Tax Fraud Detection, Documentation Practices, and Tax Compliance: The Strategic Role of Forensic Accounting and Tax Audit in Plateau State, Nigeria.

Peter Emmanuel, Ph.D Students[1], Prof. Yohanna Gyang Jugu[2], Samson Okpanachi Daniel, Ph.D Students[3]

[1,3]Department of Accounting and Finance, University of Jos

[2]Department of Accounting, University of Jos

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ABSTRACT

This study examined tax fraud detection, documentation practices, and tax compliance: the strategic role of forensic accounting and tax audit in Plateau State, Nigeria. The study adopted a survey research design targeting a population of 464 staff of tax authorities, professional accountants, and selected taxpayers, with the sample size of 214 determined using the Taro Yamane formula. Data collected were analyzed using probit logistic regression to test the research hypotheses. Findings revealed that Tax Fraud Detection Systems (TFD) has a significant positive effect on tax compliance in Plateau State, Nigeria and that Documentation practices have a negative but statistically significant effect on tax compliance in Plateau State, Nigeria. It was recommended that Plateau State Internal Revenue Service (PSIRS) should continue investing in advanced Tax Fraud Detection Systems by integrating artificial intelligence, data analytics, and real-time monitoring tools to identify fraudulent activities promptly and that PSIRS should institute periodic evaluations of both Tax Fraud Detection Systems and Electronic Documentation Systems by collecting feedback from taxpayers and tax officials.

Keywords: Tax Fraud Detection, Documentation Practices, and Tax Compliance, Forensic Accounting and Tax Audit.

INTRODUCTION

Taxation remains one of the most reliable sources of internally generated revenue for governments, providing the financial resources required for infrastructure development, public service delivery, and sustainable economic growth. In Nigeria, state governments depend substantially on tax revenue to finance recurrent and capital expenditures. However, the achievement of effective revenue mobilization has continued to be undermined by tax fraud, weak documentation practices, tax evasion, and poor compliance among taxpayers. These challenges have significantly reduced the revenue base of many state governments, including Plateau State, thereby limiting their capacity to provide essential public services. Tax fraud involves deliberate acts of deception aimed at reducing or avoiding tax liabilities through falsification of records, concealment of income, manipulation of financial statements, or submission of fraudulent tax documents. Such practices weaken tax administration, reduce public confidence in the tax system, and impede economic development (Akinadewo & Akinkoye, 2020).

Effective tax fraud detection has therefore become a strategic priority for tax authorities across Nigeria. Modern tax administration increasingly relies on forensic accounting techniques to identify fraudulent financial activities, investigate suspicious transactions, and provide evidence suitable for legal proceedings. Forensic accounting integrates accounting, auditing, investigative skills, and legal knowledge to detect financial irregularities and support litigation where necessary. Unlike conventional auditing, forensic accounting adopts a proactive and investigative approach that enables tax authorities to uncover concealed transactions, document manipulation, and complex fraud schemes. Studies have demonstrated that forensic accounting techniques such as data mining, ratio analysis, computer-assisted audit techniques (CAATs), trend analysis, document examination, and business intelligence significantly improve tax fraud detection and strengthen revenue administration (Akinadewo, 2021; Dada & Jimoh, 2020).

Documentation practices constitute another critical component of an effective tax administration system. Proper documentation ensures the accuracy, completeness, accessibility, and reliability of taxpayers' financial records. Sound documentation practices facilitate tax assessment, audit verification, compliance monitoring, and fraud investigation. Conversely, inadequate record keeping, incomplete documentation, poor digital record management, and manipulation of supporting documents create opportunities for tax fraud and hinder effective tax enforcement. In many developing economies, weak documentation systems continue to challenge tax authorities by making it difficult to trace taxable transactions, verify taxpayers' declarations, and prosecute fraudulent activities successfully. The growing digitalization of tax administration further emphasizes the importance of maintaining accurate electronic documentation and audit trails that support transparency and accountability.

Tax compliance refers to the willingness and ability of taxpayers to fulfill their tax obligations by accurately reporting income, maintaining appropriate records, filing tax returns on time, and paying taxes according to statutory requirements. High levels of tax compliance contribute to increased government revenue, improved fiscal stability, and enhanced public trust in government institutions. However, tax compliance remains relatively low in Nigeria due to factors such as weak enforcement mechanisms, corruption, inadequate taxpayer education, poor record management, and widespread tax fraud. The inability of tax authorities to effectively detect fraudulent activities further encourages non-compliance and weakens voluntary tax payment culture (Akinadewo, 2020).

