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Effect Of Tax Forensic Audit And Investigation By FIRS On Tax Evasion And Its Effect On Revenue Generation In Nigeria

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ABSTRACT
This paper investigates the effect of forensic tax audit and investigation by FIRS on tax evasion and its effect on revenue generation in Nigeria. The study was driven by the presence of a few empirical studies that quantified forensic audit impact on tax evasion in Nigeria despite its adoption. The study adopted an ex-post facto research design. Analysis conducted in the study made use of data extracted from the FIRS Forensic investigation reports (2023) that covered period of 5 years. The data was analysed with paired sampled t-test. The results revealed forensic audit increased tax revenue by an average of ₦71.7million per firm ($p < 0.01$). The significant increased support policeman theory's deterrence effect thereby, reducing tax evasion. The paper was also limited to population of only 10 companies. The study equally concluded that effective and efficient audit and investigation exercises would strengthen the generating capabilities of FIRS, leading to higher revenue generation and therefore, the paper recommends regular tax audit to encourage tax compliance.
Keywords; forensic audit, tax investigation, tax evasion, revenue generation, FIRS, Nigeria

I.0 INTRODUCTION

Governments around the world rely on diverse sources for revenue generation, with taxation being a major contributor. Contributing about 40% in the developed world and less than 15% in developing countries. This low tax yield reported in the developing countries has been partly attributed to tax evasion. Therefore, improving tax compliance by eligible citizens and corporations enhances governmental revenue and supports the fulfillment of national responsibilities. Effective fiscal policies are vital in minimizing revenue losses, especially from tax-related issues. Tax revenue has became essential tool for addressing financial crises in many nations. Despite policy efforts aimed at establishing a robust tax system, in Nigeria (Taiwo et.,al 2020). Nigeria loses between 6% to 13% of potential revenue annually due to tax evasion (World Bank, 2020), and approximately, Nigeria loses ₦15 trillion annually to tax evasion and avoidance (FIRS, 2023; Nigerian Economic Summit Group, 2022). In 2022, the FIRS

recovered ₦650 billion through tax audits and investigations, much of which came from previously unremitted or evaded taxes (FIRS Annual Report, 2022).

Prior studies (Adegbenro & Aderemi, 2023; Dido, & Ibrahim, 2024; Olasunkanmi et al., 2025) demonstrated that both individuals and corporate entities evade taxes in Nigeria. Federal Inland Revenue Service Annual Tax Reports (FIRS, 2021) revealed that over 77% of registered businesses under the Corporate Affairs Commission (CAC) do not pay taxes regularly.

Despite numerous policy efforts aimed at establishing a robust tax system and curtailing tax evasion in Nigeria, which include legislative reforms; the finance act 2020 that required the provision of tax identification number (TIN) by tax payers to open business account and punitive penalties for evading tax. Tax evasion continues to be a challenge to Nigeria with cases such as, Binance tax evasion case and Mediterranean shipping company(MSC) case among others that highlighted the dubious tax evasion from these companies. (Taiwo et.,al 2020).

To address significant challenge to revenue generation caused by tax evasion in Nigeria, the FIRS has intensified the use of tax forensic audits and investigations, employing advanced tools to uncover tax fraud, trace illicit financial flows, and verify the accuracy of tax declarations. In recent times, companies accused of tax evasion in Nigeria have been subjected to forensic audits and investigations, by the Federal Inland Revenue Service (FIRS). Studies indicate that forensic accounting skills have a substantial impact on the success rates of tax fraud investigations conducted by FIRS, emphasizing the importance of specialized training and technological infrastructure (Dido & Ibrahim, 2024).

However, given that the outcome of such investigations is often considered confidential, with a limited data access to the public, few empirical studies have quantified the impact on tax evasion in Nigeria using questionnaires. This study aims to address this knowledge gap by investigating the effect of tax forensic audit and investigation by FIRS on tax evasion and its effect on Revenue generation in Nigeria. Using FIRS forensic investigated report 2023.

In order to resolve the issues with this study, the following research question and hypothesis were raised:

To what extents does tax forensic audit and investigation affect tax revenue generation in Nigeria?

