EFFECT OF TAX AUDIT AND INVESTIGATION STRATEGIES ON DIRECT TAX PAYMENT METHOD AS A TAX COLLECTION METHOD STRATEGY IN NIGERIA

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Abstract
The study examines the effect of tax audit and investigations strategies on direct tax payment method as a tax revenue collection method in Nigeria, which is the main objective of the study. Descriptive survey research design was adopted in obtaining data based on the opinion of respondents from the Federal Inland Revenue service (FIRS) in Nigeria. The population of the study was 350 staff of FIRS selected from five states in south eastern Nigeria (70 per state), who were administered with a questionnaire. The study made use of convenience sampling technique out of which 250 questionnaire filled by the staff was adopted as the study sample size. The study employed descriptive statistics such as percentages and frequencies and the use of linear regression method. Three elements of tax audit and investigation (RKO, IOCRB, and PATC) were found to have significant effect on direct tax payment [DT] P with P-value that is less than 0.05. ATR, IOCRB, PATC, and SNC have negative effects while RKO and ATPIS were positively related to DTP. From the results, ATR has a coefficient of -0.022461, showing that a one unit increase (decrease) in ATR will lead to about 0.022 unit decrease (increase) in DTP. This is consistent with apriori expectation that increase ATR will increase direct tax payment. This also indicates that a proportionately change in DTP is less than a proportional increase (decrease) in ATR. In the same vein, IOCRB with a coefficient of -0.091019, shows that a one unit decrease (increase) in IOCRB results to about 0.09 unit increase (decrease) in DTP. This is in line with aprori expectation that increase in IOCRB has increased enforcement of administrations legal mandate on tax revenue collection, post introduction of Tax audit and Investigations. Coefficient of -0.091019 for PATC shows that a one unit increase (decrease) in PATC results to about 0.091 unit decrease (increase) in DTP. This is at variance with the apriori expectations. It equally indicates a proportional change in DTP is inelastically related to IOCRB. Similarly, sanction for non-compliance (SNC), has a coefficient of -0.019184, indicating that a one unit increase (decrease) in SNC results to about 0.019 unit increase (decrease) in DTP, This means that DTP is inelastically related to SNC. A positive coefficient of 0.117037 and 0.056739 reported for RKO and ATPIS respectively, indicate that a unit increase (decrease) in the two independent variables will respectively lead to 0.11 and 0.056 increase (decrease) in DTP. There results satisfied economic apriori expectation that RKO and ATPIS are likely to increase DTP. Proportionally, changes in DTP are inelastic with respect to changes in both RKO and ATPIS. However, ATR, ATPIS and SNC were found to have insignificant effect on DTP with P-values that are in excess of our chosen alpha level of 0.05. ATR and SNC were negatively correlated with DTP while ATPIS was positively related with DTP. ATPIS has a coefficient of 0.056736, this shows that one unit increase or decrease in ATPIS will lead to about 0.06 unit increase or decrease in DTP. The responsiveness of DTP to change in ATPIS is inelastic and infinitesimal. The following findings were arrived at through the test of the research hypotheses earlier formulated in this study. Taxpayer's record keeping obligation has an insignificant effect on direct tax payment in Nigeria. While, access to taxpayers' books and records has a significant effect on direct tax payment in Nigeria. Furthermore, access to third party information source has an insignificant effect on direct tax payment in Nigeria. While, access to information from other countries revenue authorities has a significant effect on direct tax payment in Nigeria. Again, powers to amend returns from tax payers claim has a significant effect on direct tax payment in Nigeria. Lastly, sanctions for non compliance have an insignificant effect on direct tax payment in Nigeria. It is recommended that the ongoing propagation of digital taxation by scholars should be explored as a possible

means to create a digital medium through which tax automations can be enhanced in Nigeria. Tax automated channels if included at corporate and individual level will enhance direct tax payment strategy. Also, through such automated channels, tax audit and investigation processes like information gathering will greatly improve.

Introduction

Oyebisi, Oyedele, Oyeyemi, Ayodotun and Adebola (2017), a modern state or nation requires revenue to carter and maintain essential services for its citizens. Okonye, Azubuike and Akpan (2017), the government provides the basic social amenities; protect lives and property of the people that have surrendered their sovereignty to its authority. However, the government requires funds to finance these provisions. The citizen's play their parts by prudently paying tax via provision of adequate information that will enable the government assess the citizens for tax purpose or pay taxes voluntarily on self-assessment (Ewa, 2021). Salami, Apelogun, Omidiya and Ojoye (2015), a tax system is a means of mobilizing a nation's internal resources in addition to lending internal resources to create a conducive environment for the promotion of economic growth. Taxation constitutes an important part of fiscal policy which can be engaged effectively by different countries' government and developing economies.

Ewa (2021) has raised the issue of self assessment method as an efficient tax collection strategy. Notably, the collection of tax for the federal government is bestowed to the Federal Inland Revenue Service (FIRS) in Nigeria and this agency on behalf of the government, device tax collection strategies in order to ensure effective and efficient tax revenue generation in Nigeria. But to a large extent there have been issues of tax evasion and cases of citizens being reluctant to pay tax in Nigeria (Osemeke and Nzekwe, 2020). This has led to decrease in tax revenue generation over the past decade as such; the FIRS introduced the tax audit department in 2006 in order to enhance effectiveness in tax revenue collection strategies so as to improve tax revenue being collected in Nigerian (Okonye et al., 2017).

According to Onuoha and Dada (2016), the high level of corruption cases in Nigeria indicates that many taxpayers have the instinct to report falsely on their self-assessments in order to reduce their tax burden to the government. As a result, necessary efficient tax system that would engage every person and organization in Nigeria to act responsibly by paying the correct taxes and on time is put in place by the FIRS (Okoye, 2006). Growing issues of tax returns filed based on misrepresented data results to wrong assessment. The establishment of tax audit and investigation department by FIRS attempts to correct such abnormalities by making sure taxpayers are appropriately assessed and taxed through effective and efficient strategies (Ogbueghu, 2016), and that the government collects the complete and accurate revenue due to it from all the legitimate forms of taxes on the citizens and corporate organizations within the relevant jurisdictions (Obe, 2019). Mutarindwa (2014) further gave credence to such preposition in his work where he posited that the primary goal of every tax authority is to improve tax compliance through tax laws, and ensures that confidence to believe that tax system and administration is fair. Some of the tax audit strategies that enhance tax compliance for effective tax revenue collection are; adequate record keeping by taxpayer, having access to taxpayers books, adequate information and powers to sanction tax offenders as a result of non compliance (Palil and Mustapha, 2011).

