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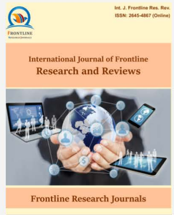

(Review Article)

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A compliance and audit model for tackling tax evasion in Nigeria

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Abstract

Tax evasion remains a significant challenge for Nigeria, undermining economic stability and reducing public revenue. This paper proposes a comprehensive compliance and audit model designed to address tax evasion in Nigeria. The model integrates enhanced compliance strategies, advanced audit procedures, and the strategic use of technology to create a robust framework for tackling tax evasion. The proposed model emphasizes proactive measures to improve taxpayer compliance through targeted education and outreach programs, streamlined reporting processes, and incentivization. On the audit front, it advocates for the adoption of sophisticated audit techniques and technologies, including data analytics and automated systems, to detect and address evasion more effectively. The implementation framework outlines a phased approach involving key stakeholders such as the Federal Inland Revenue Service (FIRS), local tax authorities, and the private sector. By examining domestic and international case studies, the paper highlights successful practices and potential challenges, providing actionable insights for adapting these strategies to the Nigerian context. Evaluation metrics are proposed to assess the model's effectiveness, with expected outcomes including improved tax revenue, enhanced compliance rates, and strengthened public trust in the tax system. The study concludes with recommendations for further research and policy adjustments to refine and expand the model's application. This approach aims to not only mitigate tax evasion but also contribute to a more transparent and equitable tax system in Nigeria.

Keywords: Compliance; Audit; Model; Tackling Tax Evasion; Nigeria

1 Introduction

Tax evasion in Nigeria is a pressing issue that hampers economic development and undermines public revenue. The Nigerian tax system, characterized by complex regulations and insufficient enforcement, has long struggled with high levels of tax evasion (Ogbu et al., 2024). This practice deprives the government of critical resources needed for infrastructure, healthcare, education, and other public services. Estimates suggest that tax evasion costs Nigeria billions of naira annually, exacerbating the nation's fiscal deficit and stunting economic growth (Eyieyien et al., 2024). Factors contributing to tax evasion include a lack of taxpayer education, weak enforcement mechanisms, and pervasive corruption. Additionally, the informal sector, which constitutes a substantial portion of the economy, often remains outside the purview of tax authorities, further complicating efforts to ensure compliance (Ezeh et al., 2024). The primary objective of this paper is to develop a comprehensive compliance and audit model tailored to the Nigerian context to combat tax evasion. The model aims to enhance taxpayer compliance and streamline audit processes through a

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combination of innovative strategies and technological solutions (Ezeh et al., 2024). By addressing both preventive and corrective measures, the model seeks to improve tax revenue collection, reduce the incidence of evasion, and restore public trust in the tax system. The relevance of the model lies in its potential to transform tax administration in Nigeria, fostering a more equitable and efficient tax environment that can support sustainable economic development (Ezeh et al., 2024). The model's geographic focus is Nigeria, with an emphasis on both urban and rural areas where tax evasion is prevalent. Sectorally, the model addresses various economic sectors, including formal and informal businesses, high-net-worth individuals, and multinational corporations. The comprehensive nature of the model allows it to cater to diverse taxpayer profiles and operational contexts, ensuring broad applicability and effectiveness (Eyieyien et al., 2024).

