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AUDITORS' CHARACTERISTICS AND TAX AGGRESSIVENESS OF LISTED SELECTED FAST-MOVING CONSUMER GOODS IN NIGERIA

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Abstract
The study investigated the effect of auditors' characteristics on tax aggressiveness among selected listed Fast Moving Consumer Goods Firms in Nigeria. An ex-post facto research design was adopted using a sample size of seven listed FMCG firms purposively. Data were extracted from the annual financial reports of the selected firms between the years 2013 and 2022. Audit fee, auditor's tenure, and auditor's type (Big 4 or Non-Big 4) were considered as auditors' characteristics while Effective Tax Rate (ETR) was adopted as a proxy for tax aggressiveness. Regression analysis was used to analyze data. The study found that audit fee and audit type had a positive significant effect on an effective tax rate (ß = 0.236, p< 0.05) and (ß = 0 .181,p<0.05) respectively. Audit tenure had a negative insignificant impact on the effective tax rate of selected firms (ß = -0.115, p > 0.05). It was concluded that audit fees and auditor's type had an impact on the tax aggressiveness practices of FMCG firms in Nigeria. The study, therefore, recommended that management of the firms in FMCG should reduce audit fees and employ the service non-Big 4 audit firms to maximize the shareholders' wealth rather than involving in tax-aggressive practices which enriched audit firms.
Keywords: Audit fee, Auditor's Tenure, Audit type, and Tax Aggressiveness

1. Introduction

Public interest entities carried out legal operations or activities with the view of achieving their economic objective. The government imposed a tax on the economic benefits derived by firms from their various lawful economic activities. Tax is a type of cost imposed by the government on revenue-generating business units (Mahdi, Hossein, and Tahereh, 2019). Olaoye and Ekundayo (2019) viewed the tax as a compulsory deduction by the government for which gain is not received in return. The contributions to the nation's revenue common pulse by the registered companies do not attract identifiable benefits in returns. This made tax compliance to be low and tax payment made attractive to the taxpayers most especially the corporate entities (Anyaduba & Ogbeide, 2022). Anyaduba & Ogbeide (2022) opined that taxes paid by corporate entities have direct implications on their profit before tax. Tax decision solely lies on the agent (management) who engaged in the sporadic effort of minimizing the tax burden on the earnings of firms (Ogbeide, 2017).

Tax aggressiveness is described as a wide range of activities with the sole aim of reducing the total tax debt or tax liability (Martinez & Rodrigue, 2019). Anyaduba & Ogbeide and Ogbeide, (2017) viewed tax aggressiveness as a concept that encompasses all activities (legally or rationally) a firm engages in to optimize its tax burden. Tax aggressiveness can be used interchangeably with tax avoidance. Tax avoidance as a legal means of minimizing the tax burden leads to increased net cash flows which can be used to boost viable investment, settle financial obligations or earnings to the shareholders in the form of dividends (Anyadugba and Ogbeide (2022) and Jihene &Moez, 2019). Tax aggressiveness is a wide range of legal activities aimed at reducing the level of tax liabilities (Ariff and Hashin, (2014); Mahdi et al, (2010) and Anyaduba & Ogbeide, (20220). Management can use any tools whether financial or nonfinancial activities to minimize the tax burden of a firm.

There were limited studies on the behaviours of auditors towards tax aggressiveness. Mahdi et al, (2019) outlined two perspectives to tax aggressiveness. The study initially viewed that if firms are

trying to avoid the payment of extra taxes while within the armpits of law, they seek advice from tax consultants. The majority of companies received tax advice from their independent auditors. Auditors who are more versatile or have longer durations in clients' affairs can better provide advisory roles on tax-related matters. Auditors are likely to demand more fees from their clients. Auditors who are among the Big 4 in Nigeria may involve in tax advisory roles and charge high fees which may eventually lead to tax aggressiveness. Subsequently, the study established that tax aggressiveness might be the image emanating from the agency theory which portrays tax decisions based on the managers' interests(Mahdi et al, 2019). Tax aggressiveness is not a tax offense.