Hypothesis: – tax forensic audit and investigation has no significant effect on tax revenue generation in Nigeria

II. Literature Review and Theoretical Framework

This section briefly explores the concept of forensic audit, investigation and tax evasion so as to provide insight into the working definition of the concepts to facilitates our understanding of the concepts, hence serve as a guide to the study**.** Followed by the theoretical framework upon which the methodology is built and ends with the review of empirical literature.

2.1 Concept of Forensic Audit and Investigation

Forensic audit is the application of accounting expertise combined with investigative skills to uncover and present credible evidence in cases involving fraud detection, financial conflict resolution, and the analysis of intricate financial transactions, often for use in legal settings. Forensic and investigative auditors have an important role in uncovering illegal fraudulent acts aimed at gaining personal gain through fraudulent means (Chastika et.,al 2025).

Forensic audit involves the use of auditing and investigative skills to the situations that may involve legal implications (Mircheskaa et.,al 2020). Forensic auditing is a specialized area of auditing focused on investigating financial irregularities, fraud, and other types of financial misconduct to provide experts with legal evidences (Ali & Hafidh, 2024)

Forensic auditing is focused on the identification, interpretation, and communication of the evidence of underlying strategic economic and reporting events (Smith & Crumbley, 2009). Unlike the traditional audit, that aims to verify the accuracy and fairness of financial statements, while forensic audits investigate potential fraud or financial misconduct. Forensic audits are often initiated when there is suspicion of wrongdoing to investigate specific of fraud, misconduct, or financial improprieties, often to

gather evidence for legal proceedings. Forensic audits focused primarily on deception, fraud prevention and investigation of fraud (Mircheska et al., 2024).

Forensic investigation is a methodical, detailed, and probing effort aimed at uncovering all relevant facts and conditions related to a crime, a legally prohibited act, or any action that poses a threat to the state. The term originates from the Latin word vestigere, meaning "to track or trace (Ebogbue, 2024).

Tax forensic audit and investigation involved examining a company's or individuals' financial records to uncover evidence of hidden asset, misreporting, and under reporting of taxable income usable in legal proceedings or to assist organizations in taking corrective actions. This comprehensive examination aims to identify potential tax fraud, misconduct, irregularities, or to confirm the occurrence of tax evasion. Such audits are often initiated when there's a strong suspicion of tax evasion (Ibadin & Embele, 2023).

Modern forensic techniques equip accounting professionals with skills to effectively address sophisticated tax frauds that surpass the capabilities of traditional auditing in Nigeria. Technological advancements in forensic auditing, including data analytics and robotic process automation, have significantly enhanced tax evasion detection and other financial crimes in Nigeria (Eguando, 2023).

Forensic audits may be required in the following instances (Mircheskaa, et al., 2020):

i. Fraud investigations involving, misappropriation of funds, money laundering, tax evasion, and insider trading.
ii. Quantification of loss in case of insurance claims.
iii. Determination of the profit share of business partners in case of a dispute.
iv. Determination of claims of professional negligence relating to the accountancy profession.

Mircheskaa et al. (2020) further assert that forensic audit goes beyond the scope of a standard financial audit by delving into the details of individual transactions to uncover potential instances of asset misappropriation using investigative methods. For instance, an employee might set up a fake account and authorize payments to divert funds from the organization. If the transaction is recorded correctly in the books, it may not raise any red flags during a regular financial audit. As a result, the company could still receive an unqualified audit opinion despite the fraudulent activity.

Forensic investigations can be classified into several types, including accounting-related investigations, identity theft probes, financial fraud examinations, insurance fraud inquiries, corporate or organizational fraud investigations, workers' compensation fraud checks, money laundering investigations, information or data theft investigations, and general fraud investigations (Oyedokun, 2020; Ebogbue, 2024).

2.2 Concept of Taxation

Taxation refers to the process by which a government or authorized body imposes financial charges on individuals or entities. It is a long-standing practice that dates back to ancient civilizations, where citizens were required to pay taxes to support government functions (Kagan, et.,el 2022). These charges can take various forms, including income tax, capital gains tax, and estate tax.

Unlike voluntary payments or market-based transactions, taxation is compulsory and does not depend on a direct exchange for services. The government enforces tax collection through legal authority such as the FIRS, often backed by implied or explicit coercion. However, unlike extortion or protection rackets, taxation is sanctioned by law and administered by public institutions rather than private individuals. It serves as a primary tool for raising revenue to fund governmental activities and public services, as well as for redistributing wealth to promote economic development and reduce inequality (Egbara et.,al 2023).