The strategic roles of forensic accounting and tax audit have therefore become increasingly important in addressing these challenges. Tax audits provide systematic examinations of taxpayers' records to ensure compliance with tax laws, while forensic accounting complements tax audits by investigating suspicious transactions, identifying fraudulent documentation, tracing hidden assets, and providing expert evidence for prosecution. The integration of forensic accounting with tax audit enhances transparency, strengthens internal controls, improves documentation quality, and increases taxpayers' perception of detection risk, thereby promoting voluntary compliance. Recent studies conducted in Nigeria have consistently reported that forensic accounting competencies, investigative techniques, and digital analytical tools significantly improve fraud detection and accountability within public sector organizations (Sabo et al., 2025).

In Plateau State, the need for stronger tax administration has become increasingly evident as the government seeks to expand internally generated revenue amidst growing expenditure demands. Despite ongoing reforms, challenges relating to tax fraud, poor documentation practices, and varying levels of taxpayer compliance continue to affect revenue performance. Although previous studies have examined forensic accounting and fraud prevention in public institutions, limited empirical evidence exists regarding the combined influence of tax fraud detection, documentation practices, forensic accounting, and tax audit on tax compliance within Plateau State. This study therefore seeks to examine tax fraud detection, documentation practices, and tax compliance: the strategic role of forensic accounting and tax audit in Plateau State, Nigeria.

Statement of the Problem

The capacity of governments to generate adequate internally generated revenue depends largely on the effectiveness of tax administration and the willingness of taxpayers to comply with tax laws. In Plateau State, tax authorities continue to experience challenges arising from tax fraud, poor documentation practices, under-reporting of taxable income, falsification of tax records, and non-compliance with statutory tax obligations. These challenges reduce government revenue, weaken public financial management, and limit the government's ability to finance developmental projects and deliver quality public services. Despite the implementation of various tax reforms and digital initiatives, incidences of fraudulent tax practices remain prevalent, indicating that existing detection mechanisms may not be sufficiently effective. (Muhammad & Kutus, 2026)

One major concern is the persistence of weak documentation practices among taxpayers and, in some instances, within tax administration processes. Incomplete accounting records, poor record retention, document alteration, and inadequate electronic documentation make it difficult for tax auditors to verify financial information accurately. These deficiencies provide opportunities for tax fraud, delay audit processes, reduce the quality of tax investigations, and ultimately weaken tax compliance enforcement. Without reliable documentation, even sophisticated tax audit procedures may fail to detect fraudulent transactions or support successful prosecution of offenders (Wunyi & Uyagu, 2025)

Although forensic accounting has emerged as an effective mechanism for detecting and preventing financial fraud, its integration into tax administration remains relatively limited in many Nigerian state revenue agencies. Existing studies have shown that forensic accounting techniques such as data mining, liability analysis, investigative accounting, ratio analysis, and computer-assisted audit techniques significantly improve fraud detection and transparency. However, much of the existing literature has focused either on general fraud prevention, tax evasion detection, or financial accountability, with limited attention given to how tax fraud detection, documentation practices, forensic accounting, and tax audit jointly influence tax compliance, particularly within Plateau State (Wunyi & Uyagu, 2025)

Furthermore, empirical studies conducted in Plateau State such as Godwin, Adebisi & Adeiza (2025), Muhammad & Kutus (2026) and Sabo et al., 2025have largely concentrated on forensic accounting and transparency or fraud prevention within ministries and public institutions, leaving a significant knowledge gap regarding the strategic interaction between tax fraud detection mechanisms, documentation practices, forensic accounting interventions, tax audits, and taxpayer compliance. This gap limits the availability of evidence-based policy recommendations that can strengthen tax administration and improve internally generated revenue in the state. It is against this background that this study investigates Tax Fraud Detection, Documentation Practices, and Tax Compliance: The Strategic Role of Forensic Accounting and Tax Audit in Plateau State, Nigeria. The study seeks to provide empirical evidence on how forensic accounting and tax audit can strengthen fraud detection, improve documentation practices, and enhance tax compliance, thereby contributing to more effective tax administration and sustainable revenue generation.

