree, SA – Strongly agree)

Items	SD	D	PD	PA	A	SA
Tax audit/investigation is not carrying out as at when due in my organization to enable discover any anomaly with tax payers.						
There is no avenue to discover during the tax audit/ investigation of any miss-information such as tax depreciation, compliance of various provisions of income tax law etc in my organization.						
There is no taxpayer compliance measurement program in my office to discover incorrect data or incomplete tax returns during tax audit.						
There is no avenue to enable tax authorities in verifying the correctness of income tax returns filed by the taxpayer. Calculation and verification of total income claim for deductions etc in my organization.						
Tax audit and investigation do not contribute to the revenue generation in my organization.						

<p>During the Tax audit and investigation, there is no process of examining a taxpayer's record and documents in order to ascertain whether such taxpayer has appropriately assessed, reported and remitted its tax liability for the relevant year of assessment.</p>						
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**Section F: Level of Agreement on the Forensic Accounting Practices in your Organization**

Please identify your level of agreement with the following statements on the Forensic Accounting Practices in your Organization.

(SD – Strongly Disagree, D – Disagree, PD- Partially Disagree, PD- Partially Agree, A- Agree, SA – Strongly agree)

Items	SD	D	PD	PA	A	SA
Forensic accounting practices are used to analyse and examine the tax payers' financial statements and records presented in order to detect fraud and clear any allegations of fraud in my organization.						
Forensic accounting practices are used by investigative accountants in my organization to look at financial records, dig into their background and present a clear and concise account of what they mean and how they impact a particular matter that they have been asked to consider.						
Forensic Accounting practices are used as modern and important information base of checking of legality operational and financial						

performance of enterprises in my organization.						
Despite of having several laws enforcement across countries, forensic accounting practices are not put in to practice to guide against corporate frauds in my organization.						
Forensic accounting practices utilize accounting, auditing, and investigative skills to resolution due to their high level of involvement in legal issues and results of the breach of a nondisclosure or non-compete agreement by the tax payers.						
Forensic accounting practices change and legal reform can also have an influence upon my organization in improving in the collection of tax revenue.						

## Lead City University

### Author's Bio-data

#### A. Personal Data

1. Adegbenro Saheed Aderemi

2. No 1, Agbona /Kunlu Street, of Lalupon road, Ibadan.

[gbenro247@yahoo.co.uk](mailto:gbenro247@yahoo.co.uk) +2348064648303

3. Date and Place of Birth

6<sup>th</sup> December, 1981, Ibadan, Oyo State

4. Nationality

Nigerian

5. Name and Address of Next of Kin:

Mrs Adegbenro Mariam Olabisi

No 1, Agbona /Kunlu Street, of

Lalupon road, Ibadan. Oyo State

#### B. Educational Background

##### 1. Educational Institutions Attended with Dates

- |       |   |                |
|-------|---|----------------|
| i.    | Lead City University, Ibadan              | 2019-till date |
| ii.   | Lead City University, Ibadan              | 2016-2018      |
| iii.  | Usmanu Danfodiyo University, Sokoto       | 2006-2008      |
| iv.   | Usmanu Danfodiyo University, Sokoto       | 2005-2006      |
| v.    | Ahmadu Bello University, Zaria            | 2009-2010      |
| vi.   | Houdegbe North American University, Benin | 2010-2012      |
| vii.  | The Polytechnic, Ibadan.                  | 2001-2003      |
| viii. | The Polytechnic, Ibadan.                  | 1997-1999      |
| viii. | Boiling Point Computer Training Centre    | 2002-2003      |

## 2. Academic Qualifications Obtained (with Dates)

i.	Doctor of Philosophy (PhD Accounting)	in view
ii.	Master of Science (M.Sc. Accounting)	2019
iii.	Master of Business Administration (MBA Islamic Bus. Finance)	2010
iv.	Postgraduate Diploma in Business Administration	2007
v.	Professional Diploma in Education	2010
vi.	Bachelor of Science (B.Sc. Accounting)	2012
vii.	Higher National Diploma (HND Business Administration)	2004
viii.	National Diploma (ND Business Studies)	2000
viii.	Certificate in Computer Studies	2003