According to OECD (2006), cases of taxpayers' failure to comply with tax laws are always there ranging from taxpayers' ignorance, carelessness, recklessness and deliberate evasion, or weakness in tax administrative laws which lays credence to the reasoned action theory as propounded by (Fishbein and Ajzen, 1975). As a result, government and its citizens, whom the tax is meant to serve, are denied of adequate tax revenue which is required for the provision of public utilities. To correct such ill tax practices, proponents of the policeman theory like Awe (2008) posit the establishment of tax audit and investigation as a watch dog for tax malpractices in order to strengthen tax revenue collection strategies in Nigeria. Imperatively, most taxpayer-driven failures or compliance risks as identified above have been addressed nearly exclusively in terms of regulatory enforcement through an audit-based approach (Marlik, 2010; Mu'azu, 2012). In more recent times, tax administrators have come to the realization that some of the factors underlying taxpayers' compliance behaviour in any specific risk area are varied and often complex and are mostly unlikely to be treated successfully with a single action, particularly one based exclusively on regulatory enforcement action such as audit (Nwaiwu and Macgregor, 2018). Notably, tax audit is a major tool for enhancing tax compliance and tax bodies in most developing countries commit resources to tax audit practice as a tax administration mechanism (Okoye and Akenbor, 2012).

Prior to 1998, taxpayers in Nigeria (persons and corporations) were assessed to tax by the relevant tax authorities; a system otherwise known as government assessment (Modugu and Anyaduba, 2014). With the introduction of self-assessment scheme into the Nigeria tax system in 1998, taxpayers were required to file in their tax returns independently. This practice informed the need for tax audit, to ensure taxpayers file in accurate information regarding their income and expenses in business and vocation. Taxpayers are inherently disposed to reducing their tax liability either through tax evasion or tax avoidance (Omodero, Ekwe and Ihendinihu, 2018). The idea of tax audit became known through Lagos State where monitoring agents were appointed to carry out tax audit and investigation on government behalf (Taiwo, 2011). The tax audit may be varied by way of desk or room audit or field audit. With the introduction of self-assessment scheme by the Federal Inland Revenue Service (FIRS) in 1998, taxpayers were given the opportunity to assess themselves and remit the assessed tax to the government coffers voluntarily (Appah and Eze, 2013). In an effort to check incessant abuse of the system, it became necessary to re-evaluate the claims of the taxpayers through tax audit and investigation process and this cannot be achieved without adequate strategies in place to encourage tax revenue collection.

Tax audit is similar to financial audit which involves the gathering of information and processing information gathered for determining the level of compliance of an organization or individuals taxpayers with tax laws within a given period of time. Okonye, Azubuike and Akpan (2017) posited that to enhance tax audit and revenue generation, effective tax revenue collection strategies must be put in place by the government through its agencies. The various tax audit and investigation strategies include: record keeping obligation, Access to taxpayers records, Access to third parties information, Information from other countries Revenue authority Power to amend taxpayers' claims and Sanction for non-compliance.

Statement of the Problem

Theoretically, it is assumed that taxpayers are expected to abide by tax laws by turning in their taxes as at when due considering the economic benefits and incentives like tax allowances accruable to the taxpayers as captured by extant tax laws in Nigeria. Despite this theoretical postulate and the institution of the tax audit and investigation department by the Federal Inland Revenue Service (FIRS) in Nigeria 2006, the issue of tax evasion still linger. The adverse effects of tax evasion on internally generated revenue in Nigeria cannot be overemphasized. The revenue being generated continues to decline despite introductions of different tax collectin strategies, which, direct tax is one of them. Direct tax payment are taxes remitted by taxpayers immediately income is earned, properties or assets are sold. Ogbonna (2014), majority of these tax being ollected for the federal government are not properly accounted for despite the institution of tax audit and investigation department by FIRS.

It is also a general believe that corruption, lack of transparency by tax administrators and taxpayers have adversely affected the ability of the relevant tax authorities to generate appropriate level of revenue from taxes. According to Onuoha and Dada (2016), there has been high level of non-compliance with tax laws involving both the tax administrators and the taxpayers as well. This has encouraged the dwindling tax revenue accruing to government.

FIRS instituted the tax audit and investigation department in 2006 to checkmate malpractices in tax administration on both sides such that tax revenue will be increased but to what extent such policy drive has affected internally generated revenue in Nigeria is still unknown.

Imperatively, many researchers have carried out various research work on tax audit and investigation but among all the researchers non has disaggregated the tax collection strategy in order to determine how efficient direct tax payment has been enhanced by tax audit and investigation since 2006. Finally, the different findings reached and methodology adopted by some of researchers who have carried out some works on tax audit and investigation phenomenon calls for concern because of their failure to explore tax revenue collection strategies. Mu'az, (2012), studied the effect of tax audit on tax compliance in Nigeria specifically using Bauchi state board of internal revenue. He failed to examine the various tax revenue collection strategies such as direct tax payment, as he focused more on compliance level. Onuoha and Dada (2016), whose work was on tax audit and investigation as imperatives for efficient tax administration in Nigeria, pointed out that tax audit and investigation exert important influence on taxpayers to pay the correct tax liabilities to the government. But they also focused on compliance level neglecting revenue collection strategies. Although their findings in part contradict the positions Mu'az (2012), who posits that tax audit and investigation encourages compliances. Onuoha and Dada (2016) adopted an expository approach using content analysis of existing literatures. Also, Adediran and Alade (2013), took a research on the impact of tax audit and investigation on revenue generation in Nigeria. Despite their findings that tax audit and investigations curbs the problems of tax evasion, they failed to examine direct tax as a tax revenue strategy. Failure of these scholars to link tax audit and investigation to revenue collection strategies (direct tax payment) necessitates the current study.

This study intends to fill the theoretical and empirical gap by investigating the effect of tax audit and investigation on direct tax payment as a strategy for tax revenue collection in Nigeria. Tax strategies are tactics directed to achieve tax income for the government in order to achieve specific and planned goals.These tax collection strategies include tax deducted at source or advance tax payment, direct tax payment and self assessment tax but for the purpose of this research, we shall dwell more on direct tax payment.

Objectives of the Study

The main objective of this study is to examine effect of tax audit and investigation methods on direct tax collection strategies in Nigeria. The specific objectives of the study are, to:

a. determine the effect of record keeping obligation on direct payment of tax in Nigeria;
b. evaluate the effect of access to taxpayers' records on direct payment of tax in Nigeria;
c. determine the effect of access to third parties information on direct payment of tax in Nigeria;
d. determine the effect of information from other countries revenue authority on direct payment of tax in Nigeria;
e. to ascertain the effect of power to amend taxpayers' claims on direct payment of tax in Nigeria; and
f. evaluate the effect of sanction for non-compliance) on direct payment of tax in Nigeria.

