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THE IMPACT OF FORENSIC ACCOUNTING ON TAX PAYER ATTITUDE AND COMPLIANCE TOWARDS TAX EVASION WITHIN SMEs IN THE NORTH EAST NIGERIA

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ABSTRACT

Income tax has contributed to a considerable amount of Nigeria's revenue generation, despite the fact that it is fraught with difficulties in both collection and execution. This study examines the impact of forensic accounting on tax payer attitude and compliance towards tax evasion within SMEs in the north east Nigeria. The study is cross-sectional, with data collected using simple random sampling. With the help of Smart PLS 3, partial least square structural equation modelling PLS-SEM on 102 responses was utilized to evaluate

the data. The findings revealed that a forensic accounting check is required to address the issue of tax evasion in Nigeria to ensure a good attitude and compliance. Forensic Accounting (FA) improves Tax payers Attitude (TA) and Tax Compliance (TC) when they interact. Hence, when a taxpayer develops a positive attitude and comply with the tax laws, they are more likely to have a good financial record and the state would have better control over the tax evasion scale. In other words, small and medium enterprises (SMEs) in the Northeast are more inclined to tax commitment if they are checked, and if the government use their contributions toward improving their standard of living, this will develop a positive attitude toward the behaviour of taxpayers in the region. Therefore, the government should provide awareness on the uses of tax revenue through sustainable enterprise support, infrastructure, and social welfare.

Keywords: Forensic accounting, taxpayer attitude, taxpayer compliance, revenue generation, SMEs, formal and informal sector.

INTRODUCTION

Forensic accounting is one of the most recent developments in detecting financial fraud; it verifies data obtained from accounting systems in both the formal and informal sectors. According to the International Labour Organization (ILO), the informal sector employs over 70% of the people in Sub-Saharan Africa. According to a research by Sparks and Barnett (2010), the informal sector employs 93 percent of people in Sub-Saharan Africa. As a result, in comparison to the formal sector and the rest of the globe, the sector makes a significant contribution to the region's macroeconomic health. However, this is due to the formal sector's high costs, as well as supporting the government in terms of absorption capacity into formal jobs in the face of a rapidly growing population and urbanization. The importance of SMEs in the informal sector in Sub-Saharan Africa's economy cannot be overstated, as the informal sector is dominated by economic activities that operate outside of official regulations, registration, and laws.

Forensic accounting is seen as the action of dignifying, settling, extracting, recording, sorting, verifying, and reporting to resolve a prospective legal dispute and promote legal, financial information for projecting future conflicts (Coleman, 2008). However, it consists of auditing and investigating when conducting any skills investigation.

Among the most common financial crimes in Nigeria includes bribery, embezzlement, security fraud, bankruptcy etc. It has been considered that the consequences of financial crimes involving Nigerian organizations are measured to be unprofessional and against the legal background of forensic accounting as recognized by Adeniyi (2016). This study is in line with the tremendous response to the sophisticated role of awareness in terms of financial crimes, which is considered significant in different ways that encompass the financial investigation based on litigation support and dispute resolution.

Similarly, considering the form and manner in which the resolution of crimes will be handled in the financial sector leads to the significant findings of addressing fundamental issues in the legal domain, which indicates the accounting investigative skills and integration of the system (Huber & Digabriele, 2014; Ozili, 2015). Forensic accountants are considered fundamental to the legal system, with developing expert services such as fake valuation and suspicious bankruptcy, which are linked to financial documents and fraud schemes (Curtis, 2018). Forensic investigative skills are required to establish and uncover occurrences of financial misappropriation, crimes, and fraud, posing a threat to the auditing branch and traditional accounting profession (Onodi, Okafor & Onyali, 2015).

Forensics is further described as a specialization or a field in accounting that demonstrates actual engagements from anticipated litigation and disputes (Olukowade & Balogun, 2015). Forensic auditing can also be categorised under a suitable aspect of accounting that is specifically dealing with a legal review that deals with a higher level of assurance. Therefore, modern forensic auditing techniques prepare the accounting profession to cope effectively with the challenges of ingenious unearthing fraud, which detects the failure of auditing in Nigeria. According to the Centre for Forensic Studies (2010), if forensic auditing is adequately applied, the linkages that cause corporate failures will be drastically addressed, which is considered a proactive measure in accounting for practical and operational errors. The ethical value of taxpayers is also defined as one that has a key part in compliance with individual taxpayer decisions (Bobek, Hageman, & Kelliher, 2013). As a result, individual judgments proclaimed the ethical role that appears to be under the taxpayer mindset, identifying such individuals, and considering compliance as neither an obligation nor a responsibility that must be honored. Although there is a direct relationship between ethical value and compliance decisions made by

individuals in terms of ethical beliefs and, more significantly, decision compliance, tax compliance is thought to be higher since certain research indicates that tax evasion is unethical (Williams, 2017).

