Forensic Accounting and Tax Administration in Edo State

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Abstract
In the current IT-powered environment in which the majority of firms function, traditional tax administration is no longer viable. With an emphasis on Edo State, this study will look at forensic accounting and tax administration in Edo State, Nigeria. Examining the effects of forensic tax audit, forensic tax assessment, and forensic tax administration on Edo State tax administration is one of the specific goals. A sample of 347 questionnaires were given to tax professionals and employees of the Federal and State revenue services that operate in Benin-City Edo State using a survey research design. The data was analyzed using straightforward percentages and tables, and the hypothesis was tested using regression analysis. The results of the study indicate that forensic tax assessment, forensic tax audit, and forensic tax investigation have a positive and significant relationship with tax administration in Edo State, Nigeria. The study concluded that forensic accounting and tax administration in Edo State have a positive and significant relationship, and it recommends that all tax authorities, both federal and state, hire forensic accountants to work in their offices in order to stop the wave of tax fraud that has negatively impacted tax revenue generated.
Keywords: *Tax administration, Forensic tax assessment and Tax audits*

Introduction
For the reduction in oil prices in recent years, which has reduced the amount of money available to the government, Nigeria's oil revenue is no longer sufficient to meet its developmental goals. Therefore, to assist support public spending, the government must produce revenue internally. This requirement highlights the government's desire to either find new revenue streams or adopt a more aggressive and creative approach to collecting money from its current sources. According to Maisiba and Atambo (2016), taxes are placed on individuals and any property that may be in their name and are a mandatory levy using by government in providing social amenities, security, and establish circumstances for the economic well-being of society. She has to implement forensic accounting, a more effective and practical method of collecting taxes from her residents, to assist the government in achieving improved revenue collection.

The prevalence of fraud in contemporary organizations has increased, rendering traditional auditing and investigative methods useless and inefficient in identifying and preventing the different forms of fraud that firms throughout the world face. Although fraud affects all countries, emerging nations and their diverse governments bear the brunt of the problem. Contemporary coordinated illicit financial activities have surfaced in the present day.

The three principal sides of forensic accounting are research, dispute decision, and litigation assistance. it is the combination of accounting, auditing, and investigation abilities which are commonly utilized by the courts to remedy disputed problems in the context of civil and criminal litigation, in step with Manning (2023This paper examines the applicability of forensic accounting in mild of the aforementioned and the rise in fraudulent activities in Edo State.

Since tax fraud has caused actual tax revenue to continuously fall short of budgeted tax revenue over the past few decades, the government has had limited resources to support the massive capital expenditures required for economic

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development. The best way to combat tax fraud in Nigeria, according to authors like Almustapha and Hamza (2016) and Folayan and Adeniyi (2018), is through efficient tax administration and the useful role of forensic accountants in tax fraud detection and prevention. Addressing this issue is crucial in order to promote the generation of more tax revenue. In an effort to purposefully avoid paying taxes, Nigerians have committed various types of tax fraud, which has had a negative impact on the country's revenue generation (Almustapha and Hamza, 2016). This is a significant issue that requires investigation in order to find solutions.

According to Maisiba and Atambo (2016), the state budget has historically derived the majority of its funding from taxes. However, some taxpayers commit tax fraud because they are always searching for ways to lower their tax bill or avoid paying taxes. Nowadays, tax fraud is a major issue in every economy on the planet. Tax fraud has a detrimental impact on public finances and the state budget, claim Onyeka and Nwankwo (2016).

The economic behavior of taxpayers leads to tax fraud, which is typically perceived by the taxpayer as the consequence of gaps in the tax administration and legislation (Saxunova, Sulíkova & Szarkova, 2017). Countries' ability to implement their economic policies is hampered by tax fraud since it lowers tax collection.

In the context of taxes, sustainable development is defined as a revenue-generating pattern that can satisfy the needs of the current generation of Nigerians without adversely affecting the capacity of future generations to satisfy their own needs. Because of its stability and predictability, taxes are typically seen as a tenable source of revenue for the government (Almustapha & Hamza, 2016).

It is nearly clear from the recent developments in electronic (e) banking, e-business, e-fraud, e-corruption and e-financial scandals that traditional or conventional accountants may not be able to keep up with the sophistication of fraud.

This study's main goal is to evaluate the effects of tax administration and forensic accounting in Nigeria. The particular goals are to
  i.   Ascertain how Nigerian tax administration is affected by forensic tax assessment.
  ii.   Determine how forensic tax audits affect Nigerian tax administration
  iii.   Investigate how forensic tax investigations affect Nigerian tax administration.