The previous had not established the impact of auditors' characteristics on tax avoidance of the listed firms in Nigeria. Onatuyeh and Ukolobi (2020) established that tax aggressiveness had a negative influence on audit fees. Audit fees had an indirect relationship with tax aggressiveness. This showed that companies that are willing to minimize their tax burden may appoint auditors that will charge high fees. Audit quality which is one of the characteristics of auditors was affirmed to have a positive and significant effect on tax aggressiveness. Ogbeide (2017) established that audit quality has a significant effect on tax aggressiveness. Anyaduba and Ogbeide (2022) used audit types using Big 4 audit firms as dummy variables. Previous works of literature had attempted to use audit fees and audit type as auditors' characteristics however works of literature had failed to view perspective auditors' tenure on tax aggressiveness. This remains a vacuum created by the existing works of literature.

1.2 Objective of the Study

In an attempt to fill the vacuum created by the previous studies, the study investigated the effect of auditors' characteristics on the tax aggressiveness of listed FMCG firms in Nigeria. Causal research was adopted using the quantitative data extracted from the financial reports of selected listed FMCG firms in Nigeria between the years 2013 and 2022. The following research objectives were investigated:

- Effect of audit fees on tax aggressiveness of listed selected FMCG firms in Nigeria.
- Impact of auditor's tenure on tax aggressiveness of listed selected FMCG firms in Nigeria.
- Effect of auditor's type on the tax aggressiveness of listed selected FMCG firms in Nigeria.

1.3 Statement of Hypotheses

$H_0$1: Auditor's fee has no significant impact on tax aggressiveness of listed Fast Moving Consumers Goods Firms in Nigeria

$H_0$2: Auditor's tenure has no significant impact on tax aggressiveness of listed Fast Moving Consumers Goods Firms in Nigeria

$H_0$3: Auditor's type has no significant impact on tax aggressiveness of listed Fast Moving Consumers Goods Firms in Nigeria

2.1. Concept of Tax Aggressiveness

Consensus was not reached among the previous authors as regards the definition of tax aggressiveness. Tax aggressiveness had been used in previous studies to mean tax planning, tax strategy, and tax avoidance (Anyaduba & Ogbeide, 2022; Onatuyeh& Ukolobi, 2020; Mahdi et al, 2019 and Ogbeide, 2017). Hanlon and Heitzman (2010) pinpointed that tax avoidance is likened to a spectrum of tax planning strategies with legal tax avoidance such as investment in bonds at one end and tax noncompliance, tax evasion, tax aggressiveness, and more generally illegal tax avoidance at the other end. Tax aggressiveness can be defined as a concept that encompasses all activities (either legally or rationally) a firm engages in to optimize its tax burden (Anyaduba & Ogbeide, 2022). Onatuyeh & Ukolobi (2020) viewed tax-aggressive actions are viewed as a veritable investment for firms and shareholders as they can be used to reduce tax liabilities and improve revenue. Mahdi et al, (2019) described tax avoidance as a legal measure to reduce tax liabilities. The purpose of tax avoidance is to minimize tax liabilities. This study affirmed that tax aggressiveness can be used interchangeably with tax planning or tax avoidance.

2.2. Auditors Characteristics

The auditor's characteristics can be used interchangeably with the audit's quality. Ozegbe & Jeroh (2022) defined audit quality as the ability of an auditor to detect and eradicate earnings manipulations and window-dressed indicators in the financial statements of companies. The auditor's characteristics could be evaluated through qualities exhibited which were able to detect financial inadequacies in the financial statement of clients. (Tanko & Polycarp, 2019&Jeroh, Ekwueme & Okoro, 2015). There are many indicators of auditors' characteristics which are independence, audit fees, audit tenure, audit firm size, and auditor's tenure. For this study, audit fees, auditor's tenure, and auditor's type are considered as variables to be regressed against tax aggressiveness.