The issues of compliance vary from one country to the next. On the other hand, the issues of taxpayer perception raise questions and opinions about how the tax system is implemented (Micah, Ebere, & Umobong, 2012). Penalties and punishments are used to help people comprehend tax regulations. Discussions about tax compliance decisions and challenges should be used to gauge attitudes, norms, and views about the importance of paying taxes.

Tax compliance declines in correlation with the audit and income rate, resulting in a tax reduction (Landais, Fack, & Fack, 2016). Furthermore, typical techniques to dealing with tax compliance difficulties among taxpayers impose penalties and punishments on those who fail to comply (Yusof, Ling, & Wah, 2014). However, due to the emphasis placed on economic considerations and the approach to tax noncompliance of the system, those traditional methodologies entirely failed to discover and provide an insight or in-depth into compliance behaviors (Palil, Hamid, & Hanafiah, 2013). Thus, regardless of economic models or any rationale model psychologically, scholars acknowledge that elements outside the basic factor model influence compliance refusal decisions in ways that compliance theories do not adequately describe (Guzman, 2002). This study explores the impact of forensic accounting on tax payer attitude and compliance towards tax evasion among SMEs in North East Nigeria against this backdrop.

STATEMENT OF RESEARCH PROBLEM

The tax reform was launched by the National Tax Policy in 2012 with the ideal value of creating revenue at all levels, and it was reconsidered and upgraded in 2016 to complement and strengthen the tax policy in eliminating tax loopholes among taxpayers. The National Tax Policy established criteria for identifying the roles of shareholders in the Nigerian tax system in order to achieve a developed system that meets the country's goals. The policy signifies tax as a compulsory payment deduction from the income of people, which is shown as a component of revenue that is considered government generated revenue. However, in comparison to the formal sector, which directly

or indirectly promotes a large number of jobs within the country and cantered on the revenue capability and potential of the sector, the informal sector in Nigeria has become a much more contentious issue in taxation. Without a doubt, the informal sector in Nigeria contributes significantly to the health of the macroeconomic indicators and is seen as a sector too large to be ignored. For example, it was reported in Lagos state in 2013 that the informal sector contributed N7.6 trillion to the state economy, and the National Bureau of Statistics predicted in 2016 that the informal sector contributed to the economy indirectly by 44.43 percent in 2015. Thus, bringing the informal sector into the tax net would greatly increase the revenues generated in a country. Consequently, for developing countries, the informal sector attracts higher costs to be co-opted into a formal setting. According to Abiola and Asiweh (2012), based on cost and benefit, taxation in the informal sector incurs a higher cost of administration, which does not support the principle of taxation.

As a result, guaranteeing a sound taxation strategy for the government to generate larger revenues should focus not just on cost and benefit, but also on fairness, equity, and a sense of belonging, which necessitates the involvement of the informal sector. Furthermore, this inclusion focuses on increasing revenues by expanding the tax net in order to promote the country's economic growth and development, because given the scale of the informal sector, the impact of taxation will be enormous.

Research Objectives

1. Ascertain the level of Forensic Accounting in detecting fraudulent in Taxpayer attitude towards tax evasion
2. Determine the impact of Revenue Generation through forensic Accounting
3. To enhance the Tax Compliance law through Forensic Accounting

Research Questions

1. To what extent does Forensic Accounting affect Taxpayer attitude towards tax evasion?
2. To what extent does Forensic Accounting affect Revenue Generation?
3. What is the relationship between Tax Compliance and Forensic Accounting?

SCOPE OF THE STUDY

This study centers on the impact of forensic accounting on taxpayer compliance and attitude towards tax evasion in Nigeria within SMES in the north east. However, this study would be limited based on some selected organizations. The study would be limited to managers and those who use and compile financial data from the organizations through which information about how forensic accounting affects tax evasion based on taxpayer compliance and attitude in Nigeria.

SIGNIFICANCE OF THE STUDY

The research has important value for tax managers/authorities, tax administrators and taxpayers, as well as various administrative factors that prevent Nigerian individual income taxpayers and SMEs from fully complying with, which will increase government revenue and help implement tax equality measures in Nigeria. This work will also help researchers and decision-makers in the fields of management, taxation, accounting, and macroeconomics to understand the best strategy to employ in controlling of taxpayers' behaviour the region towards tax compliance. The study would be significant to the economy at large through improve revenue generation that will foster economic growth and development.