2.3 Meaning Tax Evasion

Tax evasion refers to the willful and unlawful effort by individuals, businesses, or organizations to avoid fulfilling their tax obligations. It involves intentional actions aimed at either completely evading tax payments or reducing the amount owed through deceptive means (Selkur, 2019). Those found guilty of tax evasion often face criminal prosecution and severe financial penalties. Common forms of tax evasion include misreporting income, assets, or profits; manipulating financial records; under-reporting taxable amounts; conducting unregistered business activities; and inflating expenses (Egbara et al., 2023).

2.4 Review of Empirical Literature

This section reviewed relevant studies in order to identify research gap, key findings, methods, limitations and conclusions from previous empirical studies.

Eke & Ogedegbe (2024). Employed survey research design and investigated the impact of forensic tax assessment and forensic tax audit on tax administration in Edo State. Questionnaires were distributed to a sample of 347 respondent comprising tax practitioners and staff both Federal and State revenue services operating in Benin-City Edo State. Descriptive and inferential statistics (Regression analyses) were used for data analyses. Findings of the study revealed a significant positive relationship between forensic tax assessments, forensic tax audit and tax administration effectiveness in Nigeria. The study recommends the engagement of forensic accountants at all government levels to curb tax fraud. Although this study made an interesting findings, it should be interpreted with caution given that questionnaires are inherently subjective and prone to response bias, especially when asking tax officials and practitioners to assess the effectiveness of their own institutions. In addition, the study focuses only on Benin City, Edo State, which may not reflect broader tax administrative realities across Nigeria and thereby, limiting external validity.

Dido & Abdulateef (2024) Employed. both questionnaire and interview to examined the effect of forensic accounting skills on tax fraud investigation by Federal Inland Revenue Services in Nigeria. They used quantitative analysis techniques (Multiple regression analysis, Correlation and Analyses of Variance) to analyses the response of 222 FIRS investigators while the response of 20 senior staff members were qualitatively analyzed. The result of the study demonstrated a strong positive correlation between forensic accounting expertise and successful tax fraud investigations by the Federal Inland Revenue Service (FIRS). In addition, investigators with advanced forensic skills were found to handle significantly more complex cases than those with lesser skills. Multiple regression analysis also revealed that training, technological infrastructure, and management support are significant predictors of effective forensic accounting skill utilization, highlighting the importance of specialized training and resources. While the study includes a qualitative component (20 senior staff), no clear explanation is provided on how themes were identified and analyzed (e.g., coding procedures, triangulation?) This weakens the depth and credibility of the qualitative insights.

Femi-Ayegbo et al., (2025), investigated the relationship between tax evasion and non-oil revenue in Nigeria. The study examined how corruption perception index and revenue leakages through tax evasion affect non-oil revenue in Nigeria. The study analyzed secondary monthly data from 2015 to 2022 sourced from Central Bank of Nigeria's annual reports and the Nigerian Federal Inland Revenue Services' yearly reports. T-test and multiple regression techniques were used for data analyses. Findings of the study showed that both higher corruption perception and tax revenue leakages due to tax evasion have a significant negative effect on non-oil revenue generation.

Akadakpo & Ogbeide (2024) studied the impact of tax evasion and tax avoidance on government revenue generated in Nigeria using an explanatory and descriptive survey design. 100 questionnaires were administered randomly to selected FIRS employees. Descriptive and inferential statistics (t-test) were used for data analyses. Their results show a strong negative correlation between evasion/avoidance and revenue generation. They identified weak tax administration and loopholes in legislation as key drivers of tax evasion in Nigeria. Inspite of its findings, the small sample size may not be statistically representative of the entire population of FIRS employees across Nigeria which also limits the generalizability of findings to other agencies or regions. The study also suffer from single perspective bias as only FIRS employees were surveyed, omitting taxpayers' views, corporate entities, and tax consultants. This may create a one-sided analysis of tax evasion and may overlook key behavioural or systemic factors.

