The Effect of Tax Administrator's Professional Skills and Tax Audit on Voluntary Compliance Taxpayers' in Nigeria

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Abstract
The study examined the effect of tax administrator's professional skills and tax audit on voluntary compliance taxpayers in Nigeria. The survey research design was used in the study. The population of the study consisted of 120 staff in the FIRS Abuja (Garki) office. The whole population purposively used as sample. Data was collected through the use of questionnaire. Validity of the research instrument was established. The reliability of the instrument was carried out through a pilot study and the data collected were tested with split half method. The reliability coefficient of 0.75 was obtained which indicated that the instrument was reliable to collect all the necessary data for the study. Out of 120 copies of questionnaire distributed, only 84 were retrieved which indicates a return rate of 70%. The data collected were analysed using descriptive statistical techniques mean and standard deviation to answer the research questions. Regression analysis was used to test the hypotheses formulated at 0.05 level of significance. The result revealed that when tax audit and tax administrators' professional skills are used, the level of voluntary compliance by taxpayers increases in Nigeria. Also, it was revealed that there is statistically significant relationship between tax administrator's professional skills, tax audit and tax compliance is. The study concluded that tax administrator's professional skills and tax audit have a strong effect on tax compliance among the tax payer in Nigeria. The study recommends that adequate staff training should be regularly conducted by the tax authority saddle with the engagement of tax audit in Nigeria in order to improve tax adherence and decrease revenue loss

Introduction
Tax administration entails on the holistic processes involved in the levying and collection of taxes imposed by constituted authorities. A good tax system, according to Bird (2015), cannot yield excellent results unless it is properly implemented. Tax administrators were responsible for the proper execution of the tax system. The role of the tax administration is to monitor adherence and to impose punishment on violators in accordance with the rules and regulations (Bird, 2004). Tax administration is described as the process of identifying, assessing, and collecting tax revenues (Gurama & Mansor, 2015). The tax administration processes help to generate more revenue that helps governments to achieve greater financial reliance and facilitate the pursuit of growth-oriented programmes (Adebisi & Gbegi 2013).

Tax is a critical revenue source, encompassing income received by the government from all accessible components of tax in a given country, and is one of the three main methods via which the government raises revenue for the purposes of financing its expenditure (Okafor, 2012). Modern tax is described as a mandatory fee levied by the authorities on the earnings of people and enterprises in accordance with government regulations, acts, or case laws, regardless of the precise quantity of service provided to the user in return. Hence, tax administrator's professional skills and tax audit seems to be part of the key instruments of government to generate tax revenue.

Tax Administration is the complex proves involved in the collection of due revenue that the government can use effectively and efficiently. Bird (2015) opines that a nation needs to function properly, and that effective tax administration is one of the most reliable ways to do that. This means that tax administration is critical, not only to shape economic development, but also to establish a man-made government. The best way to improve tax compliance must be to provide an ideal form of tax administration through service such as tax management, training, verification and regulation. This is consistent with approaches for organizational and systemic improvements, improving leadership, building credibility, and combating bribery (Lisi, 2015). Gill (2000) states that efficient tax administration is very important as it prevents low tax collection. Under the National Tax Policy, the most prominent tax-border issues in Nigeria include the intelligence-collection, registration of taxable persons, processing and collection of filling and returns, record-keeping, audit and investigation, enforcement of tax laws (evasion and avoidance). Abiola and Asiweh (2012) note that tax administration, tax policy and tax legislation comprise the entire tax structure in which are supposed to work together to achieve the nation's economic target. As in other developing countries of Africa, the Nigerian tax administration process is marked

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by tax evasion in the informal sector. People who work in 'grey economy' in rural areas with difficult economic terrains are paying little or no tax on their income at all. Leyira, Chukwuma and Asian (2012) note that those who work in Nigerian economy informal sector does not see the need to pay tax, despite dominating the economy. For them, because they are government employees, only the civil and public servants whose taxes are deducted from the source are responsible for the state's growth. The process of tax administration in Nigeria therefore still has a very long way to go in achieving tax compliance in the informal sector.