Hypotheses

The following hypotheses are to be tested:

a. ***Ho_1:*** There is no significant relationship between record keeping obligation and direct payment of tax method in Nigeria;
b. ***Ho_2:*** There is no significant relationship between access to taxpayers' records and direct payment of tax in Nigeria;
c ***Ho_3:*** There is no significant relationship between access to third parties information and direct payment of tax in Nigeria;
d. ***Ho_4***: There is no significant relationship between information from other countries revenue authority and direct payment of tax in Nigeria;
e ***Ho_5***: There is no significant relationship between power to amend taxpayers' claims and direct payment of tax in Nigeria; and
f. ***Ho_6***: There is no significant relationship between sanction for non-compliance and direct payment of tax in Nigeria.

Review of Related Literature

Conceptual Review

Tax audit and investigation

Okoye (2006) posited that no matter the kind of economic system a country is practicing (capitalist or socialist) economy, its government has obligation to provide basic duties to the citizens. For a state to maintain its sovereignty and uplift the social and economic status of its citizens, it must need and generate revenue. This revenue must be generated by the government to enhance its ability to carter for these obligations. According to Eleng (2019), the extent of infrastructural development in any state has relationship on the amount of revenue generated and utilized by the government on public infrastructure for the good of members of that society. Adedayo and Alade (2017) a tax audit is an examination of whether a taxpayer has correctly assessed and reported their tax liabilities and fulfilled other obligations. OECD (2006) opined that tax audits are more detailed and extensive than other types of examination, such as general desk checks, compliance visits/ reviews or document matching programmes. In general terms, tax audit will examine the issues those facet of taxpayer income report which are very important in ascertaining an accurate assessment of taxpayer's burden. According to Mutarindwa (2014) tax audit will involve any report from the taxpayer which suggests that there are part his income for the given period is unreported (example, such issue may include where there is a very low ratio of net income/ gross business income ratio computed from a taxpayer's return) or where the taxpayer makes over deductions or claims which will result in reducing the tax liability of the taxpayer for the said period. Jarunee (2010) stated that for accurate determination tax liability of a taxpayer, the tax auditor must examine the taxpayer's returns and other necessary information. As well as income tax returns and other reporting, this includes supporting documents, which the taxpayer should normally have. In case of business audit, national law often requires a business to follow a laid down principles and accounting standards. The audit could sometimes require physical inspections and enquiries, such as the inspection and examination of inventories, and other assets (OECD, 2006).

According to Ogbonna (2014), taxation worldwide, constitutes a major source of revenue to governments for funding their capital and recurrent expenditures. In recent times, there has been the urge for tax authorities in Nigeria to carry out spontaneous and sporadic tax audits and investigations on taxpayers, suspected of tax evasion or tax fraud. In doing so, the tax authorities, in discharge of their duties as contained in the enabling tax laws, adopt various methods in holding taxpayers more accountable. The taxpayers, on the other hand, are quick to resist any additional tax burden that might drain their pockets. While tax authorities do have statutory powers to conduct tax audits and investigations on taxpayers to ensure that the revenues due to government are not lost by way of false returns, these powers are, however, not without legal limits. Tax audits and investigations are very complex and tasking processes and as such, tax managers and their consultants must understand the 'rules of the game'. On the other hand, according to the Federal Inland Revenue Service (FIRS) (2012), minimum tax is justifiable on the premise that every asset generates income. The minimum tax regulations are therefore anti-tax avoidance measures whether or not the affected company declares a profit, or the company was dormant during the relevant year of tax assessment. Where a company is dormant, minimum tax is usually charged on the company's net assets or on its share capital, whichever is the higher of the two. An audit is an examination usually by an independent person, on the financial statement of an organisation and verification of a company's financial and accounting records and supporting documents by a professional auditor in public practice after which an opinion is given on the state of affairs of such financial statement. The primary objective of audit is to express an opinion on the financial statements of an enterprise as to whether:

- Proper books have been kept,
- The financial statements are in agreement with the books,
- The requirements of the applicable legislations, for example, the Companies and Allied Matters Act (CAMD) 1990 (as amended) have been complied with,
- Applicable accounting standards (both local and international) have been complied with,
- The financial statements give a true and fair view of the state of the financial affairs of the enterprise as at its balance sheet date,
- The financial statements give a true and fair view of the result of the operations of the enterprise for the period under consideration.

According to Adediran, Alade and Oshode (2013), tax audit simply means the advanced part of auditing practice that involves examination of books of account in order to check if the assessable profit showed by the taxpayer is correct. Tax audit is an additional audit to the statutory audit and is carried out by tax officials from relevant authority. The approach and scope of work would be slightly different from that to be carried out for an audit under CAMD, 1990. The objectives of tax audit are to enable the tax auditors determine whether or not: adequate accounting books and records exist for the purpose of determining the taxable profits or loss of the taxpayer and consequently the tax payable. On the other hand tax audit is specific to determining the following:

- if the tax computations submitted to the authority by the taxpayer agree with the underlying records,
- all applicable tax legislation have been complied with, provision of an avenue to educate taxpayers on various provisions of the tax laws, discourage tax evasion,
- detect and correct accounting and/or arithmetic errors in tax returns; provide feedback to the management on various provisions of the law and recommend possible changes,
- identify cases involving tax fraud and recommend them for investigation,
- forestall a taxable person's failure to render tax returns,
- forestall a taxable person rendering incomplete or inaccurate returns in support of the self-assessment scheme.

Every observation of the specific duties of tax audit and investigation above would create a mind-set that tax revenue generation will increase with the introduction of the system.
Onoja and Iwarere (2015) identified that a successful audit must follow a pattern. They opined that for a successful audit, it is necessary that the auditor organizes his work in such a way that the assignment is accomplished completely and efficiently, using competent personnel.

The Audit unit of the Federal Inland revenue Service (FIRS) employed audit tools to identify tax evaders and to officially carry-out enforcement on any taxpayer. Some of such audit tools include the risk engine tool for identification of tax evaders or non-compliant taxpayers. Companies flagged by such tools are either subject to tax audit or tax investigation. In line with its statutory mandate and the provisions of Sections 58 and 60 of the Companies' Income Tax Act (Cap. 21 LFN 2004) and Sections 26 and 27 of the Federal Inland Revenue Service (Establishment) Act 2007 (Onoja & Iwarere 2015). However, FIRS has created some units and department which it uses for increasing the revenue accruing into the tax nets. These include the following departments: Process Operations Department (POD) which had five units, including, (i) Information Communication and Technology Unit; (ii) Bank Collection Services Unit; (iii) The Return and Payment Processing Unit; (iv) Tax Refund Processing Unit; and, (v) Procurement and Due Process Unit. However, these new processes and units faced serious challenges in the light of the existence of fraud syndicates and the absence of a secured electronic system.

