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## Tax Audit and Revenue Generation: A Theoretical Perspective

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### ABSTRACT

*The increase in tax evasion and actual tax revenue collected not fully remitted to the government necessitated this research work on tax audit. This is because an average Nigerian has no faith in the government and will not want to entrust their resources to the government, thus such payment of tax is ranked among the least obligation they owe to the government at all levels. The focus of this study is to review the related literature on tax audit and revenue generation. Secondary source of information collected from journals, textbooks and internet materials were used for the review. It was observed that tax audit is one of the greatest means of ensuring prompt and accurate remittance of tax collected, which in turn impact on revenue generation and also prevent tax evasion and tax avoidance. The research recommends that tax audit and revenue generation should be continuously researched upon to put in the minds of the tax authorities the necessity to carryout tax audit on regular basis.*

**Keywords: Tax Evasion, Tax Revenue, Tax Audit and Tax Compliance**

### INTRODUCTION

#### Background to the Study

Government at federal, state, or local level wishes to achieve certain objectives, to be able to achieve its objectives such as provision of public goods, redistribution of income and wealth, promotion of social and economic welfare, economic stability and harmonization and regulation. The government requires revenue which is generated through the means of taxes. A tax is a charge imposed by governmental authority upon property, individual or organization to raise money for public purpose (Izedonmi, 2000; Okoye, 2006). According to Adam (2006) revenue is the fund required by the government to finance its activities. These funds are generated from different sources such as taxes, borrowing, fees and fines. In order to prevent tax evasion and ensure that the revenue collected are fully remitted in the period of dwindling government revenues, there is need for effective tax audit. Tax audit is an examination of an individual or organization's tax report by the relevant tax authorities in order to ascertain compliance with applicable tax laws and regulations of state and federal government

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(Kirchler, 2008). Tax compliance is "an ability of a tax liable body to submit accurate, complete and satisfactory returns in conformity with tax laws and regulations of the state and federal government to the authority for the purpose of tax assessment" (Kirchler, 2008). The benefit of tax audit and investigation is to create genuine revenue for the federal, state and local governments through different basis which includes: company income tax, petroleum profit tax, education tax, withholding tax, value added tax (VAT) and pay as you earn (Olusola, 1998).

It is expedient to say that if professional examiners are not in place to ensure compliance as a control over the taxpayer: the government will not actualize its objectives. The tax payers try to avoid tax when it comes to the issues of tax payment. He therefore needs to be motivated seductively or by force into paying what is expected from him as the taxpayer is always unwilling to pay his tax liability. Therefore, the use of tax audit will helped in improving the generation of revenue to the government. For instance, Slemrod (2011) is of the view that tax audit is one of the most effective policies to prevent tax evasion behavior. The level of tax audit exercise and its effectiveness, will determine its impact on revenue generation. However, tax audit itself is not an auto pilot; it will be carried-on by the staff of the revenue agencies. This exercise in most cases has been subjected to series of manipulation which has reduced the revenue of the government. It is in view of this that, this study seeks to review literature on tax audit and revenue generation.

### **STATEMENT OF PROBLEM**

Due to moral decadence and general fall in respect for hard work, the society, general public, parents', friends and family care less on how anyone makes money or acquired wealth. There is no more problem from anyone, even parents do not seek to know their children's source of income anymore, as it was in the past, where parents preferred good name than riches. The quest to be rich and lack of contentment made people steal at any available opportunity. This resulted to a situation whereby not all actual revenue or money collected are fully remitted to the government and tax payers are always trying to avoid tax payment. Thus, resulting to low revenue generation to the government. This explain why over the years, revenue derived from taxes has been very low and no physical development actually took place, hence the impact on the poor is not being felt. Inadequate tax personnel, fraudulent activities of tax collectors and lack of understanding of the importance to pay tax by tax payers are some of the reasons for this. There is need, to come out with an effective strategy to mitigate against these cases of tax evasion and avoidance in this period of dwindling revenue so as to improve government revenue generation. However, one

of the effective strategies to improve revenue generation in the literature is Tax audit. This study seeks to review literature on how tax audit can be used to improve revenue generation.