Al-Manhouri el.,al (2024) measured the impact of forensic accountant characteristics on reducing tax evasion in the Republic of Yemen. An electronic questionnaires were administered to a population of 384 external auditors in audit firms and companies using a complete enumeration method. Retrieved questionnaires were 329, while 260 valid questionnaires were analyzed. Multiple regression analysis was used to test the hypotheses with the aid of SPSS. Findings of the study revealed that, auditors found skills

and qualifications of forensic accountants has significantly lower tax evasion in Yemen. The study recommends among other the activation of field training for those performing the duties of forensic accountants. However, the cross-sectional survey study only identified correlations, not causation and also has potential selection bias, since only auditors were surveyed, not actual taxpayer behavior. Therefore, its findings should be viewed with caution.

Ibadin & Embele (2023) conducted a study using a cross-sectional survey research design to examine the impact of forensic audit services on tax fraud in South-South Nigeria. The study utilized a sample of 228 respondents selected from a population of 530 staff of the Federal Inland Revenue Service (FIRS) within the region. Employing the Robust Least Squares Estimation technique, the study found that forensic audit services, including background investigations and analytical procedures, significantly reduced tax fraud occurrences, thereby enhancing compliance and revenue generation. The authors recommended that tax authorities integrate forensic audit techniques into their operations and train officials in tools such as data mining, Benford's Law, the Beneish model, and ratio analysis to enhance fraud detection capabilities. However, the study has some limitations: it used robust regression on secondary data, which may fail to control for confounders such as economic factors. Moreover, forensic audit services were aggregated; the study provides little breakdown of which specific tools are most effective. Finally, the study did not provide information on how audit interventions were determined raising concerns over targeting bias

Emuebie et.,al (2023) employed ex-post facto research design to investigate the effect of revenue leaks on Nigeria's economic growth, from 2011 to 2021. Secondary data was sourced from various sources including; The World Bank Statistical Bulletin, the Central Bank of Nigeria and the Federal Inland Revenue Service and the American National Bureau of Statistics. Correlation analysis and a multiple regression analysis were employed to analyze the data. Findings showed that non-oil revenue leakage had a significant impact on economic growth, at the same time the study showed oil revenue leakage had a negative insignificant impact on economic growth. The study further, emphasized the role of forensic accounting in addressing revenue leakages. by suggesting that its application can mitigate tax evasion and avoidance, thus positively impacting economic growth. However this study has some weakness. There was a lack of operationalization of forensic accounting. The study recommends the application of forensic accounting in curtailing tax evasion, but did not empirically test or model its impact. This results is speculative conclusions about its effectiveness in mitigating revenue leakages.

Ikechi et., al (2018) investigated the effect of tax audit and investigation on the revenue generating capabilities of Federal Inland Revenue Services (FIRS). The objective of the study was to determine to what extent does functional tax audit and investigation department of FIRS Port Harcourt branch influence its revenue generating capabilities; and to what extent does ineffective tax audit and investigation exercises affect the revenue generating capacity FIRS. Professional accountants and FIRS staff in Port-Harcourt formed the population of the study. A sample of 100 respondents were drawn for the study through a simple random sampling technique. Of the 100 copies of questionnaire distributed, 80 copies were returned. Presentation and analysis of primary data collected with questionnaire were done using tables and simple percentages. The result of the study showed that, functional tax audit and investigation department, influenced the revenue generating capabilities of FIRS while ineffective tax audit and investigation exercises, revenue generating capacity of the FIRS Port Harcourt branch. However, the use of questionnaire and relying on small sample size limits the objectivity and empirical validity of the findings of this study. The authors recommend among others the need to strengthen tax audit and investigation department and to ensure its optimal performance.

Gap from the reviewed literature Prior studies (Adegbenro & Aderemi, 2023; Dido, & Ibrahim, 2024; Olasunkanmi et al., 2025) have examined forensic accounting skills. (Ikechi et.,al 2018; Akadakpo & Ogbeide 2024) also examined effect of tax audit using questionnaires but non have empirically measured the direct revenue impact of FIRS forensic audits and investigation. Using FIRS forensic audit and investigation report. This study fills this gap.