LITERATURE REVIEW

Concepts of Forensic Accounting

According to Pike, Curtis, and Chui, (2013), forensic Accounting is considered a homogenous mixture whereby the link between accounting judiciary and auditing through a legal point of view ensures solving arguments and disputes. Forensic accounting is a tripartite practice that investigates skills based on a legal matter in assisting and utilization of accounting, auditing in the field (AICPA, 2006; Dada, Adegbite & Benjamin, 2017). Huber (2017) argued that forensic accounting is mere concepts and techniques of applications to legal demands, reporting, and accountability of fraud which is considered suitable evidence for meeting the requirement of the court of law. Therefore, forensic accounting is viewed as a discipline that

contains methodologies and models of the investigative process that search for assurance of attestation and produce legal evidence based on legal and advisory perceptives of court for prosecution.

Concept of Tax Evasion

Alasfour (2019) defined tax evasion as a wilful and deliberate practice of not identifying full taxable income or maneuvering or changing the direction of the tax to pay less. Further, disclosing tax evasion as a violation of tax laws deliberately, which indicated the situations where tax liability was considered fraudulently false, which is reduced on the revenue tax form Alasfour (2019). Adebisi and Gbegi (2013) argued on the outright dishonest action related to tax evasion, whereby taxpayer reduces his tax liability through illegal ways that mostly achieved by an act of removing or omitting such activities, it is obvious under commission which constitutes a criminal act under tax laws. It was also mentioned that some of these tax evasions were deliberate in which the taxpayer refuse to pay tax by withholding tax, for instance, personal income tax and value-added tax, etc. However, Camp (2008) revealed that failure to remit or submit returns, or deliberately omitting any items from returns is considered a fraudulent claim.

Similarly, Tax evasion appears to be threatening the nation's economic stability that slower its achievement and draws back the nation's goal in terms of social and economic benefit. Duccio and Matthew (2016) indicated that holding expected returns can be stemmed in increasing the exceptional rate of tax fraud. While in subsequence evasion is classified as an increasing function of audit as when the latter is considered being low, the tax avoidance will continue decreasing in the likelihood of an audit. Inkoom (2016) observed taxpayer indulges in evasion, in their analyses by using percentages concluded that tax evasion and avoidance is a source of concern and a social menace that is causing a significant setback on economic growth. they indicated that if the government will engage in overhauling the tax administration, penalizing tax officials for defaulting and corruption is declared. According to the labor statistics collaborative survey (2016), the value of informal economic activity has reached and is assessed at N9.87 trillion. Despite global financial troubles, the informal sector is predicted to employ 70% of the working population.

Moreover, the National Bureau of Statistics (2016) indicated that the nation's (GDP) approximately 58.2 percent received from the formal sector and also recorded 44.43 percent. In 2015, the increase in the size of the informal sector in Nigeria is massively generating excessive regulation in the formal sector. As a result, the informal sector offers its system flexibility due to the lack of regulation as a result; however, they open and exit any business more easily. Ismail (2016) opined that a lot of issues have been considered as factors that determine the high cost of entry taxes, high level of unemployment, low literacy, and more documentation into the formal sector and tax compliance which are considered challenging to comprehend.

Loayza and Rigolini, (2011) Put it that to address the issue of clustering in the informal sector, and increase tax revenue, the country needs to develop and introduce taxation in the informal sector based on the presumptive framework, which accesses tax liability applying the direct method of reconstructive income. Thus, agreed as the most effective way of tax generation, as some of the experts indicate the most appropriate and effective way of taxation from the informal sector is to capture the informal sector of the economy.

In addition, presumed taxation was introduced in Nigeria and captured in its tax law with the modification of the Personal Income Tax Act (PITA). The regime application is expected to be based on the prescribed framework by the Ministry of finance. However, the Ministry has not issued any regulation related to the prescribed framework as predicted, but the plan for implementation and commencement will follow suit. All these plan and prediction is focused on small businesses, and that individual operates as informal. According to FIRS Chairman (2015) in a sensitization campaign disclosed that the revenue authority is initiating the informal sectors to interact on their operation throughout the country to enlighten the taxpayers on the financial benefit on the society.

Furthermore, CISLAC (2017) issued a statement indicating that the Federal Ministry of finance commence a participatory process of harmonizing various taxes levied across the federation to avoid double taxation which criminalized the process of collecting taxes by non-statutory bodies. Furthermore, the recent introduction of the Tax Identification Number (TIN) as a condition to indicate your level and status of participation in economic activities and Issues related to the

tax assessment report indicated that there is no specific number of the informal sector due to the non-registration of such businesses in the formal domain.

