

## **THE ROLES OF PLANNING IN INTERNAL AUDIT PERFORMANCE IN TAX ADMINISTRATION**

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### **ABSTRACT**

Planning is a process of rationalability regarding activities in a predetermine manner to achieve anticipated goal. The objective of this study is to understand the essential planning process and activities required by internal auditors and their roles in tax administration. A single case study methodology was adopted to collect data on nine (9) internal auditors of the Federal Inland Revenue Service (FIRS) Nigeria. Face-to-face interview method was employed to collect the qualitative data. The collected data was analyzed using Nvivo<sub>10</sub> software for thematic purpose. The findings of the study were group into two main themes; auditing key priorities, and auditing procedures. Under the former, the auditors’ main concern is work plan, staff strength, and scope and objectives of auditing activities. While the later shows use of audit manual and timeline are very important at planning level. The implication of the study is that it will assist tax administrators to understand the need of internal auditors at the planning stage and thereby to provide the auditors with essential needs and support as well as enabling environment to accomplish the auditing objective effectively. We recommend that tax administration at the State and Federal levels in Nigeria should ensure providing adequate support and favourable environment to their internal audit department to enable them perform the auditing function efficiently and effectively.

**Key Words:** Planning, internal auditor, tax administration, performance

## **1. Introduction**

Planning is a way of forecasting and cognitive thinking about a future activity required to be performed to achieved a predetermine goal and objective. Planning process involve initiating and upholding a plan of action such as technical and psychological aspect that required use of conceptual skills, knowledge, and expertise to achieve visionary objectives (Bryson, 2018). Therefore, intrinsically, planning is an essential property of human cognitive and behavioural intelligence for accomplishing a set objective and for facilitating functional activities. However, in any organization or department small or big, the success of their operation depends on how efficient and effective their plans are formulated and implemented accordingly. In this regard, internal audit department in an organization was not in exception. The success of auditing function in tax administration as well other organizations always relied on the efficient planning of the internal auditors.

Internal auditors in an organization are performing activities of evaluating the internal affairs of organizational activities, resources, and utilization to inform the management about the weakness and strength of the resources performance (Moeller, 2009; Pitt, 2014. According to Institute of Internal Auditors (IIA, 2013), internal auditing is an independent, objective assurance and consulting activities intended to add value and enhance organizational process. This can be achieved by assisting organization management in fulfillingtheir objectives through discipline and systematic approach in evaluating internal control, governance, and risk management with an aimed to improve processes effectiveness (Prawitt, Smith &Wood, 2009). To achieve these goals, internal auditors need to plan their activities by forecasting and thinking ahead of a function to have a good direction in order toachieve their objectives efficiently and effectively.

The primary objective of any tax administration is to collect adequate revenues to the government within their jurisdiction in an efficient and effective manner (Gurama & Mansor, 2015). Achieving this ultimate goal, would be possible with effective internal performance of internal auditors in a tax administration setting. This is because, internal auditors will assess the tax administration capabilities and resources required to meet the target of a tax administration by identifying and analyzing weaknesses and strength of the resources thereby reporting to the management for necessary action (Gurama & Mansor, 2018a). Therefore, effective planning is one of the cornerstones that triggered the successful performance of internal auditors in an organization. This scenario, furnish auditors with responsibility to aligned their

resources and strategies in order to establish their skills and act on ethical practice and principle of conservatism to add value and enhance organizational effectiveness.

Effective internal audit planning could enhance internal auditors' function and potentiality to deliver high quality service and value added to their organization (Boritz, 1983). This position can provide an opportunity for internal auditor's to align their engagement with their organization key priorities as well as strategic risk management (Pitt, 2014), and also to create opportunity to engage other organizational stakeholders (D'Onza, Lamboglia, & Verona, 2015; IIA, 2010). In addition, audit plan refers to as developing detailed methodology and overall strategy for timing activities and the extent to achieved internal audit activities efficiently and effectively in an organization (IIA, 2010; Ridley & Chambers, 1998). Precisely, internal audit planning is a premeditated guideline for performing efficient audit functions by internal auditors that could ease their auditing activities and hence support in accomplishing their organization objectives (Sarens& De Beelde, 2006; Togoe, 2009).