Conceptual Review

Concept of Forensic Accounting

Peloubet first used the phrase "forensic accounting" in 1946. He defined it as the use of investigative and accounting expertise to find and fix legal problems. It is far the study of identifying and developing evidence of cash flow the use of accounting as a device. Forensic accounting and fraud investigators can benefit substantially from those equipment, strategies, capabilities, and expertise. The mixture of accounting, auditing, and investigation competencies is known as forensic accounting.

Forensic Accounting Services

The use of accounting expertise in situations with potential legal repercussions is known as forensic accounting. Accounting may be necessary in a variety of situations with legal ramifications, the most well-known of which is the examination of suspected fraudulent activity. The entire process of conducting a forensic inquiry, including creating an expert report or witness and even testifying as an expert witness in court, is known as forensic accounting. A skilled forensic accountant can detect illicit activities and find and preserve evidence by having an in-depth comprehension of effective fraud and forensic techniques (Hadi et al., 2018).Therefore, it's critical to comprehend how forensic accountants' roles differ from those of ordinary auditors. It is commonly known that a typical auditor's job is to assess compliance with particular audit criteria, which likely includes looking into the likelihood of fraud. The forensic accountant's only focus is on identifying and preventing fraud.

Forensic Tax Audit

Taxes in modern economies are the most important source of government revenue taxes differ from other sources of income in that they are mandatory and unpaid taxes, that is, they generally do not pay for a certain thing, such as a certain

public service, the sale of public property, or the issuance of public debt while it is assumed that taxes are collected for the welfare of taxpayers as the role of taxes has evolved significantly to enable the government to implement its fiscal policy to become more independent the tax system in Jordan has been expanded to achieve not only financial but also political and social goals as taxes in Jordan are tools used by the government to stimulate the economy Governments also have to give top priority to reforming the tax system to achieve comprehensive integration of direct and indirect taxes and achieve tax equality. Tax revenues to benefit from public expenditures to express financing transferred to the public sector as a source and with the increasing role of income taxes in social life,

A tax audit entails reviewing taxpayers' records to ascertain compliance with relevant tax laws, meaning paying taxes correctly and when due in line with the provisions of the applicable tax laws. It is usually for not more than six (6) years from the date of submission of the relevant returns or receipt of the audit notice. In other words, it is an inspection of a taxpayer's business records and financial affairs to ensure that the amount of tax reported and paid is as per tax laws and regulations. There is an additional audit to the statutory audit, and tax officials from the relevant tax carry it out Authorities. This is not the same as the statutory audit concerning the requirement of the Company and Allied Matter Act (CAMA) 1990 (as amended). It should also be noted that cases that may trigger the selection of taxpayers (individuals, companies and agencies) for tax audit include:

i.   Persistent loses;
ii.   Nil tax returns,
iii.   Unnecessary claims for tax refunds;
iv.   Non-submission of returns;
v.   Low tax yield;
vi.   Suspicion of tax avoidance;
vii.   Fraud or evasion,
viii.   Transfer pricing manipulation (trade between related parties at prices meant to manipulate markets or to deceive tax authorities);
ix.   Thin capitalization (high level of debt compared to equity);
x.   When taxpayers request a tax clearance Certificate (TCC) and other factors that may necessitate tax audits.

Tax Investigation

A tax investigation is an inquiry into the tax activities of a taxpayer by the tax authorities to recover undercharged taxes from previous years, triggered on suspicion of fraud or willful default of the taxpayer with regard to non-compliance with tax obligations. It can be described as advancement from a tax audit. It entails more detailed examinations by relevant tax authorities to recover Undercharged taxes in previous years due to information/suspicion that the taxpayer might have evaded tax. There is no time limit or time bar to tax investigation as it can go as far as the date the business started.

The Legal Bases of Tax Audit and Investigation

No activities can occur in the relevant tax authorities without a legal backup. The provisions of Sections 47(4) and 48(4), 55, 73 & 81(2 & 3) of **the Personal Income Tax Act Cap P8, LFN 2011 as amended** therefore empowered the RTAs to carry out tax audit/investigation from time to time when the needs arise.