Taxpayer's Attitude

Alabede, Ariffin, and Idris (2011) found a high link between tax compliance and taxpayer views in Nigeria. Thus, explained the attitudes displayed by the taxpayers encourage tax 6 compliance to influence the taxpayer attitudes, which affected taxpayer's compliance based on required guidelines. However, various studies indicate that it rotates around the tax fairness and management or improper utilization of revenue generated from tax by the government. As a result, expect good and negative attitudes to be expressed in terms of assessments, as it is thought that attitude always pushes an individual to act in accordance with the mode. Taxpayers who have a positive mindset and attitude about tax will be predicted to be more compliant than those who have a negative mindset and attitude toward tax, who are frequently found to be less compliant. The attitudes of Nigerian taxpayers can be classified into distinct levels of attainment, which include education, ethics, cultural practices, and administrative and geographical zone perceptions. The relationship between taxpayers and education or knowledge was established by Santoro and Fiorio (2011).

Revenue Generation

Revenue generation is the ultimate goal for taxing both formal and informal sectors. Consequently, through taxation government increases its revenue which has a positive effect on the gross domestic product (GDP) (Joshi, Prichard & Heady, 2014). A significant portion of the economic activities of most countries comes from the informal sector, therefore a country budget can be adequately financed through the inclusion of the informal sector taxation for generating higher tax returns. While Abiola and Asiweh (2012) in line with Sanni (2012). revealed that a depressed economy can survive through adequate taxation of not only the formal sectors but also the informal sectors, this will pose a direct effect on compliance and enhance the attitude and morale of taxpayers in the economic sectors. However, Onugu, (2005) put it that taxation of the informal sector in most countries is given little attention by the tax authorities despite its impact on the economy.

Some academics are opposed to taxing the informal economy, while others are strong advocates. According to Joshi, Prichard, and Heady (2014), informal sector taxes have a higher cost than benefit and should be ignored due to poor tax returns and increased administrative costs. Some argue that taxing the informal sector will benefit citizens and the government since early-stage profits are likely to be low, and the tax rate and revenues are low when compared to large administrative and logistical costs. Incorporating the informal sector into the tax network, ensuring that valuable data is available for tax reasons, and improving the tax compliance of future earnings are considered early steps to generate some advantages.

Tax Compliance

According to Kiow, Salleh, and Kassim (2017), individual taxpayers' tax compliance behavior is determined by their ethical beliefs, which are influenced by public governance and openness in government operations. The ethical decisions made by individual taxpayers have a significant influence on how they report their funds. Ethical viewpoints differ from person to person and are shaped by environmental changes as well as contacts with the government. The way taxpayers perceive their money is used, the government benefits they get, and how others avoid paying taxes are all variables that might influence their compliance behavior. They went on to suggest that taxpayers will be more obedient if the government spends tax funds properly or if they obtain advantages in the form of public goods and social pleasures in exchange for their money. Taxpayers will have more trust in government institutions if the environment is more open. Openness in public procurement is a worry for taxpayers since a lack of transparency can lead to corruption and a decrease in government efficiency. Scholars, on the other hand, say that increasing openness would erode confidence because citizens will be able to more readily audit government and will be more prepared to criticize it for minor errors. Maseko (2014), on the other hand, proposes the economic crime method to define the level of 7 compliance and conduct in the modern world (Alm, Kirchler, Muehlbacher, Gangl, Hofmann, Kogler & Pollai 2012).

In addition, many works try to explain the concept of tax compliance. Wahl, Kastlunger, and Kirchler (2010) define compliance as taxpayers who comply with tax laws and require payment of taxes. Tax compliance, according to Palil (2010), is the act of meeting a tax duty

by delivering the relevant information on the tax responsibility to the tax authorities and paying the tax liabilities stated promptly. According to Kiow, Salleh, and Kassim (2017), tax compliance is defined as entire compliance by taxpayers with a country's tax rules and regulations. In another sense, tax compliance refers to a taxpayer's readiness to comply with tax laws on a timely and/or prompt basis by disclosing and committing to their tax liabilities (Abdul-Razak & Adafula, 2013). According to Muehlbacher and Kirchler (2010), voluntary compliance is founded on the taxpayer's faith in the government. To accomplish tax compliance, the government should have the authority to influence, trusted tax authorities, and tax obligation compliance (Kirchler, (2007) and Kirchler, Hoelzl, and Wahl, 2008). However, according to Al-Maghrebi, Ahmad, and Palil (2016), leakages occur during the compliance process, where some taxpayers pay lower tax liabilities or even evade tax as a result of such opportunities. As a result, the driver of compliance is trust between the parties, and taxpayer trust is built through transparency and accountability of the authorities, which is a pillar in building voluntary tax compliance in a country.