### **OBJECTIVES OF THE STUDY**

The broad objective of this study is to review literature on tax audit and revenue generation. With the following specific objectives:

- To review the theoretical issues on tax audit and revenue generation
- To review the conceptual issues on tax audit and revenue generation
- To review the empirical issues on tax audit and revenue generation

### **SIGNIFICANCE OF THE STUDY**

The research is Significant because it will identify the gap that existed in literature on the issue of tax audit and revenue generation in Nigeria.

### **METHODOLOGY**

The study used secondary source of information, primarily through related literature review of different researchers. The method has been applied to collect information from journals, books and internet sources relating to the issue under study. The rest of this paper is organized as follows: section two discusses the review of related literature while summary, conclusion and recommendation of the study will constitute section three.

### **REVIEW OF RELATED LITERATURE**

This section aims at reviewing the literary contribution of other scholars or researchers on the topic tax audit and revenue generation. It precisely discusses the theoretical framework, conceptual framework and the empirical studies carried out by researchers.

### **THEORETICAL FRAMEWORK**

Any strategy to prevent tax evasion should begin with the theory of why people cheat on their taxes. Naturally, much of it is unconvincing and ambiguous. Nevertheless, to give an indication of the full range of variables that social scientists have studied in an attempt to answer this question. The forum on tax administration (2004) "identified some of the basic theories of tax compliance" which include, among others: Economic theories, Psychological theories and sociological theories.

1. Economic Theories; Economists approaching the question of why people fail to comply with the law began by constructing a theory based upon the assumption about human behavior that underlies all economics; namely that individuals generally act rationally in evaluating the cost and benefit of any chosen activity.

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Consequently, in modeling the choice, confronting individuals who are deciding whether to engage in tax evasion, their basic model assumes that people would commit evasion when the expected utility of their criminal act exceeds its expected disutility (Slemrod, 2011).

2. **Psychological Theories:** many analysts have suggested that the economic model of human behavior reflects a too simplistic view of human beings and in the real world of everyday life is without any predictive value. Like economists, psychologists also tend to explain human behavior in terms of variables that relate to individuals. However, they tend to model human behavior in much more complex terms than economists. Unlike economists, they would not think of modeling taxpayers, in this context, as perfectly amoral, risk averse utility maximizers. Instead, they might be interested, as key independent variables, in tax evasion decision in factors such as: the individuals are moral beings with ideas and values of their own that commands and their own impulses filter through and are affected by this moral screen (Slemrod, 2011).
  
3. **Sociological Theories:** sociologists tend to see the cause of variation in human behavior in the structure of the social system. Thus they explain people's actions by examining the forces that impinge on the position that they occupy within the system. Among other things, this means that they extend the basic economic model of crime control by making the point that law is not the only source of punishment and rewards. Taxpayers live and work in society. They have families, friends and co-workers who are sources of reward or punishments. These social forces shape behavior just as effectively as the reward and punishment administered by the state. Given their basic assumptions about human behavior, sociologists are also likely to look for attitudes towards government views relating to the enforcement of tax laws, views about the fairness of the tax system, contact with the tax department and demographic characteristics as independent variables (Slemrod, 2011). Beron (2002) is of the view that social scientists from almost every discipline have turned their attention to tax evasion as social phenomena. What have we learned from their efforts? In a perfect world, by now we would have a theory about why people comply with the tax laws from which an interested tax administration department could deduce a comprehensive compliance strategy. However, compliance with the tax law typically means: true reporting of the tax base, timely filing of the tax return, and timely payment of the amount due (Slemrod, 2011).

## **CONCEPTUAL FRAMEWORK**

Tax audit can be defined as “an examination of an individual or organization’s tax report by the relevant tax authorities in order to ascertain compliance with applicable tax laws and regulations of state” (Kirchler, 2008). Tax compliance can be defined as “an ability of a tax liable body to submit accurate, complete and satisfactory returns in conformity with tax laws and regulations of the state and federal government to the authority for the purpose of tax assessment” (Kirchler, 2008). Frank (2010) argues that the designed tax authorities and audit policy can have important effects on production decision by firms. The nature of such effects depends on whether firms compete or collude. Accordingly, an appropriate designed audit policy may not only achieve greater compliance and higher net revenue for given output and resources spend on audit but may also have other effects that would be normally considered desired in a wider economic context. By a smart design of audit policy, the authorities can create information externalities that partially offset the informational advantages of industry insider. Since decision in the product market is in the light of the eventual outcome of net after tax expected profits, the audit policy can create a linkage to output decisions. Specifically, it may be possible to nudge firms in the direction of greater efficiency.

