



Tax Audit Quality in Ethiopia: The Case of Ministry of Revenues

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ABSTRACT

The purpose of this study was analyzed the tax audit quality in Ethiopia with special reference to the Ministry of Revenues. Accordingly Mixed research approaches with concurrent triangulation mixed research design were used in the study. Questionnaires were used to obtain the primary data from 217 out of 472 auditors, including team leaders, process owners, and supervisors in the Ethiopian Ministry of Revenues by using proportionate stratified random sampling in addition to semi-structured interviews from 15 participants from management positions. The secondary data were obtained from the ministry and the audit report. The data were analyzed using mean, standard deviation and Spearman rho value. Findings related to tax audit practices show that the current tax audit practices are moderate, they do not apply for an adequate audit program, pre-audit and risk analysis, audit methodology, sampling, detailed audit objectives, and audit verification process. In addition to that, almost in all tax audit branch offices, auditors lack understanding about the nature of the taxpayer's business, and somewhat lack of understanding and interpretation of tax laws and regulations as well as recognized standards. The Spearman rho values indicated that there is a positive correlation between audit input factors, interaction factors, contextual factors, or tax audit effectiveness and tax audit quality. The study suggests that the tax auditors, as well as the management and executive bodies in different positions, need to help each other and fulfill their responsibilities to avoid similar enforcement of tax disputes. In addition, the tax audit engagement teams, team leaders, supervisors, process owners, directors, branch managers, professional bodies, and regulators should give more attention to the audit process and input factors following contextual factors because they were imperative constructs of tax audit quality.

KEYWORDS: tax audit, audit practice, audit quality, audit input factors, key interaction factors, contextual factors, service quality, audit process, Spearman rho

INTRODUCTION

An audit can be defined by Adesina (2005) as “the examination of accounting documents and of supporting evidence to reach an opinion concerning their propriety”. Thus, an audit is an inspection or examination intended to serve as a basis for an expression of opinion regarding the fairness, consistency, and conformity with accepted accounting principles of statement arranged by a company or different entity to the general public or different interested parties. Today, the auditors are expected to provide value-audit services to the stakeholders who are involved in the supply chain of the financial statements in addition to enhancing the financial statement credibility because of changing constantly both the audit objective and the role of auditors due to different factors (Teck-Heang & Ali, 2008). Therefore, the ultimate aim of the audit assignment given to the auditors is to

produce a quality report. Hence, the auditors' major role is the production of a quality report based on established criteria as per the principles of high audit quality (Enofe, Mgbame, Aderin & Ehi-Oshio, 2013). Audits quality emerged shortly after World War II and gained momentum when the military began issuing standards and specifications for products. However, due to the nature of the audit there is no single agreed definition of audit quality (FRC, 2008). The most widely used definition of audit quality is by De Angelo (1981) stating that the auditor's ability to discover a breach in the client's accounting system as well as report the breach. In this definition, both competence and independence are the predictor variables of audit quality. Besides, Palmrose (1988) clearly defined the audit quality in terms of the level of assurance. Since an audit aim is to supply reasonable assurance service on financial statements, audit quality is that the probability that financial statements contain no material



misstatements. Furthermore, auditor quality is also defined in terms of the accuracy of the information or the credibility of audited financial statements as per credibility theory the auditor supplies to investors (Titman and Trueman, 1986). Their definition is also similar to the definition of audit quality given by Palmrose (1988). Besides, there is no comprehensively agreed definition of audit quality, while the regulators, professional practitioners, and academicians have little agreement on a unified definition of audit quality and its measurement (FRC, 2008), which might be due to their roles and expectations in the audit market.

Hence, the Ministry of Revenues in Ethiopia has clear accountability for strategic management and support of the audit program at the headquarters level and delivery of the program at Branch offices. Thus, the branch offices were established based on the taxpayers' annual sales report; when a taxpayer's annual sales are above birr 60 million, they report their tax in the large taxpayer's office (LTO), a taxpayer annual sales 3 to 60 million in the medium taxpayer's office (MTO), a taxpayer annual sales less than 3 million in the Small Taxpayer's Office (STO) and Micro taxpayers offices (ERCA, 2014).