Therefore, the objective of this study is to understand the essential requirements of internal auditors in planning activities and the processes involve in tax administration that can induce their effective performance. In Nigeria, Federal Inland Revenue Service (FIRS) is the apex tax revenue administration to the Nigerian government. The FIRS is responsible for collecting and administering tax revenue and implementing government tax policies in the country. Therefore, efficient and effective internal audit planning activities is very important in explaining the auditors' performance. For that reasons, this study used the Nigerian FIRS as a case study, to understand internal auditors planning process and activities in a tax administration perspective. The rest of the paper is as follows: section 2 literature review of interest; section 3 research methodologies; then section 4 result of the study; section 5 discussions of the findings and finally section 6 conclusion of the study.

## **2. Literature Review**

### **2.1 Internal Auditing Planning**

Internal audit activities are generally carryout as one or more discrete assignment that auditors are performing to add value to an organization. Based on the internal auditors' scope, risk management, and management support in an organization can determine where internal auditing efforts would be focus most. This prioritization or focusing auditors' effort is part of the yearly auditing activities and planning to achieve a function (IIA, 2010). Audit planning refers to as developing general strategies and detailed methods for anticipated timing, nature, process, and extent of auditing function in an organization (Smith, Sagafi-Nejad, & Wang, 2008). This plan allowed auditors to perform auditing activities in an efficient, effective, and timely manner that can facilitate their functions objectively.

In reality, planning entails defining goals and objectives for future direction by considering resources and mission of an organization that are to be achieved as a prime target. Magupa (2018) argued that planning process that is anticipated to be result oriented has three steps namely choosing a destination, assessing alternative routes to be there, and deciding a specific course of plan to achieved intended goals. In auditing, the concept of planning involve identifying, formulating, and strategizing process and resources by answering some basic questions in mind about what are we going to do? How do we want it to be? How do we going to achieve it?

Internal auditing planning is a specific process and necessarily required for attaining multiple functions in an organization and implementing actions in an efficient and effective manner. Pitt (2014) argues that internal auditing planning is a platform in which auditors would initiate, arrange, and strategized their action plans for a period of auditing (twelve-month calendar) that can articulate their functions in an organization. Moeller (2009) states that auditing planning is one of the most significant projection used by internal auditors to prepare a sequence of activities to attain some specific goal in the cause of achieving organization objectives effectively. If planning is performed effectively by internal auditors, this can minimize much necessary effort and time of achieving auditing goals and objectives (Ridley & Chambers, 1998).

In essence, integrity, commitment, and accountability of internal auditors would provide more value to senior management and governing body of an organization through offering objective and independence advice to the administrative success (Togoe, 2009). In addition, internal auditors planning play a proactive role in gathering momentum for deterring risk management and otherfraudulence activities in an operational practice of an organization (IIA, 2010; Boritz, 1983). All these

characteristics of adding value, independent and objective advice can be best achieved through effective planning of auditing that can reflect to those needs of organization from a proficient and competent internal auditor. Therefore, key success of internal auditing activities is heavily relied on auditors' ability to forecast, think, and properly articulate their action in an appropriate planning form feasible for execution.

## **2.2 Internal Audit Performance**

Performance is a concept that refers to as completing a function by applying skills, knowledge, and ability proficiently. According to Winston, Charles and David (2014), performance means a set of people activities that required the used of knowledge, skills, and competency that can be used to support organizational functions and objectives. Effective performance can be determined by the level of skills, knowledge, and competency of the performer of an activity to achieve the goals of an organizational duty and accomplished the anticipated objectives of an organization efficiently (Smith, Hardy, & Arkin, 2009).

In real sense, the concept of performance is an ideology that is revolving around the economy, efficiency, and effectiveness that is 3Es. Therefore, internal audit performance is a concept about audit resources (economy), efficiency, and effectiveness. Gramling and Hermanson (2009) describe internal audit economy (resources) as human and material resources required to perform internal auditing activities and that can facilitate activities in achieving auditing function competently in an organization. Ridley (2008) argues that internal audit efficiency is all about ability of an internal auditor to perform auditing process in a proficient way by transforming auditing inputs to an output without waste and delay. Internal audit effectiveness is refers to as impact of the auditing output in achieving organization goals and objectives (Eze, 2016). That is internal audit performance is intertwining of auditing resources with efficient process to provide meaningful outcome on an organization performance. Therefore, internal audit performance is more concern with auditing resources, process efficiency, and effective result to achieve auditing objectives in an organizational setting.

