TAX AUDIT AND COMPANIES INCOME TAX COMPLIANCE IN NIGERIA: THE MODERATING ROLE OF TAX OFFICERS' EXPERTISE

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ABSTRACT

Low tax revenue generation is still a major problem confronting Nigeria and the government has introduced several measures, such as tax audit, to confirm the accuracy of the self-assessments. This study examined the effect of tax audit on companies' income tax compliance in Nigeria and the moderating role of tax officers' expertise. The population consists of 304 staff in the tax audit department in the Federal Capital Territory, Nigeria. The Taro Yamane formula was used to determine a sample size of 173. A structured questionnaire was used to gather primary data from respondents. Findings show that desk audit, field audit, and back duty audit have a positive and significant effect on companies' income tax compliance. When tax officers' expertise moderated the effect, the result shows that desk audit, field audit and back duty audit significantly moderate the effect of companies' income tax compliance in Nigeria. The study therefore recommended that FIRS should continue to prioritize desk audit due to its significant positive effect on companies' income tax compliance by investing in data analytical tools that would further enhance their effectiveness. Secondly, to further enhance the effectiveness of field audit, FIRS can use data analytics and artificial intelligence (AI) to identify high-risk taxpayers to detect non-compliance trends.

Keywords: Back Duty Audit, Companies Income Tax Compliance, Desk Audit, Tax audit, Tax Officers' Expertise

JEL Classification: H26, H21, M48

1.0 INTRODUCTION

Revenue generation is critical for the economic survival and stability of any country, and Nigeria is no exception. Taxation is the most sustainable medium through which a country can secure its revenue. However, tax non-compliance is an important obstacle to efficient tax administration. Only 11,830 of the 18,602 companies, partnerships, and organizations with a ₦1 billion banking turnover paid taxes, while 6,722 did not, according to Oluseyi (2021). Furthermore, the FIRS reported a 12.87% drop in corporate income tax (CIT) in the first quarter of 2024 as compared to the fourth quarter of 2023 (Udi, 2024). According to the 2015–2019 audit report, enterprises and almost 5000 government ministries, agencies, and organizations owe the federal government ₦5.2 trillion in taxes through the FIRS (Dirisu, 2024). To solve this problem, countries all over the world have implemented several policies to ensure that taxes are paid, including tax audit, self-assessments, fines, and penalties.

A tax audit is a review of a taxpayer's financial records and tax returns to ensure that tax rules and regulations are followed (Olaoye & Ogundipe, 2018). Companies' income tax (CIT) compliance and audit in Nigeria are governed by the FIRS, which was created by parliamentary legislation in 2007. Desk, field, and back duty audits serve as proxies for tax audit. A desk audit is the process of examining a business's records as soon as the tax return is received (D'Agosto et al., 2017). The examination takes place at the tax office, allowing the tax officer to thoroughly review the books and verify that the supplied records are complete. A field audit is a thorough examination in which tax authorities examine the chosen company's books of accounts on-site (Oladele et al., 2021). The reason behind this process is to clarify controversial questions about the accounting entries and documentation from the company's management. When the tax officer suspects patterns of non-compliance, a back duty audit is conducted. Examples of such trends include unreported income and false capital allowance claims.

According to Olaoye et al. (2017), companies income tax compliance is the degree to which companies obey the tax laws and tax regulations willingly by ensuring accurate tax computations, early filing and remittance within the stipulated period. Companies' income tax compliance within the tax framework in Nigeria entails first registering with the tax administration and obtaining a Tax Identification Number (TIN), according to the Companies Income Tax Act (CITA) (2010). Other requirements include filing the self-assessment, timely filing and payment of tax obligations, maintaining accurate books of accounts, documents, and records of specific transactions. Tax audit and corporate income tax compliance are significant aspects of Nigeria's tax system. Ensuring that taxpayers obey tax laws and regulations is a crucial function of tax officers. According to Olokooba (2019), the complexity of the tax laws confuses taxpayers, and the majority of taxpayers do not voluntarily comply because they do not see the benefits of doing so (Nwaiwu & MacGregor, 2018). For these reasons, their roles are crucial. Thus, it is thought that taxpayers will become more conscious of their tax obligations with the assistance of tax officers who are experts in tax issues. To accomplish the objectives of this study, the following hypotheses were formulated.