According to Proclamation number 587/2008 article 6/3, the Ethiopian tax policy is based on taxpayers' voluntary compliance. In this regard, according to Articles 22 and 23 of the FDRE, Tax Administration Proclamation number 983 of 2016, a taxpayer shall sign a tax declaration filed by their internal accountants, authorized accountants, or licensed tax agent. A tax audit in Ethiopian Revenues and Customs Authority (ERCA's) context is defined as:

An activity or a set of activities performed by Tax auditors to determine a taxpayer's correct tax liabilities for a particular accounting or tax period, by examination of a taxpayer's organization procedures and financial records to assess compliance to tax laws and verifying the true, fair, reliable, and accuracy of tax returns, and financial statements (ERCA, 2010: 8).

Furthermore, many audit quality studies indicate that audit firm size, prior experience, client size, and audit tenure are used as the indicator of audit quality. According to Amahalu, Okeke & Chinyere (2018) and Pitkanen (2016) studies, the experience and audit tenure has a positive influence on the audit quality and existing findings of the Big 4 audit firms having high audit quality than small companies. Moreover, it has been revealed that the clients audited by Big audit firms may have better audit quality than small ones, but it's not clear whether these big firms have not been working in a country that has no audit quality.

Although due to the goals and nature of government audits, audit tenure may not be an indicator of the audit quality. Because most of the time in the Ethiopian context, the taxpayers have been audited by the Ministry of Revenues Auditors'. This indicates that audit tenure may not have a proxy

of audit quality in the Ministry of revenues. To the best of the researcher's knowledge, the audit quality and comparative study of audit quality were studied in many counties, but not in Ethiopia. Ethiopia has its government audit setting, and this study is important to analyze theoretically its institutional setting for audit quality. Although much of the previous research used archival data and that was potentially provided limited information about the effect of contextual or environmental factors on audit quality (Sulaiman, Yasin & Muhamad, 2018).

Therefore, this study was analyzed the audit practices, constructs, and their effect directly and indirectly through the audit process for the tax audit quality.

This study addressed the following specific research questions:

1. What are the current tax audit practices in the Ethiopian Ministry of Revenues?
2. What is the tax audit quality Ethiopian Ministry of Revenues?

According to Russell (2000) three key participants may interrelate in numerous ways to bring an audit quality. These participants are the client, auditors, and the auditee. Several theories may explain the demand for audit services. However, a few of them are highly supported this study. Therefore, agency theory, theory of inspired confidence, and stakeholder theory was used in this study.

Agency theory is one of the most essential theories in the field of finance and economic literature (Panda & Leepsa, 2017). Thus, to enhance audit quality technically capable (knowledge, education, specialization in the industry) and independent auditors are required (DeAngelo, 1981). The most prominent and widely used audit theory is the agency theory. The demand for audit quality arises from the role of auditors in the principal-agent relationship (Eilifsen & Messier, 2000) and to reduce asymmetry information between key interactions (Lanati, 2018). This theory outlines the relationship between audit input factors and audit quality.

The Theory of Inspired Confidence was developed within the late 20th by Theodore Limperg and the theory addresses each demand and therefore the offer of audit services. According to Limperg (1985) the demand for audit services the direct consequence of the participation of doors stakeholders (third parties) within the company and the need for audit services derived from the requirement of the third parties. This argument culminates contextual factors or environmental factors are related to audit quality.

The stakeholder theory evolved from the agency theory. The theory holds that every entity involves the interactions of more than the principals and their agents. Such relationships will also involve the interaction of everyone with a stake in the

affairs of the entity: the host community, creditors, bankers, government, and others. This means that there are greater information demands on the entity; therefore, places greater demands on the auditor to ensure the representativeness of the financial statements (Amahalu, Okeke & Chinyere, 2018; Jones and Wicks, 1999; Donaldson and Preston, 1995). In line with the stakeholder theory, an interaction between auditors and stakeholders is related to audit quality.

