

## A CRITICAL REVIEW OF TAX AUDIT QUALITY FACTORS: A RESEARCH SYNTHESIS

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**Abstract:** *The quality of tax audits plays a critical role in ensuring the transparency, accuracy, and integrity of the taxation system, which in turn contributes to public confidence and higher tax compliance. In an increasingly complex and dynamic business world, understanding the factors that affect the quality of tax audits is becoming increasingly important. Therefore, this study aims to systematically review the existing literature to identify and analyze the factors. The motivation of this study is to fill the knowledge gap and provide a comprehensive guide for researchers and practitioners in the field of taxation. Data sources are obtained from academic journals by identifying the main themes and patterns that encompass from around the world, countries in Southeast Asia, and narrow down to Malaysian studies. The categorization of tax audit quality studies into these three groups allows for the identification of variations in the variables and research techniques used, as well as the comprehension of the cultural and regional context for the audit quality study issue. The results of the study show that there are several main factors that affect the quality of tax audits, including auditor skills, knowledge, experience, information technology (IT), job satisfaction and time. The study also found that the interaction between these factors can strengthen or weaken the quality of tax audits. In conclusion, this study provides an in-depth view of the factors that affect the quality of tax audits and underlines the importance of a holistic approach in dealing with this issue. The findings of this study can help tax authorities, audit firms, and policy makers especially to Inland Revenue Board of Malaysia (IRBM) in devising more effective strategies to improve the quality of tax audits.*

**Keywords:** Audit quality, literature reviews, Inland Revenue Board of Malaysia (IRBM)

### 1. Introduction

In the era of globalization and increasingly complex business, the quality of tax audits has become a topic that has received widespread attention among researchers and industry practitioners. A high-quality tax audit is essential to ensure compliance with tax laws, reduce the risk of fraud, and increase investor confidence. While, an audit quality performed by a national tax auditors is crucial for the effectiveness of the government system and administration (Johari et al., 2019). Therefore, establishing audit quality on IRBM tax auditors with precise assessments becomes an important approach for boosting economic development in the country and ensuring that public funds are used responsibly and effectively. As a result, IRBM tax auditors play a vital role in ensuring the government's positive perception and reputation in its actions of government agencies. However, there is a low amount of literature

that discusses this topic previously, especially on the national tax auditors. Several audit quality topics are more on the external auditor and decision-making or judgments during the audit. Therefore, this study emphasizes the factors that influence the tax audit quality among the national tax auditors by reviewing, compiling, and integrating earlier research to determine the path of future study so that scholars can be guided. There are five parts to this study. The issues and the goal of the study are outlined in the first part. The details of this research's methodology are provided in the following section. The third section includes a review of prior studies, the fourth section contains the study's results, and the last section is a discussion and conclusion.

## 2. Research Methodology

This study, which is quantitative in nature, examines the literature to determine the elements that influence the quality of the tax audit for the nation's tax agency auditor. To identify the articles that were relevant to this investigation, a thorough review of the literature was conducted. Several database platforms that provide access to leading scientific journals such as Google Scholar, ResearchGate, and Scopus are used to extract the articles from the literature. Keywords like audit quality, tax audit quality, theories of tax audit quality, factors that affect tax audit quality, factors that influence tax auditors, and combinations of these phrases were used to find the related articles to the topic of this paper. Consequently, 82 articles were extracted. Two screenings were performed. First, the irrelevant papers that discussed how external auditors' factors—which cannot be incorporated into the IRBM tax auditors—and decision-making processes affected the quality of tax audits were removed. This led to the removal of 37 articles in total from the article database. The second screening entails reading the paper, abstract, and title. Due to scope and redundancy, 15 items had to be removed. Figure 1 depicts the process of choosing articles. The chosen articles are analyzed, and frequency analysis is performed to discover the factors, theories, nations, and methods.