H$_{01}$: Desk audit has no significant effect on companies income tax compliance in Nigeria.
H$_{02}$: Field audit has no significant effect on companies income tax compliance in Nigeria.
H$_{03}$: Back duty audit has no significant effect on companies income tax compliance in Nigeria.
H$_{04}$: Tax officers' expertise does not significantly moderate the effect of desk audit on companies income tax compliance in Nigeria.
H$_{05}$: Tax officers' expertise does not significantly moderate the effect of field audit on companies income tax compliance in Nigeria.
H$_{06}$: Tax officers' expertise does not significantly moderate the effect of back duty audit on companies income tax compliance in Nigeria.

This paper is divided into five sections. Section one covers the introduction, section two, literature review, section three, methodology, section four, data analysis and discussion of results, and section five contains the conclusion and recommendations.

2.0 LITERATURE REVIEW

This section looked at the conceptual framework, theoretical review and empirical view. The relationship between tax audit (desk audit, field audit and back duty audit) and companies income tax compliance in Nigeria, moderated by tax officers' expertise, as described in fig 2.1.

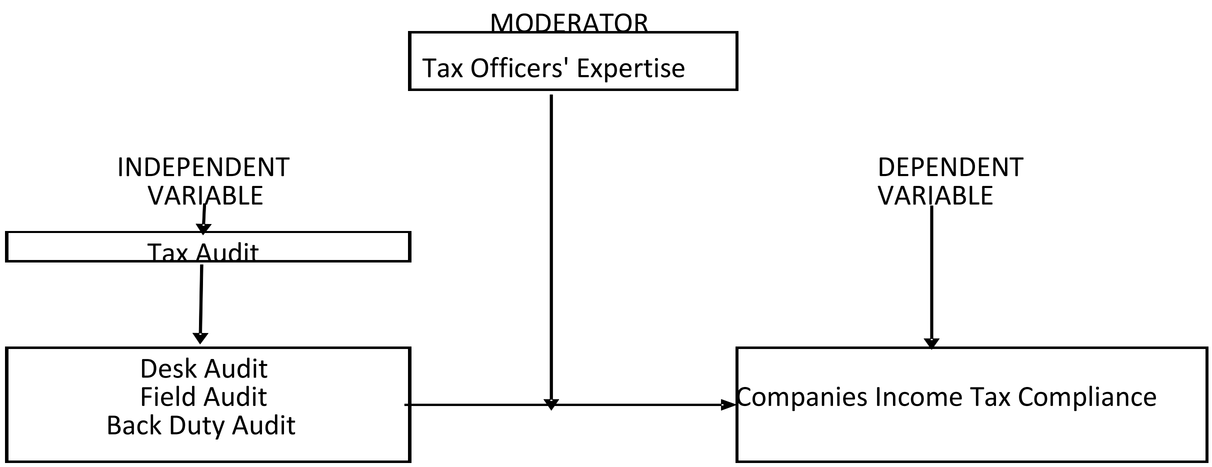

Fig 2.1 Conceptual Framework of the Study
Source: Author's Conceptual Model (2024)

2.1 Companies Income Tax Compliance in Nigeria

Companies income tax compliance is the process whereby companies obey all the requirements set forth by the Companies Income Tax Act (CITA) and the FIRS by timely filing and paying taxes, keeping accurate records, and engaging in tax audit to confirm the accuracy of their self-assessments. According to Olaoye et al. (2017), companies income tax compliance is the degree to which companies obey the tax laws and tax regulations willingly by ensuring accurate tax computations, early filing and remittance within the stipulated time frame. In Nigeria, companies income tax (CIT), is a tax paid on the profit of companies that have been incorporated. A company must have met the requirements outlined in CITA and the FIRS Establishment Act 2007 to be considered to have complied. These requirements include registering with the tax authority, maintaining accurate records, filing tax returns, paying taxes on time, adhering to tax laws and regulations, participating in tax audits, participating in voluntary compliance initiatives, using technology for compliance, and receiving ongoing education and advisory support.

2.1.1 Desk Audit

A desk audit involves reviewing a business's records as soon as the tax return is received. The tax office is where this exercise is conducted. It allows the tax officer to thoroughly review the books and confirm that the information provided is accurate. Finding instances of non-compliance with relevant auditing, accounting, and financial reporting standards and other procedures in the financial statements and the auditor's reports is the goal of a desk audit (Olaoye & Ekundayo, 2019). Officers in the Returns Payment and Processing (RPP) unit carry out desk audit, which fall under the jurisdiction of the FIRS tax offices (Olafaju & Sogunro, 2023). According to D'Agosto et al. (2017), a desk audit can be divided into a partial desk audit and a full desk audit. When the tax inspection is conducted with a specific tax violation in mind, it is referred to as a partial desk audit. However, when all the taxes that a single taxpayer must file are examined, it's known as a full desk audit.