2.5 Theoretical Framework

To understand the role of forensic auditors, several theoretical frameworks have been proposed. Among these, the Policeman Theory stands out as particularly relevant, as it redefines the auditor's role from a passive verifier of financial information to an active investigator of various forms of financial misconducts. Therefore, this study adopt it.

2.6 The Policeman theory:

An important theory supporting tax forensic audit and investigation research is the Policeman theory, founded by Cesare Beccaria an Italian philosopher in (1764). on his work crime and punishment, while early in 19 century some scholars of auditing view it as a solution which arises from the misconception or the audit expectation gap. Hence, Israel et.,al (2024), assert that auditors' duty in this century extends beyond searching for, discovering, and preventing fraudulent activities. Noting that role of the policeman in auditing is played by the forensic experts whose duty it is to reveal the crime as perpetrated and ensure it presents facts and figures in the court for the prosecution of offenders.

Israel, et al (2024) assert that the Policeman Theory, originally introduced by Charles F. Hickson in the early 1900s, views auditors as diligent watchdogs whose primary responsibility is to identify and prevent financial misconduct, including fraud and inaccuracies in financial reports. Thus; in the context of forensic auditing, the policeman theory makes a strong comparison between the duties of law enforcement officers and forensic auditors. The forensic auditors are expected to protect financial integrity of companies in the same way that police officers protect law and order in society as such, the theory stress their shared responsibility to investigate and stop financial crime (Apalowowa et.,al 2025).

Eke & Ogedegbe (2024) reported a positive and significant relationship between forensic accounting and tax administration, recommend the engagement of tax forensics by tax authorities to curb tax evasion. These findings supported the deterrence effect implied by the Policeman Theory, where the fear of being caught and penalized alters taxpayer behavior. Therefore engagement of tax forensics by FIRS aligns with the Policeman Theory; positioning FIRS as a regulatory watchdog, whose active presence discourages non-compliance. Forensic audit and investigation contribute directly to revenue generation by identifying under reported income, recovering unpaid taxes, and ensuring future compliance. The Policeman Theory supports this by emphasizing the role of auditors in safeguarding the financial system—just as police officers ensure public order.

3. METHODOLOGY

The study adopted an ex-post facto research design. Ex post facto design is a quasi-experimental study, that examines how an independent variable present prior to the study affects a dependent variable. Expo-facto research design was adopted because the study aimed at obtaining important information on the status of specific phenomenon, after some natural occurrence without any manipulation of the situation. Cross-sectional **s**econdary data was collected from the FIRS forensic investigation reports of 10 companies in 2023, that were investigated for various tax evasion cases that covered a period of 5 years. Though, the sample is small, it includes high value firms contributing significantly in Nigeria's tax base. Further, the small sample used was due to inaccessibility and confidentiality of the forensic tax audit and investigation data. Therefore, future studies should expand to a larger, randomized sample. The Statistical Package for Social Sciences (SPSS) Version 20 was used for the analyses.

Given that secondary quantitative data inform of Pre-Forensic audit and post forensic audit were used. The analyses begun with simple comparative analysis which analyzed the secondary data obtained and ascertained if there was difference and the magnitude between pre-and post-forensic audit tax. The hypothesis was tested with paired sampled t-test. The study employed both descriptive and inferential statistics. Measures of dispersion (standard deviation) and central tendency (mean) to analyze the descriptive statistics results while inferential statistics (Paired Sample t-test was used to test the research hypothesis at 0.05. level of significance. For any hypothesis testing with t-test, if t-calculated is greater than t-critical value (t-table), Null hypothesis is rejected.

The formula for paired samples t-test is given as:

$$t = \frac{\sim d}{Sd\sqrt{n}}$$

t = (mean difference between pairs) / (standard deviation of differences / square root of sample size)
Where:
Mean difference between pairs = (sum of differences between pairs) / sample size•
Standard deviation of differences = square root of [summation of variance of differences between pairs / • (sample size – 1)]

4. DATA PRESENTATION, ANALYSIS & DISCUSSION OF RESULTS

Table 1 presents information on the tax revenue during pre- and post forensic audit and investigation in Nigeria within the period under review. To begin with, we compared the amount of tax paid by the companies before and after forensic audit and investigation with the amount recovered after the exercise, followed by test of the research hypothesis.