Regarding to audit quality framework, Neri and Russo (2014) specify that after the financial crisis audit quality is a much-discussed topic and significant efforts have been made in recent years to make audit firms and their service more transparent and to provide tools with which to evaluate auditors. Francis (2011) and Knechel et al. (2013) present in their studies a framework for audit quality that came from the literature review on audit quality. They reveal that the academic studies that focused on many input and output factors have failed to find decisive evidence of a direct positive relationship with audit quality (Neri & Russo, 2014). Thus, IAASB (2014), and International Federation of Accountants (2013); the Public Company Accounting Oversight Board (2013), and FRC (2008) were developed a framework of audit quality.

RESEARCH METHODOLOGY

Mixed research approaches were used in this study. The choice of a research approach can be determined by an amalgamation of many factors such as the research problem, objectives of the study, resource availability, and personal experiences of the researcher (Creswell, 2014). The research strategy is a concurrent triangulation strategy for confirmation, corroboration, or cross-validation within a single study. Mixed method research may result in a comprehensive understanding of the phenomenon under investigation because of the integration of quantitative and qualitative data (Leavy, 2017).

A study population means the total number of possible units or elements that are included in the study (Gray, 2013). According to Bryman (2012) determination of what kind of population is appropriate to the study of the topic, develop research instruments, and how the data should be managed was needed in survey research. The target population of this study was tax auditors including team leaders, director, audit supervisor/tax audit quality assurance team, and process owner under the Ethiopian Federal Ministry of Revenues Offices. Thus, the total target population of the study was 472. To get 217 samples from the target population of tax auditors, Slovin's (1967) sample size determination formula was used (as cited in Yemane, 1967). Thus, the appropriate sample size (n) of this study was 217 tax auditors from eleven (11) tax offices/branches and one (1) tax audit quality assurance office.

Accordingly, both proportional stratified random sampling and purposive sampling methods were used in the study. A

proportional stratified random sampling technique with the MS-excel RAND formula was used for tax auditors and this sampling method helps to ensure randomness, to increase the credibility of the research result.

Both primary and secondary data types are collected. The primary data are obtained firsthand by the researcher on the topic of interest for the study through questionnaire by using a 7-point Likert scale (1= strongly disagree, 7= strongly agree) were adapted from (IAASB, 2014), Bashir (2013), and Duff (2009; 2004) and interview. On the other hand, the secondary data were collected from documents, such as official publications, archives, and periodic reports of the study

Both quantitative and qualitative data were collected through mixed methods online questionnaires, followed by semi-structured interviews to collect qualitative data that helped in providing rich information about audit quality. The literature distinguishes among three types of data: qualitative, quantitative, or both, the mixed type (Creswell, 2013).

Regarding to the interview procedures participants in the interview were obtained the interview checklist one week before the interview date to give them more time for gathering information related to the interview questions. Then, during the interview time asked the interviewer their current position, audit experiences and educational background, including their qualification from the 15 interviewers.

The quantitative data were analyzed using mean, standard deviations and Pearson's correlation. Qualitative data were analyzed via a thematic analysis approach, and triangulate along with a quantitative data source. Thematic analysis is a systematic, accessible, and flexible qualitative data analysis approach. Thematic analysis is flexible and used, whether a researcher position is objectivist or subjectivist. Furthermore, the vital purpose of thematic analysis is to search for themes or patterns that occur across a data set such as interviews, documents, or observations. Then, the researcher coding the qualitative data to identify the patterns for analysis based on research questions (Saunders et al., 2016).

The researcher believed that adopting this mixed analysis approach helps to provide reasonable, rich, and acceptable descriptions and explanations thereby enhancing the generalize-ability of the research resulting in the wider population of interest.

Accordingly, the result of the internal consistency was tested in addition to content validity through Cronbach's alpha reliability between 0.70 and 0.95 represent satisfactory to good reliability levels (Pallant, 2013).