Internal auditing performance has a wider scope and often is primarily depending on the nature of an organization, organization activities (public or private), and top management objectives. Therefore, the wider scope of internal audit performance within an organization include areas such as watchdog in risk management, governance, management control or internal control on operational efficiency, effectiveness as well as compliance of organizational laws, policies, working condition, rules and regulation (Gurama & Mansor, 2018b). However, Rainer and

Ulrich (2015) describe that internal auditors effectiveness in an organization is related to the extent of which auditors complied with auditing laws, rules, and regulations which is refer to as coercive force classified under micro factors for determining auditing performance.

In practice, internal auditors in a public sector organization are subordinate to management and their function is to assess organizational activities and provide vital input and strategies that can improve governance, resource management and highlight strength and weaknesses of an organization (Bryson, 2018). Therefore, internal auditors are not responsible for the implementation of organization activities, rather, they can provide piece of advice to governing management concerning how to better perform their responsibilities (Rainer, 2013; Ridley, 2008). As such, internal auditors are required to have professional background with higher educational knowledge of auditing that can make them think wisely and plan appropriately before embarking on any auditing activities.

### **2.3 Tax Administration in Nigeria**

In Nigeria, there are three levels of government (i.e. Federal, State, and Local) that operate the tax system and handling the tax administration of the country. That is the country operates federal system of government where its fiscal system of government also emulate the same principle (Abata, 2014; Okoi & Omini, 2014). In such a system, this has its own implications on how the country is managing its tax collection and administration in which each of the three levels of government has its own powers and operational jurisdictions (Abiola & Asiweh, 2012). But the main tax collection powers and administration was vested in the hand of federal government who retains the huge share of the tax collection in the country.

The policy on collecting tax symbolize a resource for redistributing income among the public development as a whole, and it's commonly enforce on individuals and business entities for the betterment of the nation growth (Abdurrahman, & Muzainah, 2017; Bird, 2015). The quality and quantity of tax administrators are one of the major factors for determining the tax administration performance in many countries (Birds, 2015). On the other hand, if the tax administrators are honest, reliable, hardworking, patriotic and adequately enough it is anticipated that the performance output of the tax system will be efficient and effective (Gurama & Mansor, 2015; Odusola, 2003). However, if the opposite is being practice, then the tax administration would not meet its target and loss its credibility from the perspective of taxpayers as well as government (Micah, 2012).

In Nigeria, several factors are identified as a key challenge for having efficient and effective tax administration and strong tax system that is capable for generating adequate tax to the government. According to Adekanola (1997), Ariyo, (1997), Micah, (2012), Federal Government of Nigeria (FGN), (1997), Ola, (2001), Odusola, (2003), the following are among other factors and challenges for the lack of efficient and effective tax administration and tax system in the country. The factors are: Corruption among the tax employees and taxpayers, complexity of some of the tax laws, mis-prioritizing tax effort in terms of planning and collecting, poor tax administration strategies, and multiplicity of tax regulatory administrators (Federal State). Others are underground economy as well as structural issues in the country economy, inadequate statistical number of registered taxpayer, problems of tax evasion and tax avoidance, a large number of businesses and individuals that are operating outside the tax net (Adekanola, 1997; Ariyo, 1997; Micah, 2012; FGN, 1997; Odusola, 2003; Ola, 2001). Therefore, with the-fore mentioned challenges, it is expected that efficient and effective internal audit performance will facilitate in overcoming the challenges that are facing the FIRS operation in Nigeria.