2.1.2 Field Audit

A field audit is an extensive review in which tax officers visit the chosen company's business location and examine its books of accounts. Asking the business management potentially controversial questions regarding the accounting entries and documentation is the reason for this (Olaoye & Ekundayo, 2019). Before the arrival of the tax officers, a letter is first sent to the business manager of the chosen company outlining the necessary documents required (Oladele et al., 2021). According to Adekola and Taiwo (2020), FIRS selects a company for a field audit based on risk profiling or a random basis, which arises based on the difference between the reported income and tax paid, or inconsistent tax filing. According to D-Agosto et al. (2017), field audit can be classified into deep and soft field audit. For a deep field audit, the tax officers can stay on the premises of the taxpayers for up to 60 working days, where they examine all documents relevant to the audit. A soft field audit is much shorter, and the aim is to check up on the financial standing of the taxpayer.

2.1.3 Back Duty Audit

A back duty audit is an activity where the tax authority examines the taxpayers' books of accounts for the previous six years, excluding the audit year, in an attempt to find non-compliance. Adekola and Taiwo (2020) described a back duty audit as an exercise in which the tax authority tries to uncover non-compliance by reviewing the books of account of the taxpayers for the past six years, excluding the current period. This exercise is instigated as a result of excessive claims of capital allowance, failure to fully disclose income in the period they were earned, discrepancy between the tax filed and the actual amount due to the government. According to Abdulrazaq (2013), back duty is a term used informally and is not recognized by law. It addresses statutory penalties and the tax inquiry process. According to ICAN (2021), a back duty audit can be initiated against a taxpayer if they fail to disclose or include all income or earnings in the return files or submitted to the revenue office, make a false claim of capital allowance for a previous or current year, noticeably reduce the reported profit in the tax office's return files, or charge less tax than is necessary. The practice is to require the taxpayer to furnish the tax officers with all the necessary information and explanations as may be required. A taxpayer is expected to cooperate with the tax auditors, as refusal may sometimes be interpreted as working against the law. The charging of back duty audit on a taxpayer can either be routine or random. However, it is a mandatory requirement to ensure that the exact amount due to the government is duly collected.

2.2 Theoretical Framework

This study examined the theory of planned behaviour and the deterrence theory.

2.2.1 Theory of Planned Behaviour

The theory of planned behaviour (TPB) is a psychological theory that links ideas and behaviours. This theory is an extension of the theory of reasoned action developed by Ajzen in 1991. The theory states that three types of factors influence behaviour: normative beliefs, which relate to the normative expectations of others; control beliefs, which are beliefs about the existence of factors that could either facilitate or impede the performance of the behaviour; and behavioural beliefs, which are beliefs about the likely results of the behaviour. This theory can be applied to tax compliance on the basis that taxpayers will pay taxes if they believe the tax system is fair and they have trust in the government to use the resources that are pooled for their benefit.

2.2.2 Economic Deterrence Theory

Becker's (1968) criminal model served as the basis for the development of the economic deterrence theory. He argues that criminal behaviour is essentially an economic theory of choice, with some people choosing to commit crimes due to personal costs and benefits that are different from those of law-abiding citizens, rather than being driven by distinct, fundamental motivations. Allingham and Sandmo (1972) used Becker's (1968) model of crime to develop the idea of deterrence in relation to tax non-compliance. According to the theory, if taxpayers are aware that a tax audit could result in higher taxes because of penalties and interest, they will be forced to cooperate by filing their returns on time.

2.3 Empirical Review

Oyedokun et al. (2024) examined the effect of field and back duty tax audit and investigations on tax revenue generation in Ibadan, Nigeria. A field survey approach was used to gather data from FIRS employees in Oyo State's capital, Ibadan. Tax compliance is measured by revenue generation, while tax auditing is measured by field and back duty audit. SPSS version 23 was utilized to analyze the data using regression analysis. According to the results, field audit and back duty audit have a significant and positive influence on revenue generation in Ibadan. Demographic factors are a major determinant of tax compliance, which is why this study was conducted in the Federal Capital Territory of Abuja.