2 Literature Review

Globally, several models and strategies have been developed to enhance tax compliance and audit efficiency. One notable example is the Risk-Based Audit (RBA) model, implemented in countries like the United Kingdom and Australia (Porlles et al., 2023). This model uses data analytics to identify high-risk taxpayers and target audit efforts accordingly, optimizing resource allocation and increasing the likelihood of detecting evasion. Another prominent model is the Integrated Tax Administration System (ITAS), adopted in countries such as Canada, which integrates tax filing, payment, and compliance monitoring into a unified platform, enhancing administrative efficiency and taxpayer convenience (Moones et al., 2023). In Nigeria, existing compliance and audit models have seen limited success due to various challenges. The Federal Inland Revenue Service (FIRS) has undertaken several reforms, including the introduction of electronic tax filing systems and increased penalties for non-compliance (Emmanue et al., 2023). However, these measures have not fully addressed the root causes of tax evasion, such as inadequate enforcement and a lack of comprehensive taxpayer education. Implementing effective tax compliance measures in Nigeria faces several challenges (Olanrewaju et al., 2024). One major issue is the high level of informal economic activity, which is difficult to monitor and regulate. Additionally, there is a lack of trust between taxpayers and tax authorities, often due to perceptions of corruption and inefficiency within the tax system. Inadequate infrastructure for data collection and analysis further hampers efforts to detect and address tax evasion (Oduro et al., 2024). The complexity of tax regulations and the lack of clear guidance for taxpayers contribute to confusion and non-compliance. Successful tax compliance and audit strategies from other countries offer valuable insights for addressing these challenges. For instance, Sweden's comprehensive taxpayer services, including accessible online platforms and proactive outreach, have been instrumental in improving compliance rates (Ekechukwu et al., 2024). Singapore's use of advanced data analytics and risk assessment techniques has also proven effective in targeting high-risk taxpayers and streamlining audit processes. Furthermore, Germany's emphasis on transparent communication and taxpayer education has contributed to a high level of voluntary compliance (Kwakye et al., 2019). Adopting similar practices and adapting them to the Nigerian context could enhance the effectiveness of tax compliance measures and reduce the incidence of tax evasion. By reviewing these models and practices, this paper aims to build on existing knowledge and develop a tailored compliance and audit model that addresses the specific needs and challenges faced by Nigeria's tax system (Ekechukwu, 2024).

2.1 Tax Evasion in Nigeria

Tax evasion remains a significant issue in Nigeria, with various statistics highlighting the gravity of the situation (Esiri et al., 2024). According to recent estimates by the Federal Inland Revenue Service (FIRS), Nigeria loses approximately N15 trillion annually due to tax evasion and avoidance. This figure represents a substantial portion of the country's potential tax revenue, which, if collected, could significantly bolster public finances (Jambol et al., 2024). The World Bank's 2023 report on Nigeria's tax system indicates that tax compliance rates are low compared to other emerging economies, with an estimated 70% of registered businesses underreporting their incomes or engaging in fraudulent practices to evade taxes. Recent trends show that tax evasion is prevalent across different sectors, with the informal sector being a major contributor (Esiri et al., 2024). The informal economy, which includes small and medium-sized enterprises (SMEs) and self-employed individuals, remains largely unregulated and poorly monitored, making it a fertile ground for tax evasion. Additionally, high-net-worth individuals and multinational corporations also engage in complex schemes to evade taxes, leveraging loopholes and regulatory weaknesses (Eziamaka et al., 2024). Several factors contribute to the high rates of tax evasion in Nigeria, encompassing socioeconomic, legal, and administrative dimensions. A significant portion of economic activity occurs within the informal sector, where businesses are less likely to register with tax authorities or adhere to tax regulations (Odonkor et al., 2024). This sector includes micro-enterprises and small businesses that often operate without formal accounting practices or tax reporting. Many taxpayers evade taxes due to economic difficulties and a lack of financial capacity to meet tax obligations. For some, evasion becomes a survival strategy in the face of economic challenges. Nigeria's tax system is often criticized for its complexity, with numerous tax laws and regulations that can be difficult for taxpayers to understand and comply with. This complexity creates opportunities for evasion and non-compliance (Ezeh et al., 2024). The existing legal framework for combating tax evasion is insufficiently enforced. Penalties for tax evasion are often not severe enough to deter offenders, and legal processes can be slow and cumbersome. Tax authorities in Nigeria face challenges in enforcing tax laws effectively. This includes limited resources for conducting audits and investigations, as well as a lack of coordination between different enforcement agencies (Ikevuje et al., 2024). Corruption within tax administration can undermine efforts to combat tax evasion. Instances of bribery and collusion between tax officials and taxpayers can lead to ineffective enforcement and reduced trust in the tax system. The impact of tax evasion on Nigeria's public services, economic growth, and governance is profound and multifaceted; Tax evasion leads to a significant shortfall in public revenue, which in turn affects the funding available for essential public services such as healthcare, education, and infrastructure (Ogbu et al., 2024). This underfunding results in inadequate service delivery and diminished quality of public amenities. The lack of sufficient public investment in social services exacerbates inequality, as the most vulnerable populations are often the most affected by poor public service provision. The loss of tax revenue impedes the government's ability to invest in economic development projects and infrastructure, which are crucial for long-term economic growth (Ogbu et al., 2024). This stunted investment limits opportunities for job creation and economic expansion. Tax evasion creates market distortions by giving an unfair advantage to businesses that evade taxes over those that comply. This can lead to inefficiencies and undermine fair competition within the market. High levels of tax evasion erode public trust in the government and its institutions. When taxpayers perceive that others are not paying their fair share, it diminishes their willingness to comply with tax regulations (Obeng et al., 2024). The interplay between tax evasion and corruption can create a cycle of inefficiency and mismanagement within tax administration. This cycle further exacerbates the challenges of effective tax enforcement and governance (Obeng et al., 2024). In conclusion, addressing tax evasion in Nigeria requires a multifaceted approach that considers the socioeconomic, legal, and administrative factors contributing to the problem. Effective solutions must address these underlying issues while enhancing the capacity of tax authorities to enforce compliance and improve overall governance (Urefe et al., 2024).