## C. Working Experience with Dates

**Home of Professional Consultants** 2020 –till date

### Manager, Compliance and Audit

#### Duties and responsibilities

- Monitor compliance systems to ensure their effectiveness;
- Independent Compliance audit for financial and other financial Institutions;
- Conduct periodic internal reviews or audits to ensure that compliance procedures are followed;
- Advise internal management on the implementation or operation of compliance programs;
- Review communications such as securities sales advertising to ensure there are no violations of standards or regulations;
- Provide assistance to internal or external auditors in compliance reviews;
- Prepare management reports regarding compliance operations and progress;
- Monitor compliance systems to ensure their effectiveness;

- Report violations of compliance or regulatory standards to duly authorized enforcement agencies as appropriate or required;
- Keep informed regarding pending industry changes, trends, and best practices and assess the potential impact of these changes on organizational processes;
- Design or implement improvements in communication, monitoring, or enforcement of compliance standards;
- Verify that all firm and regulatory policies and procedures have been documented, implemented, and communicated;
- Conduct or direct the internal investigation of compliance issues;
- Assess product, compliance, or operational risks and develop risk management strategies;
- Identify compliance issues that require follow-up or investigation;
- Disseminate written policies and procedures related to compliance activities;
- Maintain documentation of compliance activities, such as complaints received or investigation outcomes;

**Jaiz Bank Plc**

2019 -2020

**Team Lead**

- Relationship Management of the existing customers and new Prospect, Excellent Service Delivery; Customer Satisfaction; Identification & correction of service failure issues and Prompt Response to customer's requests & complaints.
- Reconciliation and clean up of general ledger accounts with review comment.
- Daily Risk asset review and maintain efficient cash clearing management processes in the zone.
- Control - Correction implementation of errors and call-over exceptions - Ensuring Fraud free operations.

**Polaris Bank Limited**

2018 -2019

**Team Lead/ Relationship Officer**

- Relationship Management of the existing customers and new Prospect, Excellent Service Delivery; Customer Satisfaction; Identification & correction of service failure issues and Prompt Response to customer's requests & complaints.
- Reconciliation and clean up of general ledger accounts with review comment.
- Daily Risk asset review and maintain efficient cash clearing management processes in the zone.
- Control - Correction implementation of errors and call-over exceptions - Ensuring Fraud free operations.

**Skye Bank Plc**

2014 -2018

**Team Lead/ Relationship Officer**

- Relationship Management of the existing customers and new Prospect.

**Bank Plc**

2009 -2014

**Resident Control Officer**

**Main Duties**

- Call over of transactions, Operational reviews & correction of exceptions - Prompt and detail call-over of transaction tickets - Account opening documentation and other related CSO functions - Other Customer services review
- Cash & vault Review - Review and maintenance of all relevant registers in the branch - GL review and monitoring of suspense accounts.
- Reconciliation and clean up of general ledger accounts with review comment.
- Daily Risk asset review and maintain efficient cash clearing management processes in the zone.

- Control - Correction implementation of errors and call-over exceptions - Ensuring Fraud free operations.
- Follow up on audit exceptions/recommendation/implementation chart to make sure that necessary correction is promptly made and recommendation implemented
- Call over of transactions, Operational reviews & correction of exceptions - Prompt and detail call-over of transaction tickets - Account opening documentation and other related CSO functions - Other Customer services review
- Cash & vault Review - Review and maintenance of all relevant registers in the branch - GL review and monitoring of suspense accounts.

**United Bank for African**

2006 –2009

**Cluster Compliance Officer**

**Main Duties**

- Reconciliation and clean up of general ledger accounts with review comment.
- Daily Risk asset review and maintain efficient cash clearing management processes in the zone.
- Control - Correction implementation of errors and call-over exceptions - Ensuring Fraud free operations.
- Follow up on audit exceptions/recommendation/implementation chart to make sure that necessary correction is promptly made and recommendation implemented
- Call over of transactions, Operational reviews & correction of exceptions - Prompt and detail call-over of transaction tickets - Account opening documentation and other related CSO functions - Other Customer services review
- Cash & vault Review - Review and maintenance of all relevant registers in the branch - GL review and monitoring of suspense accounts.