Furthermore, enforcing tax compliance entails utilizing coercion and/or authority to force taxpayers to comply with the tax demand. According to Kirchler (2007), tax authorities established this control through penalties and audit deterrence; Kirchler et al., (2008) pointed out that if voluntary compliance is not achieved, taxpayers are obliged to comply with the threat of fines and audits. Tax compliance requires trust, tax education, a strong tax management system, appropriate tax consulting, and friendly government relations with the media and propaganda groups to promote tax public relations and enlightenment. Tax compliance may be obtained through the employment of tax public relations and the formation of a tax-conscious atmosphere among taxpayers and tax authorities (Oladipupo & Obazee, 2016).

Finally, Forensic Accounting is ideal for legal assessment since it provides the highest level of assurance (Apestolou et al., 2000). The term "forensic" is now synonymous with a legal idea appropriate for use in a court of law. Many people think of forensic accountants as "forensic auditors" who "investigate" on behalf of accounting firms and government agencies and testify in court (Crumbley et al., 2005; Zysman 2001). It combines the domains of accounting and law in order to conduct more thorough and relevant investigations and resolve legal disputes.

Forensic accountants provide services in a variety of cases, including economic damages caused by breach of contract or warranties, tax and company valuation disputes, bankruptcy and insolvency issues, fraud and money laundering, and so on. Forensic accounting is used extensively in the government sector and in public management to determine taxation and other fiscal regulations that guide and regulate revenue matters for the government and its many agencies (Nigrini, 2011; Parr & Smith, 2010; Crumbley et al., 2005; Cicchella, 2005). In line with this, the study aims to raise awareness about the relevance of forensic accounting in detecting tax fraud, avoiding tax fraud, and putting in place an effective tax system that may help the Nigerian government secure a steady flow of revenue. Nigeria's desire to diversify its income base from oil to tax revenue will be difficult to fulfil unless the correct tax structures are in place to prevent all tax revenue leakages (Modugu & Omoye, 2014). The use of forensic accounting theories and techniques to tax fraud research will thus promote and stimulate the establishment of proper tax administration procedures that will prevent tax evasion and increase revenue.

Empirical Review

Amah and Nwaiwu (2018) used Ordinary Least Squares to investigate self-employed tax avoidance and evasion attitudes (OLS). The study examines ethical viewpoints on educational accomplishment, religious and cultural practices, tax administration methods, and tax avoidance actions. The statistics show that tax evasion is considered ethical, meaning that ethical perspectives on educational accomplishment, religion, and cultural practices are linked to tax administration method. The report also advised that authorities be subjected to frequent assessments of tax rates and policies in order to stay up with economic realities, that tax laws and processes be simplified to make them less technical and flexible, and that all necessary help be provided at all times.

Similarly, Kofar-Wambai et al. (2013) investigated the causes and remedial measures of tax evasion in Kano State. The majority sample was used in the study, which used a survey approach in which 40 respondents were given a questionnaire and their opinions were examined using percentile and descriptive statistics. The findings of the study demonstrate that there are informalities in self-reported tax noncompliance, and the sample of firms or people that replied to questions covered a wide variety of themes. Furthermore, it was

shown that an adequate campaign and fair utilization of tax funds are associated to greater tax compliance. The research recommended that the tax base be increased, uncertainties be addressed, and the legislation be simplified in terms of provision interpretation to bring the hidden economy into tax reality.

Furthermore, Modugu and Omoje (2014) researched personal income tax avoidance in Nigeria using qualitative data gathered through the distribution of 160 questionnaires to self-employed individuals in Edo State. In Benin, Edo state, this category comprises businesses, professionals, contractors, and certain federal Inland Revenue agency personnel. The technique used the spearman rank adjustment as a result of using primary data. Studies have shown that the taxpayer-authority relationship has a significant impact on tax evasion in Nigeria, and the tax rate is positively correlated with tax evasion. Therefore, the higher the tax rate, the more likely tax evasion will occur. In order to enhance voluntary compliance, the study advises that authorities should develop friendly enlightenment links. Additionally, measures should be taken to enforce severe penalties on tax evaders, and the present tax system should be reformed to ensure that it serves as a deterrent to reaching an agreement.

Mohemmed (2016) also looked at research on revenue creation in local government in Nigeria's Ekiti state. Data from local governments in Ekiti State was gathered and analyzed using descriptive and inferential statistical methods. The outcome reveals dishonesty on the part of tax collection officials, which appears to be a serious roadblock in the field of revenue production. Furthermore, the taxpayer has to be educated about how the money is used. The establishment of the project and employee motivation must be fostered so that every effort may be made to increase income generating.