The FIRS in order to reduce incidences of penalties, suffered by taxpayers, arising from late payments of taxes and to reduce the workload, "Self -Assessment Regime" was introduced by FIRS. Before 1998, taxpayers in Nigeria (persons and companies) were assessed to tax by the relevant tax authorities using the government assessment tax assessment system. With the coming into existence of self-assessment scheme into the Nigerian tax system in 1998, taxpayers are now obliged to complete their tax returns on their own. This practice informed the need for tax audit, to ensure taxpayers file in accurate information regarding their income and expenses. Taxpayers are inherently disposed to reducing their tax liability either through tax evasion or tax avoidance (Kennedy & Obi, 2014). Self-assessment regime requires the taxpayers to compute their tax liabilities, file and pay accordingly on or before the stipulated date to reduce incidences of penalties for late payments through an authorized agent, which may be a member of recognized professional accountancy body in Nigeria (ICAN, ANAN, and CITN). According to Ogbonna (2014), self-assessment tax regime is a system of tax administration whereby the taxpayer is granted the right, by law, to compute his own tax liability, pays the tax due (at the designated bank) and produces evidence of tax paid at the time of filing his tax return at the tax office, on due date. On the other hand, the tax authority has the responsibilities of enablement to and checks on the taxpayers to ensure compliance with tax administration process. This means that the self-assessment scheme is characterized by partnership and shared roles and responsibilities between the taxpayer and the tax authority (Appah and Eze 2013). According to Oyedele (2012), "on December 12, 2011 the Management Board of the Federal Inland Revenue Service (the Board) in exercise of the powers conferred on it by Section 61 of the Federal Inland Revenue Service (Establishment) Act 2007, with the approval of the Minister of Finance; gazette a Regulation dated 19 December 2011, modifying the processes and procedures for self- assessment returns". This review in the self-assessment regulations covers the following tax returns:

- Companies Income Tax Act (CITA),
- Education Tax Act (ETA),
- Petroleum Profit Tax Act (PPTA),
- Personal Income Tax Act (PITA),
- National Information Technology Development Act (NITDA),
- Value Added Tax Act (VATA).

The capital gain tax was not particularly mentioned in the review; nevertheless, all taxes under the FIRS Establishment Act are stated as being part of the regulation. Taxpayers mostly take advantage of the self-assessment regime to manipulate its tax burden in such a manner that the revenue accruable from different forms of taxations has not significantly reflected the primary objective of a good tax system.

The Audit department is saddled with the following objectives:
- investigation of civil and criminal cases and violations of tax laws;
- installation of an effective database and efficient intelligence network;
- prosecution of violators of the tax laws to serve as deterrence; and,
- fostering closer working relationships with other government agencies.

Thus, the primary purpose of tax audit is to ascertain the extent to which taxpayers may have complied with the relevant statutory provisions of the tax act concerning their audited financial statements and other tax-related returns. It thus helps to sustain the confidence and integrity reposed in the self-assessment scheme currently in force in Nigeria, thereby enhancing voluntary compliance. It is therefore expected that the more taxpayers comply with relevant statutory provisions of the tax, the more revenue is generated into the pockets of the government, hence increasing internally generated revenue. However, how well this introduction of tax audit has helped enforce tax compliance among companies has attracted commentaries and debates in developed economies. As for developing countries, less is said about it, yet a crucial issue that ought to receive adequate attention in view of its strategic stance at enforcing compliance to the relevant tax laws and by consequence, a boost in government tax revenue base.
The tax audit is normally carried out through the back duty audit. Back duty audit may be instituted when the following occurs:

- Failure to disclose or include in full any income or earning in the return made available to the tax office.

- Doubtful claim of capital allowance in respect of current or previous year.
- Reduction in the profit in the returns files in tax office
- Where the tax charged or assessed is less than what it ought to be.

The institution of back duty audit on a taxpayer can either be a routine or as a result of the above reason. It is an exercise by the relevant tax authority to ensure that the amount due to the government is duly collected. (Ariwodola, 2000).

Elements of tax audit and investigation

Tax audit and investigation would be meaningless if it is not deplored to addressing certain salient points which will lead to efficient and effective audit system. In this regard OECD (2006) stipulated certain elements or variables which will guide the tax authorities to achieve the objectives of the audit. This includes: taxpayers' record keeping obligations, having access to taxpayers' books and records, having access to third party information sources, accessing information from other countries' revenue authorities, having powers to amend returns from taxpayers' claims, sanctions for non-compliance.

Taxpayers' record keeping obligations

It is statutory for taxpayers' to keep financial records of their companies in line with laid down rules and standard. According to OECD (2006), stipulates that the legal requirement for record keeping differs in respect of the level of details required. The required details for record keeping are defined by the regulatory bodies, existing standards, and size of the business being audited. Firms are obliged to keep books and records, even self-employed individuals are required to keep records of their financial dealings. However, according to Kennedy & Obi (2014), most countries have simplified accounting requirement for small enterprises and self-employed taxpayers.

According to OECD (2006), in countries with an assessment system, record keeping obligations are based on national codes of commerce to the extent they are not in contravention of provisions in the tax laws. Countries operating a self-assessment system tend to use specifications that are more general. Tax authorities put in place recording system that is comprehensive for taxable income to be determined or that the accuracy of VAT due or claimed is verifiable. With the introduction of VAT, it became expedient for tax authorities in countries where such tax is implemented to prepare account that shows details of transactions such as details of goods and services sold or purchased and separate such items from any other sale to which a zero rate or exemption is applies.

With the increase penetration of internet technology and other technological devices which has made internet business easier, record keeping obligations may specify or permit the keeping of electronic books and records (OECD, 2006). It is clear that where business records are kept electronically, it is safe for the revenue authority to evaluate the electronically kept records to enable understandability of the accounting process and the integrity of the records kept.

The tax authority should not only emphasize the record keeping obligation without specifying the mode of communication and language of communication. Books and keepings should be in the language of the company where the taxpayer has his operational head office or in the language of the country where the subsidiary or permanent establishment resides. Though there are exceptions to these rules. In some cases, it is acceptable to use English or any other nationally spoken language. In general, the auditor can ask for a certified translation and the taxpayer must cover the costs of the translation.

Additionally, different countries have different periods in which they allow firms to retain their records. It ranges from one year to ten years (FIRS 2015). For many countries, the retention period starts after the fiscal year has ended (OECD, 2006).

Access to taxpayers' books and records

For tax audit and investigation to be meaningful, there must be.legal provisions given to tax authority to all tax-relevant information such as books and records, bank statements, trade letters, contracts etc). According to OECD (2006), this information is necessary and important to evaluate the correctness of taxpayers' claims. There is also need to for the tax authority to have access to domestic information. This must be within the reach of the tax authorities in the course of the duty work when required and a form desired by the tax auditor.