Yongzhi (2005) pose that this study does find a positive relationship between the audit and the voluntary compliance. The finding suggests that the audit productivity may be under estimated in many studies in the literature. It reminds us that when considering the productivity of the audit work. Besides the direct audit collections, we should also take the audit impact on the voluntary compliance into consideration. For this reason, the finding may provide tax professions and tax authorities with incentives to strengthen the audit power and to better structure their audit organization to generate more revenue for the state. Jin Kwon (2004) concluded that Korea needs more rigorous analysis to evaluate the determinant of tax culture for the study of tax compliance and tax audit. Luigi (2009) concluded that better integration of the research on tax evasion the “law and economics” analysis of legal rule, is definitely desirable. As theoretical analysis proceeds, additional empirical work will be needed together with more extensive study of comparative tax enforcement law and procedure.

The Nigeria tax system has failed in the area of its administration. Personal and company income tax administration in Nigeria today does not measure to the appropriate standard. The self –employed persons earn more than those in paid employment. The self-employed earn four times higher than those in paid employment but the bulk of personal income yield comes from those paid employment whereas those who are self-employed earn most of the money. As a result of inadequacy in monitoring taxes paid, lots of those

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who are self-employed evade tax. These thus call for the need for a good and standard tax audit and investigation. Tax audit and investigation in Nigeria are terms which embrace a variety of sectors. It simply means the advance 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 (Adediran, Alade & Oshode, 2013). The benefit of tax audit and investigation is to create genuine revenue for the federal, state and local governments through different basis which are; company income tax, personal income tax, petroleum profit tax, Educational tax, Withholding tax, Value added tax, and pay as you earn (Olusola, 1998). It is expedient to say that if professional examiners are not in place as a control over the taxpayer; the government will not actualize its aims and objectives. The tax payer may not be willing when it comes to the issues of tax payment. He therefore need to be motivated seductively or by force into paying what is expected from him. The taxpayer is always unwilling to pay his tax liability. The use of tax audit has however helped in the generation of revenue to the government.

Adediran, Alade & Oshode, (2013) opined that, tax audit just like financial audit involves the gathering of information and processing it for determining the level of compliance of an organization with tax laws of the territory. 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. More importantly however, a professional tax auditor or investigator must possess sound accounting and taxation knowledge, he must be polite in interpreting the tax laws, tactical and must display high intelligence in applying tax laws, and he must have sound knowledge of investigation techniques. Apart from technical skills, he must be alert and open minded with good communication skills. These are necessary personal prerequisite for any tax auditor or investigator to be successful for tax audit assignments.

Tax audit is a means of ensuring compliance with the tax laws whose primary objective is to maintain the confidence in the integrity of the self-assessment system. It helps to improve voluntary compliance by detecting and bring to book those who do not pay the correct amount of tax (Adediran, Alade & Oshode, 2013). Tax audit is a primary activity of the tax authorities under the self-assessment system (SAS) in enhancing and encouraging voluntary compliance with the tax laws and regulations. It also ensures that a higher tax compliance rate is achieved under the SAS. A tax payer can be selected for audit at any time to ascertain that the amount of tax reported and paid are in accordance with tax laws and regulations. Other than a tax audit, tax investigation is a more severe enforcement measure taken by the tax authority to ensure compliance with the tax legislations by

taxpayers, tax investigation is an in-depth investigation processed by a tax authority in order to recover tax undercharged in previous years of assessment (Wikipedia [www.en.wikipedia.org](http://www.en.wikipedia.org)). Generally, Tax investigation will be carried out where there is a suspicion-based on precise and definite evidence-that a taxpayer is deliberately trying to avoid paying tax or has committed an act of willful evasion under the tax laws. Often than not, both tax audit and tax investigation will result in additional taxes and penalties payable on under statement or omission of income. The idea of tax audit becomes known through Lagos state where monitoring agents mostly chartered accountants who are performing the function of carrying out tax audit of PAYE. The functions of these monitoring agents, however was taken over by tax consultant in 1996 and their mode of operations was different from that of monitoring agents. It has become fashionable for state government to carry out audit exercise in order to fulfill all righteousness that the actual tax due to the government have been deducted and remitted to the government account (Ojo, 1998). This exercise has however received some credits which include; Making the taxpayer conversant with the applicable tax law, The rate at which the taxpayers comply with tax laws has been increased, It has added depth to the Nigeria tax practice, and The revenue of the government has increased.