Theoretical Framework

Economic Deterrence Theory

According to this theory, taxation works best when there is ambiguity (Allingham & Sandmo, 1972). According to theory, taxpayers can choose to disclose actual income or lower actual income. According to Allingham and Sandmo (1972), if a taxpayer chooses not to declare his entire income, compensation may depend on whether he has been investigated by the appropriate tax authority. This shows that if the

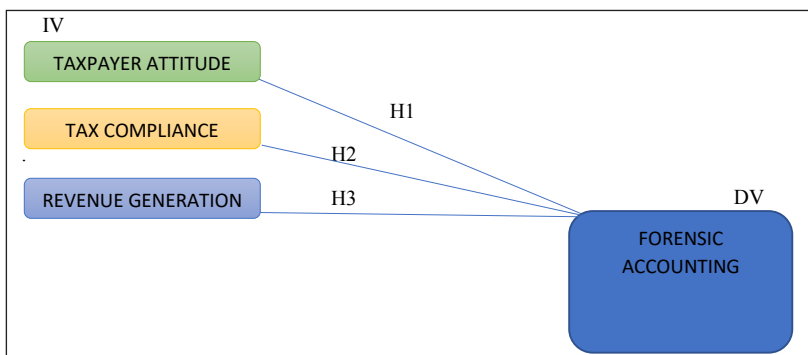
taxpayer is not investigated, his situation will be better, but if it is investigated, his situation will be worse. Theorists predict that as the likelihood of discovering undeclared income increases, the amount of reported currency will also increase. As a result, if the taxpayer realizes that if he is discovered, his entire past will be investigated, his tax compliance level will increase, leading to the declaration of all income (Allingham & Sandmo, 1972). Chauke and Sebola (2016), opined that taxpayers would not freely pay tax without pressure, thus, pointed out that this theory is most applicable to the tax collection strategies of municipalities and the South African Revenue Agency. Therefore, this research is based on this theory.

Research Framework

The research idea's probable routes of action are discussed in a conceptual model. It is acknowledged as a map because it illuminates all plausible steps of the investigation while also favoring the study actions. From the fundamental problem to data analysis, a model design and structure construct, define, and explain the associated research processes (March and Smith, 1995). This study will examine whether these independent variables can influence the dependent variable. However, the current study considers Forensic Accounting technique which is being recognized as a new successful exploration adding them as a dependent variable factor that influences independent variables. Considering the variables studied from the literature and supported by the theoretical framework, the following will be adapted as the research framework.

Figure 1

Research Framework



Hypotheses Development

A hypothesis is a proposed explanation or statement that anticipates the outcome of the research question and the relationship between the factors studied at the conclusion of the discovery or solution. A research hypothesis should be succinct and rationally conceived in such a way that it emerges organically from the research process. The research can be used to test either the alternative or null hypothesis, both of which are statistical studies. The following are the specifics of the hypotheses:

Table 1

Research Hypotheses Code and Description

Code	Description	Path
The direct effect of construct		
H1	Taxpayer Attitude (TA) significantly affects Forensic Accounting (FA)	TA → FA
H2	Tax Compliance (TC) significantly affects Forensic Accounting (FA)	TA → FA
H3	Revenue General (RG) significantly affects Forensic Accounting (FA)	TA → FA

METHODOLOGY

Method

The application of appropriate research methodology will pave the way for credible research outcomes that will lead to the emergence of new knowledge or authentication of existing knowledge. It is in the light of this that this study intends to adopt the “survey research method”. Survey research is commonly used in the social sciences because it is ideal for a variety of research like; descriptive, explanatory, and exploratory research. The study area for the study would be the two states in the Northeast geopolitical zone of Nigeria, which are; Yobe and Bauchi which is also where the target population will be drawn from.

Research Design

The design for this research is both descriptive and explanatory, employing both quantitative and qualitative methods of data collection using questionnaires.

Sources of Data

The data used in the development of this research work will comprise primary and secondary data. The primary data were collected with the aid of a questionnaire from governmental and non-governmental associations in both formal and informal sectors in Nigeria.

Instruments of Data Collection

The questionnaire will be self-administered on selected respondents, after knowing the nature of the sampled respondents, which will contain both open and close-ended questions. The use of open-ended questions is aimed at giving the respondents freedom to explain their answers, and possibly add more items or ideas that may be relevant to the problem of investigation. Also, close-ended questions will be used in some questions to ensure that answers given by the respondents are directly relevant to the study for easy analysis.

Sample Size and Sampling Procedure

The sample for this study will be 102 respondents drawn from the informal sector from 2 states in the northeast of Nigeria. However, due to the nature and categories of the target population for this research work, purposive and accidental sampling techniques will be adopted to collect data from the 2 selected states northeast states of Yobe, and Bauchi.