Objectives of Tax Audit and Investigation

Tax Audit and Investigation aims include the following.
a.   Adequate accounting books and records exist to determine the taxable profits or loss of the taxpayer and, consequently, the tax payable;
b.   The tax computations submitted to the authority by the taxpayer agree with the underlying records;

c. All applicable tax legislation has been complied with;
d. Provision of an avenue to educate taxpayers on various requirements of the tax laws;
e. Discourage tax evasion;
f. Detect and correct accounting and/or arithmetic errors in tax returns;
g. Provide feedback to the (tax administrators) on various provisions of the law and recommend possible changes;
h. Identify cases involving tax fraud and recommend them for investigation;
i. Forestall a taxable person's failure to render tax returns;
j. Forestall a taxable person generating incomplete or inaccurate returns in support of the self-assessment.

Forensic Tax Assessment

Tax assessment is a process used to ascertain how much tax a taxpayer must pay, either directly or indirectly. Officials from tax authorities carry out tax assessments, which are a component of tax administration. When taxes are assessed manually, the government may lose money because the tax officials may not be able to determine the right tax liability. Enofe et al. (2015) claim that using forensic accounting in tax assessment can significantly lessen the problem of revenue loss brought on by different fraudulent activities committed by taxpayers.

Due to the pervasiveness and growing dynamics of tax fraud, particularly in the field of tax returns, relying on conventional or standard auditing tools is woefully inadequate to handle the tremendous issues. Since more than 70% of Nigeria's foreign revenues come from the oil and gas industry, it is a significant business there. As a result, there is a good probability that, if properly returned, tax income from enterprises in this area will also be enormous (Chepngeno & Fred 2020). The federal government, however, has observed that the tax returns of oil corporations do not match the anticipated tax revenue, necessitating forensic examination of the company's accounts to determine the amount and scope of tax returns. In light of this, the issue this study highlights is whether government forensic analysis has affected the degree of tax fraud prevention of Nigerian oil corporations.

Tax Administration

According to Gray (2008), tax administration is the government agency in charge of handling the tax liabilities outlined in the tax code. Its main responsibility is to make sure that the correct taxpayer pays the correct amount of taxes at the right time. This gives the government the money it needs to provide goods and services on schedule, therefore an administration that succeeds in this goal is considered effective. An administration is considered efficient if it accomplishes this at a minimal and reasonable expense to the government. However, the three main goals of contemporary tax administration are to efficiently reduce collection costs, facilitate voluntary compliance, and provide sufficient tax records for simple information exchange.

The primary function that resulted in the most widespread use of IT systems in tax administrations was the completion of essential tax administration activities and the gathering of pertinent data. An electronic-based tax system, also known as e-tax, was created when information technology was adapted to enforce fundamental tax procedures such registration, return filing, payment, and database maintenance. An additional definition of electronic taxation is the automation of fundamental tax procedures. Together with information and education for taxpayers, it provides electronic registration, filing, and payment. In general, the e-tax system is a full-featured online portal that offers taxpayers a variety of safe self-service choices, can serve as a single location for information and action, is usually accessible around-the-clock, and doesn't need assistance from tax administration personnel. In 1986, the United States of America implemented electronic filing, but as of 2007, only 52% of its taxpayers were using the system. Twenty additional nations from a variety of geographic areas, including Eastern Europe, the Middle East, Asia, the Caribbean, and Africa, have embraced the system since 1996. Some nations use more than just the E-tax system; they also use other IT support systems, like the core-processing system, which aids in compliance management and offers workflow management, automation, authorization management, and support for tax administration functions, as well as management information systems, which make it easier to gather and share performance data with management and employees. The Nigerian tax system still has a high rate of tax fraud, despite the government's best efforts to increase revenue and

reduce collection costs. Forensic accounting must be implemented in order to stop and identify these practices, which have been depriving the government of resources.