2.3. Audit Fees

Past studies have examined the link between tax aggressiveness and corporate governance. However, there was little literature on external audit fees and tax aggressiveness relationships. The few related studies include corporate governance, tax aggressiveness and earnings management (Putric, Adam & Fuadah, 2018), tax avoidance, corporate governance and firm value (Yee, Sapiei, & Abdullah, 2018), and tax planning, corporate governance and equity value (Abdul Wahab, & Holland, 2012). Nonetheless, the only research study that has attempted a blend of tax aggressiveness, corporate governance, and audit fees was performed by Martiner and Lessa (2014). Onatuyeh & Ukolobi (2020) described audit fees as the cost of conducting an audit to express an opinion thereon about the conformity of financial statements with generally accepted accounting principles. Dinh (2012) opined that the request for audit engagement is made by users, such as primary investors, prospective investors, the government, and the public. However, users of audit services hardly have similar goals because they do not have the same interest. For instance, management will be interested in reporting higher revenue to get higher bonuses and keep their positions. On the other hand, prospective investors will be interested in knowing whether the firm is profitable or not so that they can make informed investment decisions.

Generally, audit fee figures are usually transformed into natural logarithms to control for the skewed nature of the figure and make results uniform (Martinez & Lessa, 2014). Prior studies on audit fees outlined various perspectives on audit fees. Firstly, The client- related perspective includes audit client size, audit client complexity, profitability, and industry of operation (Boo & Sharma, 2008 Zaman, Hudaib, & Haniffa, 2011). The auditor-related perspective includes audit firm size, and audit firm tenure (Onatuyeh & Ukolobi, 2020; Urhoghide & Emeni 2014). However, a different stream of studies continues to discuss other drivers of audit fees, such as earnings management (Martinez, & Jesus-Moraes, 2017), tax aggressiveness (Donohoe & Knechel, 2014; Hanlon, Krishnan & Mills, 2012; Saremi, Mohammadi & Nezhad, 2016), and corporate governance mechanisms (Boo & Sharma, 2008; Boussaidi & Hamed, 2015; Urhoghide & Emeni, 2014). This study, therefore, focused on the effect of tax aggressiveness on audit fees of listed Fast Moving Consumer Goods in Nigeria.

2.4. Auditor's Tenure

Ozegbe and Jeroh (2022) described audit tenure as the entire period of the auditor-client relationship. The longer the duration of the auditor-client relationship the more the auditor's objectivity would be compromised, resulting in the investigator's lack of attentiveness. Capkun, Collins& Jeanjean, (2016) opined that aside from the threat to independence, the audit appointment may become normal over time, and if this occurs, the auditor will spend less time detecting internal control flaws and risk sources. Implicitly, the refusal of the audit firm to disclose acts of misreporting by Tesco resulted from the long-standing ties between the auditors and the company's management as a link that had a negative and consequential effect on the auditor's independence.

Audit tenure has attracted a good number of researchers in accounting, we notice that emphasis has been on how tenure affects the objectiveness and outcomes of audit exercise –independence and quality respectively (Ozegbe and Jeroh,2022; Martani, Rahman, Fitriany & Anggraita 2021; Buntara & Adhariani, 2019; Kyriakou & Dimitras, 2018). However, the previous studies had not been exploited on the effect of audit tenure on tax aggressiveness practices except the study of Mahdi et al (2020) which established that audit tenure had a positive significant effect on tax avoidance of Iranian Companies. Jeong & Bae (2013) found that corporate tax avoidance increased with auditor tenure showing the client-beneficial tax arrangement, which minimized tax payments that could be more offered when the auditor's tenure is enlongated. Previous studies in Nigeria on tax aggressiveness like Anyaduba & Ogebeide, 2022; Olori & Olufemi, 2022) & Ogebeide, 2017) failed to considered the impact of the auditor's tenure on the tax aggressiveness. This study extended the frontline of the study of Mahdi et al, (2020) in Iran in Nigeria and investigated the effect of audit tenure on tax aggressiveness of Fast-Moving Consumer Goods Firms in Nigeria.