2.2 Compliance and Audit Model

2.2.1 Model Overview

The proposed compliance and audit model is designed to address the multifaceted issue of tax evasion in Nigeria by integrating enhanced compliance strategies, advanced audit procedures, and effective technology solutions (Abdul-Azeez et al., 2024). The model aims to create a comprehensive system that not only detects and addresses instances of tax evasion but also fosters a culture of voluntary compliance among taxpayers. It is built upon the principles of transparency, efficiency, and proactive engagement, providing a framework that can be adapted to the unique challenges faced by Nigeria's tax administration (Segun-Falade et al., 2024). Compliance Strategies**,** Develop and implement nationwide campaigns to educate taxpayers about their obligations, the benefits of compliance, and the consequences of evasion. Use various media channels, including social media, radio, and television, to reach a broad audience. Offer regular training sessions and workshops for businesses and individuals to help them understand tax regulations, filing procedures, and the importance of accurate reporting (Nwabekee et al., 2024). Tailor programs for different sectors to address specific compliance challenges. Simplification of Tax Procedures, Simplify tax filing procedures by reducing the complexity of forms and documentation requirements. Implement user-friendly online platforms that facilitate easy and accurate submission of tax returns (Segun-Falade et al., 2024). Provide clear and concise guidelines for tax compliance, including step-by-step instructions and frequently asked questions (FAQs) to help taxpayers navigate the system. Incentives for Compliance, Introduce incentives such as tax credits or deductions for businesses and individuals who consistently comply with tax regulations (Abdul-Azeez et al., 2024). Recognize and reward exemplary compliance through public acknowledgment or certificates. Strengthen enforcement mechanisms by imposing meaningful penalties for non-compliance. Ensure that penalties are proportionate to the level of evasion and are consistently applied to deter potential offenders. Audit Procedures, Utilize data analytics to identify high-risk taxpayers and sectors (Latilo et al., 2024). Develop a risk assessment framework that prioritizes audit resources based on the likelihood of tax evasion, focusing on entities with suspicious patterns or discrepancies. Conduct targeted audits on high-risk taxpayers and industries, using a combination of field inspections and data analysis to uncover fraudulent activities. Implement forensic auditing techniques to investigate complex tax evasion schemes (Aziza et al., 2023). This includes detailed financial analysis, tracing of transactions, and examination of hidden assets. Use cross-verification methods to compare reported income with external data sources, such as bank records, business transactions, and third-party reports, to detect inconsistencies and anomalies. Establish systems for continuous monitoring of taxpayer activities (Aziza et al., 2023). This involves regular reviews of financial transactions, periodic updates to risk profiles, and real-time alerts for suspicious activities. Develop a feedback mechanism to continuously improve audit procedures based on findings and insights from previous audits.