Tax Fraud Schemes

Several different types of tax fraud and evasion methods:
   a) Pyramiding of employment taxes is a dishonest practice in which company taxes are deducted from workers but not submitted to the appropriate tax authorities. Businesses that engage in pyramiding often declare bankruptcy in order to eliminate the accumulated debts, then relaunch their business under a new name and implement a new plan.
   b) Another legitimate business strategy that is occasionally abused is employment leasing. The process of hiring outside organizations to manage all personnel, payroll, and administrative issues for staff members is known as employee leasing. Employee leasing companies may fail to pay employees' taxes to the tax authorities that the employer has collected. The owner may then utilize these taxes to fund personal or corporate needs.
   c) Paying employees in full or in part with cash is a popular way to avoid paying income and employment taxes, which costs the government money, especially if done on purpose.
   d) Filing False Payroll Tax Returns or Failing to File Payroll Tax Returns: These are two more ways to avoid paying taxes. Tax preparers fill out false payroll tax returns on behalf of their clients; they may understate the wages that are subject to taxes or neglect to file employment tax returns.
   e) Using Offshore Accounts: To evade taxes, government officials, corporations, and physical entities frequently conceal their assets and income from government agencies by using offshore accounts. To entice investors from other nations to "tax havens," many foreign jurisdictions provide financial secrecy. The tax liability in these tax havens is typically very small or nonexistent. These also fall under the category of tax fraud.
   f) Corporate Tax Fraud: This refers to deliberate acts by a taxable corporation, such as evading value-added tax through transfer pricing (Gravelle, 2015), fraud committed during bookkeeping and invoicing, fraud involving free products and services, and fraud committed during advance payments.
   g) The purpose of money laundering is to conceal the initial source of funds in order to convince the authorities that the funds originate from reliable sources. It generally happens when funds are obtained through illicit means. This is a type of tax fraud as well.
   h) Tax fraud also includes tax sheltering and concealing income through unlawful pension funds.
   According to Khershiat (2018), "there are numerous fiscal consequences and revenue losses from tax fraud." One of the main reasons for revenue loss is noncompliance and tax fraud. Therefore, tax evasion and fraud are illegal in every way and help to undermine the legitimacy of the government. These actions increase inflationary pressures and undermine moral principles. This argument can be supported by the fact that people and businesses have a lot of money due of tax fraud (Abdullahi & Mansor, 2015). The amount of cash circulating rises as a result, but neither government revenue nor public infrastructure revenue rises in tandem.

Review of Related Empirical Studies

The feature of forensic accounting in reducing financial crimes turned into investigated by Enofe, Utomwen, and Danjuma (2023). The studies used a survey design. The population consists of the employees of the selected banks. Questionnaire was used as instrument for data collection. In keeping with the document, the Nigerian banking device wishes forensic accountants on account that forensic accounting is a useful technique for coping with monetary crimes in the enterprise. Consistent with his study, Modugu (2023) reported that stakeholders commonly suppose that forensic accounting is a good way to save fraud and improve internal controls and financial reporting. Forensic accountants can be very beneficial in stopping, looking into, and solving such issues. He advocated for the Nigerian country wide association of Accountants to formalize and specialize the field. Research on the topic has also been completed domestically, and the findings typically assist the institutions between forensic accounting offerings and fewer frauds, as the researcher under shows that allows you to better realize the function of forensic accountants in fraud research. Gosh and Banegie (2021) examined the effect of forensic accounting on the usage of professional judgments, accounting skills, auditing, and prison methods to combat the scary disorder of corporate liquidation. Khershiat (2018) investigated the effect of forensic accountants in identify and

prevention of fraud in financial statements. According to the study, forensic accountants qualified, skilled, and have the necessary experience to identify financial statement and tax fraud. Al-Sharairi (2018) study in Jordan on the function of forensic accounting in reducing tax fraud and evasion in public industrial shareholding businesses found that the practice had a statistically significant impact on tax evasion and fraud.

Hadi, Abed, and Kadim (2018) examined the function of forensic accounting and how it relates to Iraq's tax system. The study found that forensic accounting was essential to the implementation of tax reform in Iraq. According to the finding, all legal schools in the nation should set up forensic accounting departments, and academic institutions should make sure that forensic accounting is covered in their curricula. Enofe, Olorunnuho, and Eboigbe (2015) investigated how accountants viewed fraud and financial administration. The study found that the Nigerian economy needed forensic accountants to handle issues linked to corruption and fraud, whereas Friday and Micah (2019) used tax audits to analyze financial statement fraud and tax compliance. The study found that businesses purposefully falsify financial statements and records to avoid paying taxes. It was claimed that this tax violation necessitates a tax audit, and that whistleblower difficulties become significant when whistleblowers are given the proper protection. Amah and Nwaiwu (2018) examined attitudes toward self-employed tax avoidance and evasion (OLS). The study looks at moral perspectives on completing school, religious and cultural customs, tax administration strategies, and tax evasion. Ordinary Least Squares was used by the study. The study shows that tax evasion is regarded as morally acceptable, indicating a connection between tax administration methods and moral viewpoints on religious beliefs, cultural customs, and educational achievement. Kofar-Wambai et al. (2013) examined the causes of tax evasion in Kano State and way forward. The study used a survey approach. A wide range of subjects were covered by the sample of businesses or individuals who responded to the study's questions and the results show that self-reported tax noncompliance has informalities. The study concludes that integrating forensic accounting methods into businesses will improve internal control.