RESULTS AND DISCUSSION

Since the sample size (217) is statistically representative and adequate for this research. Nevertheless, 201 (92.6%)

of the distributed questionnaire were used for data analysis. To ensure the validity of instruments, both the framework elements and their attributes which are developed by the International Auditing and Assurance Standards Board (IAASB) was applied. Though, to ensure validity and reliability of the study, both questionnaire and interview questions were pre-tested 10% of the sample through pilot

interviewing of the participants in this study. Concerning the construct validity, the field expert appraised that the tools were able to measure all the variables in the study. In connection to internal consistency (reliability), the variables in the study Cronbach's alpha(α) results were above 0.7 (see Table 1) which is acceptable (Pallant, 2013). Consequently, 51 questions were used for descriptive data analysis.

Table 1. Reliability test

Variables	Number of Items	Cronbach's Alpha (α)	Status
Input factors	16	0.777	Acceptable
Interaction factors	5	0.733	Acceptable
Contextual factors	14	0.757	Acceptable
Audit process	8	0.710	Acceptable
Audit quality	8	0.711	Acceptable
Total	51	0.909	Excellent

Source: Survey data, 2020

As can be seen in Table 1, 16 items for input factors; 5 items for interaction factors; 14 items for contextual factors; 8 items for audit process construct; 8 items for audit quality indicators; and overall, 51 attributes have 0.777, 0.733, 0.757, 0.710, 0.711 and 0.909 internal consistency reliability based on Cronbach's alpha values respectively.

Descriptive Analysis on Tax Audit Practices

Table 2. The proportion of audited files per auditor and its change in a year

Branches	2011		2012		Files per auditor		Increase (Decrease)
	Auditors	Files	Auditors	Files	2018/19	2019/20	
LTO	85	281	80	243	3	3	0
MTO	52	637	80	443	12	6	6
West	70	1943	73	1168	28	16	12
East	77	1554	73	1020	20	14	6
Adama	17	128	22	117	8	5	3
Hawassa	15	126	24	146	8	6	2
Mekelle	19	160	28	175	8	6	2
Bahir-Dar	16	201	31	205	13	7	5
Kombolcha	8	47	17	100	6	6	0
Jimma	8	76	16	57	10	4	6
Dire-Dawa	8	38	17	73	5	4	1
Total	375	5191	461	3747	14	8	6

Source: MOR, 2020

As can be seen in table 2, the proportion of audited files per auditor in a year base, the maximum files audited by one auditor were 28 and the minimum is 3 LTO at 2018/19 and 2019/20 respectively. However, the audit findings in LTO are more than the West branch. This implies that the audit findings were not affected by the number of files to be audited. In connection to proportion trends of audit files to auditors' overtimes, there is no change in LTO and Kombolcha branches. Nevertheless, there are increments in

others branches up to 12 files per auditor in West branches from 2019/20 compared to 2018/19.

Concerning to the detected amounts of material misstatement in the financial statements (audit findings) of three years (2017/18 to 2019/20); Figure 1 shows that there is an increment to of detection in the tax audit office of the Ethiopian Ministry of Revenues. This clearly shows that an auditor's ability to detect and report of material misstatement has been enhanced.