2.2.2 Technology Integration

Implement electronic tax filing systems that enable taxpayers to submit returns, make payments, and access their tax records online. Ensure that these platforms are secure, user-friendly, and accessible to all taxpayers (Latilo et al., 2024).

Develop and deploy automated tools for tracking compliance, flagging discrepancies, and generating audit alerts. Leverage artificial intelligence (AI) and machine learning to enhance the accuracy and efficiency of these tools. Use data analytics to analyze large volumes of tax-related data, identify patterns of evasion, and generate insights for decision-making. Integrate data from various sources, including financial institutions and business registries, to create a comprehensive view of taxpayer activities (Iyede et al., 2023). Develop integrated systems that allow seamless sharing of information between tax authorities, enforcement agencies, and other relevant stakeholders. This facilitates better coordination and more effective enforcement of tax laws. Implement robust cybersecurity measures to protect sensitive taxpayer information and prevent unauthorized access or data breaches. Regularly update security protocols and conduct vulnerability assessments. Employ fraud detection systems to identify and prevent fraudulent activities within digital platforms (Olatunji et al., 2024). Use encryption and other security technologies to safeguard transactions and communications.

2.2.3 Implementation Framework

Phase 1: Planning and Design, Conduct a thorough assessment of current tax compliance and audit challenges. Identify key areas for improvement and gather input from stakeholders. Design the compliance and audit model, incorporating best practices and technology solutions. Develop detailed plans for each component of the model. **Phase 2: Pilot Testing** Roll out a pilot version of the model in select regions or sectors to test its effectiveness. Monitor the pilot implementation and gather feedback from users (Onwuka & Adu, 2024). Evaluate the results of the pilot phase and make necessary adjustments based on feedback and performance data. **Phase 3: Full Deployment,** Implement the model across the entire country, ensuring that all regions and sectors are covered. Provide training and support to tax authorities and taxpayers. Establish mechanisms for ongoing monitoring and support to ensure successful implementation and address any issues that arise. **Phase 4: Review and Improvement,** Conduct regular reviews of the model's performance, assessing its impact on tax compliance and revenue collection (Onwuka et al., 2023). Make iterative improvements to the model based on performance reviews, emerging trends, and technological advancements.

2.2.4 Roles and Responsibilities

Federal Inland Revenue Service (FIRS), Oversee the implementation of the model and ensure that all components are effectively integrated. Provide guidance and support to regional and local tax authorities. Enforce compliance measures, conduct audits, and address instances of tax evasion (Sofoluwe et al., 2024). Monitor the effectiveness of the model and make necessary adjustments. Regional and Local Tax Authorities, Adapt the model to suit regional and local contexts, addressing specific challenges and opportunities. Implement compliance and audit procedures at the regional and local levels (Ochulor et al., 2024). Taxpayer Support: Provide support and assistance to taxpayers, including education, training, and help with tax filing and compliance.