Adebisi and Gbeji (2019) investigated the effect of forensic accounting on fraud detection in Nigerian Deposit Money Banks (DMBs). The study used forty forensic accountants as the respondents. The finding shows a positive correlation between fraud detection in the banking sector and forensic accounting, as measured by investigation, analysis, prevention, and deterrence of fraud. A study on the forensic accounting profession and corruption reduction in Bangladesh was carried out in 2011 by Islam, Rahman, and Hossan. He aimed to determine whether forensic accounting expertise could be applied as a means of reducing corruption and fraud in Bangladesh. 94.14% of the chartered accountants in his sample acknowledged using forensic accounting techniques to identify frauds. Eyesi and Ezuwore (2014) carried out study on the effect of forensic accounting on corporate governance. This study used secondary data and was theoretical in nature. The study concluded that financial auditors are not required to find fraud during their financial audits; instead, management is in charge of internal controls. For this reason, management has hired forensic accountants to protect the internal control system.

Methodology

The research design used in this study was a survey design. "The collection of information from a sample of individuals through their responses to questions" is the definition of survey research.

Population of the Study

To get knowledgeable answers to the research issue, a thorough analysis of tax professionals and officials as well as an organization that understands the idea of forensic accounting were needed. The target population for this study consisted of a limited number of tax professionals, chartered accountants, and tax administrators from the Federal Inland Revenue Service Benin and Auchi branches (the only FIRS offices in Edo state), as well as the Edo State Internal Revenue Services (EIRS). This study project made use of data collected from this population. The researcher's initial conclusions about the study's population included the following numbers.

Table 1: Population Size for the Study

Respondent Group	Population
Senior Staff of Edo State Board of Internal Revenue	850
Senior Staff of Federal Inland Revenue Service Benin & Auchi	86
Chartered Accountants	1,054
Chartered Tax Practitioners	630
Total	**2,620**

Source: EIRS, FIRS, ICAN (Benin District) and CITN (Benin District) respectively from various sources 2024

Sample Size and Sampling Techniques

The Taro Yamane method was used to determine the study's sample size of 347. The questionnaire was given to the chosen employees of the sampled respondents.
The sample size was derived using the Taro Yamane formula.

$$n \frac{N}{1+N(e)2}$$

Applying the Taro Yamane formular,
     n = sample size
     N = population
     e = error limit
  Therefore, $n \frac{2620}{1+2620(0.05)2}$

$$n \frac{2620}{7.55} = 347$$

Methods of Data Collection

Primary data was used in the study. The study's closed-ended questionnaire served as its main source of data. The study participants' answers were obtained through the use of a questionnaire. There are two parts to the research tool. Information about the respondents' biodata is included in the first section, while questions about the study's variables are the main focus of the second. Because it allows for a high level of anonymity and uses uniform questions for every respondent, the structured questionnaire was employed. Respondents' answers on the questionnaire were expressed as "strongly agree," "agree," "disagree," and "strongly disagree." As a result, the study used a four-point Likert scale to analyze the study participants' answers.

Validity and Reliability

The questionnaire's ability to measure what it is supposed to measure is what determines the validity of the research tool. The study employed content validity. To determine the content validity of the study instrument used for data collection, the questionnaire was distributed to accounting professors at Wellspring University in Benin City who were knowledgeable about the topic in order to get helpful feedback and revisions.

The researcher uses the internal consistency strategy for this investigation. Cronbach's Alpha is one tool used to measure internal consistency (Saunders et al., 2016). When a group of questions (scale items) are used as a scale to measure a specific notion, the Cronbach's Alpha statistic is typically used to assess the consistency of the responses.
It is made up of an alpha coefficient that ranges from 0 to 1. A high degree of internal consistency is indicated by a value of 0.7 or higher, which means that all of the statements in the questionnaire are consistent and have captured the data regarding the variables (Saunders et al., 2016).

Method of Data Analysis

Inferential and descriptive statistics were both used in the investigation. Tables displaying frequency and percentage are examples of descriptive statistics. The study also used the deductive approach, which explains the relationship between variables under inquiry using inferential calculation. In order to evaluate the hypotheses and draw conclusions from the study, regression analysis and anova were used. The Statistical Package for Social Sciences (SPSS) version 26 was used to assist with the analysis.