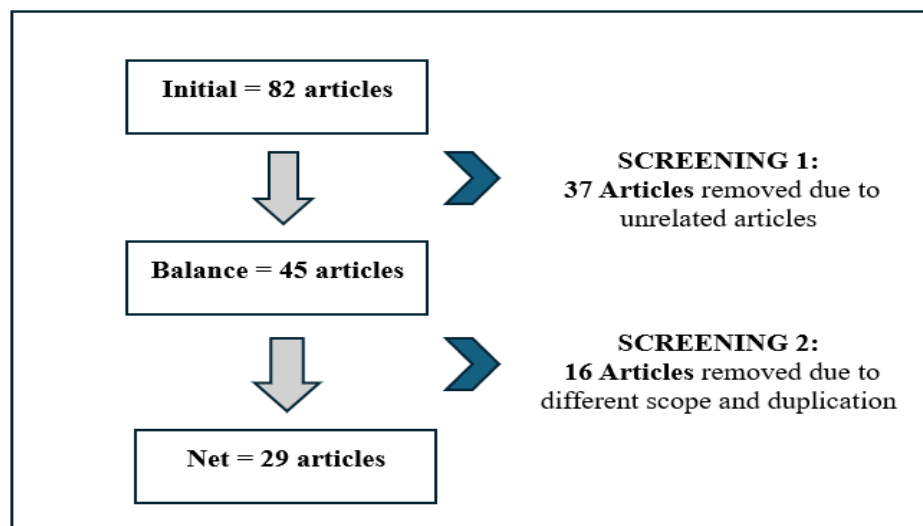


Figure 1: Process of selecting the articles

### **3. Review of Tax Audit Quality Studies**

There are few refined papers in the literature that have explored the elements that influence the quality of tax audits performed by national tax agencies. To circumvent this barrier, the articles investigated in this study are general. But only some of the external auditors' articles with the factors considered appropriate in the context of IRBM tax auditors are used in this analysis. This study aims to identify and analyze the factors that previously found as the contribution to the tax audit quality. This study categorized the tax audit quality studies into three groups to identify the variations of the variables and research techniques used, as well as the comprehension of the cultural and regional context for the audit quality study issue. In addition, the review provides a recommendation for more research, aid in perspective-gaining and synthesis, justification of the current study's importance, and the identification of key variables pertinent to the research issue. (Refer to Table 1)

#### **3.1 Tax Audit Quality Studies Worldwide**

To ensure that the country's revenue can be collected fairly, tax audit actions are carried out aggressively. According to Grampert (2002), a tax audit is specifically defined as the process of assessing the extent to which the taxpayer has accurately reported tax liabilities and prepared the financial statements in compliance with current tax legislation. Effective government administration relies on quality audits to maintain a positive reputation and favorable views among taxpayers and government officials (Johari et al., 2019).

A broad definition of quality in work can be seen as the extent to which the procedure or outputs of the work can reach a state of perfection or the desired outcomes. Definition of audit quality, by De Angelo (1981), there are two primary aspects of audit quality: the auditor's ability to spot misstatements and their ability to act appropriately in reporting any such findings. While opinions regarding the meaning and idea of audit quality are plentiful, conducting an audit impartially and with integrity requires consideration of the significance of audit quality.

Analysis of published studies found 10 articles and theses referred to get information about the factors to a quality audit, important information such as theory and findings as well as gaps that can be improved in this study. Research on factors contributing to audit quality against revenue bodies tax auditors is less compared to studies that refer to external auditors namely tax agents or accountants. The results of the article search found that the research made referring to tax auditors' revenue bodies are (Farah, 2023) ; (Rotich, 2020) ; (Mersha et al., 2022), and (Mengist et al., 2019). Although another article studied factors contributing to quality audits for tax agents or external auditors, their findings are very important especially in identifying the variables that really influence the tax auditor quality because the main tasks of both types of auditors have a similarity to ensure that the personal income reported is true and the amount of tax that should be paid is accurate and unquestionable. Thus, this article was also selected as a reference for this study.