2.2.5 Technology Providers

Develop and maintain the technological infrastructure required for electronic filing, data analytics, and audit tools. Ensure that systems are secure, reliable, and user-friendly. Provide technical support and training to tax authorities and taxpayers to facilitate the effective use of technology solutions (Onita & Ochulor, 2024). Adhere to tax regulations, file accurate returns, and make timely payments. Engage with educational resources and seek assistance when needed. Provide feedback on the effectiveness of the compliance and audit model and report any issues or challenges encountered (Ikevuje et al., 2024). By integrating these components into a cohesive model, Nigeria can enhance its tax compliance and audit processes, leading to improved revenue collection and a more transparent and equitable tax system

2.3 Case Studies and Examples

The Voluntary Assets and Income Declaration Scheme (VAIDS), Launched in 2017, VAIDS was a tax amnesty program aimed at encouraging taxpayers to declare previously undisclosed assets and income. The scheme offered a waiver of penalties and interest for taxpayers who came forward voluntarily. VAIDS led to the collection of over N70 billion in additional tax revenue and saw significant improvements in taxpayer registration. However, the scheme faced challenges such as limited outreach, inadequate follow-up, and resistance from some taxpayers. The initiative demonstrated the potential for amnesty programs to boost compliance but also highlighted the need for sustained engagement and robust enforcement mechanisms.

The Federal Inland Revenue Service (FIRS) Digital Transformation**,** In recent years, FIRS has made efforts to digitize its operations, including the introduction of the Integrated Tax Administration System (ITAS) for electronic tax filing and payment. This initiative aimed to streamline tax administration and improve compliance. The digital transformation improved efficiency in tax collection and processing, reducing the time and effort required for both taxpayers and tax authorities. However, challenges such as technical issues, cybersecurity concerns, and limited internet access in some areas affected the full realization of the system's benefits.

Lagos State Revenue Service (LIRS) Innovations, Lagos State has implemented several initiatives to improve tax compliance, including the use of biometric data for taxpayer identification and the establishment of specialized tax compliance units. These measures have led to increased revenue collection and more efficient tax administration. The LIRS's efforts have yielded positive results in terms of revenue growth and administrative efficiency. However, inconsistencies in enforcement and the need for broader adoption across other states remain challenges.

Sweden's Tax Compliance Model, Sweden is known for its effective tax compliance system, which combines rigorous enforcement with a high level of taxpayer services. The Swedish Tax Agency employs advanced data analytics, regular risk assessments, and a user-friendly online platform for tax filing and payments. Sweden's approach has resulted in high levels of voluntary compliance and robust revenue collection. The country's focus on transparency, accessibility, and taxpayer support has created a positive compliance culture, demonstrating the effectiveness of integrated strategies in fostering tax compliance.

Singapore's Risk-Based Audit System, Singapore's Inland Revenue Authority of Singapore (IRAS) uses a risk-based audit approach to identify high-risk taxpayers through data analytics. The system prioritizes audit resources based on risk profiles and employs sophisticated techniques to detect and address tax evasion. The risk-based approach has significantly improved the efficiency of audits and the detection of tax evasion. Singapore's emphasis on data integration and analytics has set a benchmark for modern tax administration practices.

United Kingdom's Digital Tax Administration, The UK has implemented a comprehensive digital tax administration system known as Making Tax Digital (MTD). This initiative requires businesses to keep digital records and submit tax information electronically, with the aim of improving accuracy and reducing compliance costs. MTD has streamlined tax reporting processes and enhanced compliance by reducing errors and facilitating real-time monitoring. The UK's experience underscores the potential benefits of leveraging technology to modernize tax administration and improve taxpayer engagement.

2.4 Challenges and Limitations

2.4.1 Potential Issues

Introducing a new compliance and audit model may face resistance from taxpayers and tax authorities accustomed to existing practices. This resistance can stem from reluctance to adopt new technologies, skepticism about the effectiveness of the model, or concerns about increased scrutiny (Babayeju et al., 2024). Resistance can hinder the successful implementation of the model and delay its benefits. The integration of advanced technology into tax administration poses challenges such as system compatibility issues, cybersecurity risks, and the need for continuous updates and maintenance. Technical problems and security breaches can undermine the effectiveness of digital solutions and erode trust in the tax system. Adequate resources, including financial, human, and technical, are required to implement and sustain the model effectively (Olanrewaju et al., 2024). Constraints in these areas can impede the execution of compliance and audit strategies. Resource limitations can affect the quality and scope of implementation, reducing the model's overall effectiveness. Collecting and analyzing taxpayer data raises privacy concerns, particularly regarding the protection of sensitive information and compliance with data protection regulations. Privacy concerns can lead to resistance from taxpayers and regulatory hurdles, complicating the implementation of data-driven solutions (Jambol et al., 2024).