### **TYPES OF TAX AUDIT**

Adediran, Alade & Oshode, (2013) classified the followings as types of tax audit; Desk (or office) audit, Field audit and Back duty audit. Desk (or office) Audit; is one which the whole activity of the audit takes place within the confines of the tax officials. In this situation the tax official may simply request the tax payers to provide some additional documents to his office to enable him clear some issues in the returns submitted. In this type of audit, no official notice is given to the taxpayer of the impending desk audit exercise. He only gets to know when letters are written to him requesting for certain documents or explanations. The essence is to ensure some level of compliance with tax laws, rules and regulations as well as performing the administrative checks on returns submitted. Field Audit; By the nature and scope of their work, regular assessing officers can only carry out limited desk audit through examination of accounts and returns.

It is in a bid to check this handicap as well as to improve on tax compliance that tax authorities carry out field audit exercise on tax payers by physically conducting the exercise in the office of the taxpayer. The tax payers are however formally notified of the arrival of the auditor prior to the commencements of the audit and the requirements of the auditors in terms of documents to be audited will also be requested for in advance. Field audit involves physical verification of documentary evidence and materials at the

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premises of a taxpayer so as to confirm the facts and figures of the tax returns filed by corporate taxpayers. The scope or depth of verification depends on the outcome of the desk audit work carried out by the tax auditor as well as the risk factors of the audit exercise. Special attention will normally be paid to those items likely to have high tax yield potentials. The tax audit is normally carried out through the back duty audit. Back Duty Audit; Back duty audit may be instituted when the following occurs:

1. Failure to disclose or include in full any income or earning in the return made available to the tax office.
2. Doubtful claim of capital allowance in respect of current or previous year
3. Reduction in the profit in the returns files in tax office
4. Where the tax charge d or assessed is less than what it ought to be.

This 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 duty collected (Ariwodola, 2000).

### **REASONS/OBJECTIVES OF TAX AUDIT**

Erard (2004) mentioned some reasons for tax audit which include, among others: To assist the government in collecting appropriate tax revenue necessary for budget, maintaining economic and financial order and stability, to ensure that satisfactory returns are submitted by the tax payers, to minimize the degree of tax avoidance and tax evasion, to ensure strict compliance with tax laws by tax payers, to improve the degree of voluntary compliance by tax payers and to ensure that the amount due is collected and remitted to government. James (2003) identified a priority list of tax audit mission as follows: To establish a viable and effective tax administration in order to deal with constantly changing economy, to put strategies in place in order to resolve tax dispute between the tax authority and the liable tax payers, to maintain a strong mechanism to deal with tax avoidance techniques which are available to various organizations, but are susceptible to tax abuse, to bring defaulting tax payers to the net of tax authorities, to prove the completeness, accuracy and timely filling of tax returns submitted by the tax payers.

### **Tax Gap and Revenue Generation**

Tax gap is the estimate of the difference produced by relevant tax authority between the income taxes actually paid and what should have been paid by all taxpayers. It simply represents tax money that is never paid. Tax audit and investigation are one way that the tax authority seeks to reduce the tax gap in order to maximize the revenue generation of the government for sustainable growth and development of the Nigeria economy.



### **Condition for a Good Tax Audit**

For the tax inspector to carry out a good audit exercise, the following conditions must be fulfilled.

- 1 The tax auditor must be familiar with the environment in which he works. It is a condition which is highly critical that the tax inspector must be properly schooled in the political, economical, social, cultural and religious environment of the tax payer. A good knowledge of his environment will affect the decision made by him.
- 2 The tax officials should be motivated to carry out tax audit, he should be properly trained and have experience in his area. The tax inspector should not be carried away by corrupt practices that render the aim of the tax audit useless.
- 3 The tax audit should be properly supervised by those who are professional and when new tax inspectors are sent to carry out the audit, they should be monitored by the older ones so as to make sure that the right thing is done.
- 4 Specialization should be encouraged. The cases should be grouped. This will allow the tax audit staff to become specialist in specific field.
- 5 The manner in which the audit is being carried out should be changed. The use of computer should replace the manual process as this will go a long way in facilitating the job and helping to preserve information for a long time. This will improve the efficiency of the exercise (Ogundele, 1999).