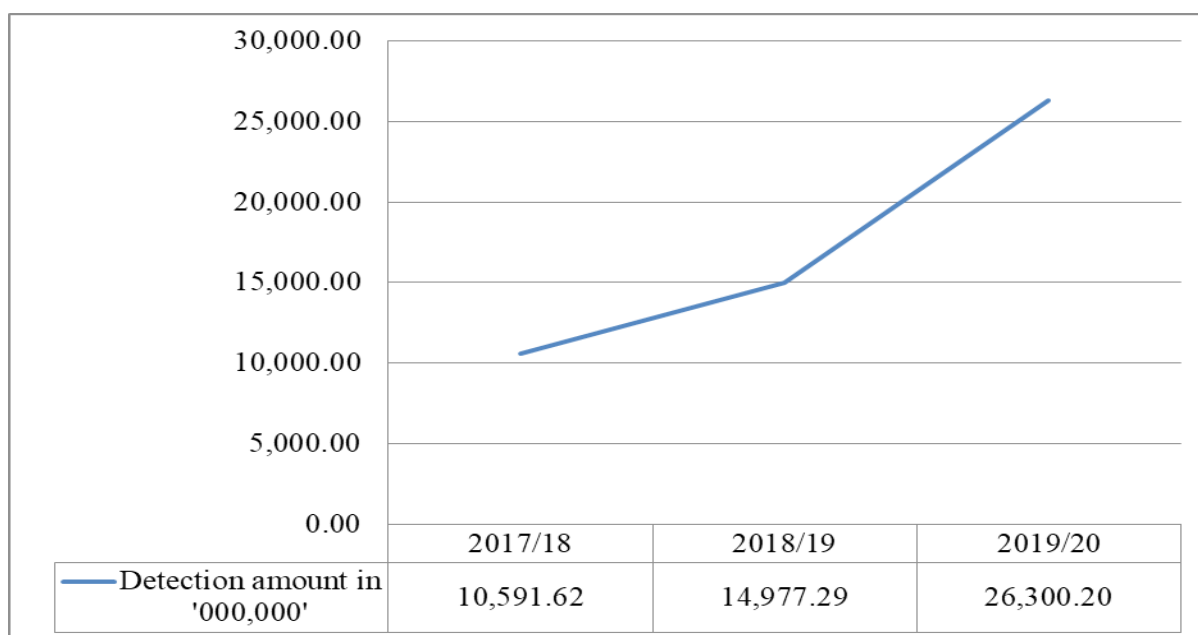


Figure 1. Detection amounts (audit findings) of 2017/18 to 2019/20

Source: MoR, 2020

In addition to the secondary data, the data obtained through questionnaire was analyzed through mean, standard deviation and Pearson’s correlation. According to Pimentel (2019) there is a majority of similar interval difference in a seven-point Likert scale, and the references for analysis (guidelines) of item results were stated as follows: (1) the range values of 1.00 and 1.85 represent strongly disagree; (2) the range values of 1.86 and 2.71 represent disagree; (3) the range values of 2.72 and 3.57 embody moderately disagree; (4) the range values of 3.58 and 4.43 symbolize neither agree nor disagree (do not know); (5) the range values of 4.44 and 5.29 represent moderately agree; (6) the range values of 5.30 and 6.15 embody agree; and (7) the range values of 6.16 and 7.00 represent strongly agree.

Table 3. Descriptive analysis of tax audit in Ethiopia

Indicators	Mean	Standard deviation
Input factors	4.53	0.698
Key interaction factors	4.56	0.995
Contextual factors	4.58	0.727
Effectiveness of tax audit process	4.56	0.815
Tax audit quality	4.49	0.862

Source: SPSS results from survey data, 2021

In connection to assess the practices of input factors, sixteen (16) questions and interviews was used. These indicators were grouped into three based on their homogeneity: (1) value, ethics, attitudes; (2) knowledge, experience, and time; and (3) education and training. Consequently, the overall audit input factors mean and standard deviation values are 4.53 and 0.698 respectively. Regarding the knowledge and

experiences of auditors as well as times given to the auditing, most of the interviewees supposed that auditors have first or master’s degrees with five to ten-year experiences. The feelings of many interviewees are there is a lack of auditing skills and industry-related experience gaps. As a result, the shortage of these three (knowledge, experience, and time) attributes reduces the audit quality. And, the interview results also consistent with the discussions with the quantitative data. This implies that there are knowledge and experience gaps in the tax auditors, i.e., the audit input factors problems, reduce the tax audit quality and audit input factors for audit quality in the Ministry of Revenues are at a moderate level.

Concerning to audit process, the effectiveness of the tax audit process mean value and standard deviation values was 4.56 and 0.815 respectively (See Table 3). Furthermore, Hayes et al. (2014) stated that there are four phases in the audit process model, namely: client acceptance or selection; planning the audit; test and evidence; and evaluation and reporting. The survey findings were also supported by interviewees’ responses and most of the interviewees said that there is a lack of tax audit effectiveness in the Ethiopian Ministry of Revenues.

To assess the interaction between auditors and management, auditors and clients, auditors with those charged with governance, auditors with regulators, and auditors with financial statement users, five (5) questions or items, as well as interviews, were used. Thus, the mean and median values are 4.56 and 0.995 respectively, i.e., at moderate level. In general, the questionnaire findings were also supported by most of the interviewees’ responses.

