

ENVIRONMENTAL CONSIDERATION FOR INTERNAL AUDITING EFFECTIVENESS IN TAX ADMINISTRATION

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ABSTRACT

This study aims to understand the influence of environmental factors on internal audit effectiveness in tax administration. The study achieved this by adopting case study methodology. Data were collected using face-to-face interview on 9 internal auditors of the Federal Inland Revenue Service (FIRS) Nigeria. Collected data was analyzed using Nvivo₁₀ software. Findings of the interview shows that for effective of internal audit performance in tax administration, there should be strong legislature that would validate the functions of auditors, organizational policies that would facilitate auditing activities, and favourable working condition that would ease auditing duties. That is, legislature, organizational policy, and working condition are the three key environmental requirements for effective internal auditing in tax administration. The implication of the study is that, to get effective internal audit for improving tax administration performance that is capable for generation adequate revenue to government, there must be provision of favourable operating environment to the internal auditors as a basic requirement.

Keywords: Internal audit, environment, effectiveness, tax administration.