Another technique that can increase the level of taxpayer voluntary compliance in Nigeria is tax audit. Tax audit is conducted by qualified accountants engaged by tax authorities, as opposed to statutory audits conducted by licensed audit firms in accordance with the Companies and Allied Matters Act 2018 as amended. Tax audit is the process of analysing a company's profits and returns in accordance with applicable tax regulations. Olaoye and Ogundipe (2018) reason that tax audit "as an objective examination of a taxpayer's records of account by a skilled revenue authority employee to ensure the correctness of returns filed with the tax authorities". It entails a review of a taxpayer's records to ensure that tax is payable, reported, and paid in accordance with applicable tax regulations.

The primary objective of tax audit is to preserve confidence in the integrity of self-assessment system (Adediran et al., 2013) and to improve voluntary compliance by detecting and bringing into account those who default in their tax payment (Nwaiwu & Okoro, 2018). It is a useful weapon for preventing tax evasion (Allingham & Sandmo, 1972; Olaoye & Ogundipe, 2018) and raising government revenue (Amah & Nwaiwu, 2018; Onoja & Iwarere, 2015; Wuyah et al., 2018). According to Appah and Eze (2013) and Jean (2018), tax audit is designed to ensure proper tax revenue collection, a low level of tax avoidance and evasion, rigorous adherence to applicable tax rules, and increased voluntary tax compliance.

In Nigeria, it is observed that many people are not voluntarily paying taxes as compare to other developed countries. This hinders the government to generate fund to finance public expenditure in Nigeria. Also, evidence has shown, that individuals and companies alike, are often engaged in one form of tax evasion or the other, with series of arguments on the legal, economic, and moral consequences of this act. The tax gap, which is the difference between what should be paid and what the government receives, is at all-time high, (Adebisi & Gbegi, 2013). This formed the crux of this study to investigate how tax administration could increase tax revenue through tax administrators' professional skills and tax audit in Nigeria.

Statement of the Problem
In a country like Nigeria, it is obvious that a high proportion of citizens do not want to pay tax simply because of the perception of government irresponsibility and corruption. People over the years have hidden under that notion to evade tax and avoid remitting levies due to the government. In order to ensure that taxpayers are paying tax, many studies have been conducted in different country. Most research conducted on tax compliance attitude issues were done in developed countries. For instance, studies such as (Adekunle, 2017), which examined tax administration in countries like Norway, New Zealand, Spain, Turkey revealed that "tax compliance of taxpayers is influenced by factors including age, education level, ethnicity, income level, tax knowledge, probability of being audit, perception on government spending, fear of penalty, personal financial constraints, and existence of referent groups in self-assessment system". Also, Graetz, Reinganum, and Wilde (1986) examined the concepts and issues of tax voluntary compliance. Hassan, Naheem and Gulzar, (2021) also wrote about the compliance behaviour of individual tax payers in Pakistan. However, in the Nigerian context, there are few studies done on this context and related issues. Therefore, this current study raised the frontiers of knowledge in Nigeria by incorporating more additional variables that influence tax voluntary compliance attitude of taxpayers with the tax administration system. It is on this background that this study evaluates the effect of tax administrator's professional skills and tax audit on taxpayers' voluntary compliance in Nigeria.

Objective of the Study
The broad objective of the study is to evaluate the effect of tax administration on taxpayers' voluntary compliance in Nigeria. Specifically, the objectives of the study are to:
1. evaluate the effect of tax administrator's professional skills on the voluntary compliance of taxpayers in Nigeria and,
2. assess the effect of tax audit on taxpayers' voluntary compliance in Nigeria.

Research questions
The following questions were answered in this study;
1. What is the effect of tax administrator's professional skills on the voluntary compliance of taxpayers in Nigeria?
2. What is the effect tax audit affect taxpayer's voluntary compliance in Nigeria?