Table 1: Pre-test and post-Forensic Audit Tax Revenue

Companies	Pre-Forensic Audit Tax Paid(X)	Post-Forensic Audit Tax Uncovered(Y)	Differences X-Y(Unpaid Tax)
1	712,405,823	813,210,845	100,805,022
2	684,192,457	768,934,210	84,741,753
3	698,337,912	742,108,932	43,771,020
4	599,844,106	757,416,523	157,572,417
5	673,998,234	687,325,188	13,326,954
6	689,127,305	765,120,405	75,993,100
7	721,503,678	739,882,615	18,378,937
8	704,218,491	751,003,197	46,784,706
9	695,430,882	773,214,096	77,783,214
10	715,019,746	812,991,680	97,971,934
Total	**6,894,078,634**	**7,611,207,691**	**717,129,057**

Source: Authors computation based on data extracted from FIRS Forensic Investigation Report

As can be seen from Table1 the pre- forensic audit and investigation tax sums were compared with those of post forensic audit and investigation figures and from the presented result of this computation one can note their differences. It can be observed from the table that all the companies under reported their tax liabilities. The sum of (₦6.894 Billion). tax revenue was reported before the forensic audit and investigation while the sum of (₦7.611 Billion), tax revenue was reported after forensic audit and investigation.

This shows total variation of ₦717,129 Millions. This result suggests that, on the average companies that engages in tax evasion subjected to forensic audit and investigation are more likely to report higher tax revenue compared to those companies not subjected to forensic audit and investigation. This sum (₦717,129 millions), represent the amount of taxes evaded by these companies in year 2023.

4.1 Test of Hypothesis: forensic tax audit and investigation has no significant effect on tax revenue generation in Nigeria

A paired-samples t-test was conducted to evaluate the impact of the tax Forensic audit and Investigation intervention on tax revenue accruing to government.

Table 2: Paired Samples statistic showing the means and standards deviation of effect in tax revenue before and after Tax

Forensic Audit and Investigations were carried out

	Tax Revenue	N	Mean	Std. Deviation	-
Pair 1	Pre-Forensic Audit and Investigation Tax Paid -	10			
	Post-Forensic Audit and Investigation Tax Recovered	10			

Source: Author's Field Data Computation (2025) Using SPSS Version 20

Table 2 presents the result of paired sample statistic which showed that there was a statistically significant increase in Tax revenue scores from Time 1 ie Tax paid before forensic audit and investigation were carried out (M = 689,407,863, SD =34,699,977) to Time 2 i.e tax due to government after forensic audit and investigation (M =761,120,769.10, SD = 36,517,342.21),

Table 3: Paired Samples Test showing the differential effect in tax revenue before and after Tax Forensic Audit and Investigations were carried out

	Tax Revenue	N	Paired Differences Mean	Std. Deviation	t	df	Sig. (2-tailed)
Pair 1	Pre-Forensic Audit and Investigation Tax Paid -	10	-71712906	43189837.7	-5.251	9	**0.001**
	Post-Forensic Audit and Investigation Tax Recovered	10					

Source: Author's Field Data Computation (2025) Using SPSS Version 20

While table 3 presents the result of T-test which showed that there was a statistically significant increase in Tax revenue scores from Time 1 ie Tax paid before forensic audit and investigation were carried out to time 2 tax due to government after forensic audit and investigation, with t (9) = 5.25, p <. 005(two-tailed). The negative values reflect the fact that the Pre-test tax amount has a lower Mean than the Post-test (i.e., Pretest – Posttest < 0). The Mean increase in Tax revenue scores was 71712905.700 with a 95% confidence interval ranging from 102609054.37 to 40816757.02

The effect size calculated to ascertain whether the result obtained has some practical importance beyond just statistical significance. Therefore we measure the magnitude of the intervention's effect (ie Forensic audit and Investigation) by calculating an effect size statistic as follows:

Cohen's d effect size is therefore determine thus,

$$d=\frac{M_2-M_1}{SD_{pooled}}=\frac{761,120,769.10-689,407,863}{35,608,314.43}=\frac{71,712,906.10}{35,608,314.43}=2.01$$

Therefore, the paired sample statistic and paired-sample t-test revealed a statistically significant increase in tax revenue from Time 1 (M = ₦689,407,863, SD = ₦34,699,977) to Time 2 (M = ₦761,120,769.10, SD = ₦36,517,342.21), t(9) = 5.25, p < .005, with a large effect size, Cohen's d = 2.01. A Cohen's d of 2.0 indicates a large effect size, which suggests that forensic audit and investigation carried out by FIRS had a substantial impact on increasing tax revenue generation.