Success and Udokang (2022) examined the impact of desk audit on tax revenue generation in Nigeria. Data for the study was sourced from staff of FIRS in the Federal Capital Territory (FCT) Abuja. As at 31 December 2019, there are nine thousand four hundred and forty-eight (9,448) staff in Nigeria. A sample of three hundred and eighty-four (384) was drawn using the Taro Yamane sample size formula. The result from analysis from SPSS version 25 shows that desk audit significantly and positively increases revenue generation in Nigeria.

Oladele et al. (2021) examined the impact of tax audit practices on tax compliance and revenue generation in Nigeria. The Taro Yamane sample size determination formula was applied to 277 employees of the FIRS across 26 tax offices in South-South Nigeria. Pearson Product Moment Correlation Coefficient and SPSS version 23.0 were used to determine the relationship between the variables. The findings showed a positive relationship between companies income tax and both desk and field audits. The study recommended that attention be paid to both desk and field audits to maximize tax revenue generation in Nigeria.

Enofe et al. (2019) studied tax audit, tax investigations on tax non-compliance in Nigeria. Through surveys, the study gathered data from the Bayelsa State Board of Internal Revenue and FIRS staff. The data were analyzed using a correlation matrix and an ordered logistic regression. The findings suggested that tax investigations, desk audit, field audit, and back duty audit enhance tax compliance while promoting equity and public trust in the tax system. The study, conducted in Bayelsa State, Nigeria, examined tax auditing as it relates to desk, field, and back duty auditing. Nonetheless, the FIRS tax audit unit in the Federal Capital Territory (FCT) of Abuja serves as the case study for this study, which examines the income tax compliance of companies.

Nwaiwu and Okoro (2018) examined tax audit and tax revenue generation in Nigeria moderated by government regulation. SPSS 22 was used to analyze the data of the study which were collected from primary and secondary sources. Desk and field audits served as proxies for tax audit, and PIT and CIT served as proxies for revenue generation. The questionnaire was completed by employees of FIRS in the Federal Capital Territory, Port Harcourt, and Lagos. The results showed that desk and field audits positively and significantly impact tax compliance and, by extension, revenue generation. Additionally, field and desk audits have a positive and significant impact on Nigeria's revenue generation and CIT compliance. Finally, it was discovered that the relationship between government revenue and tax audit was considerably moderated by government regulation.

Olaoye and Ogundipe (2018) studied tax audit and investigations on tax non-compliant control in Nigeria. The study employed a survey design to gather data from senior cadre employees of the Federal and State Internal Revenue Services in Southwest Nigeria. The data were analyzed using regression and Spearman's rho measure of association. The results showed that desk audit, field audit, and back duty audit positively and significantly lower tax non-compliance in Nigeria. The study suggested that tax administrators should perform routine desk and field audit without specifying any specific tax for examination. This study examines corporate income tax compliance to bridge the gap.

3.0 METHODOLOGY

The population of the study consists of all staff in the FCT, FIRS Tax Audit Department. As at November 20, 2023, 304 employees were working in the FIRS FCT tax audit department (FIRS Human Capital Management Department, 2023). The Taro Yamane formula was used to determine a sample size of 173. Olaoye and Ogundipe (2018) model on tax audit and investigations on tax non-compliant control in Nigeria was adapted.

Tax Evasion Control (TAEVAC) = f (Tax Audit and Investigation) ……………........................(1)

Tax Evasion Control = f(Desk Audit, Field Audit, Back Duty Audit, Tax Investigation)…......(2)

$TAEVAC = \alpha_0 + \alpha_1 DEKAUD + \alpha_2 FIAUD + \alpha_3 BAKAUD + \alpha_4 TAXINV + \mu$…………..(3)

The above models were modified to fit into this study by replacing TAEVAC with CITCOMP and removing TAXINV from the model.