Method of Data Analysis

Analytical Procedure

Outlier checks, normalcy, and multicollinearity are performed at the start of the analysis to ensure that the assumptions of a suitable model are met (Hair, Hult, Ringle & Sarstedt, 2017). We utilized partial least square (PLS) path modeling to assess the model, which, according to Duarte and Raposo (2010), predicts the dependent variable and

is non-parametric due to its non-parametric nature (Ruiz, Mujica, Berjaga, & Rodellar, 2013). We also used Hair, Sarstedt, Ringle, and Gudergan (2017)'s suggestion to test and validate the model, utilizing a two-stage evaluation (measurement models and structural models).

Measurement Model

According to Hair et al., (2017), the measuring model was tested using the reliability of each item. Only one item was removed because it had a loading of less than 0.70. With loading more than 0.70, the remaining 16 items were deemed to be dependable.

Table 2

Measurement Model

Variables	Indicators	Item Loadings	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)
Forensic Accounting	FA1	0.86	0.91	0.93	0.69
	FA2	0.87			
	FA3	0.86			
	FA4	0.87			
	FA5	0.85			
Taxpayer Attitude	TA1	0.87	0.96	0.96	0.78
	TA2	0.90			
	TA3	0.90			
	TA4	0.88			
	TA5	0.89			
	TA6	0.87			
Taxpayer Compliance	TC1	0.90	0.94	0.95	0.79
	TC2	0.87			
	TC3	0.88			
	TC4	0.90			
	TC5	0.90			

Furthermore, to determine the internal consistency of the composite reliability's reflecting structure, as well as Cronbach's alpha, which

ranges between 0 to 1. We discovered higher reliabilities on all constructs that above the 0.7 threshold for composite reliability and Cronbach alpha values, as well as more than 0.5 AVE values for convergent validity, in the table above.

Furthermore, the multitrait-multimethod (HTMT) matrix suggested by Duarte and Amaro (2018) was used to determine discriminant validity because of its adequacy and sensitivity for detecting discriminant validity.

Table 3

HTMT Statistics

Indicators	FA	TA	TC
FA			
TA	0.74		
TC	0.36	0.19	0.59

From Table 3 above, to determine the discriminant validity, the HTMT statistics are given. If it is lower than 0.85 the study has discriminant validity, whilst if it is higher than the threshold, it doesn't have (Hair et al., 2017). As a result, the study variable has discriminant validity because the HTMT value is less than 0.85.

Structural Model

The structural model will be evaluated after meeting all of the following requirements. Testing the theoretical relationships is part of the structural model. Using 1000 bootstrap samples, the direct effect of the relationships was examined on 102 cases (Hair et al., 2014).

Table 4

Structural Model

Relationships	Beta Values	Std Dev.	T Statistics	P Values
TA -> FA	0.65	0.04	17.81	0.00
TC -> FA	0.22	0.04	5.91	0.00

The Table 4 above reveals that TA has a positive and significant relationship with FA (Beta= 0.65, P=0.00), while TC has a substantial

positive influence on FA (Beta= 0.22, P=0.00) according to the bootstrapping results. At a 5% threshold of significance, all of the hypotheses were evaluated.

Effect Size and Predictive Relevance

Exogenous latent variables' possible effect magnitude and predictive relevance on endogenous variables will be outlined. We analyze the 2 using Cohen's (1988) study, which defined the 2 values as 0.02 (small), 0.15 (mid), and 0.35 (big) (large). Hair et al., (2017), on the other hand, advocate utilizing a cross-validated redundancy criteria Q2 to examine the predictive association of the variables.

Table 5

f-Square, R-Square and Q-square

Constructs	FA	Effect Size	
TA	0.83	Medium	
TC	0.10	Small	
R-Square			
Construct	R Square	R Square Adjusted	
FA	0.52	0.52	
Q-Square			
Construct	SSO	SSE	Q² (=1-SSE/SSO)
FA	1219.00	1019.16	0.196

Table 5 shows that TA has a medium effect size on FA, while TC has a small impact size on FA, based on the Cohen (1988) and Kenny (2016) standards for direct correlations. According to Chin, all of the variables had a 52 percent variance in FA, which is deemed moderate (1998). As a result, according to Duarte and Roposo (2010), a greater Q2 indicates a stronger predictive relevance. Because Q2 is greater than zero in the table, it is deemed to have predictive value.

IMPLICATION

The study's conclusions have both theoretical and practical ramifications. Theoretically, the investigation into the relationship between FA, TA, and TC has improved our grasp of the 13 realm of

tax fraud scale theory. This is one of the few studies that consider tax fraud as a reflection of people's attitudes toward performing a behavior and their willingness to follow through on a tax commitment decision. The findings of the study support the position of fraud scale theory, which claims that the fraud scale has an element of "personal integrity" because the fraud triangle frequently uses rationalization, which is used by tax evaders because they believe they will not be caught in their behavioral mischief, and their integrity is closely linked to ethical behavior and personal code. This suggests that it is difficult to predict a circumstance with a higher risk of fraud when pressure, opportunity, and integrity are all taken into account at the same time. Therefore, forensic accounting inspections are required to deal with tax fraud in Nigeria to ensure a good attitude and compliance. TA and TC improve when FA and TA interact. As a consequence, if a taxpayer has a positive attitude and adheres to the tax laws, they are more likely to have a good financial record, and the state will be able to have a tighter control on the tax fraud scale.