Generally, tax audit effectiveness and tax audit quality are used interchangeably in many nations, even though their definitions differ. Articles from Greece, George and Diavastis (2015), Kenya by Rotich (2020), Ethiopia by Mengist et al. (2019), and Somalia, by Farah (2023), for instance, utilize the term "Tax Audit Effectiveness" as a dependent variable. While the others used the term audit quality as the dependent variable. Depending on the nation, there are variations in the variables, theories, and word choices used in the article titles. The significance of the variable is also contingent upon the circumstances of the nation. Positive or

negative deviations from the results will also vary depending on the culture, nation, or area. Nations like Nigeria in West Africa and Somalia, Ethiopia, and Kenya in East Africa employ almost the same titles, variables, and theories. For instance, Farah (2023), the title is Determinants of Tax Audit Effectiveness in Somali Regional State Revenue Authority, which investigates the factors that influence the effectiveness of tax audit Somali Regional State Revenue Authority. The results of the study showed that the effectiveness of tax audits was significantly impacted by management support, information systems, and resource availability, while tax audit independence had no discernible impact. The result in contrast with the literature on the connection between auditor independence and audit quality in Nigeria which was examined by Patrick et al. (2017) where auditor independence demonstrates a close connection to audit quality. But, in terms of information system antecedents, George and Diavastis (2015) agreed with Farah (2023) points that information system tools can help tax auditors monitor tax violations accurately, which increases the efficacy of tax audits.

According to Mersha et al. (2022) article from Ethiopia, the results of this mixed method study showed that audit input factors, audit process, and contextual factors all significantly improved the quality of tax audits. The finding on the audit process is in line with an article by Xiao et al. (2020) in China that also examines the relationship between audit effort and audit quality from the perspectives of the audit process and audit output. It found that an audit effort in the audit process will enhance the quality of the financial statements. The thesis by Rotich (2020), who studied 80 respondents from the Kenya Revenue Authority recommends improving the audit case selection processes, providing regular training for all employees to help them become more skilled workers, and implementing additional policy changes to the tax dispute resolution mechanisms to facilitate the filing of tax disputes. A similar study has also been done by (Crucean & Hategan, 2019) from Romania who explore the determinants of audit quality by theoretical approach. This study has listed 22 summarize of articles related to audit quality and found that a variety of internal and external factors may affect the quality of the audit; however, the auditors' professional judgment and ethical behavior are what ultimately determine the level of quality that the audit will achieve. This finding is supported by Noor Adwa Sulaiman et al. (2018) study, which describes how a variety of internal factors—behavioral lead to audit quality. The findings show that irrespective of position, experience, company size, or gender, meeting time budget pressure was challenging. Most auditors, however, put in more effort and charge more for their time when faced with a tight budget, often needing additional funding to finish the audit engagement. In addition, Zahmatkesh and Rezazadeh (2017) found that hiring individuals with extensive experience improves the professional competency of the auditor, giving them greater insight and improved judgment to produce high-quality audits.

Furthermore, the study by Persellin et al. (2018), found that audit quality for auditors in the United Kingdom starts to decline after working an average of five hours. The study included responses from 700 auditors and the survey believes that high workloads lead to worse audit quality, and it has been observed that excessive audit workloads have an adverse effect on the job satisfaction of auditors, especially when the workloads above a level that is thought to compromise audit quality.

### **3.2 Tax Audit Quality Studies in Southeast Asia**

There has been a great deal of global research on tax audit quality conducted in both industrialized and developing nations. The comparative review and separation of this category for Southeast Asia is deemed important due to its geographical proximity to Malaysia, it's

almost identical culture, and the use and styling of the second language, English, which is nearly identical compared to other countries that use English as their primary language.