Information held abroad mostly concerns multinational enterprises (MNE's) either as a parent company or as a foreign subsidiary. The ability to access information held abroad is subject to the provision of the revenue body's Double Taxation Agreement and Domestic laws. IFRS (2015), the legal basis would need firsthand documentation which varies from country to country. In some countries, tax auditors can return to their office with any piece of information provided by the taxpayer. The ability of the tax auditor to presently move into the taxpayers premises adds value to an examination. This will give the tax auditor a personal idea of workflow and various assets used by the taxpayer for the operations of the organization. As we have mentioned earlier, the tax audit could be done in the premises of the taxpayer or in the office of the tax body. The choice of which class of audit will depend on the interest of the tax authority.

Access to third party information

All countries have legal provisions to support the auditor in cases where the taxpayer(s) gives unsatisfactory information or the auditor must verify taxpayers' information through the use of independent or third party source. There are restrictions for this provision. These are;

- protection under a professional pledge of secrecy (e.g. lawyers, public and tax accountant)
- protection of trade or industrial secrets and
- protection of taxpayers' privacy

These protections mentioned above could be inhibitions for tax official's access to third party information.

Obtaining Information from Other National Revenue Bodies

The large numbers of tax treaties among countries with economic interest depicts the importance of accepted rules for exchange of information among countries for purpose of liability verifications. Cronbach (1951) some treaties cannot meet the international information needs relating to indirect taxes because this is not covered by the respective treaty. Other restrictions on the kind of information that may be exchanged are found with some revenue bodies while a very small number limit the scale of cases for which they will consent to an exchange of information. Some of the tax authorities, the exchange of information is done through liaison units. These units are given the mandate to process the request from the foreign tax body, within the limit allowed by the law on the kind of information to be exchanged and in some cases, the fact that such information can only be exchanged in important cases.

According to Ekendu, Azubuike and Akpan (2017), the nature and scope of tax audit activities is influx. It is changing from working wholly and exclusively in the local arena to doing audits on international issues. Daniel (1999) the most effective means of verifying information obtained in a transnational audit is through simultaneous bilateral or multilateral audit. The number of these audits varies from one to ten per annum in the administrations that employ them. According to OECD (2006), direct or informal contact between auditors from different countries is governed by the tax treaty in place between the two countries.

Powers of tax authority to amend returns

According to Ekendu, Azubuike and Akpan (2017), for tax audit to be functional, it has to be supported by a power to amend the original tax claims of the taxpayers, where necessary. The report of the tax auditor at the conclusion of the audit will form the yardstick for any reassessment. The general principles on which reassessment powers operate are as below:

Most tax authority assist taxpayers to provide comments on the audit report before the reassessment is completed, in order to raise unclear facts or different interpretations of law.

The taxpayer is empowered by the law to appeal against the reassessment reached by the tax authority, if agreement cannot be reached (FIRS 2015).

The tax auditors are not allowed to amend assessment of the taxpayer without the approval of other tax officers especially the team leader. The essence of this is to maintain integrity of the audit. Usually, the team leader or any other tax auditor within the audit team will go through the audit work ones more to ascertain the correctness of the assertions of the first auditor who worked on the taxpayers' claim.

Whilst most audits rely on an accounting system and complete books and records, auditors may occasionally use indirect methods to establish or estimate taxable income, annual taxable turnover or input tax.

Sanctions for non-compliance

The voluntary reporting of taxpayers' correct tax liabilities and the provisions of any assistance that may be required to verify taxpayers' claims are enabled by an appropriately structured regime of sanctions (e.g. penalties and interest, and imprisonment). Tax authorities have the powers to impose penalties for refusal or failure to disclose the required information that will enhance tax audit, provide documents or relevant papers to the tax auditor. Without the powers to impose sanctions, there would not be any meaningful tax audit activities. These penalties are imposed to taxpayers' or any third party approached for information. The sanctions imposed could be a monetary sanction, imprisonment or both. Nevertheless, the rights of the taxpayer are protected from the inappropriate use of sanctions provisions. The tax authorities are accountable to judicial authorities for all the penalties imposed administratively.

Direct tax payment as a tax collection strategy in Nigeria

Direct tax payment are taxes remitted by taxpayers immediately income is earned, properties or assets are sold. A good example of direct tax payment in Nigeria is the Value Added Tax (VAT).

Value added tax (VAT)

Ogbonna and Ebimobowei (2016), defines VAT as a tax on consumption being collected at each point of sales of goods and services from production to consumption. The tax burden is borne by the final consumer. Each person is required to charge and collect VAT at a flat rate of 7.5% on all invoiced amounts. VAT was introduced by the Federal government of Nigeria in January 1993. VAT came into begin in other eliminate numerous associated with goods and servicesespecially on sales tax. The extant aw covering VAT1993 as amended, ensures that every eligible taxpayer resident in Nigeria or outside Nigeria who sells goods or render services in obligated t register for VAT within six months of it commencement of business in Nigeria. Registration is done with the Federal Board of Inland Revenue (FBIR) (Oloabokere and Fasina, 2013).

The Finance Act, 2021 also amended some provisions of the Value Added Tax Act, Cap. V1, LFN 2004 (as amended). This notice of the Circular was issued to offer assistance to all stakeholders for proper implementation of relevant provisions of the VAT Act. 2.0. In line with section 2 of the VAT Act all goods and services supplied in Nigeria are liable to VAT in Nigeria with exception of goods and services specifically listed in the 1st Schedule to the Act. As a result of this provision, therefore, all goods and services consumed or otherwise utilised in Nigeria are subject to VAT in Nigeria. This is in line with the "destination principle" of VAT. Section 4 of VAT act alters the VAT rate from 5% to 7.5% starting from the 1st of February, 2020. Section 4 of the VAT Act has amended VAT rate from 5% to 7.5%, with effect from the 1st of February, 2020. Consequently, all taxable supply of goods and services from the 1st of February, 2020 is chargeable at the new rate of 7.5%.

Section 13A (2) of the Value Added Tax (VAT) Act, Cap V1, LFN 2004 (as amended) states that: ''A tax invoice shall be issued on supply whether or not payment is made at the time of supply''
For the purposes of VAT:

i. A service is supplied when it is performed, or an agreed milestone is reached.
ii. Goods are supplied upon delivery or transfer of risk, whichever occurs first. Provided that, where it is not practicable to determine the time of supply as aforesaid, the Service may rely on the dates indicated on the relevant invoices, bills, debit notes, goods received notes, waybills, journal entries, etc.

In view of the foregoing, the general public is invited to take note of the following transitional arrangements:

i. The VAT rate for taxable supplies made prior to the 1st of February 2020, is 5%;
ii. For a contract of taxable supplies signed prior to 1st of February 2020 and supplies or performance occurred on or after the 1st of February 2020, applicable VAT is 7.5%;
iii. For continuing contracts for which supplies or performance is measured on the basis of milestone achieved, VAT rate for milestones achieved on or after the 1st of February 2020, is 7.5%; and
iv. For all taxable supplies made from 1st of February 2020, VAT rate is 7.5%.