2.5. Auditor's Types

Ozegbe & Jeroh (2022) described an audit firm as a professional organization set up to uphold high-quality reporting among public-interest entities. Previous researches suggested that the size of audit firms have been used as proxy for audit quality given that largeraudit firms are known with areputation of upholding and guaranteeing impartial and high-quality audit services(Ayora & Ogeto, 2022). In comparison to smaller audit firms, the financial resources of large audit firms alongside their research facilities, technologies, and ability to attract talented workforce provides a platform for them to have larger client base and higher capacity to resist management pressure; thereby reducing their overall dependency level on a single or group of clients when necessary. This is not the case for smaller audit (often referred to as non-big 4) firms whose focus is to offer more individualized services due to their smaller client bases which may compel them to give in to management demands where situationsabound (Chen, Cheng & Liu, 2021 and Sawan & Alsaqqa, 2013;). Previous studies focused on the impact of audit firm sizes on financial performance of firms in Nigeria (Ayora & Ogeto, 2022 and Ozegbe & Jeroh, 2022). There is little or no research on the effect of auditor's type on tax aggressiveness in Nigeria except Anyaduba& Ogbeide (2022) which used audit type using audit firm categorized as BIG 4 or Non Big4 in Nigeria as a measure of firm size. The study used the BIG 4 as a control variable. However, Madhi et al, (2020) opined that the auditors who are more experienced can better provide advisory roles on tax related matters. In order to extend the study of Madhi et al, (2020), this study also focused on the effect of auditor type (using the BIG 4 auditors) on tax aggressiveness of listed FMCG firms in Nigeria

2.6. Theoretical Framework

This study hinged on agency theory. This was adopted in explaining the effect of audit characteristics on tax aggressiveness of Fast-Moving Consumer Goods in Nigeria. Olufemi & Olori (2022) suggested that tax aggressiveness was a tripartite relationship involving the investors, managers, and the government. Therefore, there was bound to be a conflict of interest between those three parties. According to the agency view of tax avoidance, conflicts between a firm's owners and its management may arise because managers who are generally expected to make tax-effective decisions may behave opportunistically and divert corporate wealth for their private benefit (Jensen & Meckling, 1976). On the other hand, the agency theory is equally relevant to the study because, in the first place, the opportunity for management to engage in tax planning activities on behalf of the shareholders (business owners) is embedded in the concept of the agency relationship. Thus, based on the agency-view of tax avoidance, conflicts between a firm's owners and its management may arise. After all, managers who are generally expected to make tax-effective decisions may behave opportunistically and divert corporate wealth for their private benefit. The conjecturing of the framework of the study's analysis is that the degree of tax management may likely be influenced by

the size of the firm, profitability level, the size of institutional investors, and other firm-specific characteristics. Tax aggressiveness may potentially reduce the after-tax value of the firm since the combined costs of a company include costs directly related to tax planning activities, additional compliance costs, and non-tax costs; for example, agency costs may surpass the tax benefits for shareholders (Wang, 2012). The agency theory is equally relevant to the study because, in the first place, the opportunity for management to engage in tax planning activities on behalf of the shareholders (business owners) is embedded in the concept of the agency relationship. Thus, based on the agency-view of tax avoidance, conflicts between a firm's owners and its management may arise. After all, managers who are generally expected to make tax-effective decisions may behave opportunistically and divert corporate wealth for their private benefit.

2.7. Empirical Review

Madhi et al, (2020) examined the effect of auditor's characteristics on the tax avoidance of Iranian Companies. The study used 91 listed firms in the Tehran Stock Exchange covering the period of 6 years from 2011 to 2016. Descriptive statistics, the Variation Inflation Factor, and the F-Limer test were used to analyze the panel data. The study showed a significant relationship between the type of audit opinion, audit fees, and tax avoidance. Abdulkadir & Issa (2020) established a significant and positive relationship between tax aggressiveness and leverage. Efuntade & Akinola (2020) established a significant relationship between firm size and Return on assets. Madugba et al, (2020) affirmed that the Effective Tax Rate had a negative and insignificant effect on firm size.