As can be seen in Table 3, the mean and standard deviation

values of contextual factors (such as laws and regulations; professional body; and recognized standards) are 4.58 and 0.727 respectively. In addition, the tax auditors do not have effective communication between clients' as well as its accountants to the expected level according to the interviewees' responses. Therefore, the results show that limited success in the achieved audit by auditing standards, relevant laws, and regulations; auditors do not know international auditing standards; the audit engagement team does not realistic the audit professional ethical principles at the expected levels; the Ministry of Revenues' audit regulations moderately fulfilled the minimum requirements; the management responsibilities in the financial framework are not sufficiently stated; the sound information system is at a moderate level and not fully implemented to support audit quality. This result was supported by interviewees' responses, and the results show that the contextual or environmental factors related to audit quality are at a moderate level.

Regarding assess the tax audit quality, there is a moderate level of audit quality with the values of 4.49 and 0.862 mean and standard deviation respectively in the Ministry of Revenues. These results also supported by one of the interviewees. In addition, the TAQAO (2018/19) identify the gaps during the 2018/19 fiscal year audit in all audit cases related to audit procedures at all branches including LTO are the same. Since there is a lack of preparation of the audit plan (pre-audit and risk analysis, audit methodology, focus and sampling, detailed audit objectives, and timeline), lack of the audit verification process (misunderstanding of the nature of organizations, audit program, audit queries requested and access), and somewhat lack of understanding and interpretation of the legal framework during the audit process. Then, all these issues affect audit quality. In addition, the individual case of tax audit quality assurance result grading for each reviewed case during the fiscal year 2018/19 indicated that out of 30 cases reviewed, 24 (80%) assessed cases scored in the range of 50 to 75%, which required strong improvements, while the remaining 6 (20%) assessed cases scored 75 to 90%, which required slight improvement. However, there are no cases in the range of insufficient and completed fulfilled audit quality. This implies that the tax audit quality in the Ministry of Revenues is at a moderate level and also supported the survey results.

Correlation Analysis

The correlation analysis is important to know the relationship of two variables in the study. Thus, Spearman rho is an appropriate for ordinal data (Pallant, 2013). According to Cohen (1988) as cited in Pallant (2013), the correlation value (r) 0.10 to 0.29, 0.30 to 0.49, and 0.50 to 1.00 are small, medium and large correlation between variables respectively.

Table 4. Correlations using Spearman's rho

		Tax Audit Quality Indicators
Audit Inputs factors (AUIP)	Correlation Coefficient	.541**
	Sig. (2-tailed)	.000
	N	201
Interactions factor (INTF)	Correlation Coefficient	.441**
	Sig. (2-tailed)	.000
	N	201
Contextual factors (COTF)	Correlation Coefficient	.562**
	Sig. (2-tailed)	.000
	N	201
Effectiveness of tax audit process (EAPF)	Correlation Coefficient	.557**
	Sig. (2-tailed)	.000
	N	201

** Correlation is significant at the 0.01 level (2-tailed).

Source: SPSS results from survey data, 2021

As can be seen in Table 4, the Spearman rho values between audit input factors, interaction factors, contextual factors, or effectiveness of tax audit process and tax audit quality (0.541, 0.441, 0.562, 0.557) is positive. This implies that there is a positive correlation between the variables. However, the key interaction between auditors and other stakeholders has medium correlation, but the others, such as input factors, contextual factors, or effectiveness of the tax audit process and tax audit quality have large correlation. This implies that input, interaction, contextual, or effectiveness of tax audit process factors enhanced the tax audit quality.