### **EMPIRICAL REVIEW**

Adediran, Alade and Oshode, (2013) examine the impact of tax audit and investigation on revenue generation in Nigeria. Data were collected through the primary sources from four and ten respondents who are staff of the federal Inland Revenue service and Edo state board of internal revenue. Hypotheses formulated were tested with Pearson correlation coefficient using SPSS out data. The findings are that tax audit and investigation can increase the revenue base of the government and can also stamp out the incidents of tax evasion in the country. It was recommended that tax audit and investigation should be carried out more often and as thorough as possible to accomplish its task of increasing the revenue base and stamping out tax evasion in the country. Ibrahim, Yusuf and Bello (2014) examined the contribution of tax audit and investigation to the sustainable development of the Nigeria economy. In their study, data were collected through the secondary source some of the major findings are that with an effective and efficient tax audit and investigation, the cases of tax avoidance and tax evasion can be reduced, and also improve the internally generated revenue (IGR) of the Nigerian government for sustainable growth and development. It was recommended that the practicing accountants should uphold the

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fundamental principles of professional ethics while rendering consultancy services since they often act for taxpayers in their dealing with the relevant tax authority. Onodugo, Onodugo, Benjamin, Asogwa and Anyasike, (2015) examines improving internally generated revenue of south- eastern states of Nigeria. Data were collected through the primary source from public and private sector officer in the Abia state. Questionnaire were administer to key officer in public sector and private individual, corporate firms, multi-national companies and small business in the ratio of 3:5:2 using a random method. Percentages were used to present the responses from the responds. The findings of the study revealed that revenue administration agencies need to be reviewed to generate more revenue in the country.

Onoja and Iwarere, (2015) examines the effects of tax audit on revenue generation in federal Inland Revenue service, Abuja Experience. The populations of the study consist of the staff of the federal Inland Revenue service, Abuja. Taro Yamane sampling method was used to determine the sampling size, questionnaire was used to generate the data. Hypotheses were tested using analysis of variance (ANOVA). Findings revealed that, tax audit has significant effects on revenue generation in federal Inland Revenue service and tax audit has a positive relationship with revenue generation in federal revenue service. The study recommends that there is a need for audit department autonomy to be able to carry-out their responsibility effectively as specified in federal Inland Revenue service Established Act 2007. Also tax audit should be carried out on a routine basis to prevent tax evasion and extreme tax avoidance by the taxpayers.

Kennedy and John (2014) examine the impact of tax audit on tax compliance in Nigeria. Primary source of data were used through questionnaire. Questionnaires were administered to staff of sample companies in selected states of the five geo-political zones of Nigeria. Order logistic regression technique was employed to analyses the responses. The findings revealed that, there exists a positive relationship between tax audit and tax compliance. It also revealed that the probability of being audited, perception on government spending, penalties and enforcement, the joint effect of tax audit and penalties have a tendency to significantly influence tax compliance in Nigeria. It was recommends that the relevant authorities should seek more pragmatic and effective means of enhancing the impact of tax audit on corporate tax compliance in Nigeria in order to consolidate on government's revenue. Eugene (2011) Examine improving revenue collection through tax audit practice. The researcher also adopted primary source of data to present and analyze the information for the study. The hypothesis was tested using percentages. The result of the study showed that tax audit is very essential in enhancing revenue generation and has a

major part to play in tax administration in Ghana. It was recommended that there must be adequate short term and refresher training to keep them abreast with current trends of auditing and investigations and also the numerous amendments to the tax laws. Mukhtar, Kerosi and Ondabu (2014) Examines the tax compliance and its effects on governments revenue generation. The specific objectives were to determine how computerization of tax collection, tax literacy, tax investigation and audit affects government revenue generation. Primary data was collected by use of the questionnaire. The researcher ensured content validity by ensuring that the questionnaire was well structure and that it contained all the relevant questions responsible to ensure the study purpose is achieved. Data was analyzed using SPSS software and through percentages and later presented by use of frequency tables. The study findings reviewed that tax payer lack knowledge of how to use tax machines. Also, if implemented, tax computerization could results to higher tax compliance levels. They established that taxpayers are not enlightened on the benefit of paying taxes nor are they aware of the current tax rates, current tax issues and even emerging issues in taxation. The study recommends for the computerization of tax through the use of tax machine such as electronic tax registers and point of sale machines. Taxpayer should be enlightened on the current and emerging issues in taxation and also sensitized on the benefit of paying taxes.