In accordance with Section 4 of the VAT Act, every taxable person is to collect tax at the rate of 7.5% of the value of the goods and services supplied and the tax so collected is the output VAT. Monthly remission of the net VAT payable (which is the excess of the output VAT over the input VAT) is to be made in the currency of transaction on or before the 21st day of the following month of such transaction and returns must be rendered to the Service in the appropriate form as discussed in paragraph 9.

Theoretical Review

Tax audit and investigation enhances tax compliance, thereby bringing more eligible tax taxpayers into tax net and increasing the revenue base of the government through effective tax collection strategies. This preposition is supported majorly by the “Police-man-theory” of auditing and the theory of planned behaviour which explains why people evade tax and the need to put in place the right tax administration mechanism as a policing tool that can increase revenue generation through effective tax collection strategies. The achor theory is the policeman’s theory.

The Policeman Theory

This theory of auditing was propounded by Awe (2008) and cited by Eleng (2019). The theory assumes that once monitoring is done on the systems at unspecified times then, that is like policeman guarding a place and thus, called it policeman theory. It was further asserted that auditing is purely on the arithmetical accuracy and on the prevention and detection of fraud. This theory makes the auditor to detect and prevent errors and fraud in organizations. It then adds a factor of effective tax monitoring through tax audit and investigation. Through tax policing, tax audit can be effectively planned and investigation carried out from time to time in order to checkmate planned behaviors from taxpayers that are adverse to internal revenue generation (Animasaun, 2016).

Empirical Review

In order to effectively evaluate the research on hand, the works of other researchers who have worked in similar or related research works were reviewed. This would help identify the research gap the present research work will be filling. In the light of the foregoing, Osemeke and Nzekwe (2020), undertook a research on the challenges affecting tax collection in Nigeria informal economy: Case study of Anambra State. This study found that lack of provision of amenities and infrastructural development are among the reasons why many traders and employees do not pay tax in Anambra State, Nigeria, as they have to bear the burden for the provision of such amenities themselves. Lack of accountability, embezzlement, poor accounting records, deficit of empowerment programs and absence of awareness are the key reasons why people and businesses in IE do not pay tax. These findings anchors on the utilization of tax revenue collected. Olaoye and Ogunipe (2020) also researched on application of tax audit and investigation on tax evasion in Nigeria. The study examined the application of tax audit and investigation on tax evasion control in Nigeria. It specifically investigated the impact of desk audit-DEKAUD, field audit-FIAUD, back duty audit BAKAUD and tax investigation-TAXINV on tax evasion control in Nigeria. Relevant data were sourced from the administration of questionnaire and response from it analyzed with ordered logistic regression and Spearman's rho measure of association. It was revealed that from the Likelihood ratio test: Chi square(4)= 325.11 [0.0000] and cut1 to cut11 that the overall model is significant at 5% level in explaining the variation in tax evasion control in Nigeria. DEKAUD has a tendency to significantly reduce the occurrence of tax fraud in Nigeria ($z=5.8743$, $p<0.00001$); FIAUD indicated effect of 0.14 (z=, $p=0.15720$) on tax evasion control in the country; BKAUD showed significant influence on the control of tax evasion ($z=4.1856$, $p<0.05$); Tax investigation does not influence significantly the level of fraud control ($z= 1.1017$, $p>0.05$). It was concluded that tax audit in the form of desk and back duty are highly instrumental in the reduction in tax evasion, while tax investigation and field audit does not influence the control of tax frauds in the form of evasion.

Eleng (2019) in his effort to unravel the contributions of tax audit strategy to tax revenue generation, took a research on the effect of tax audit on productivity of internal revenue service Cross River experience. He concluded that tax audit strategies have direct insignificant relationship with productivity (tax revenue). This contradicts the findings of other researchers like Ganyam Ivungu and Anongo. Dang, Bako and Lalu (2019) carried out a research on the impact of revenue generation and utilisation on social services delivery in Plateau state: 2006 – 2015. They employed experimental research design using descriptive and empirical research strategy; the data generated were analysed using least square regression analysis. The study discovered that revenue generation as a whole has an impact on social service delivery for the period 2006 – 2015 in Plateau state, with majority of the sources of revenue, coming from federation account, capital receipts and other revenue, which are individually insignificant in impacting on social service delivery in the state. The finding is not too different from the other researchers like Ajala and Adegbite (2020). Adeyeye (2019) in his research improving tax administration through technology innovation in Nigeria (a study of Federal Inland Revenue Service). Primary Data were collected through the use of structured questionnaire administered on 219 staff of Federal Inland Revenue Service (FIRS) to elicit their responses. Descriptive statistics, Analysis of Variance (ANOVA) and Regression Model were used for the data analysis. The R value depicts that the use of information technology accounted for (76.3%) improvement in tax administration in Nigeria. The results strongly support the TPB in predicting the intention of users to adopt electronic tax-filing systems. The results also demonstrate the significant effect that computer self-efficacy has on behavioural intention through perceived ease of use, perceived usefulness, and perceived risk of use. Based on the findings of this study, implications for electronic tax filing were discussed.

Amah and Nwaiwu (2018) study examined empirically, the effect of tax audit practice on down south tax revenue generation in Nigeria. Both primary and secondary source of data were adopted and the data collected were analysed using linear regression analysis and multiple regression analysis with the aid of special package for social sciences (SPSS) version, the empirical results indicate that the predictor variable of tax audit practice has positive effect on criteria variable of tax revenue in Nigeria. The study include that there exist a significant positive effect of desk audit on personal income tax. This is to ensure that the collection of taxes have been higher than the costs improving compliance. Tax administrators should not concentrate only on desk tax audit but also on field tax audit and back tax audit so as to block all leakages and increase the level of taxpayers' compliance.

Okonye, Azubuike and Akpan (2017) carried-out a study on tax audit and investigation as a stimulant for growth in internally generated revenue in Nigeria. They obtained secondary data from Central Bank of Nigeria Statistical Bulletin from 1988 to 2013. Regression analysis was used to analysed the data and test the hypotheses formulated. The results obtained were further tested with chow test regression technique. Their research revealed that, the tax audit and investigation is a stimulant for growth in internally generated revenue in Nigeria.

Aguma (2016) conducted a research on impact of tax audit on improving taxpayers' compliance: empirical evidence from Ethiopian. The study has attempted to examine the impact of tax audit on tax compliance in Ethiopia, at federal level by using secondary macro data. In analyzing the data the partial coefficient regression statistical analysis method was employed. The Pearson correlation and bivariate regression result shows, there is a strong association between probability of audit detection and the level of tax compliance. The regression result also reveals that there is a strong association between the number of audited files and the level of tax compliance. Pearson

Correlation and partial regression coefficient result shows that there is a strong association between probability of audit detection and the number of audited files with the level of tax compliance. The partial coefficient regression result shows that the joint effect of probability of audit detection and number of audited files highly improves the level of taxpayer's compliance over the individual effect. The study concludes that since the contribution of tax audit on improving taxpayer's compliance is significant among other measures, revenue authorities of the country and other concerned parties should give more emphasis on the role of tax audit by fulfilling the required staff and qualifications to improve taxpayer's compliance and thereby increasing countries revenue through tax.