Research Hypotheses
H_{01}: Tax administrator's professional skills does not have significant effect on voluntary compliance of taxpayers in Nigeria
H_{02}: Tax audit does not have significant effect on voluntary compliance of taxpayers in Nigeria

Empirical Review
Modugba and Anyaduba (2014) investigated the impact of tax audits and other qualitative factors on company tax compliance in Nigeria. Employees from designated enterprises were given research instrument to fill. The data were analyzed using the Ordered Logistic Regression approach. Findings revealed that tax compliance and tax audit have positive significant relationship. The findings also showed that the likelihood of being audited, perceptions of government spending, penalties and enforcement, and the combined effect of tax audit and penalties all have a significant impact on tax compliance in Nigeria.

Oyedokun (2016) employed a quantitative research approach to investigate the impact of tax education on tax payer compliance attitudes. In his work, data was collected using both experimental and survey methods. The findings revealed that tax education had an impact on tax compliance.

Badara (2012) examined the effect of tax audits on tax compliance in Nigeria, using the Bauchi State Board of Internal Revenue as a case. Forty-eight questionnaire were distributed to the officers in Bauchi State Board of Internal Revenue. Simple percentages were used to interpret the data collected for the study. The research found that the Relevant Tax Authority (RTA) used tax audit to meet revenue targets, that tax audit minimizes tax evasion issues, and that taxpayers rarely engage with tax audit employees during the process.

The study carried out by Oyedele (2015) on voluntary compliance by residents in Jos using the purposive sampling technique The data collected through the questionnaire were analyzed using simple percentages and chi-squared. The findings show that tax reforms can only be adequate if every taxable individual and corporate body is taxed, irrespective of their religion, especially in today's Nigerian society, where taxation is used to achieve a variety of goals, including generating money to fulfill public spending, income distribution, economic price stability, and economic growth and development.

According to Olaoye and Ogundipe (2018), the field tax audit, desk tax audit, and back duty tax audit all have a significant positive impact on tax productivity. The survey found that tax audit improves the efficiency of tax administration in Lagos state, and that any type of tax audit has the potential to increase money collected by the government through taxation. As a result, tax audits should be conducted on a regular basis to ensure that the RTA remits to the government the actual income collected.

Methodology
The survey research design was used to conduct this study. The population of the study consisted 120 staff in the FIRS Abuja (Garki) office. The whole population were used as sample since it was not cumbersome. This study adopted the use of primary data, information from primary source was collected through the use of questionnaire of 5 point-scale ranging from 1 strongly disagree to 5 strongly agree. Validity of the research instrument was established. The reliability of the instrument was carried out through a pilot study and the data collected were tested with split half method. The reliability coefficient of 0.75 was obtained which indicated that the instrument was reliable to collect all the necessary data for the study. Out of 120 questionnaire distributed, only 84 were retrieved which indicates a return rate of 70%. The data collected were analysed using descriptive statistical techniques mean and standard deviation to answer the research questions. Any mean score equal or greater than 3.00 will be regarded as agreed, any mean score below will be regarded as disagreed. Regression analysis was used to test the hypotheses formulated at 0.05 level of significance. The analysis was done using the Statistical Packages for Social Science (SPSS).

Model Specification
The model was specified functionally as:
VCT = F (TA, TAPS)
The model is specifying as follow
$$VCT_t = \beta_0 + \beta_1 TA_t + \beta_2 TAPS_t + \mu_t$$
where:
β_1 = Parameter
β_0 = Intercept
μ_t = Stochastic Error Term
TA = Tax Audit
TAPS = Tax Administrator's Professional Skills
VCT = Voluntary Compliance Taxpayer

Results
Descriptive Analysis
Table 1: Responses of the respondents on effect of tax administrator's professional skills on the voluntary compliance of taxpayers in Nigeria