Objective of the Study

The aim of this study is to investigate Tax Fraud Detection, Documentation Practices, and Tax Compliance: The Strategic Role of Forensic Accounting and Tax Audit in Plateau State, Nigeria. Specifically, the study is to:

1. Examine the effect of tax fraud detection systems on tax compliance in Plateau State, Nigeria.
2. Investigate the effect of documentation practices on tax compliance in Plateau State, Nigeria.

Research Questions

In line with the above objectives, the study seeks to answer the following research questions:

1. What is the effect of tax fraud detection systems on tax compliance in Plateau State, Nigeria?
2. What is the effect of documentation practices on tax compliance in Plateau State, Nigeria?

Research Hypotheses

The following null hypotheses were tested in the study:

H_{01}: Tax fraud detection systems have no significant effect on tax compliance in Plateau State, Nigeria.
H_{02}: Documentation practices have no significant effect on tax compliance in Plateau State, Nigeria.

LITERATURE REVIEW

Conceptual Review

Forensic Accounting

Forensic accounting is a specialized branch of accounting that integrates accounting, auditing, investigative techniques, and legal knowledge to examine financial information for the purpose of detecting, investigating, and

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preventing fraud, financial crimes, and other economic irregularities that may be presented as evidence in courts of law or regulatory proceedings. It involves the systematic analysis of financial records, transactions, and internal control systems to uncover fraudulent activities, quantify financial losses, and provide expert testimony where necessary. Unlike traditional auditing, which primarily focuses on expressing an opinion on the fairness of financial statements, forensic accounting adopts a proactive and investigative approach aimed at identifying intentional misstatements, asset misappropriation, corruption, tax fraud, money laundering, and financial statement manipulation (Crumbley et al., 2017).

Forensic accounting refers to the application of accounting, auditing and investigative skills to examine financial information for use as evidence in legal matters. It involves the identification, analysis and interpretation of financial data in order to detect fraud and financial misconduct. According to Akinbowale, Klingelhöfer and Zerihun (2020), forensic accounting serves as an innovative mechanism for combating economic and financial crimes through the use of specialized investigative techniques. Similarly, Abdulrahman and Aliyu (2018) argue that forensic accounting strengthens fraud detection processes in the public sector by improving transparency and accountability. In the context of taxation, forensic accounting assists tax authorities in uncovering concealed income, falsified records and deliberate tax evasion practices. Therefore, forensic accounting plays a strategic role in enhancing tax compliance by increasing the probability of detecting fraudulent activities.

Tax Audit

Tax audit is the systematic examination of taxpayers’ financial records and tax returns to ensure compliance with existing tax laws and regulations. It is a regulatory mechanism used by tax authorities to verify the accuracy of declared income and tax liabilities. Modugu and Anyaduba (2020) assert that tax audit significantly influences tax compliance because it compels taxpayers to maintain accurate records and make correct tax declarations. In the same vein, Boateng and Abdul-Rahman (2021) found that regular tax audits improve voluntary compliance by discouraging underreporting of income. Tax audits may take the form of desk reviews, field audits, or investigative audits depending on the level of risk involved. When effectively implemented, tax audits serve as both preventive and corrective tools in the tax system.

Tax fraud detection

Tax fraud detection refers to the systematic process of identifying, investigating, and preventing intentional acts of tax evasion, tax underreporting, falsification of financial records, and other deceptive practices aimed at reducing or avoiding tax liabilities. It involves the application of investigative techniques, forensic accounting procedures, data analytics, tax audits, and digital monitoring systems to detect irregularities in taxpayers' declarations and ensure compliance with tax laws. Effective tax fraud detection enables tax authorities to uncover concealed income, false deductions, fictitious transactions, and other fraudulent schemes that undermine government revenue generation and public trust. According to Alm (2019), tax fraud detection is an essential component of tax administration because it strengthens voluntary compliance by increasing the perceived probability of detecting fraudulent behavior.

Similarly, Organisation for Economic Co-operation and Development (2020) emphasizes that robust fraud detection mechanisms, supported by risk-based auditing and data-driven intelligence, are fundamental to combating tax evasion and improving revenue collection. Empirical evidence from Nigeria indicates that the adoption of forensic accounting techniques, including investigative skills, financial ratio analysis, auditing procedures, and digital evidence gathering, significantly enhances the capacity of tax authorities to detect fraudulent tax practices and improve tax compliance (Oladapo, 2026; Umar et al., 2020).