Onuoha and Dada (2016) the aim of this paper was to substantiate tax audit and investigation as imperatives for the achievement of an efficient tax administration in Nigeria. The study adopted an expository approach using content analysis of existing literatures. The doubt and sociological theories were used to firm up the conceptualization of the topic. The study revealed that tax audit and investigation are inevitable to improve on the collection of tax revenues in Nigeria. The study also confirmed that there is a high prevalence of non-compliance currently among individuals and companies in the country. The paper, therefore, called on the government to provide an enabling legislation to make non-compliance with tax laws a more serious offence with stiffer penalties.

Onoja and Iwarere (2015) carried a research which seek to determine the effect of tax audit and revenue generation in FIRS. This study also implored questionnaire as a tool for gathering data, analysis of variance (ANOVA) was used as a statistical technique for testing the hypotheses formulated. The research discovered that: tax audit has significant effect on revenue generation in FIRS and tax audit has a positive relationship in with revenue generation.

Appiah and Eze (2013) they examined the impact of tax audit on tax compliance in Nigeria. They obtained data for evaluation of the hypotheses from mainly primary sources. To achieve this objective, data were collected from primary and secondary sources. These data were tested using diagnostic tests, augmented dickey-fuller, ordinary least square and granger causality. The empirical analysis provided a significant relationship between random tax audit, cut-off tax audit and conditional tax audit on tax compliance in Nigeria. On the basis of the empirical result, the paper concludes that tax audit is one of the compliance strategies that can be used to achieve tax compliance in Nigeria because the average Nigerian is known for tax evasion and avoidance using all the available means of not paying the relevant tax to the government. Therefore, the paper recommends amongst others that government should show some degree of accountability and transparency on the revenue collected to make citizens understand the connection between tax revenue and expenditure; the government should implement the relevant tax laws faithfully, equitably and fairly irrespective of the persons status and organization concerned; the relevant tax authorities at all levels should improve on the standard of tax audit employed for effectiveness and efficiency in tax administration to reduce the high level of tax evasion on those that are self-employed.

Adediran, Alade and Oshode (2013), in their research examine the impact of tax audit and investigations on revenue generation in Nigeria. Pearson correlation coefficient was used to analyse the questionnaire which were the source of data gathering. It was gathered that tax audit and investigation can also stamp out incidents of tax evasion in the country.

Mu'azu (2012) took a research to assess the effect of tax audit on tax compliance in Nigeria a case of Bauchi State Board of Internal Revenue. The methodology employed for data collection is only primary source, which involved the use of questionnaires, in which 48 questionnaire were administered to the staff of Bauchi State Board of Internal Revenue, some selected individuals tax payers and corporate bodies within Bauchi State out of which only 42 questionnaires were completed and returned. The data generated for the study were interpreted using simple percentage. The main finding of the study include among other; the Relevant Tax Authority (RTA) employed tax audit towards achieving target revenue, that tax audit reduce the problems of tax evasion, that tax payers do not usually cooperated with tax audit personnel during the exercise. Etc. The paper recommends that; the RTA at all levels should improve the standard of tax audit employed for effectiveness and efficiency, tax audit should aim at reducing the level of tax evasion and RTA should provide a policy that would allow the tax payers to cooperate during the period of tax audit.

Ojonta (2011) carried out a research to assess how tax audit and investigation has ensured voluntary compliance by taxpayers in Nigeria. The research went further to examine: the extent to which tax audit and investigation have reduced tax evasion; to examine if there is any positive effect on the introduction of self-assessment to the complexity of income tax administration and it also examine the effect of inducement on tax officials in the performance of their duty. The research adopted the primary source of data within its scope of study. The study reveals that the introduction of self-assessment has played a major role in collection of taxes by adding credibility to the process and that the absence of functional tax audit and investigation units is largely the bane of non-compliance and tax evasion.

Yongzhi (2010), examined the tax audit impact on voluntary compliance. First, models were built exclusively for investigating the voluntary compliance behavior shifts after a firm is audited. Second, apart from the theoretical approach and laboratory experiment approach used in the literature, this study applied the difference-in-differences non experimental approach. Third, historical population data of a New York State economic sector were used in this study instead of experimental data or randomly selected sample data often used in the literature. The results of both Ordinary Least Squares (OLS) and Time Series Cross Section (TSCS) autoregressive modeling methods are presented. The results of both methods suggest that after an audit, a firm would report a higher sales growth rate. The TSCS approach shows that in the year of the audit, a typical firm would report a sales growth rate which is 2.63 percentage points higher than a firm that was not audited. The percentage would decline by a rate of 1/3 each year thereafter. The findings suggest that the audit productivity derived in many research papers, where only the direct audit collections are considered, may be underestimated.

Research Gap

After careful empirical review that have been done on similar topics with respect to the current research. It is discovered that none of such works earlier carried out by different researchers, attempted to find out if there have been significant contributions of the different tax audit and investigation strategies to change on direct tax collected method by Federal government since the introduction of tax audit department in 2006 by FIRS, using tax collection elements as tool for investigating the audit and investigation.

Methodology

The study adopts descriptive survey research design to obtain accurate data based on the opinion of respondents who are basically staff of the relevant department of Federal Inland Revenue service

(FIRS) in Nigeria. The FIRS staff are the ones who engage in tax audit and investigation and can give accurate opinion needed to carry on with the research.

According to Agu (2007), the term population of study means the aggregate of all cases that is person, objects, ideas or organization which possesses certain attributes on which the study is focused. The population of the study comprised 350 staff in the Departments of Finance, Accounts, and Personnel, Tax Audit and Investigation, FIRS for the purpose of the study from five states in south eastern Nigeria (70 per state), who were administered with a questionnaire. The source of data for this study is primary sources, which is obtained from questionnaires.

Data Analysis Technique

The study employed descriptive statistics such as percentages and frequencies. Percentages and frequencies are use to analyze the demographic characteristics of respondents. The data gathered with the aforementioned is analyzed with linear regression; this is because both the independent and dependent variables are in scales that involve more than two binary codifications for dependent variable which is the major criteria for a probit regression propagated by most researchers.
This expectations asked in the form of questions through questionnaire forms the basis upon which each proxy is measured to carry-out further regression test on each tax revenue collection strategy as shown in chapter one of the study.