Onatuyeh & Ukolobi (2020) studied the relationship between tax aggressiveness, corporate governance, and audit fees. 107 firms listed firms were sampled at the Nigeria Stock Exchange. Secondary data were extracted from the annual financial reports of the selected firms between 2009 and 2018. Panel regression technique with a preference for the random effect model based on the outcome Hausman test. The results revealed that cash tax rate, audit committee diligence, and board independence have positive and significant effects on audit fees.

Olufemi & Olori (2022) examined the influence of firm complexity on the tax aggressiveness of listed Deposit Money Banks in Nigeria and South Africa. The longitudinal research design was used with a cross-sectional approach from both Nigeria and South Africa. 13 listed Deposit Money Banks from both Nigeria Stock Exchange and Johannesburg Stock Exchange were sampled. Data were extracted from the annual financial report of the selected listed banks for 9 years period of 2012 to 2020. The panel data were analyzed using descriptive statistics, correlation, and regression analysis techniques. The outcome of the Nigeria model showed that firm complexity asserted a significant negative impact on tax aggressiveness in Nigeria while in South Africa, firm complexity has an insignificant negative impact on tax aggressiveness.

Anyaduba & Ogbeide (2022) investigated the relationship between firm attributes and tax aggressiveness in Nigeria and South Africa. A longitudinal research design was adopted with bias on the comparative analysis approach. Variables such as firm size, age, profitability, leverage, liquidity, complexity, foreign ownership, and tax aggressiveness. The study covered the period from 2012 to 2020. Data were extracted from the annual financial statements of the selected banks from both Nigeria and South Africa. Data were analyzed using multiple regression analysis and it was established that firm size had a positive and significant relationship with the tax aggressiveness of banks in both Nigeria and South Africa.

3. Methodology

The work used an ex-post facto research design using secondary data extracted from the annual financial reports of the selected listed Fast Moving Consumers Goods in Nigeria between 2013 and 2022. Seven listed FMCGs were selected purposively from the 22 listed FMCG firms in Nigeria as of 31st December 2022. These are PZ Nigeria Plc, Cadbury Nigeria Plc, Unilever Nigeria Plc, Honeywell Flour Mill, Dangote Flour Mill, Union Dicon Nigeria Plc, and Nigeria Breweries Plc. The choice of the sample size was based on the availability of the annual reports of the companies as of 31st May 2023. The study used descriptive statistics, correlation, and regression analysis as the data analysis methods.

Model Specification

Tax Aggressiveness is *f* (Auditors' Characteristics)

Thus operationalized as follow:

ETR = ßo + ß1 (Af)it + ß2 (At)it + ß3 (Aty)it + ß4 (Fs)it +üit…….. (i)

ETR = ßo + ß1 (Af)it + Uit…….. (ii)

ETR = ßo + ß2 (At)it + Uit ……. (iii)

ETR = ßo + ß3 (Aty)it + Uit …….. (iv)

Effective Tax Rate is a proxy for tax aggressiveness

ßo = intercept or fixed variable

Af= Audit Fee

At= Auditors' tenure

Aty = Auditors' types

FS = Firm Size as the control variable

ß1, ß2, ß3, ß4 are coefficient of the independent variables\

Apriori Expectation: ß1, ß2, ß3, ß4 < 1

Variable Measurement

Variables	Acronyms	Class	Measurement of Variables	Sources
Tax Aggressiveness	ETR	Dependent Variable		Ayanduba & Ogbeide (2022); Mahdi et al, (2020)
Audit fees	AF	Independent Variable	Natural log of Audit fees	Mahdi et al, (2020); Onatuyeh & Ukolobi (2020)
Auditors' Tenure	AT	Independent Variable	Natural Log of Auditor'sTenure	Nil
Auditors' Type	Aty	Independent Variable	If among BIG 4 allocate 1 otherwise 0.	Ayanduba & Ogbeide (2022); Ogbeide (2017)
Firm Size	FS	Control variable	Natural log of Total Assets	