### **3. Methodology**

This study used qualitative paradigm to achieve its objective. Single case study methodology was employed on the Federal Inland Revenue Service (FIRS) Headquarters Abuja, Nigeria, to collect the data. The FIRS headquarters was used as a critical and typical case to collect the data because it is the head office that is coordinating other offices of internal audit in the FIRS across the country. In addition, they are responsible for ensuring uniformity of auditing activities across the FIRS to achieve the corporate goals of the tax administration. Gerring (2011) opines that critical and typical case of study is a case that is demonstrating a most difficult situation or a phenomenon under study in a single organization. Meaning that, critical case a very important and so crucial case while typical refers to as specific and particular case in an organization. That is internal audit in FIRS is here viewed as critical and typical case of study considering their important role in assessing the internal operation of the tax administration and report to the management for improvement where necessary.

Face-to-face interview was conducted on 9 internal auditors to collect the data in this study. According to Guess, Bunce and Johnson (2006) a minimum of six and a maximum of 12 participants are adequate for interview qualitative study in a single organization to understand a phenomenon. Face-to-face interview technique is an approach for data collection which is more precise and concise than survey method to some extent in collecting data and facts about a phenomenon under investigation objectively (Merriam, 2009). The data collected were further analyzed by the use of

Nvivo<sub>10</sub> qualitative software for thematic analysis. The analysis commence by listening the recorded interviews after which it was transcribed verbatim. The transcription of the participants' interview was read repeatedly to ensure preciseness of the transcription and it was in-line with the participant's views. The data was further coded in an open, axial, and selective coding process accordingly. Strauss and Corbin (1990) described open coding as a process employed to assist researcher reduces bias in a fractured qualitative data analysis. Based on these processes, the collected data on essentials of planning were categorized into two major themes namely auditing key priorities, and auditing procedures themes respectively. Next section presented and analyzed the result of the study.

#### **4. Result of the study**

As discussed earlier, internal audit planning is a process in which internal auditors can use their knowledge, skills and expertise to forecast and strategically arrange their activities in line with organizational objectives to achieve auditing functions. In line with this assertion, the participants of this study expressed their views regarding what is most essential to auditors at the planning process. The auditors' opinions are varied, based on their knowledge and competency to achieve the planning goals. Basically, the participant views were slated into two main themes namely auditing key priorities, and auditing procedures. On this note, following are the result of participants' viewpoint regarding auditing key priorities.

##### **4.1 Auditing key priorities**

In planning activities and task to be performed in an organization, internal auditors are to identify and analyzed key topical issues to be covered in their auditing function by arranging the processes or tasks in order of preference. In this regard, the participants of this study disclosed their perceptions in which participant 6 expressed that "What we usually considered as a key priority is to have an audit work plan in terms of the audit we want to carry-out every year categorically. This plan helps us to achieve what we intend to achieve. We always consider our audit plan requirement to help us streamline our activities step by step in a logical manner (Participant 6, *Internal Auditor*)".

On the same scenario, Senior Supervisor explains that "We prioritise during planning process issues that are sensible and directly trending towards our successful achievement of auditing objectives (Participant5, *SeniorSupervisor Internal Auditor*)". "We prioritise areas that need more attention and highly sensible based on availability of resources. Key areas are allocated the most resources, while those that are not very much important shall be given resources after the key areas have been treated. Although, all areas are important, but, some are more regarded than others



(Participant 7, *Internal Auditor*)” he added. The responses of these participants disclosed the significant role of setting audit plan to include what the auditors termed as their major concern during planning to achieve auditing activities.

On the other hand, participant 1 narrated that “Planning is a specific guide established at the beginning of every year and needed most in conducting our functions. Our work plan normally contains prepared strategies and activities of the auditing program for a specific period of time within a year. That is when, why, what and how to go about the auditing exercise. So, this is what is practicable and achievable in planning of internal auditors in FIRS (Participant 1, *Senior Supervisor Internal Auditor*)”. Participant 2 added that “Audit work plan is a very important key priority during planning process. The work plan is been categorize into segments, and each has timeframe. Key areas that are crucial to the objectives of the FIRS effectiveness in terms of short-term, medium-term and long-term are prioritized based on scale of preference (Participant 2, *Internal Auditor*)”. These responses are indicating how internal auditors do select, arrange, and prioritized areas during planning process to achieve their auditing goals and objectives in line with FIRS corporate objective.