Models Specification

This study adapts the model used in the work of Olaoye and Ogundipe (2020) which is stated as;

Tax evasion = f (Desk audit + Field audit + back-duty audit + tax investigation) Model 1

This model is deemed appropriate but because of the logit nature of their dependent variable which is not same scaling point with the current study, the study adapts the model to suit the purpose of the research. In the present study increase/decrease tax revenue is postulated as the effect of a collection strategies (TARCS) is a function of tax audit and investigation (TAUDI)
Viz: TARCS = f (TAUDI) ……….. Model 2
OECD (2006) Tax Audit and Investigation (TAUDI) strategies are measured with indicators and variables given as follows:

1. Taxpayers' record keeping obligations = RKO
2. Access to taxpayers' books and records = ATR
3. Access to 3rd party information sources = ATPTS
4. Accessing information from other countries' revenue authorities = AIOCR
5. Having powers to amend returns from taxpayers' claims = PATC, and
6. Sanctions for non-compliances. = SNC

Ojonta, B.A. (2011) Tax Revenue Collection methods indicators are:
1. Tax deduction at source/ Advance tax payment= TDSAT
2. Direct tax payment = DTP
3. Self assessment tax = SATP

The model is specified in a linear estimation form as;
$DTP = \beta 0 + \beta_1 \mathrm{RKO} + \mu$ ….***Model 3***
$DTP = \beta 0 + \beta_1 \mathrm{ATR} + \mu$ ….***Model 4***
$DTP = \beta 0 + \beta_1 \mathrm{ATPTS} + \mu$ ….***Model 5***

$DTP = \beta 0 + \beta_1$AICR + μ....***Model 6***
$DTP = \beta 0 + \beta_1$PATC + μ....***Model 7***
$DTP = \beta 0 + \beta_1$SNC + μ....***Model 8***

Dependent variables: TDSAT, DTP, SASM
Independent Variables= RKO, ATR, ATPTS, AIOCR, PATC, SNC
Stochastic Error Term/ Disturbance Factor= μ
Shift Parameters= $b_1, b_2, b_3, b_4, b_5, b_6$
Constant Parameter= $\beta 0$
Decision rules;
Linear Regression: Do not reject the null hypothesis if the calculated probability value of Fisher statistics is greater than 0.05.

The Linear regression method will be used to test the relationship between the dependent and independent variables as indicated in the null hypotheses, which forms the basis of the research.

RESULTS AND DISCUSSIONS

Table 4.2: Descriptive statistics of the study variables

	TDSAT	DTP	SATP	ATR	RKO	ATPIS	IOCRB	SNC	PATC
Mean	7.945098	8.376471	7.811765	33.74118	33.81176	33.41569	34.06275	32.46275	22.47451
Median	8.000000	9.000000	8.000000	34.00000	34.00000	34.00000	34.00000	33.00000	23.00000
Maximum	10.00000	10.00000	10.00000	42.00000	43.00000	43.00000	42.00000	41.00000	28.00000
Minimum	4.000000	4.000000	2.000000	25.00000	23.00000	24.00000	24.00000	22.00000	16.00000
Std. Dev.	1.673357	1.725057	1.858122	4.394394	4.460220	4.158256	4.215175	4.883443	2.969387
Skewness	-0.418261	-1.007639	-0.742216	-0.232758	-0.192631	-0.178819	-0.437990	-0.317461	-0.528595
Kurtosis	2.184793	2.938096	3.423926	2.208655	2.647961	2.775257	2.601321	2.221648	2.691748
Jarque-Bera	14.49602	43.19255	25.32203	8.956163	2.893803	1.895648	9.841799	10.72016	12.88461
Probability	0.070012	0.000000	0.000003	0.051355	0.235298	0.387583	0.070293	0.004701	0.061593
Sum	2026.000	2136.000	1992.000	8604.000	8622.000	8521.000	8686.000	8278.000	5731.000
Sum Sq. Dev.	711.2314	755.8588	876.9647	4904.918	5052.965	4391.937	4512.996	6057.396	2239.584
Observations	255	255	255	255	255	255	255	255	255

Source: Extracted from *E-View result in appendix 2*

S/N	Test conducted	Result Obtained	Remarks/Conclusion	Appendix
1	Linearity	Prob. of t-value from Ramsey Reset test = 0.0077	Since P(0.0077) < 0.05, the linearity assumption is not satisfied.	12
2	Independence of the Observation/Residuals	Durbin- Watson (DW) Statistic = 1.965684	DW is within the acceptable range of 1 to 3 suggested by Field (2009) ok	11
3	Serial Correlation/Autocorrelation	The probability of the Breusch-Godfrey SCLM test = 0.7743	No serial / autocorrelation problem exists in the series	13
4	Multicollinearity	Variance Inflation factor (VIF) for all the series < 10	This is desirable and that there is no problem of Multicollinearity among the independent variables	14
5	Heteroscedasticity	Breusch-Pagan-Godfrey Test indicated the probability of Obs. Chi-square of 0.4191	Since 0.4191 > 0.005, the study conclude that there is no problem of heteroscedasticity	15

Summary, Conclusion and Recommendation

Summary of Findings

The following findings werre arrived at through the test of the research hypotheses earlier formulated in this study.

Taxpayer's record keeping obligation has an insignificant effect on direct tax payment in Nigeria. While, access to taxpayers' books and records has a significant effect on direct tax payment in Nigeria. Furthermore, access to third party information source has an insignificant effect on direct tax payment in Nigeria. While, access to information from other countries revenue authorities has a significant effect on direct tax payment in Nigeria. Again, powers to amend returns from tax payers claim has a significant effect on direct tax payment in Nigeria. Lastly, sanctions for non compliance have an insignificant effect on direct tax payment in Nigeria.

Conclusions

Direct tax payment method in Nigeria.

The following conclusions are made from the study findings in respect to each tested hypothesis:

a. Furthermore access to aaxpayer's records (ATR) has no significant effect on direct tax payment in Nigeria.
b. RKO has significant effect on direct tax payment in Nigeria.
c. ATPIS has no significant effect on direct tax payment in Nigeria.
d. IOCRB has significant effect on direct tax payment in Nigeria.
e. PATC has significant effect on direct tax payment in Nigeria.
f. SNC has no significant effect on direct tax payment in Nigeria.
i. The ongoing propagation of digital taxation by scholars should be explored as a possible means to create a digital medium through which tax automations can be enhanced in Nigeria. Tax automated channels if included at corporate and individual level will enhance direct tax payment strategy. Also, through such automated channels, tax audit and investigation processes like information gathering will greatly improve.

Recommendation

The ongoing propagation of digital taxation by scholars should be explored as a possible means to create a digital medium through which tax automations can be enhanced in Nigeria. Tax automated channels if included at corporate and individual level will enhance direct tax payment strategy. Also, through such automated channels, tax audit and investigation processes like information gathering will greatly improve.

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