Source: **Study Compilation, (2023)**

4. Results and Discussions

Descriptive Statistics

	Minimum Statistic	Maximum Statistic	Mean Statistic	Std. Dev. Statistic	Skewness Statistic	S E	Kurtosis Statistic	S. E
ETR	-0.7456	0.8875	0.2104	0.2411	-0.8710	.287	3.881	.566
Audit fee	1500.0000	92769.0000	30761.8000	21006.1521	0.9550	.287	1.131	.566
A.Tenure	1.0000	13.0000	6.000000	3.3362	0.1810	.287	-1.048	.566
A's Type	0.0000	1.0000	0.714286	0.45501	-0.970-	.287	-1.092	.566
LogTA	4.7581	8.7933	7.5876	1.1204	-1.6950	.287	1.626	.566
Valid N								

The Table above showed the descriptive statistical results of all variables considered in the study. The effective tax rate mean is 0.2104 (21.04%) with a maximum value of 0.8875 and a minimum value of -0.7456. The ETR figure is below the statutory tax rate of 30% as stipulated by the Nigerian government. The result showed that the sampled listed Fast Moving Consumer Goods firms were tax aggressive in the periods between 2013 and 2022. The standard deviation of 0.2411 (24%) for ETR

connoted the risk related to tax aggressive strategy which may likely include: penalties imposed by tax authorities after a tax audit and/or a decrease in market value of firms after cases of tax offenses. The mean audit fee is N30.7618 million with a maximum value of N92.769 million and a minimum value of N1.5 million respectively. This indicated that FMCG goods paid high audit fees to minimize tax liabilities. The average audit tenure is 6 years with a maximum auditor-client relationship of 13 years and a minimum relationship of 1 year. This indicated that the longer the auditor's tenure the more the client engaged in tax-aggressive practice. Audit type had a mean of 0.7143 with a maximum value of 1 and minimum value of 0. This indicated that the majority of the firms sampled were audited by independent auditors within the cycle of Big4 in Nigeria. Firm size measured by the natural logarithm of total assets has a mean of 7.5876 representing about N7.5876 billion, with a standard deviation of 1.1204. Firm Size for the period ranged from a minimum value of 4.7581 (approximately N5 billion) to a maximum value of 8.7933(approximately N9 billion), this showed broad variation among the sampled firms in terms of sizes.

Correlation Result

Correlations Matrix

	ETR	A.Fee	LogA.Tenr	Auditor's Type	LogTA
ETR	1.000				
A. Fee	.463**	1.000			
A.Tenure	-.208	-.057	1.000		
A. Type	.410**	.739**	.035	1.000	
LogTA	.417**	.713**	-.037	.371**	1.000

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

The above table showed the Spearman rank correlation table. The correlation low value in the correlation coefficient showed that there is an absence of multi-collinearity. Audit fees had a positive and significant association with the effective tax rate. This indicated that as audit fees increased, the effective rate also increased. The high audit fee paid is an indicator of tax aggressiveness. Audit tenure had a negative association with ETR. As audit tenure increase ETR decreases. This indicated that audit tenure or auditor-client relationship has an inverse relationship with tax aggressiveness of selected FMCG firms under review. Audit type has a positive and significant relationship with ETR. As Big4 firms are engaged the more tax-aggressive practices among FMCG firms in Nigeria. Firm Size had a positive and significant association with ETR. This indicated that larger firms are more likely to be involved tax aggressive practices than small firms.