2.4.2 Mitigation Strategies

Engage with taxpayers, tax authorities, and other stakeholders early in the implementation process to address concerns and build support for the model. Provide comprehensive training and support to facilitate the adoption of new practices and technologies. Effective stakeholder engagement and training can mitigate resistance to change and ensure a smoother transition to the new model (Ukato et al., 2024). Invest in high-quality technology infrastructure and ensure that systems are secure, reliable, and regularly updated. Implement cybersecurity measures to protect taxpayer data and prevent breaches. A strong technology foundation and effective security protocols can address technological challenges and enhance the reliability of digital solutions (Sofoluwe et al., 2024). Allocate resources strategically to prioritize critical components of the model. Explore partnerships with private sector organizations or international agencies to augment resources and expertise. Optimizing resource allocation and leveraging external support can address limitations and enhance the model's implementation. Implement strict data privacy measures and ensure compliance with relevant data protection regulations. Provide transparency about data collection and use, and establish protocols for handling privacy concerns (Tula et al., 2024). Addressing privacy concerns proactively can build trust with taxpayers and regulatory bodies, facilitating smoother implementation of data-driven solutions. By addressing these challenges with targeted mitigation strategies, the proposed compliance and audit model can be effectively implemented, leading to improved tax compliance and revenue collection in Nigeria (Ofoegbu et al., 2024).

2.5 Evaluation and Impact Assessment

2.5.1 Metrics for Success

One of the primary metrics for evaluating the effectiveness of the compliance and audit model is the rate of tax compliance. This includes the number of taxpayers filing returns on time, the accuracy of reported income, and the promptness of tax payments (Ofoegbu et al., 2024). Track compliance rates before and after implementing the model. Monitor the number of new registrations, the frequency of tax filings, and the reduction in late payments or non-filing cases. Compare these metrics with historical data to assess improvements. Evaluate the effectiveness of the audit procedures by analyzing the rate of detected tax evasion and the accuracy of audit outcomes (Ofoegbu et al., 2024). This includes the number of audits conducted, the identification of discrepancies, and the recovery of evaded taxes. Measure the success rate of audits in terms of identifying and addressing tax evasion. Track the number of audits leading to corrective actions or legal proceedings and the amount of recovered revenue. Assess the quality and efficiency of audit procedures based on feedback from auditors and taxpayers (Iyelolu et al., 2024).

2.5.2 Technology Utilization

Assess the integration and effectiveness of technology in improving compliance and audit processes. This includes evaluating the usability of digital platforms, the accuracy of automated systems, and the impact of data analytics on decision-making. Monitor the adoption rates of digital tools and platforms among taxpayers and tax authorities (Ugwu et al., 2024). Evaluate the performance of technology solutions based on user satisfaction, system reliability, and the effectiveness of data-driven insights in detecting evasion. Analyze the reduction in manual processes and errors due to technological advancements. Measure the impact of the model on overall tax revenue (Iyelolu et al., 2024). This includes assessing changes in revenue collection, the reduction in the tax gap, and the improvement in financial stability for public services. Compare revenue collections before and after the model's implementation (Zeph-Ojiako & Anakwuba, 2019). Analyze changes in the tax gap (the difference between the total taxes owed and the amount collected) and evaluate the model's contribution to increased revenue. Review budget allocations and improvements in public services funded by the increased revenue.