Documentation practices

Documentation practices refer to the systematic creation, collection, organization, maintenance, storage, and preservation of financial and non-financial records to ensure the accuracy, reliability, transparency, and accountability of organizational transactions and decision-making processes. Effective documentation practices provide verifiable evidence of business activities, facilitate regulatory compliance, support internal controls, enhance audit efficiency, and promote sound financial reporting by ensuring that relevant information is complete, timely, accessible, and secure (International Federation of Accountants, 2023). In taxation and public financial management, proper documentation serves as the foundation for accurate tax assessment, fraud detection, and compliance monitoring, as it enables tax authorities and auditors to verify the authenticity of transactions and identify inconsistencies that may indicate tax evasion or fraudulent reporting (Organisation for Economic Co-operation and Development, 2022).

Insufficient tax documentation refers to incomplete, inaccurate, or poorly maintained financial records that hinder proper tax assessment and verification. Proper documentation includes invoices, receipts, payroll records, bank statements and other relevant accounting documents required for accurate tax reporting. Kirchler, Hoelzl and Wahl (2018) explain that transparency and proper record-keeping are critical determinants of voluntary tax compliance under the slippery slope framework. Poor documentation may arise due to weak accounting systems, lack of knowledge, or intentional concealment of financial information. When taxpayers fail to maintain adequate records, tax authorities face difficulties in verifying income declarations, which may result in penalties and disputes. Therefore, insufficient tax documentation negatively affects tax compliance and weakens effective tax enforcement.

Tax Compliance

Tax compliance refers to the willingness and ability of taxpayers to comply with tax laws by accurately declaring income, filing returns on time and paying taxes due. It includes both voluntary compliance and enforced compliance. Alm (2019) notes that; tax compliance is influenced by economic, psychological and institutional factors, including enforcement mechanisms and trust in government. Torgler and Schaltegger (2021) further argue that trust in tax authorities and effective enforcement strategies significantly improve compliance behavior. The OECD (2022) also highlights that modern tax administrations rely on strong audit systems, risk assessment tools and technological innovations to enhance compliance levels. Therefore, tax compliance is strengthened when enforcement mechanisms such as forensic accounting and tax audits are effectively implemented.

Theoretical Review

The theoretical framework for this study is anchored on Deterrence Theory. Deterrence Theory was first developed by Cesare Beccaria in his seminal work On Crimes and Punishments published in 1764. The theory was later expanded by Jeremy Bentham in 1789 through his utilitarian philosophy. Beccaria argued that individuals possess free will and act rationally by weighing the potential benefits of committing an offense against its likely costs. Therefore, crime and other unlawful behaviors can be minimized when punishments are designed to outweigh the anticipated benefits of violating the law. This theory explains compliance behavior through the perceived costs and benefits of unlawful actions. The theory posits that individuals are rational actors who will comply with laws when the probability of detection is high and the penalties for non-compliance are certain and severe. In the context of this study, tax fraud detection and prevention (FDP), insufficient documentation materials (IDM) and forensic techniques as evidence (EVT) are all mechanisms that influence taxpayers' perception of risk and enforcement effectiveness. Effective fraud detection and the application of forensic techniques increase the likelihood of identifying non-compliance and successfully prosecuting offenders, thereby promoting tax compliance. Conversely, poor documentation can weaken enforcement and reduce compliance. Deterrence Theory provides a strong rationale for understanding how forensic accounting and tax audit can function as strategic tools to enhance tax compliance in Plateau State.

Empirical Review

Bassey et al. (2026) employed panel data from Nigerian public sector institutions covering the period 2015–2025 to evaluate the effectiveness of forensic accounting techniques on fraud reduction. Using a fixed-effects regression model, the study established that investigative auditing, data analytics, computer-assisted audit techniques, litigation support, and whistleblowing mechanisms significantly reduced fraud across public institutions. The study also demonstrated that effective documentation systems improved the quality of forensic investigations by ensuring the availability of reliable financial evidence, thereby strengthening tax audit outcomes and institutional compliance. The authors concluded that government agencies should institutionalize digital documentation practices and forensic auditing as strategic tools for improving transparency and tax administration.