Regression Analysis

Effect of Auditors' Characteristics on Tax Aggressiveness of Fast-Moving Consumer Goods Firms in Nigeria

Model Summary

Model	R	R Squared	Adjusted R Squared	Std. The error in the Estimate
1	.466[a]	.218	.169	.2197190

a. Predictors: (Constant), LogTA, LogA.Tenure, Auditor's Type, Log Audit Fee

The above table showed the model summary of the model formulated in this study. The table showed the adjusted R2 of 16.9% which means that all independent variables such as Audit fees, Auditor's tenure, Audit type, and Firm size could explain about 16.9% of the dependent variable proxy as Effective Tax Rate. Other variables which were not considered in this study constituted about 83.1%.

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.873	4	.218	4.520	.003[b]
	Residual	3.138	65	.048		
	Total	4.011	69			

a. Dependent Variable: ETR

b. Predictors: (Constant), LogTA, LogA.Tenr, Auditor's Type, LogA.Fee

The above table showed the analysis of variance. The result indicated that all variables considered in the study were statistically significant. Therefore, the model statistically satisfied the test of Goodness fit.

Test of Hypothesis One: Auditor's fee has no significant impact on tax aggressiveness of listed Fast Moving Consumers Goods Firms in Nigeria

The study separately regressed the independent variable individually with the dependent variable (ETR).

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.459[a]	.211	.199	.2157430

a. Predictors: (Constant), Log Audit Fee

The Table above showed the model of audit fee regressed against the Effective Tax Rate (proxy as tax aggressiveness). The adjusted R2 showed a result of 19.9% which indicated that the Audit fee could explain about 19.9% of the Effective Tax Rate. This means that clients who paid high audit fees to independent auditors tend to engage in tax-aggressive practices. Other variables that can explain the effective tax rate constituted about 80.1%.

The table above showed the coefficient of the independent variable. Audit fees had a positive and significant effect on the effect tax rate. This means that high audit fees could trigger tax-aggressive practices among the Fast-Moving Consumer Goods Firms in Nigeria.

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.846	1	.846	18.170	.000[b]
	Residual	3.165	68	.047		
	Total	4.011	69			

a. Dependent Variable: ETR

b. Predictors: (Constant), LogA.Fee

The Table above shows the analysis of the variance which exist between audit fee and Effective tax rate. The Fstatisti of 18.17 with a p-value less than 0.05 indicated that audit fees are statistically significant in influencing the effective tax rate. Since the p-value is less than 0.05, Ho is declined while Hi is upheld. It is therefore concluded that Audit fees had a significant effect on the Tax aggressiveness of listed Fast Moving Consumer Goods Firms in Nigeria. This was consistent with the study of Onatuyeh & Ukolobi (2020) and Mahdi et al, (2020). FMCG indulged in tax aggressiveness practices by engaging the service of independent auditors with high audit fees. Existing works of literature had not been proved contrarily.

Test of Hypothesis Two: Auditor's tenure has no significant impact on tax aggressiveness of listed Fast Moving Consumers Goods Firms in Nigeria

Model Summary

Model	R	R Squared	Adjusted R Square	Std. Error of the Estimate
1	.150[a]	.022	.008	.2401253

a. Predictors: (Constant), LogA.Tenr

The Table above shows the adjusted R2 of 0.008 which means that Auditor tenure explained about 0.8% of the dependent variable (ETR). Other variables not captured constituted about 97.8%. This indicated that the model does not satisfy the test of goodness fit. The model is not realistic in predicting the tax aggressiveness of the FMCG firms in Nigeria.

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.290	.070		4.160	.000
	LogA.Tenr	-.115	.092	-.150	-1.249	.216

a. Dependent Variable: ETR

The coefficient table above showed the influence of Audit tenure on the Effective Tax rate. Auditor's tenure had a negative insignificant influence on Effective Tax Rate ß= -0.115 p-value greater than 0.05. This indicated the long duration of auditors does not affect tax aggressiveness practices.