$CITCOMP = \beta_0 + \beta_1 DA_1 + \beta_2 FA_2 + \beta_3 BDA_3 + \mu$…………...................................(i)

$CITCOMP = \beta_0 + \beta_1 DA_1 + \beta_2 FA_2 + \beta_3 BDA_3 + \beta_4 DA_4{*}TOE + \beta_5 FA_5{*}TOE + \beta_6 BDA_6{*}TOE + \mu$...(ii)

Where: CITCOMP = Companies Income Tax Compliance, DA = Desk Audit, FA = Field Audit, BDA = Back Duty Audit, TOE = Tax Officers' Expertise, β_0 = Constant, β_1 to β_6 = Regression

MODERATING VARIABLE				
Tax Officers' Expertise	TOE	Tax officers' expertise represents a tax officer who works in the FIRS and well experience with tax laws and the administration of taxes	Tax officers' expertise is measured based on the knowledge and skills acquired by the officers for the routine performance of their tasks.	(Olokooba, 2019); Modugo & Anyaduba, (2014); OECD, (2006); Borrego, et al., (2016)

Source: Author's Compilation (2024)

Coefficient, μ = Error Term

Table 1
Variables, Definitions, Measurement, and Sources

Variables	Symbol	Definition	Measurement	Sources
DEPENDENT VARIABLE				
Companies Income Tax Compliance	CITCOMP	Tax compliance is the willingness of a company to fulfil all tax obligations as specified in the tax laws.	Companies Income tax compliance is measured by the number of discrepancies found during audit and the amount of additional tax revenue collected because of the audit.	Olaoye et al., (2017); Olaoye & Ekundayo, (2016); Ahmed & Kedir, (2015)
INDEPENDENT VARIABLE				
Desk Audit	DA	A desk audit is an examination of a company's file as soon as the tax return is received to check for completeness in the accounting document.	Desk audit is measured by assessing the extent of the audit process and the outcomes related to the completeness and accuracy of tax filings or financial records.	Nwaiwu & Okoro, 2018; Amah and Nwaiwu (2018); Nwaiwu and Okoro (2018)
Field Audit	FA	A field audit is an examination of a company's record carried out on the business premises of the companies.	Field audit is measured by the difference between the reported income and the accessed income after reviewing source documents by the tax officers.	(Olaoye & Ekundayo,2019); Olaoye & Ogundipe (2018); Olaoye & Ekundayo, (2019)
Back Duty Audit	BDA	Back duty audit is an exercise in which the tax authority tries to uncover non-compliance by reviewing the books of account of the taxpayers for the past six years excluding the year of the audit.	Back duty audit is measured as the extent to which the reported tax figure within the six (6) year period matched the actual financial records of the companies	(Nwaiwu & Macgregor, 2018; Abdulrazaq, (2013); Adekola and Taiwo (2020)

4.0 DATA PRESENTATION AND ANALYSIS

This section presents, analyzes, and interprets the results from the data collected. The hypotheses testing, the demographic of the respondents, pilot study, validity and reliability test, correlation matrix, regression result, and interpretation of results are also presented.

Table 2
Biodata of the Respondents

	Frequency	Percent	Cumulative Percent
Male	86	54.8	54.8
Female	71	45.2	100
BSC	75	47.8	47.8
MSC/MBA	79	50.3	98.1
PhD	3	1.9	100
ICAN	16	10.2	10.2
ANAN	8	5.1	15.3
CITN	45	28.7	43.9
OTHERS	40	25.5	69.4
ICAN, CITN	15	9.6	79
ANAN CITN	10	6.4	85.4
CITN, ICAN, OTHERS	13	8.3	93.6
CITN, OTHERS	5	3.2	96.8
CITN, ANAN, OTHERS	5	3.2	100
1-5 YEARS	31	19.7	19.7
6-10 YEARS	17	10.8	30.6
11-15 YEARS	66	42	72.6
16 AND ABOVE YEARS	43	27.4	100

Source: Author's Field Work (2024)

The male participants were 86 (54.8%) and the female participants were 71 (45.2%). A total of 3 (1.9%) participants have a PhD as their highest educational qualification, 79 (50.3%) have an MSC/MBA as their highest educational qualification, and 75 (47.8%) have a BSC as their highest educational qualification. The experience level of the participants showed that 43 (27.4%) have spent 16 and ABOVE YEARS, 66 (42.0%) have spent 11-15 YEARS, 17 (10.8%) 6-10 YEARS, and 31 (19.7%) 1-5 YEARS. The table also shows that 16 (10.2%) of the participants are members of ICAN only, 8 (5.1%) are members of ANAN only, and 45 (28.7%) are members of CITN only. 40 (25.5%) belong to OTHERS as their affiliations. Members that belong to ICAN, CITN were 15 (9.6%), ANAN CITN 10 (6.4%), CITN, ICAN, OTHERS 13 (8.3%), CITN, OTHERS 5 (3.2%), CITN, ANAN, OTHERS 5 (3.2%).