However, on the same issue, but from different perspective, some participants expressed other views on auditing key priorities consideration during audit planning. They identify other factors that are part of the essential consideration of making effective planning of internal audit activities. Based on this factor, the participants explain that internal audit staff strength and scope and objective of auditing are often regarded as a key auditing priority. On this note, participant 9 highlights that “Our scope and objective are key priority and are considered most at the beginning of any planning process in FIRS. Staffs strength is another cornerstone that triggers our audit planning success. Without having staff strength from planning stage, other levels of the auditing functions will not be efficient and thus might failed. That is why, lack of staff strength will leads to inefficiency and ineffectiveness of the entire audit planning (Participant 9, *Senior Supervisor Internal Auditor*)”.

In addition, participant 4 narrated that ““We give more emphasis and priority on how to achieve our objectives within our scope during our auditing planning process. At the same time internal auditors need adequate staff strength to sketch out their work plan efficiently as additional priority. To me, staff’s weaknesses at a point of planning stage mean sign of failure to the auditing process (Participant 4, *Senior Supervisor Internal Auditor*)”. In conclusion, Participant 3 argued that “Staff strength as well as auditing scope and objective are among our major priorities and needed most at the planning stage. Because it assist us in implementing auditing work plan, mapped at the planning process to achieved auditing objectives (Participant 3, *Internal Auditor*)”.

In summary, these are responses of the participants about what they viewed as auditing key priorities at the planning process based on their knowledge and experience. The responses reveal that work plan, staff strength and auditing scope and objective are very essential consideration of internal auditor during auditing planning process of functional activities. These factors and attributes are guiding principles of internal auditors to think wisely and plan appropriately to succeed in auditing activities that could bring impact on the FIRS performance. The next theme identified in this study at planning process is auditing procedures as discussed below.

#### **4.2 Auditing Procedures**

Auditing procedures are clear processes, guide, and synthesis that internal auditors adopt during planning their auditing schedules to be transformed into actions. The participants of this study have expressed their perception regarding the essential factors needed at planning stage which are considered as auditing procedures. The two essential factors at this stage of planning according to the participants' responses are audit manual, and auditing timeline. Based on these factors, participant 8 disclosed that "Procedurally, we adhere to our audit manual to plan our schedules. The audit manual is our main guide, in which, all the auditing procedures and requirement to plan a function is been spelt out. With that, we would be able to planned our activities and function in a rightly guided manner (Participant 8, *Senior SupervisorInternal Auditor*)".

In addition, participant 5 responded as "The most important thing during audit planning is to act according to the audit manual. The audit manual to internal auditors is like an embodiment guide and procedure for carrying auditing planning and assisting document for scheduling timeline of activities. It is a key guide to effective planning process (Participant 5, *Senior Supervisor Internal Auditor*)". Participant 2 expressed that "Auditing procedures at the planning process is guided by the audit manual. We streamline our planning processes based on what is provided in the audit manual. This will increase our efficiency and guide our rationality (Participant 2, *Internal Auditor*)". Participant 1 explain that "Internal auditing is all about internal control monitoring processes, therefore, our planning process shall be done based on auditing timeline format guided by our audit manual (Participant 1, *Senior SupervisorInternal Auditor*)". Participant 3 opined that "Internal audit timeline is a major tool used during planning process and very essential in understanding auditing procedure (Participant 3, *Internal Auditor*)".

Participant 6 in his owned view expressed that "Timeline is a set of events or processes arranged in ascending order and regarded as auditing procedures by

internal auditors at a planning stage. Therefore, it is one of the auditing procedures that can open the gate to auditing success at the early stage of planning activities (Participant 6, *Internal Auditor*). “During planning process, internal auditors should adhere to the auditing timeline as part of auditing procedures. Timeline is a rough map, sketch out at the planning period and used to streamline auditing processes in an orderly manner (Participant 9, *Senior Supervisor/Internal Auditor*)”. The responses of these participants are all geared toward identifying the important role of audit manual and timeline to internal auditors planning in tax administration.