CONCLUSION

The tax audit practices in Ethiopia in general and the Ministry of Revenues in particular. Hence, the results confirmed that the current tax audit practices are moderate; they do not apply for adequate audit programs, pre-audit and risk analysis, audit methodology, sampling, detailed audit objectives, and audit verification process. In addition to that, almost in all tax audit branch offices, auditors lack of understanding about the nature of the taxpayer's business, and somewhat lack of understanding and interpretation of tax laws and regulations as well as recognized standards. Theoretically, the tax audit practices include input, process, and outputs as well as interaction, and contextual or environmental factors. In addition, each construct has also sub-attributes. Therefore, the findings regarding these tax audit practices were stated below:

In connection to input factors, the results confirmed that the

practices of values, ethics, and attitudes of auditors in the engagement team are poor, and they do not properly apply the audit professional ethics. And, the remaining attributes under audit input factors such as knowledge, experience, time; and education and training are implemented at a moderate level.

The research results in connection to practices of the audit process, the engagement team does not follow properly the audit process model such as client selection or acceptance, planning the audit, test and evidence, and evaluation and reporting. Besides, the survey and interview result shows that: (1) the use of standards, relevant laws and regulations, and the quality control procedures are at the moderate level; (2) the audit methodology implemented during audit process was not to the expected level; (3) the quality controls were reviewed to the low level; (4) the quality control was not reviewed by professionals; (5) a moderate audit test has been implemented rather a rigorous audit test to the high hazardous clients; and (6) a moderate level audit plan applied for audit test.

In connection with the practices of key interactions between auditors and stakeholders in the financial statement supply chain were not sufficient. Since, there is moderate level communication between auditor and stakeholders such as top management, clients, and a user's partnership; the interaction between auditors and regulators is not plentiful, and the interaction between auditor and audit committee was low. Concerning contextual factors, auditors have a moderate level understanding of the code of professional conduct in auditing; a limited success in the achieved audit by auditing standards, relevant laws and regulations; auditors do not know international auditing standards, and the professional body does not effectively support the engagement team.

Regarding audit quality, the auditors have a moderate ability to detect errors and frauds of the clients' accounting records. However, the engagement teams in the Federal Democratic Republic of Ethiopia Ministry of Revenues are not willing to report the clients' material weakness of internal control system and error of accounting system, though they can detect the errors of a client's accounting records, i.e., they are not independent. Nevertheless, the audit input factors, interaction factors, contextual factors, or effectiveness of the tax audit process and tax audit quality enhanced the tax audit quality.

Therefore, the Ministry of Revenues should promote the need for professional ethics in auditing because the tax audit practices indicated that there is a lack of professional ethics in a few tax auditors and impaired their independence. Thus, develop formal documents is required to inspect auditors' code of ethics. In addition, it is necessary to develop capacity building in various fields to gain sufficient understanding

and experience through competency-based training for the auditors. The competency-based training in auditing helps and allows the auditor to demonstrate their competency or ability to do as well as perform something related to auditing. The audit course in the curriculum of higher education should into account both knowledge, skills, and workplace required disciplines in audit professions. The time is given to the audit work also determine based on the scope audit and the nature of the client's business. Besides, the Ministry of Revenues should organize an audit process model (client selection or acceptance, planning the audit, test and evidence, and evaluation and report) which can handle the effectiveness of the audit process in addition to effective communication between auditors and others stakeholders such as clients, regulators, those charged with governance, accounting and audit professionals.

The Ethiopian government also should establish independent accountancy institutions to build the capacity of auditors, and follow up whether the engagement team accomplishes their tasks according to generally accepted auditing standards or not as well as take corrective actions for any legal liability of auditors.

CONTRIBUTIONS, AND SUGGESTIONS FOR FUTURE RESEARCH

The study is part of a dissertation paper and contributes to theory as well as practice. Regarding the theory, the contribution is that the audit input factor, interaction factors, contextual factors, and audit process need to work together to enhance audit quality. In addition, the study also important to analyze theoretically its institutional setting for audit quality; the result of this study will be contributed for tax auditors to eagerly recognize their right and obligations, and the tax authority in terms of policymaking, and at the end, this study result may help the tax authority to enhance the tax audit quality in developing counties widely and in Ethiopia particularly.

Although this study suggested the following further research topics: The effect of audit quality on tax compliance in Ethiopian Ministry of Revenues, or Methodologically, use the same title with experiments research design to know the actual audit quality in Ethiopia.

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