S/N	ITEMS	N	Mean	St.D	REMARK
1	Competency, integrity and objectivity are indispensable attributes of professional Accountants that trigger voluntary compliance of taxpayers	84	4.47	0.50	Agreed
2	Confidentiality and professional behaviour are the crucial features of professional accountants that drive voluntary compliance of taxpayers	84	3.84	1.13	Agreed
3	There are professionally trained staffs in your organization and they are very diligent toward ensuring voluntary tax compliance of taxpayer	84	4.38	0.59	Agreed
4	Our organization engages its staff on continuous training to improve their required skills to get taxpayer to be voluntary tax compliance	84	4.45	0.54	Agreed
	Weighted Mean		4.28	0.69	***Agreed***

The result presented in Table 1 revealed different tax administrator's professional attributes that makes taxpayers to be voluntary tax compliance in Nigeria. The respondents indicated that competency, integrity and objectivity are indispensable attributes of tax experts that trigger voluntary compliance of taxpayers (4.47), it also showed that the respondents believed that confidentiality and professional behaviour are the crucial features of professional accountants that drive voluntary compliance of taxpayers (3.84), the respondents further revealed that there are professionally trained staffs in their organization and they are very diligent toward ensuring voluntary tax compliance of taxpayers (4.38), and the respondents also made known that their organization engages its staff on continuous training to improve their required skills needed to get taxpayers to be voluntary tax compliance (4.45). The weighted mean of 4.29 and standard deviation 0.69 further showed that the respondents are in agreement with the effect of tax administrator's professional skills on taxpayers' voluntary compliance. This implies that tax administrator's professional skills help taxpayers to comply with tax laws voluntarily in Nigeria.

Table 2: Responses of the respondents on the effect of tax audit on taxpayers' voluntary compliance in Nigeria

S/N	ITEMS	N	Mean	St.D	REMARK
5	Your organization carries out tax audit from time to time thereby making them tax voluntary compliance	84	4.29	0.57	Agreed
6	The awareness of tax audit makes the tax payers perform their civic duty of tax payment voluntarily	84	3.88	1.05	Agreed
7	Tax audit may lead to payment of higher tax liability than what they should have been paid without awareness of tax audit	84	4.26	0.56	Agreed
8	Tax audit creates a platform that guides the voluntary compliance of taxpayers	84	4.26	0.56	Agreed
9	Tax audit ensures that taxpayers voluntarily fulfil obligations as provided under relevant tax laws	84	4.16	0.74	Agreed
10	Tax audit ensures that personal income tax deducted from staff income is remitted on monthly bases which have improved voluntary compliance of taxpayers	84	4.30	0.51	Agreed
11	Tax audit restricts fraudulent practices among taxpayers	84	4.09	0.84	Agreed
12	A well conducted tax audit is likely to ensure voluntary compliance of taxpayers	84	4.29	0.55	Agreed
			4.19	0.67	Agreed

The result in the Table 2 revealed that respondents believed that due to tax audit most organization carries out tax audit from time to time that thereby making them tax voluntary compliance (4.29). The respondents showed that the awareness of tax audit makes the tax payers perform their civic duty of tax payment voluntarily (3.88). Also, the results revealed that the respondents indicated that tax audit may lead to payment of higher tax liability than what they should have paid without awareness of tax audit (4.26), as well as that tax audit creates a platform that guides the voluntary compliance of taxpayers (4.26). It was revealed by the respondents that; tax audit ensures that taxpayers voluntarily fulfil obligations as provided under relevant tax laws (4.16), tax audit ensures that personal income tax deducted from staff income is remitted on monthly bases which have improved voluntary compliance of taxpayers (4.30), tax audit restricts fraudulent practices among taxpayers (4.09) and a well conducted tax audit is likely to ensure voluntary compliance of taxpayers (4.29). The weighted mean and standard deviation further justified that the agreement of the respondents on the effect of tax audit on taxpayers'

voluntary compliance. Hence, to the respondents, tax audit affects taxpayers' voluntary compliance in Nigeria