Model Specification

The model employed for the regression analysis in this study, which identifies the dependent and independent variables, is described below.

$$TAD = a_0 + \beta_1 FTAi + \beta_2 FTAUi + \beta_3 FTIi + \varepsilon \ldots\ldots\ldots\ldots\ldots\ldots\ldots(1)$$

Where;
TAD = Tax Administration;
FTA = Forensic Tax Assessment;
FTAU = Forensic Tax Audit;
FTI = Forensic Tax Investigation.
ε = the stochastic error term;
β_0 = Intercept;
$\beta_1, \beta_2, \beta_3$ = Parameter estimate;

In particular, the independent variables should have a positive and significant relationship with TAD (i.e., be good predictors of TAD) in order to be consistent with the existing theory (Technology Acceptance Model), which is the foundation of this study. The apriori expectations are $\beta 1>0$, $\beta 2>0$, $\beta 3>0$, and $\beta 4>0$. Consequently,
$\beta_1>0$: an increase in forensic Tax Assessment will result in an improvement in tax administration
$\beta_2>0$: an increase in forensic tax audit will result in an improvement in tax administration
$\beta_3>0$: an increase in forensic tax investigation will result in an improvement in tax administration

Analysis and Interpretation of Data

Table 1: What is the impact of forensic tax assessment in Tax Administration in Nigeria?

S/N	ITEMS	SA	A	N	D	SD
1.	Forensic tax assessment leads to correct assessment of taxpayers	114 (42%)	21 (7%)	24 (8%)	63 (21%)	66 (22%)
2.	Fraudulent financial statements are detected by forensic accountants working in tax offices	147 (49%)	39 (13%)	30 (10%)	36 (12%)	48 (16%)
3.	Through forensic assessment filling of fake returns are easily detected.	186 (62%)	27 (9%)	9 (3%)	36 (12%)	39 (13%)
4.	Through forensic accounting tax assessment goes beyond normal financial statement filled by clients.	69 (23%)	126 (47%)	24 (8%)	30 (10%)	36 (12%)

Source: *Fieldwork, 2024*

According to table 1 above, a higher proportion of respondents concurred that forensic tax assessment has greatly facilitated Nigerian tax administration. The proportion of responders who agreed and strongly agreed serves as proof of this. However, other respondents denied that Nigerian tax administration has been harmed by forensic tax assessment. This suggests that forensic tax assessment has a discernible impact on Nigerian tax administration.

Table 2: What is the impact of forensic Tax Audit on Administration in State?

S/N	ITEMS	SA	A	N	D	SD
5.	Forensic tax audit will expose fraudulent practices of tax payers	117 (39%)	102 (34%)	36 (12%)	12 (4%)	30 (10%)
6.	Forensic tax audit will ensure more tax revenue is generated by government.	63 (21%)	39 (13%)	33 (11%)	138 (46%)	27 (9%)
7.	Forensic Tax audit minimizes the fraudulent disclosure of income by taxpayers.	138 (46%)	63 (21%)	0 (0%)	66 (22%)	33 (11%)
8.	Forensic tax audit will ensure tax payers prepare authentic financial statement before filling their returns.	51 (17%)	129 (43%)	27 (9%)	42 (14%)	51 (17%)

Source: Fieldwork, 2024

The forensic tax audit has greatly facilitated Nigerian tax administration, according to a higher percentage of respondents (see table 2 above). The percentage of responders who agreed and strongly agreed provides evidence of this. Accordingly, forensic tax audits are important to Nigerian tax administration.

Table 3: What is the impact forensic tax investigation on tax administration in Edo State?

S/N	ITEMS	SA	A	N	D	SD
9.	Forensic tax investigations when applied to back duty assessment ensures lost revenue are recovered.	18 (6%)	150 (50%)	48 (16%)	39 (13%)	48 (16%)
10.	Forensic tax investigators gathers evidence that can be used in law court to prosecute fraudulent tax payers.	126 (42%)	57 (19%)	12 (4%)	63 (21%)	39 (13%)
11.	Forensic accountants uses bank statement analysis to investigate the financial affairs and position of a taxpayer	66 (22%)	138 (46%)	63 (21%)	63 (21%)	33 (11%)
12.	Forensic accountants uses net worth (assets less liabilities) analysis to measure the wealth of an entity, person or corporation in cases of tax fraud, divorce litigations.	63 (21%)	126 (42%)	0 (0%)	90 (30%)	21 (7%)

Source: Fieldwork, 2024

A higher proportion of respondents concurred that forensic tax investigation had greatly facilitated tax administration in Nigeria, as seen in table 3 above. The proportion of respondents who said they agreed and strongly agreed supports this. However, a few respondents denied that forensic tax investigations had an effect on Nigerian tax administration.