Pilot Study

The results of the pilot study, which involved 25 tax officials from the FIRS audit department in Abuja, showed that tax audit can discourage non-compliance behaviour by Nigerian companies and force them to abide by tax laws. Additionally, when tax officers' expertise was moderated with desk audit, field audit and back duty audit, the result showed that tax officers' expertise improves tax compliance in Nigeria.

Validity and Reliability Test

A total of 173 copies of the questionnaire were distributed to tax officers in the FCT's FIRS Tax Audit Department; 157 of those copies were properly completed and returned, yielding a 90.75% response rate. Lawshe's content index was utilized to assess the content validity. A copy of the questionnaire went out to ten (10) experts for validation, including three (3) academicians, four (4) tax officials, and three (3) tax practitioners. The Cronbach's Alpha test was utilized to assess the research instrument's internal consistency. As can be observed in Table 3, the reliability coefficient is 0.8954. The questions asked included desk audit (5), field audit (5), back duty audit (5), companies income tax compliance (5), and tax officers' expertise (5).

Table 3

Reliability Test Result

Cronbach's Alpha	N of Items
Average interitem covariance	0.1234173
Number of items in the scale	25
Scale reliability coefficient	0.8954

Source: Author's Compilation *using* Stata Output-13 (2024)

Pearson Correlation Coefficient

Correlation analysis was carried out to measure the strength of the linear relationship between the variables as shown in Table 4.

Table 4

Correlation Coefficient

Variables	CITCOMP	DA	FA	BDA	TOE
CITCOMP	1				
DA	0.4808	1			
FA	0.6294	0.3643	1		
BDA	0.4562	0.2584	0.2767	1	
TOE	0.2221	0.0969	-0.0269	-0.0108	1

Source: Author's Compilation *using* Stata Output-13 (2024)

Table 4 shows the Pearson Correlation Coefficients for the dependent and the independent variables. As expected, a positive correlation between all the variables and CITCOMP was found. According to the bivariate correlation between the independent variables, there is no multicollinearity issue among the predictor's variables because the degree of correlation between the independent variables is 0.6294, which is less than the ±0.7 threshold for multicollinearity (Gujarati & Porter, 2009).

Regression Analysis

In this section, the regression result and the analysis of the dependent and the independent variables are presented. The dependent variable (CITCOMP) is regressed against the independent variables and moderated by tax officers' expertise to determine the interaction variable role on the effect of tax audit and companies income tax compliance in Nigeria. This is shown in Table 5.

Table 5

Regression results

Variables	Coef.1	Coef. 2	t 1	t 2	P>t 1	P>t 2
DA	0.230388	0.1463	4.10	2.89	0.000**	0.004**
FA	0.403346	0.35498	7.72	7.54	0.000**	0.000**
BDA	0.187882	0.12664	4.52	3.41	0.000**	0.001**
TOE		0.15143		4.15	0.000**	0.000**
DA*TOE		0.01479		3.04		0.003**
FA*TOE		0.02391		3.81		0.000**
BDA*TOE		0.03823		3.80		0.000**
Constant	0.755769	-0.5074	2.75	-1.7	0.007**	0.09
Prob > F	0.0000	0.0000				
R-squared	0.5315	0.6662				
Adj R-squared	0.5223	0.6506				
Number of obs.	157	157				

****, ** & * representing statistically significant at the 0.01, 0.05 and 0.1 level*

Source: *Author's computation using* Stata Output-13 (2024)

H_{01}: Desk audit has no significant effect on companies income tax compliance in Nigeria.

Table 5 indicates that the regression result has a p-value of 0.004 for desk audit and a positive coefficient of determination of 0.1463. This suggests that companies income tax compliance increases by 14.63% for every unit increase in desk audit. A p-value of 0.004, which is below the 5% significant level, further suggested that desk audit has a significant and positive effect on companies income tax compliance. The study rejects the null hypothesis, which states that desk audit has no significant effect on corporate income tax compliance in Nigeria. This outcome is consistent with research conducted by Success and Udokang (2022), Olaoye and Ogundipe (2018), and Oladele et al. (2021) which discovered that desk audit enhances corporate tax compliance in Nigeria.

H_{02}: Field audit has no significant effect on companies income tax compliance in Nigeria.