In conclusion, participant 4 disclosed that “Regarding the internal auditing procedures, effective timeline and audit manual is a sufficient guiding document to internal auditors during planning future activities and functions in an efficient manner (Participant 4, *Senior Supervisor/Internal Auditor*)”. The responses of participants’ in this study have highlighted their knowledge and experience of what is being referred to, and required during auditing planning in view of auditing procedures. Their view and knowledge shed more light on the subject matter and hints about what is important and most essential in understanding auditing procedures at the planning stage of audit activities. In summary, the participants explain how audit manual serves as their apex guide in streamlining activities from planning stage. They also describe timeline of activities how it is connected to their planning process. After analyzing and presenting the collected data, the next section discussed the result (participant responses) of the study and interprets the data in line with literature to make a meaningful conclusion.

## **5. Discussion of the Result**

Efficient and effective internal audit planning is the first and foremost basis for achieving the successfulness of auditing activities in tax administration. However, to achieve this goal, internal auditors need to have a cognitive and behavioural skills, expertise, and knowledge that could guide their effort to forecast and think holistically about activities that shall enhance organization performance and add its credibility. The findings of this study show that, internal auditors to plan effectively in FIRS, they consider audit work plan among their key priority.

Audit work plan is a draft of activities, programs, and schedules set by the auditors to be achieved over a stated period of time. The work plan if approved by the organizational leaders, it would then become operational document to be implemented by auditors in achieving their functions. It is highly required to be prepared using the knowledge of auditors and work within their auditing jurisdiction and boundaries of the organization to add value and enhance performance of their organization. In line with this finding, Moeller (2009) expressed that audit work plan

is a master plan of internal auditors functions spelt-out in chronicle order to guide and assist auditors in achieving their auditing activities. That is, any internal auditing activities is been guided by the work plan that will vividly explain the auditing engagement and processes accordingly. Therefore, lack of effective work plan would negatively affect the auditors' performance and they will not achieve the auditing objective as well as that of their organization.

On the other hand, the responses of the participants also reveal that, staff strength is one of the essential key priorities of auditing planning process. Staff strength has to do with the qualified, skilful, knowledgeable and adequate number of staffs than have the ability to perform a particular function or job in an efficient and effective manner (Drucker, 2008). It is also argued that, in internal audit, lack of auditors' proportionate number of audit staff in relation to their functions is affecting their efficiency and effectiveness in an organization (Arena &Azzone, 2009). Therefore, adequate internal auditors are very essential determinant of auditing effectiveness. The finding of this study is supported by what Ridley and Chambers (1998) described as a crucial aspect of auditing strength or weaknesses in understanding the capabilities of auditing activities in an organization.

In addition, the result of this study indicates that scope and objectives is another key consideration of internal auditors during the planning stage. Scope and objectives are the two factors that can describe the boundaries and mission of auditing activities in an organization. For that reason, Pickett and Pickett (2010) argued that any effective internal audit activities should be performed within the scope and objective of the audit. This will enable the receiving organization of audit functions to attain value for money audit mandate. Therefore, the result of this study confirmed that scope and objective are one of the key priorities in preparing auditing plan to achieve efficiency and effectiveness. This also implied that if internal auditors do not take into consideration the scope and objectives of their activities very important and fundamental, they wouldn't achieve their target and end up with unproductive effort.

Therefore, to achieve internal audit key priorities, one has to understand the strength of audit unit when it comes to staff capabilities to plan and their ability to execute. In summary, work plan and staff strength were identified in this study as a crucial and essential factors worth consideration to attain effective auditing planning and activities that can assist in accomplishing visionary objectives of a tax organization.

From the perspectives of auditing procedure at planning stage, the findings of this study show that internal auditors are essentially devoted to audit manual and audit timeline to map out their planning effectively. Audit manual is a prepared document

that can guide and describe the process and functions of internal auditor that include their scope, ethics, limitation, and expectation etc. in an organization (Pitt, 2014). In the FIRS, internal auditors are following and guided by audit manual to planned their activities according to the prescribed perimeters of their functions enshrine in the manuals as disclosed by the study participants. This finding is supported by Moeller (2009) as well as Pickett (2004) who argued that in any situation of internal auditing performance, audit manual remain the main source of guidance and a green light that can clear any doubt and ambiguity of processes from planning stage to implementation.