4.2 DISCUSSION OF FINDINGS

The result of the hypothesis test revealed that forensic audit and investigation intervention carried out by FIRS has significantly reduced tax evasion by increasing tax revenue generation in Nigeria. The study discloses higher mean value for tax revenue after the tax forensic audit and investigation exercise when compared with the mean value before the exercise. With (t-value is 5.25 & p-value of 0.001<0.05 significance level) indicating tax forensic audit and Investigation intervention reduces tax evasion by increasing tax revenue in Nigeria. The result is in consonance with the finding of Eke and Ogedegbe (2024), Dido and Abdulateef (2024) and Ibadin and Embele (2023) who found a strong positive connection between the tax forensic audit and Investigation and increase in revenue generation. So also, the study revealed that a positive significance difference exist as a result of forensic audit and investigation intervention, this further, indicate that, random forensic audit conducted by FIRS significantly reduced tax evasion and encourage tax compliance.

5. CONCLUDING REMARKS

5.1 Conclusions

This study examined whether the Forensic audit and Investigation intervention has a significant effect on Revenue generation in Nigeria. Result of the study concluded that Forensic audit and investigation led to a remarkable positive variation in tax income in Nigeria. The outcome of forensic audit and investigation intervention resulted in higher tax returns compared with previous taxes paid by companies investigated. Hence this study concludes that there is strong evidence that forensic tax audit and investigation intervention has a significant effect on Revenue generation in Nigeria. The findings underscored the need for targeted interventions to reduce tax evasion and enhance revenue generation. However due to limited sample size, findings of this study should be viewed with caution as the limited sample size could confound the outcome leading to bias conclusion.

5.2 Recommendation

Considering the foregoing findings and conclusion, this study, recommends that the FIRS should strengthen its forensic audit and investigation mechanism through continually reviewing and updating capacity building programs for tax officials. This could enhance the efficiency and effectiveness of tax authorities in observing, detecting and prosecuting, tax evasion to enhanced revenue generation.

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Appendix

```
GET FILE='C:\Users\USER\Documents\Abdulrashid NIM.sav'.
DATASET NAME DataSet1 WINDOW=FRONT.
T-TEST PAIRS=PREFOAUDIT WITH POSTFOAUDIT (PAIRED)
  /CRITERIA=CI(.9500)
  /MISSING=ANALYSIS
```

T-Test

Notes

Output Created		06-JUL-2025 13:18:50
Comments		
Input	Data	C:\Users\USER\Documents\Abdulrashid NIM.sav
	Active Dataset	DataSet1
	Filter	<none>
	Weight	<none>
	Split File	<none>
	N of Rows in Working Data File	14
Missing Value Handling	Definition of Missing	User defined missing values are treated as missing.
	Cases Used	Statistics for each analysis are based on the cases with no missing or out-of-range data for any variable in the analysis.
Syntax		T-TEST PAIRS=PREFOAUDIT WITH POSTFOAUDIT (PAIRED) /CRITERIA=CI(.9500) /MISSING=ANALYSIS.
Resources	Processor Time	00:00:00.00
	Elapsed Time	00:00:00.00

[DataSet1] C:\Users\USER\Documents\Abdulrashid NIM.sav

Paired Samples Statistics

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	Pre-Forensic Audit and Investigation Tax Paid	689407863.4000	10	34699977.09999	10973096.23917
	Post-Forensic Audit and Investigation Paid	761120769.1000	10	36517342.21215	11547797.54862

Paired Samples Correlations

	N	Correlation	Sig.

Pair 1	Pre-Forensic Audit and Investigation Tax Paid & Post-Forensic Audit and Investigation Paid	10	.265	.459

Paired Samples Test

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	Pre-Forensic Audit and Investigation Tax Paid - Post-Forensic Audit and Investigation Paid	-71712905.70000	43189837.71519	13657825.89530	-102609054.37731	-40816757.02269	-5.251	9	.001