Test of Hypothesis

H_{01}: Tax administrator's professional skills and tax audit does not have significant effect on voluntary compliance of taxpayers in Nigeria

Table 3: Regression analysis model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.508[a]	.258	.239	2.32149	1.875

a. Predictors: (Constant), TA, TAPS
b. Dependent Variable: VCT

The result present in the table 3 shows that regression model summary, it was used to determine the overall fit of the model and relative contribution of the independent variables to the total variance explained. The result shows that correlation coefficient (R) was 0.508 implies that there is a composite relationship between independent variables and dependent variable. Also, the regression model indicated R-square of 0.258, this mean that 25.8% of the independent variable is explained by the model and the remaining 74.2% can be attributed to other variable not considered in the regression model.

To check for autocorrelation, Durbin-Watson statistics was used and the result stood at 1.875 which is closer to 2. This implies that there is no autocorrelation among the residual.

Table 4: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	144.222	2	72.111	13.380	.000[b]
	Residual	414.978	77	5.389		
	Total	559.200	79			

a. Dependent Variable: VCT
b. Predictors: (Constant), TA, TAPS

The result of F-table showed that the independent variable significantly predicts the dependent variable, F=13.380, P. value =0.000 <0.05 level of significance. Thus, the null hypothesis was rejected. This implies that tax administrator's professional skills and tax audit have significant effect on voluntary compliance of taxpayers in Nigeria. This mean that the regression is good and fit for the data.

Table 5: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	14.400	3.035		4.744	.000		
	TAPS	.034	.194	.022	.174	.862	.615	1.625
	TA	.418	.106	.494	3.948	.000	.615	1.625

a. Dependent Variable: VCT

In order to check for multicollinearity among the independent variables, which can disturb the result of data if present. In table 5, variance inflation factor VIF values of the independents variables are lower than 10, this shows that multicollinearity did not exist in the model used for the study. The regression result in the table shows that the tax administrator's professional skills and tax audit contributed to the voluntary compliance of taxpayers. The table shows that the best predictor variable of the total variance in voluntary compliance of taxpayers is tax audit (β = 0. .494) while the least was tax administrator's professional skills (β = 0.022). This indicates that tax administrator's professional skills and tax audit determine voluntary compliance of taxpayers.

Discussion of Findings

The study revealed that there is positive relationship between tax administrator's professional skills and tax compliance. This implies that how skilful tax administrator's professionals are will improves the compliances among the taxpayers. This is similar to the discovery of Oyedokun (2016) that tax education had an impact on tax compliance.

The findings of the study also show that there was a significant relationship between tax auditing and tax compliance. This means that improvement in the standard of tax audit will bring about more tax compliance. This result follows the same direction with the empirical research work of Modugba and Anyaduba (2014) that established a positive significant effect of tax audit on tax compliance in Nigeria and the work of Badara (2012) that tax audit reduces the problems of tax evasion, tax avoidance and other tax irregularities. Therefore, more professional auditors employed or train by the relevant authority will have a huge positively effect on the level of tax compliance among the tax payer as indicated by the result of the analysis.

Conclusion and Recommendations

Based on the findings of this study, it was concluded that tax administrator's professional skills and tax audit have positive and significant effect on tax compliance among the tax payer in Nigeria. Therefore, given the strong implication that co-exist between tax administrator's professional skills and the level of tax compliance, the study recommends that adequate staff training should be encouraged and consistently conducted by the tax authorities saddle with the responsibility for effective tax audit in Nigeria in order to improve tax adherence and decrease revenue loss. Also, governments and other relevant tax authorities should raise the standard of tax audit employees through capacity development programmes in order to significantly improve tax compliance among taxpayers. Furthermore, adequate sanctions should also be place by relevant tax authority regarding non-compliance with tax rules and regulations by taxpayers.

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