In addition to auditing planning procedures, the responses of the participants indicate the used of timeline as a significant clue worth concern during planning (Grafton & Rosenberg, 2010). That is to say that when planning, the auditors should be very caution in considering the time limit and strictly follow the events as schedule step by step. At any point of time, there is an action need to be observed and the action should be in linewith the clear picture of anticipated result. Grafton and Rosenberg (2010) describe the use of timeline to achieve a target as a display of a list of events or activities in chronicle order at planning and implementation stage as well. Therefore, the result of this study is supported by what Cattani, Ferriani, Frederiksen, and Täube (2011) from project management describe as one of the fundamental techniques to achieved the success of planning and implementation of activities in an orderly manner. In summary, the findings of this study provide new evidence and dimension about what is regarded as essential to internal auditors at planning stage of the auditing activities. The study highlights a more critical issues and most important to internal auditors' performance for effective auditing planning.

## **6. Conclusion**

This study provides and discussed the essential factors needed to be taken into consideration by internal auditors at the planning level of auditing activities in the FIRS. The information provided by the study participants highlighted how internal auditors are conducting their planning process to achieve their operational auditing function effectively. It is now therefore, for the tax administration to ensure provision of the good atmosphere and satisfy the needs of internal auditors adequately to enable them plan and implemented their plans efficiently and effective in FIRS. This will enable them to perform well and achieve auditing objectives in terms of value adding, risk management, fraud detection, and internal control as well as providing techniques for enhancement of tax administration effectiveness. In essence, effective planning assists internal auditors to increase their efficiency, reduce risk, and offered maximum utilization of available resources to achieve tax administration visions. Finally, we recommends that the future study may look into other aspect of internal

audit such as planning implementation process for the effective performance of the auditing functions that could improve tax administration productivity holistically.

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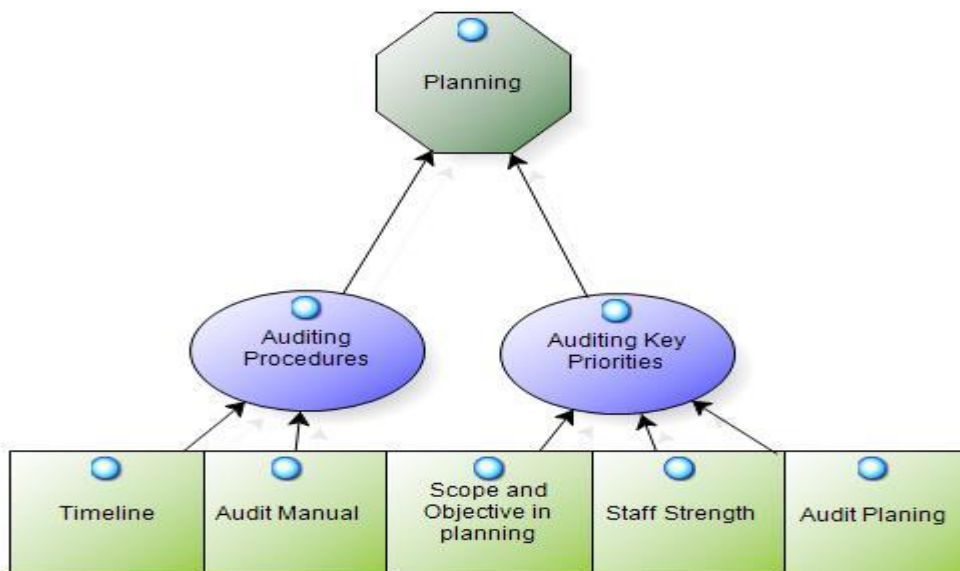
## **Appendix 1**

### Interview Questions

1. In your own view, what are internal audit processes undertaken during planning process in FIRS?
2. What do think would be the suitable planning processes to be considered by internal audit in FIRS that will increase auditing efficiency?
3. Do internal auditors actually undertaken required planning processes required?
4. What are you really practicing and why?
5. What are the actual processes you undertaken in planning process?
6. Does efficient planning process of internal auditors would improve auditing performance in FIRS and as how?
7. Overall, what are the challenges and issues internal auditors encounter during planning process and how to enhance the auditors planning efficiency in FIRS?

## **Appendix 2**

Internal Audit Planning Main Result from the Nvivo



*Planning theme and sub-themes for Internal Audit Process*

Source: Nvivo Analysis