Descriptive Statistics

The responses of the respondents used in this study are briefly analyzed in this part. As previously stated, the questionnaire is the research tool utilized in this investigation. The researcher used the Likert summated 5-point rating scale in the survey. The following is how the points were distributed: Strongly Agreed (SA) 5, Agreed (A) 4, Undecided (U) 3, Disagreed (D) 2 and Strongly Disagreed (SD) 1.

Table 4: Descriptive Statistics Table

	FTA	FTAU	FTI
Mean	4.201	3.441	3.093
Maximum	5.0	5.0	5.0
Minimum	2.3	2.4	1.6
Std. Dev.	0.4487	0.4341	0.5563
Std. Error	0.0229	0.0221	0.0284

Source: Researcher's compilation, 2024

The metrics of central tendency, dispersion and normalcy are described in table 4 above. According to the aforementioned finding, the mean value of forensic tax assessment was 4.201, indicating that a greater proportion of respondents concur that forensic tax assessment aids in Nigerian tax administration. The variable is regularly distributed, as indicated by the standard deviation, which measures the distribution's spread, which was 0.4487. The standard deviation, which measures the distribution's spread, was 0.4341. The mean value of 3.441 for forensic tax audit indicated that it had a favorable impact on tax administration. The variable was found to be regularly distributed, with a standard deviation of 0.5483 and a mean value of 3.338, indicating that forensic tax investigation can have an impact on tax administration.

Correlation of Variables

To determine the type of link between the independent and dependent variables in this study, the Pearson Correlation coefficient was employed. In order to meet the criterion, the dependent and independent variables must have a positive Pearson correlation (r-value). The variables do not, however, have a link if the Pearson correlation (r-value) is negative. Additionally, at the 5% level of significance, a variable is considered significant if its p-value is less than 0.05. However, a p-value of more than 0.05 indicates that it is not significant.

Table 5: Correlation Result: Forensic Accounting and Tax Administration

Correlation Probability Observations		FTA	FTAU	FTI
FTA	*r* value	1		
	p value			
	N	300		
FTAU	*r* value	.299	1	
	p value	.002		
	N	300	300	
FTI	*r* value	.306**	-.074	1
	p value	.000	.146	
	N	300	300	300

Source: *Output from SPSS (2024)*

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

*. Correlation is significant at the 0.05 level (2-tailed).

Note: r-value = Pearson correlation

P-value = Sig (2 tailed)

It was evident from the preceding table that there was a positive correlation between forensic tax audit and forensic tax assessment. At the 5% level of significance, it was likewise shown to be statistically significant (P>0.05). This indicates that forensic tax assessment is currently feasible with forensic tax audit. It was discovered that forensic tax assessment and forensic tax investigation were positively correlated. At the 5% level of significance (P<0.05), it was also shown to be extremely statistically significant.

Given that there is a positive correlation between the two variables, it follows that an improvement in complete forensic tax audit benefits tax administration. It has been discovered that forensic investigation and forensic tax audit are negatively correlated. Additionally, it was determined that, at the 5% level of significance (P<0.05), it was not statistically significant. This demonstrates that data mining skills and analytical skills are unrelated.

Regression Analysis

Table 6: Regression Model Summary

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.704[a]	.689	.621	0.154

a. Predictors: (Constant), Forensic Tax Assessment, forensic tax Audit, Forensic Tax Investigation
b. Dependent Variable: Tax Administration

Source: *Author's Computation, 2024*

The study's model summary is shown in the table above. 0.704 was the adjusted R-Squared. It suggests that the study's independent variable accounts for roughly 70.4% of the systematic variation. Nevertheless, the standard error of the regression, SE = 0.154, sufficiently accounted for the 30.% of the systematic variance that was generated by variables not included in the model.

Table 7: Model Fitness

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6.915	1	6.915	39.452	.002[b]
	Residual	65.411	388	0.168		
	Total	72.326	389			

a. Dependent Variable: Tax Administration
b. Predictors: (Constant), Forensic Tax Assessment, forensic tax Audit, Forensic Tax Investigation

Source: *Author's Computation, 2024*

The ANOVA table revealed that the model was statistically fit, F = 39.452, df = 1,388, p = 0.002< 0.05.