Opoku (2015) examine the role of tax audit in revenue mobilization in Ghana revenue Authority. the main objectives of the study is to known the role of that tax audit practice plays in tax administration in the Ashanti region and to provide concrete suggestion to its sustenance in Ghana based on the case study. The research approaches used were both qualitative case study approaches. The quantitative study involved primary Data collection through a field study. The result of the study showed that all the respondents admitted tax audit is very essential in improving revenue generation. And has a most important part to play in tax administration in Ghana. It was recommended that there must be adequate short term and refresher training to keep them abreast with current trends of auditing and investigation and also the numerous amendments to the tax laws.

Nyakamba (2014) examine the effects of tax audit on revenue generation collection. The study adopted a descriptive approach. Data source that were used were secondary data from Kenya revenue authority reports. Data was analyzed using T-test analytical model. From the T-statistics results the parametric Pearson correlation. Or 'r' value is significant for tax paid before audit and tax paid after audit. Findings showed that there is an increase in the paid after audit. This was clear for random tax audit, cut -off tax audit and conditional tax audit. Also from the analyses of the taxes collected from

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certain firm two years prior to the audit and two years after the audit, there is an increase in tax collected after audit. Thus, it is right to say that tax audit is directly related to revenue collection. The study recommends that the tax reports be submitted to the public and a standard procedure to be found in choosing the companies that, random audit would be conducted. A study should be conducted on the procedures followed during audit to see if all the Kenya revenue employees follow the same procedures or a standard procedure is in place and adhered to. Afuberoh and Okoye (2014) examine impact of taxation on revenue generation in Nigeria, the researcher also adopted primary source of data to present and analyze the information for the study. The testing of the hypotheses of the study was done using regression analysis computed with the aid of SPSS version 17.0. The research discovered among others that, taxation has a significant contribution to the revenue generation and it also has a significant contribution on Gross domestic product (GDP). The research recommends among others that well equipped Data Base (WEDB) on all tax payers should be establish by the federal, state and local governments with the aim of identifying all possible sources of income of tax payers for tax purpose however the tax collection processes must be free from corruption. In addition, the federal Government, state and local governments should urgently fully modernize and automate all its tax system, improve taxpayers convenience in the assessment and payment process whilst at the same time entrenching effective and modern human resources management.

### **SUMMARY**

This paper review related literature from different authorities on tax audit and revenue generation. The paper was grouped into three segments namely introduction which comprised of background to the study, problem statement, objectives, significance and methodology. The second part review related literature which comprises of theoretical framework, conceptual and empirical review. The last part deals with summary, conclusion and recommendation. It was observed from the reviewed literatures that tax audit is one of the greatest means of ensuring prompt and accurate remittances of taxes collected which in turn impacted on revenue generation and also avoid tax evasion and avoidance.

### **CONCLUSION**

The research conclude that government at all levels in Nigeria need a lot of revenue to carry-on the economic activities and must take serious strategies to mitigate against reduction of government revenue a priority through the means of tax audit, since it has been identified as one of the means of increasing tax revenue, compliance with tax laws, rules and regulations. More so, Economists approaching the question of why people fail to comply

with the law began by constructing a theory based upon the assumption about human behavior that underlies all economics; that individuals generally act rationally in evaluating the cost and benefit of any chosen activity. This means that government must prove to the people that tax revenue is used judiciously to provide the social amenities for the people and hence encourage them to comply with the tax laws.

## **RECOMMENDATIONS**

The research recommends that tax audit and revenue generation should be continuously researched upon to enlighten the tax authorities more on the relevance of tax audit on revenue generation. If this is done, it will solve in no small measure the problem of tax evasion and avoidance and improve on revenue generation of government. The importance of tax revenue to the government cannot be over emphasized especially now that government over dependence on oil revenue is failing due to global drop in crude oil prices. All relevant authority should encourage tax audit for increase in tax revenue, in order for government to keep up with its obligation to her citizen.

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