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.873	4	.218	4.520	.003[b]
	Residual	3.138	65	.048		
	Total	4.011	69			

a. Dependent Variable: ETR

b. Predictors: (Constant), LogTA, LogA.Tenr, Auditor's Type, LogA.Fee

The table above showed the analysis of variance. The F statistic = 1.559 with a p-value greater than 0.05. H0 which proposed that Auditor's tenure has no significant effect on tax aggressiveness is upheld the Hi is declined. It is therefore concluded that Auditor's tenure does not influence tax aggressiveness practices of FMCG firms in Nigeria. Existing works of literature have not established the relationship between an auditor's tenure and tax aggressiveness. However, this study was able to establish that long durations of auditors do not affect tax aggressiveness practices of listed Fast Moving Consumer Goods Firms in Nigeria

Test of Hypothesis Three: Auditor's type has no significant impact on tax aggressiveness of listed Fast Moving Consumers Goods Firms in Nigeria

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.341[a]	.116	.103	.2283205

a. Predictors: (Constant), Auditor's Type

The model summary table above showed an Adjusted R2 of 10.3%. This indicated that the auditor's type or Audit's size could explain about 10.3% of the effective tax rate. Other variables constituted about 89.7%. Therefore, the model does not satisfy the test of goodness fit.

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.081	.051		1.595	.115
	Auditor's Type	.181	.060	.341	2.990	.004

a. Dependent Variable: ETR

The coefficient table above showed the influence of Audit tenure on the Effective Tax rate. Auditor's tenure had a negative insignificant influence on Effective Tax Rate ß= -0.115 p-value greater than 0.05. This indicated the long duration of auditors does not affect tax aggressiveness practices.

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.466	1	.466	8.938	.004[b]
	Residual	3.545	68	.052		
	Total	4.011	69			

a. Dependent Variable: ETR

b. Predictors: (Constant), Auditor's Type

The Table above shows the analysis of variance. The F statistic = 8.938 with a p-value greater than 0.05. H0 which proposed that Auditor's tenure has no significant effect on tax aggressiveness is rejected the Hi is upheld. It is therefore concluded that Auditor's type has an impact on the tax aggressiveness practices of FMCG firms in Nigeria. This agreed with the finding of Olufemi & Olori (2022). Anyaduba & Ogbeide (2022) only used the audit type proxy as Big4 or non-Big4 audit firms as control variables. No existing works of literature had proved otherwise. FMCG firms that engaged the service of Big4 audit firms tend to involve in tax aggressive strategy than those that employed the service of Non-Big4 firms in Nigeria.

4. Conclusion and Recommendations

The study investigated the effect of auditors' characteristics on tax aggressiveness practices among selected Fast-Moving Consumer Goods Firms in Nigeria between the years 2013 and 2022. The auditor's characteristics such as audit fee, auditor's tenure, and auditor's type (Big 4 or Non-Big 4) were adopted and regressed with Effective Tax Rate proxy as tax aggressiveness. Many firms which engaged services of Big4 audit firms are paid high audit fees which serve tax-deductible expenses which reduce the tax liabilities. Big 4 audit firms are opined to have the expertise and may be willing to offer tax advisory roles to the clients. Many audit firms had a duration of more than one year with their clients. Audit firms which have longer duration will be prone to advise clients on tax-related matters. It could be concluded that auditors' characteristics generally influence the tax aggressiveness strategy of Fast-Moving Consumer Goods firms in Nigeria

It is, therefore, recommended that the management of Fast-Moving Consumer Goods Firms desist from involvement in tax aggressive strategy to reduce the cost incurred in audits. The audit fees incurred in engaging the services of Big4 audit firms will erode the profitability of the firms involved.

The firms in FMCG should adopt auditor rotations. The audit firm should state longer than 5 years in clients' services and this is in line with the provision Sarbanes Oxley Act, 2002, and the Code of Corporate Governance for the Private Sector in Nigeria. Service of non-Big 4 audit firms can be encouraged to minimize the cost of audit and earnings for the shareholders.

Suggestion for Further Studies

Many works of literature had exploited tax aggressiveness in different dimensions. The study suggested further studies on the subject matter with bias on post and pre-IFRS adoption. Sectorial Comparative Analysis or investigation can also be embarked on the effect of audit characteristics on tax aggressiveness.

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