Table 8: Regression Coefficient

Model 1	Predictors	Unstandardized Coefficients	Std Error	Standardized Coefficients Beta	T	Sig
	(Constant)					
	FTA	3.155	0.154	0.235	19.019	0.002
	FTAU	3.165	0.150	0.253	19.057	0.000
	FTI	3.893	0.220	0.241	17.523	0.012

Dependent Variable: Tax Administration.

Source: *Author's Computation, 2024*

To determine how the independent variable affected the dependent variables, regression analysis was employed. According to the rule, dependent and independent variables have a positive association if the coefficient is positive. On the other hand, a negative coefficient indicates a negative correlation between the variables. Additionally, if the probability value (p-value) of the result is less than 0.05, it is considered statistically significant at the 5% level of significance. However, if its probability value (p-value) is more than 0.05, it is not significant.

Test of Hypotheses

Forensic Tax Assessment and Tax Administration

The findings in Table 16 demonstrate that, at the 5% level, forensic tax assessment has a statistically significant (p = 0.002) beneficial effect (0.235) on tax administration. This implies that tax administration has been greatly facilitated by forensic tax assessment. Additionally, we reject the null hypothesis and come to the conclusion that "Forensic tax assessment has significantly impacted on tax administration" based on the statistically significant criterion (p = 0.002<0.05).

Forensic Tax Audit and Tax Administration

The findings demonstrate that, at the 5% level, forensic tax audit has a statistically significant beneficial impact (0.253) on tax administration (p = 0.000). This implies that tax administration is much facilitated by forensic tax audits. We conclude that forensic tax audit considerably improves tax administration and reject the null hypothesis based on the statistically significant criterion (p = 0.000<0.05).

Forensic Tax Investigation and Tax Administration

The findings demonstrate that, at the 5% level, forensic tax investigation has a statistically significant positive impact (0.241) on tax administration (p = 0.012). This indicates that tax administration has been greatly facilitated by forensic tax investigation. We reject the null hypothesis based on the statistically significant criterion (p = 0.012<0.05) and conclude that forensic tax investigation has made a major contribution to Nigerian tax administration.

Discussion of Findings

This study's broad objective was to investigate how forensic accounting affects Nigerian tax administration. Finding out how forensic tax assessment affected Nigerian tax administration, how forensic tax audit affected Nigerian tax administration, and how forensic tax investigation affected Nigerian tax administration were the specific objectives. According to the findings of the least squares regression study, forensic tax assessment has greatly simplified Nigerian tax administration. The results are in line with those of Kharshiat (2018), who discovered a favorable correlation between Nigerian tax administration and forensic tax assessment.

The least squares regression result showed that forensic tax audit significantly and favorably impacts Nigerian tax administration. This discovery aligns with the research conducted by Hadi, Abedi, and Kadim (2018) as well as Enofe et al. (2018). But this is in contrast to Iyesi and Ezuwore's (2014) research, which found no connection between tax administration and forensic tax audit.

The outcome showed that Nigerian tax administration has benefited greatly from forensic tax investigation.The results are in line with those of Friday and Micah (2019), who discovered a strong and favorable correlation between Nigerian tax administration and forensic tax accounting. Onuorah and Ebimobowei (2011) and Adebisi and Gbegi (2019) also discovered a favorable correlation between tax administration and forensic tax investigation.

Conclusion and Recommendations

This study's main goal is to evaluate the effects of tax administration and forensic accounting in Nigeria, using tax assessment; tax audits and tax investigation as independent variables and tax administration as the dependent variables. Pearson correlation was used to test the hypotheses. The study found that forensic tax assessment has significantly impacted on tax administration, forensic tax audit has a statistically significant beneficial impact on tax administration, and also that forensic tax investigation has a statistically significant positive impact on tax administration.

Thus, the study comes to the conclusion that forensic accountants play a critical role in Nigerian tax administration. By using their investigation, data mining, and analytical abilities in tax administration, forensic accountants assist attorneys, courts, and regulatory agencies. This is also due to the fact that forensic accountants have expertise in internal controls, accounting, auditing, taxation, and business operations.

Since forensic accounting and tax administration in Nigeria have been found to be positively correlated, it is advised that:
1. To support the work of other experts in minimizing fraudulent activities through accurate tax assessment in revenue offices, tax authorities at the federal and state levels will need to hire forensic accountants.
2. If revenue authorities want to get better results from the tax audit exercise, they should supplement their tax audit workforce with forensic accountants.
3. To get better results, tax investigations should now be conducted mostly by forensic accountants.

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