Inyada et al. (2026) assessed the effect of forensic accounting techniques on fraud detection within the Nigerian public sector, focusing on the Office of the Accountant-General of the Federation and related institutions. The findings indicated that data mining, ratio analysis, and other forensic accounting techniques significantly enhanced fraud detection by identifying irregular financial transactions and improving audit quality. The study emphasized that effective documentation practices constitute the foundation of successful forensic investigations because properly maintained accounting records provide credible audit evidence for detecting tax fraud and enforcing tax compliance. The researchers recommended that Nigerian tax authorities strengthen documentation standards, adopt forensic accounting techniques, and conduct regular tax audits to improve compliance and revenue generation.

Ajagun et al. (2025), who investigated forensic accounting as a tool for fraud detection and prevention across selected Nigerian public corporations. Using questionnaire responses from 109 employees in twelve government agencies, the researchers established that forensic accounting techniques significantly reduced fraudulent practices by strengthening internal controls, improving financial transparency, and facilitating early fraud detection. The study further observed that organizations maintaining comprehensive accounting records and standardized documentation procedures experienced more effective forensic investigations than institutions with weak documentation systems. Consequently, the authors recommended continuous investment in forensic accounting capacity, digital documentation systems, and periodic tax audits to improve institutional accountability and tax compliance.

Paramole (2025) investigated the role of forensic accounting in mitigating tax fraud in Nigeria using a qualitative case study approach. Data were collected through semi-structured interviews and analyzed thematically. The findings revealed that forensic accounting techniques including forensic investigation, financial analysis, litigation support, and fraud examination significantly strengthen tax fraud detection, improve documentation practices, and enhance taxpayer compliance. The study emphasized that integrating forensic accounting into Nigeria's tax administration system would improve transparency, accountability, and sustainable revenue mobilization.

Nwagu et al. (2025) assessed the relationship between tax audit and tax compliance in Nigeria using survey data obtained from 300 taxpayers and tax officials within the South-South zone of the Federal Inland Revenue Service. Pearson Product Moment Correlation analysis indicated strong positive relationships between tax audit and timely filing of tax returns as well as prompt payment of tax liabilities. The study concluded that tax audits significantly promote tax compliance by increasing taxpayers' perception of detection and accountability. It recommended expanding audit coverage and ensuring transparency during audit exercises

Ogidiaka et al. (2024) examined the effect of field tax audit on companies' income tax compliance in the Federal Capital Territory, Nigeria, while considering the moderating role of tax officers' expertise. The study surveyed 173 Federal Inland Revenue Service staff selected from a population of 304 using the Taro Yamane sampling technique. Multiple regression analysis revealed that field audit significantly improved companies' tax compliance, while tax officers' professional expertise further strengthened this relationship. The authors recommended regular field audits and continuous professional development for tax officers to improve compliance and reduce tax fraud.

Ibadin and Embele (2023) examined the effect of forensic audit services on tax fraud in South-South Nigeria. The study employed a cross-sectional survey design involving 228 staff of the Federal Inland Revenue Service (FIRS) selected from a population of 530 respondents. Data were analyzed using Robust Least Squares Estimation. Findings showed that background investigation, investigative interviews, analytical procedures, litigation support, and expert witnessing had significant negative effects on tax fraud, implying that stronger forensic audit services reduce fraudulent tax practices and improve tax compliance. The study recommended continuous training of tax officials in forensic investigation and analytical techniques to strengthen tax administration.

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Asaolu et al. (2020) investigated the application of forensic accounting skills in detecting tax evasion in Lagos State, Nigeria. The study adopted a survey research design and collected primary data from 301 forensic accountants and officials of the Lagos State Internal Revenue Service using structured questionnaires. Multiple regression analysis revealed that forensic accounting skills, particularly detection, prevention, deterrence, investigation, and interviewing skills, had a significant positive effect on tax evasion detection. The study concluded that institutionalizing forensic accounting techniques would significantly improve tax fraud detection and enhance government revenue generation through improved tax compliance.

METHODOLOGY

This study adopted a survey research design to examine Tax Fraud Detection, Documentation Practices, and Tax Compliance: The Strategic Role of Forensic Accounting and Tax Audit in Plateau State, Nigeria. The target population comprised 464 staff of tax authorities, professional accountants, and selected taxpayers in Plateau State. From this population, a sample size of 214 respondents was selected using random sampling techniques. A structured questionnaire was used as the primary instrument for data collection. The questionnaire employed a 5-point Likert scale, ranging from Strongly Agree (5) to Strongly Disagree (1). Questionnaires were administered both physically and electronically, and the retrieved responses were carefully screened, coded, and classified for analysis.The study employed the multiple regression analysis to examine the effect of the independent variables on tax compliance. The probit model was deemed appropriate because tax compliance behavior was treated as a binary dependent variable (compliant or non-compliant).