Table 5 shows that field audit has a p-value of 0.000 and a positive coefficient of 0.4035456. This means that companies income tax compliance will increase by 40.4% for every unit increase in field audit. A p-value of 0.000 which is below the 5% significant level suggests that field audit has a positive and significant effect on companies income tax compliance. The result showed that field audit plays a significant role in ensuring corporate tax companies in Nigeria. This finding is consistent with the findings of Oyedokun et al (2024), Nwaiwu and Okoro (2018) as well as Olaoye and Ogundipe (2018).

H_{03}: Back duty audit has no significant effect on companies income tax compliance in Nigeria.

Table 5 showed a p-value of 0.000 and a positive coefficient of 0.1878534 for the back duty audit. This explains the 18.8% increase in companies income tax compliance for every unit increases in back duty audit. A p-value of 0.000, below the 5% significant level suggests that companies income tax compliance positively and significantly affects back duty audit. The null hypothesis which states that back duty audit has no significant effect on companies income tax compliance in Nigeria is therefore rejected. This result is in line with the works carried out by Enofe et al. (2019), and Oyedokun et al. (2024) who found that back duty audit aids companies income tax compliance.

H_{04}: Tax officers' expertise does not significantly moderate the effect of desk audit on companies income tax compliance in Nigeria.

Table 5 shows that, when moderated by TOE, the positive coefficient of the effect of DA on companies income tax compliance is 0.0147877. This means that, for every unit increase in DA, companies income tax compliance rises by 1.48%. Additionally, the table showed a p-value of 0.003, indicating a positive and statistically significant effect of TOE on the effect of DA on companies income tax compliance. Thus, the study rejects the null hypothesis, which states that the expertise of tax officers has no significant moderating effect on desk audit on companies income tax compliance in Nigeria.

H_{05}: Tax officers' expertise does not significantly moderate the effect of field audit on companies income tax compliance in Nigeria.

The regression results from Table 5 indicated that the moderating effect of TOE on the effect of FA on companies income tax compliance in Nigeria was 0.0239079. In other words, a unit increase in FA results in a 2.3% increase in income tax compliance for companies in Nigeria. A p-value of 0.000, below the 5% significant level, indicates that the result is statistically significant when the effect of FA on companies' income tax compliance is moderated by TOE.

H_{06}: Tax officers' expertise does not significantly moderate the effect of back duty audit on companies' income tax compliance in Nigeria.

Table 5 showed that the coefficient of TOE on the effect of back duty audit on companies income tax compliance is positive. This implies that companies income tax compliance rises by 3.8% for every unit increase in back duty audit. A statistically significant moderating effect of TOE on back duty audit on companies' income tax compliance in Nigeria is also indicated by a p-value of 0.000. Therefore, the study rejects the null hypothesis, which states that the expertise of tax officers has no significant moderating effect on back duty audit and companies' income tax compliance in Nigeria.

Policy Implications

Tax audit improves companies' income tax compliance in Nigeria. It is expected therefore that the FIRS for ease of operations should assist companies to consistently fulfil their tax obligations as a matter of policy. The outcome also showed that tax officers' expertise helps companies comply with income tax laws when the effect was moderated by their expertise. Therefore, it is advised as a matter of policy that tax officers' roles be more advisory than policing. As a matter of policy, the FIRS should not wait six years to determine whether a company has fully complied with its tax obligations because some unpleasant events, like fires and hacking, can make it difficult for the companies to produce such documents. To increase the tax officers' efficiency, it is recommended that these tasks be performed regularly.

5.0 CONCLUSION AND RECOMMENDATIONS

The study concluded that desk audit enhances companies income tax compliance because the tax officers check for the correctness of information and documents before accepting the submission of companies. Field audit improves companies income tax compliance because a field audit allows tax officers to learn about the business operations of the companies and allows the tax officers to ask management questions that may need clarification. Back duty audit contributes to companies income tax compliance in Nigeria because companies try as much as possible to avoid unnecessary errors in the computation of their tax liabilities to prevent sanctions from the tax authority. The skills, knowledge and experience of the tax officers moderate the effect of desk, field and back duty audits. It was recommended that

1. FIRS should continue to prioritize desk audit due to their significant positive effect on companies income tax compliance by investing in data analytical tools that would further enhance their effectiveness.

2. To further enhance the effectiveness of field audit, FIRS can use data analytics and artificial intelligence (AI) to identify high-risk taxpayers to detect non-compliance trends.
3. FIRS should develop strategies to identify companies with outstanding tax liabilities and prioritize them for back duty audit to enhance its effectiveness further.

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