In other words, SMEs in the Northeast are more inclined to tax commitment, if they are checked and also if the government implement their contributions towards improving their standard of living, this will develop a positive attitude towards the behavior of taxpayers in the region. Therefore, the government needs to provide awareness on the uses of tax revenue through sustainable enterprise support, infrastructure and social welfare. This will have a corresponding impact on the insecurity bedeviling the region. Furthermore, this study can be a guide to students, accountants, as well as taxpayers through behavioral change towards the impact of tax and the consequences of evasion, and also the National Universities Commission by encouraging them into the formalization of the forensic accounting field in the university's curriculum. The study would also benefit the government in developing an interest in forensic auditing for monitoring activities of tax evasion and investigating suspected corruption cases.

LIMITATIONS AND RESEARCH DIRECTIONS FOR THE FUTURE

Although there are significant advances in theory and practice, there are certain limits. The study concludes that more research is needed due to these limitations. The study's cross sectional design, in which

data was collected over a single period, is a weakness. As a result, more caution should be exercised when making causal inferences. Future studies should investigate using a longitudinal strategy to compare and contrast the findings of this study, in which data is collected at two or more time periods. As a result, a future longitudinal research on the attitudinal aspects that ensure compliance in Nigeria is needed. This is how the realization of the aforementioned outcomes will be revealed. Second, the research is one of the first to look at the social and ethical issues that affect tax compliance and fraud. To properly understand the impact of attitude and ethics on tax performance, future studies should look at each of the constructs as independent variables, using a multidimensional construct to play the role of moderators.

CONCLUSION AND RECOMMENDATIONS

The high percentage of tax evasion, and other forms of non-compliance in Nigeria is concerning, and traditional auditing approaches have failed due to their slowness and ineffectiveness in preventing tax fraud and other fraudulent acts. Our value system in Nigeria is poor, with a lower focus on individual honesty, integrity, and the display of good character. The society accepts wealthy people without questioning their sources of income or wealth, and without regard for whether or not they pay taxes. These are the persons who are praised, honoured, and recognized in society in the corridors of power.

These extremely affluent people avoid paying taxes or underreport their income to avoid being taxed. The majority of persons in the informal sector follow suit, utilizing them as a basis for tax fraud and evasion. Collusion and corruption regarding tax collections is equally concerning, since it rationalizes waste and infrastructural decays. Much more emphasis is placed on materials than on integrity, which encourages fraudulent practices and tax fraud to a considerable extent. As a result, forensic accounting was created to control and deter fraudulent practices on tax revenues to promote and expand tax revenue generation by the government. The application of forensic accounting to tax fraud and tax evasion is critical to increasing revenue production, particularly in developing nations with a high rate of informal sectors, corruption, and a continual growth in tax loss. Increased government revenues are needed to provide public goods and services, as well as improved social, economic, and infrastructure development and a decrease in the country's annual budget deficit.

In addition, the use of forensic accounting techniques for tax revenue collection will influence tax morale and lead to a rise in tax compliance. It would also promote tax fairness and justice by increasing the number of tax complaint individuals and businesses, as well as bridging the gap between tax payers and tax evaders, as those who voluntarily pay their taxes will not feel offended or cheated by tax evaders. It will improve the collection of taxpayer data because many more people will be brought into the system, allowing for better revenue generating planning and budgeting. As the degree of compliance rises in the future, the time and cost of investigation and recovery will be reduced.

However, it is on these bases we gave the following concluded that, the government should develop an involvement in forensics for the purpose of monitoring and investigating tax fraud and other forms of fraud. Forensic accounting is becoming more formalized and specialized as an area of study in tertiary education and as a unit in organizational structure. Forensic accountant is someone who specializes in accounting methods. Enactment of legislation and rules governing the use of forensic accounting in the investigation and prosecution of financial and tax-related fraud and crimes. Tax law enforcement should be given serious attention. Appropriate punishment and harsher sanctions for tax law violators should be implemented to serve as a deterrent. The presence of a forensic accountants at the tax office is needed to chase tax revenue. Use of modern technology is recommended to combat tax evasion and fraud. Accountability and transparency are required in tax matters. Tax justice and fairness with a robust data base of taxpayers should be performed.

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