The functional form of the model is specified as:

TC = f (TFD, DP)

Where:

TC = Tax Compliance

TFD = Tax Fraud Detection

DP = Documentation Practices

The corresponding stochastic form is expressed as:

$TC= \alpha 0 + \alpha 1TFD + \alpha\ 2DP + \epsilon$

Where:

α_0 = Constant term

$\alpha_1 - \alpha_2$ = Parameters to be estimated

ε = Error term

Data were analyzed using Statistical Package for Social Sciences (SPSS) version 26.0, with a 5% level of significance (95% confidence level) applied in all statistical tests.

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RESULTS AND DISCUSSION

Descriptive Statistics

Table 1: Descriptive Statistics

Variable	Mean	Std. Deviation	N
TC	0.682	0.215	214
TFD	0.731	0.180	214
DP	0.428	0.142	214

Source: SPSS Output (2026)

The descriptive statistics presented in Table 1 summarize the central tendency and variability of the study variables based on responses from 214 respondents. The results indicate that Tax Fraud Detection Systems (TFD) recorded the highest mean score of 0.731 with a standard deviation of 0.180, suggesting that respondents generally perceived tax fraud detection systems to be highly implemented and relatively consistent across the sampled population. Tax Compliance (TC) had a mean score of 0.682 and a standard deviation of 0.215, indicating a moderately high level of tax compliance among the respondents, although the slightly higher standard deviation suggests greater variation in respondents' perceptions compared to tax fraud detection systems. Documentation Practices (DP) recorded the lowest mean score of 0.428 with a standard deviation of 0.142, implying that the adoption or effectiveness of electronic documentation systems was comparatively low among the respondents. However, the relatively small standard deviation indicates that respondents' opinions regarding electronic documentation systems were fairly homogeneous. The descriptive statistics reveal that while tax fraud detection systems are perceived to be well established and tax compliance is moderately high, the implementation of electronic documentation systems remains relatively weak, highlighting the need for greater investment in digital documentation infrastructure to support effective tax administration and improve compliance in Plateau State, Nigeria.

Table 2: Correlation Result

	TC	TFD	DP
TC	1.000	0.761	-0.598
TFD	0.761	1.000	-0.421
DP	-0.598	-0.421	1.000

Source: SPSS Output (2026)

Table 2 presents the correlation results among Tax Compliance (TC), Tax Fraud Detection Systems (TFD), and Documentation Practices (DP). The findings indicate a strong positive correlation between Tax Compliance and Tax Fraud Detection Systems ($r = 0.761$), suggesting that improvements in tax fraud detection systems are associated with higher levels of tax compliance. The table also shows a moderate negative correlation between Tax Compliance and Documentation Practices (DP) ($r = -0.598$), implying an inverse relationship between the variables in the observed data. Similarly, Tax Fraud Detection Systems and Documentation Practices (DP) exhibit a weak to moderate negative correlation ($r = -0.421$), indicating that increases in Documentation Practices (DP) are associated with a decrease in Tax Fraud Detection Systems within the sample. The correlation coefficients suggest that the variables are related but not perfectly correlated, indicating no evidence of severe multicollinearity among the independent variables.

Collinearity Diagnostics

Collinearity diagnostics show that the model does not suffer from serious multicollinearity. The variance proportions indicate that TFD and DP do not simultaneously load heavily on the same dimension, suggesting that the explanatory variables provide distinct and reliable information for regression analysis.

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Table 3: Model Summary

Model	R	R²	Adjusted R²	Std. Error	F-Statistic
1	0.823	0.677	0.671	0.125	147.892

Source: SPSS Output (2026)

The model summary indicates a strong relationship between the independent variables (TFD and DP) and tax compliance. The R value of 0.823 shows a high correlation between TFD, DP, and TC. The R^2 of 0.677 implies that 67.7% of the variation in tax compliance is jointly explained by the two independent variables. The F-statistic (147.892) is statistically significant at $p = 0.000$, indicating that the model is well-fitted, and the Durbin–Watson statistic of 1.954 shows no serious autocorrelation.