**D. Awards and Fellowships**

Fellow of the Association of Forensic Accounting Researchers (FFAR)	2019
SME Award of recognition, Skye Bank Plc	2016
Best Control Officer, Skye Bank Plc	2012

#### **E. Membership of Academic Professional Bodies**

i. Fellow, Association of Forensic Accounting Researchers (FFAR)	2019
ii. Member, Nigerian Institute of Management Chartered (MNIM)	2021
iii. Associate Member, Chartered Institute of Banker of Nigeria (ACIB)	2020
iv. Associate, Institute of Chartered Management Accountants (ACMA)	2009
v. Certified teacher, Teachers Registration Council of Nigeria	2019

#### **F. Publications (if any):**

##### **1. Books/Monographs**

- i. Adegbenro S.A. (2020): Tax Management and Compliance: A compendium of Tax Management and Compliance in Nigeria, 1<sup>st</sup> Edition, Diamond Prints & Design, Lagos, Nigeria.
- ii. Adegbenro, S. A, Adeyemo K. A. and Akingbehin K. O. (2021): International Financial Reporting Standards' (IFRS) Adoption and Taxation in South western Nigeria, A compendium of Taxation for Economic Development in Nigeria, 2<sup>nd</sup> Edition, Diamond Prints & Design, Lagos, Nigeria.

##### **2. Scholarly Articles**

- i. Olaleye, J.O and Adegbenro, S.A (2019): Evaluation of the Roles of Internal Control in Preventing and Detecting Frauds: A study of Guarantee Trust Bank Plc. Lagos, (2005-2017), International Journal of Engineering, Science and Mathematics. Vol. 8 Issue 4, April 2019.
- ii. Adegbenro, S. A, Adeyemo K. A. and Akingbehin K. O. (2021): International Financial Reporting Standards and Financial Reporting Quality of Listed Consumer Goods

Companies in Nigeria, AFAR Multidisciplinary Journal of Management Science (MJMS).  
Vol. 3. Issue 2, July – September, 2021 Pp. 13-35.

### **3. Research Work**

- i. Adegbenro, S.A (2019): An Evaluation of the Roles of Internal Control in Preventing and Detecting Frauds: A study of Guarantee Trust Bank Plc. Lagos, (2005-2017), A M. Sc. Research Work.
- ii. Adegbenro, S.A (2012): The role of Information Technology Towards Effective Service Delivery in Banking Industry: A study of Five Selected Commercial Banks in Nigeria.. Lagos, (2005-2017), an MSc Research Work.
- iii. Adegbenro, S.A and Akeem Umar el al (2010): The Relevance of Special Education to National Development: A study of Abdul-rasheed Adisa Raji Special School Sokoto. A Professional Diploma in Education Research Work.
- iv. Adegbenro, S.A (2008): Personal Selling and Sales Turnover: A study of Globalcom Nigeria Limited, An MBA Research Work.
- v. Adegbenro, S.A (2005): Employees Motivation in Institution of Higher Learning: A study of Waziri Umaru Polytechnic, Birnin Kebbi. A Postgraduate Diploma Research Work.

### **4. Conferences and Workshops Attended with Dates**

- i. Forensic Accounting and Fraud Examination. Organized by Association of Forensic Accounting Researchers, 2020
- ii. Taxation and Fiscal Policy. Organized by OGE Business School, 2020
- iii. Tax Audit and Tax Investigation. Organized by OGE Business School, 2020
- iv. Anti-Money Laundry/ Counter Financing Terrorist Compliance by Skye Bank. 2018
- v. Domestic, Foreign Operations & Treasury. Organized Skye Bank Plc.2017
- vi. Accounting, Credit & Risk Management. Organized Skye Bank Plc. 2017
- vii. Relationship Management, Marketing & Selling. Organized Skye Bank Plc, 2016

viii. Processing, Compliance & Personal Effectiveness. Organized by UBA, 2007

ix. Customer Relation Experience Management. Organized by UBA, 2007

x. Internal Control and Reconciliation. Organized by United Bank for Africa, 2006

x. Auditing and Investigation. Organized by United Bank for Africa (UBA), 2006

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**Signature**

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**Date**

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### University Compliance Certificate

This is to certify that this thesis by **Adegbenro Saheed Aderemi** with Matric Number LCU/PG/001072 in the Department of Management and Accounting, Lead City University; Ibadan is in **FULL** compliance with the approved University format and style.

---

**Name**

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**Date**