2.5.3 Stakeholder Satisfaction

Evaluate the satisfaction of key stakeholders, including taxpayers, tax authorities, and technology providers. This involves assessing the effectiveness of communication, training, and support provided during and after the model's implementation. Conduct surveys and interviews with stakeholders to gather feedback on their experiences with the model. Measure satisfaction levels regarding ease of use, clarity of guidelines, and overall effectiveness. Use this feedback to identify areas for improvement and refine the model as needed (Ugwu & Adewusi, 2024). The model is anticipated to improve tax compliance rates by providing clearer guidelines, better enforcement, and incentives for voluntary compliance. This, in turn, is expected to increase tax revenue and reduce the tax gap (Ikusika, 2022). Enhanced compliance and increased revenue will provide the government with more resources to invest in public services, infrastructure, and social programs. Improved revenue collection can also reduce reliance on debt and contribute to economic stability.

2.5.4 Efficient Tax Administration

The implementation of the model's technology and audit procedures is expected to streamline tax administration processes, reduce administrative burdens, and enhance the efficiency of tax audits. More efficient tax administration will lead to faster processing of returns, reduced processing times, and fewer errors in tax assessments (Aziza, 2024). This will improve overall taxpayer experience and reduce the cost of tax administration. By integrating advanced technology and adopting best practices, the model is expected to enhance transparency and accountability in tax administration (Aziza et al., 2023). This includes better tracking of taxpayer activities, clearer reporting mechanisms, and more robust enforcement of tax laws. Increased transparency will foster trust among taxpayers and reduce opportunities for corruption and fraud. Improved accountability will strengthen the integrity of the tax system and ensure that revenue is used effectively (Aziza et al., 2023). With increased revenue from improved compliance, the model is expected to positively impact public services and governance. This includes better funding for essential services such as healthcare, education, and infrastructure. Enhanced public services will contribute to overall social and economic development, improving the quality of life for citizens. Better governance will be supported by increased financial resources and more effective use of public funds. The model's impact on tax compliance and revenue collection will contribute to sustainable development and economic growth. By ensuring a fair and efficient tax system, the model will support long-term economic stability and growth (Aziza et al., 2023). Sustainable development will be achieved through effective resource mobilization and investment in critical areas such as environmental conservation and economic infrastructure. Economic growth will be supported by a more stable and predictable fiscal environment.

3 Conclusion

The proposed compliance and audit model represents a comprehensive approach to addressing tax evasion in Nigeria. By integrating enhanced compliance strategies, advanced audit procedures, and innovative technology solutions, the model aims to improve tax compliance, streamline tax administration, and increase revenue collection. The evaluation metrics outlined will assess the model's effectiveness, focusing on compliance rates, audit success, technology utilization, revenue impact, and stakeholder satisfaction. The anticipated outcomes include enhanced compliance, efficient tax administration, improved transparency, and positive impacts on public services and economic growth. Continuously monitor the model's performance and make necessary adjustments based on evaluation results and emerging trends. Regularly review and update compliance strategies, audit procedures, and technology solutions to ensure their effectiveness and relevance. Strengthen engagement with stakeholders, including taxpayers, tax authorities, and technology providers. Provide ongoing training, support, and communication to ensure successful implementation and address any concerns or challenges. Continue investing in technology and infrastructure to support the model's implementation and sustainability. Explore opportunities for collaboration with technology partners and seek funding for further development and innovation. Conduct additional research on best practices and emerging trends in tax compliance and audit models. Explore successful case studies from other countries and adapt relevant strategies to the Nigerian context. Implement comprehensive public awareness campaigns to educate taxpayers about the new model and its benefits. Foster a culture of voluntary compliance through outreach, education, and incentives. By following these recommendations, Nigeria can enhance its tax compliance and audit processes, leading to a more effective and equitable tax system that supports sustainable development and economic growth.

Compliance with ethical standards

Disclosure of conflict of interest

No conflict of interest to be disclosed.

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