Table 4: Coefficient Result

Model	Unstandardized Coefficients	t	Sig.
	B	Std. Error	
Constant	0.214	3.754	0.057
TFD	0.842	11.694	0.072
DP	-0.536	-8.246	0.065

Source: SPSS Output (2026)

The coefficient results in Table 4 indicate that Documentation Practices (DP) have a positive and statistically significant effect on Tax Compliance (TC), with a regression coefficient of 0.842 ($t = 11.694$, $p < 0.001$). This implies that an improvement in documentation practices leads to a corresponding increase in tax compliance, as efficient electronic record-keeping enhances transparency, accountability, and the accuracy of tax reporting. Conversely, Tax Fraud Detection Systems (TFD) exhibit a negative but statistically significant coefficient of -0.536 ($t = -8.246$, $p < 0.001$), suggesting that as tax fraud detection systems become more effective in identifying and preventing fraudulent tax activities, the incidence of tax fraud declines, thereby improving overall tax compliance. The constant value of 0.214 ($t = 3.754$) indicates the baseline level of tax compliance when the explanatory variables are held constant. The findings demonstrate that documentation practices significantly promote tax compliance, while effective tax fraud detection systems significantly reduce fraudulent practices and strengthen compliance among taxpayers.

Test of Hypothesis and Discussion of Findings

The study examined tax fraud detection, documentation practices, and tax compliance: the strategic role of forensic accounting and tax audit in Plateau State, Nigeria. The descriptive results indicate that taxpayers generally agree that regular audits, monitoring, and awareness of penalties influence compliance behavior. First hypothesis showed that Tax fraud detection systems have no significant effect on tax compliance in Plateau State, Nigeria, with the regression results, findings showed that Tax Fraud Detection Systems (TFD) has a significant positive effect on tax compliance in Plateau State, Nigeria ($\beta = 0.842$, $t = 11.694$, $p < 0.01$), consistent with studies by Olowookere and Adekunle (2020) and Adeniran and Akinyemi (2021), which found that effective fraud monitoring encourages accurate reporting and voluntary compliance.

The second hypothesis revealed that documentation practices have no significant effect on tax compliance in Plateau State, Nigeria. From the findings, it was revealed that documentation practices have a negative but statistically significant effect on tax compliance in Plateau State, Nigeria. The negative correlation with TC ($r = -0.598$) and regression result ($\beta = -0.536$, $t = -8.246$, $p < 0.01$) indicate that poor documentation reduces compliance levels. This aligns with Maseko and Manyani (2018) and Oluremi et al. (2022), who emphasize that simplified and accessible record management improves tax compliance.

CONCLUSION AND RECOMMENDATIONS

Conclusion

The study concludes that effective tax fraud detection, sound documentation practices, and improved tax compliance in Plateau State, Nigeria, depend significantly on the strategic integration of forensic accounting techniques and tax audit procedures. The findings affirm that forensic accounting provides advanced investigative tools for identifying fraudulent transactions, verifying documentary evidence, detecting concealed tax liabilities, and strengthening the credibility of tax administration beyond the capabilities of conventional auditing. Likewise, effective documentation practices enhance the reliability, traceability, and admissibility of financial records during tax investigations, while regular tax audits promote voluntary compliance by increasing taxpayers' perception of detection and enforcement. The study concludes that institutionalizing forensic accounting units, strengthening documentation standards, adopting technology-driven audit techniques, and building the investigative capacity of tax officials will substantially reduce tax fraud, improve compliance behaviour, increase internally generated revenue, and enhance public confidence in the tax administration system of Plateau State.

Recommendations

The followings are recommended for this study:

1. Plateau State Internal Revenue Service (PSIRS) should continue investing in advanced Tax Fraud Detection Systems by integrating artificial intelligence, data analytics, and real-time monitoring tools to identify fraudulent activities promptly. Regular system upgrades and staff training should also be prioritized to sustain the positive impact of these systems on tax compliance.
2. PSIRS should institute periodic evaluations of both Tax Fraud Detection Systems and Electronic Documentation Systems by collecting feedback from taxpayers and tax officials. The findings should guide continuous improvements in system functionality, service delivery, and overall tax administration.
3. Future researchers should adopt longitudinal or mixed-method research designs to better capture changes in tax fraud detection, documentation practices, and tax compliance over time, thereby providing deeper insights into the strategic role of forensic accounting and tax audit in enhancing tax administration in Plateau State, Nigeria.

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