Numerous research on audit quality has been carried out in Southeast Asia, involving nations like Thailand, and Indonesia. Indonesia is one of the countries that has studied a lot about factors that contribute to audit quality for tax officers in their country known as Direktorat Jenderal Pajak (DJP). For example, Sadiah and Rasmini (2023) study employed a quantitative associative approach that included 59 participants, all of whom were auditors at the Inspectorate of the Province of Bali. The purpose of the study was to examine a broader range of factors related to audit quality, including job satisfaction, organizational commitment, and work experience, as well as integrity. The findings found that integrity, work experience, and organizational commitment have a positive effect on audit quality. It's supported by Hardiyanto et al. (2022) , Elvin et al. (2021), Calocha and Herwiyanti (2020), and Supriyatin et al. (2019) study, where the employment experiences, job satisfaction, and auditor competencies affected the quality of the tax audit. In terms of the organizational commitment's variable, Ratnawati et al. (2021) revealed that organizational commitment had a positive effect on tax auditors' performance, implying that the more the tax auditors' organizational commitment and job satisfaction, the better their performance. Besides, knowledge which is one of the elements of competency also found as a positive relationship in producing the audit quality that has been studied (Wittayapoom & Limanonthachai, 2017).

Another research by (Nugrahanto & Alhadi, 2021) conducted on 96 tax auditors with an average tenure of 15 years in tax auditing working at Tax Offices in the Special Jakarta Region found a positive correlation between the quality of tax audits and IT criteria such as usefulness, convenience of use, and support for technological resources. These results are important ramifications for tax authorities, including the need to manage tax audit time, continuously enhance the abilities of tax auditors, and the development of IT to keep up with the most recent corporate processes to support tax audits. Apart from utilizing IT in Nugrahanto and Alhadi (2021) and Lannai et al. (2021) study employs Stewardship and Technology Acceptance Model (TAM) Theory to analyze and investigate the impact of auditor functional competence, integrity, and IT utilization on the quality of tax audits. The results of the study show that the quality of tax audits is positively and significantly impacted by the auditors' use of IT, functional competence, and integrity. Besides research aims to assess the direct impact of IT towards audit quality Asri and Suariedewi (2023) also examine the professionalism among the Bali Public Accounting Firms auditor's performance. The findings of this study reveal that the professionalism variable has a beneficial effect on auditor performance. This finding is supported by Calocha and Herwiyanti (2020) that show the auditor professionalism and time constraints have a positive impact on audit quality. (Chanaklang et al., 2018) examine the strategic complete audit process that is pertinent to successful auditing, outstanding practice auditing, report quality, and information dependability for Thai tax auditors. The results showed that the information reliability and audit process were connected to the audit's success. While (Sompong et al., 2017) used the strategic comprehensive process SCAP which includes audit practice excellence, audit report quality, and audit information reliability as the factors to determine the audit success of Thailand tax auditors found that all the factors are significantly related.

### **3.3 Tax Audit Quality Studies in Malaysia**

Many researchers have examined the early empirical data on the factors that impact tax audit quality in Malaysia; however, most of these studies included external auditors as respondents,

and even fewer have examined the internal and external factors that impact IRBM tax auditors' audit quality. Recently, Zuriahati Zainal (2023) conducted an action study using the planning, acting, observing, and reflecting steps to examine what can enhance the audit quality of IRBM audit officers in 5 main cycles—problem identification, systematic data collecting, analysis and reflection, intervention, and evaluation—this research uses secondary data, interviews, and observations. This study has demonstrated that time training and ongoing coaching can enhance the quality of examinations and audit assignments related to IRBM. It is in line with Nurul Fatiha Sohaimi (2022) and Ghani et al. (2021) that training and ongoing coaching and monitoring has a significant impact on the effectiveness of tax audits among IRBM tax auditors. Nurul Fatiha Sohaimi (2022) study has discovered that time constraints and job satisfaction did not affect audit quality in tax audits. The research by, Sabin Samitah (2019) which involved field tax auditors as respondents, found contrasting results where job satisfaction and motivation have a positive relationship with the productivity of field tax auditors.

If the previous study focused on audit quality vs tax audits, Ting (2023) study was performed to analyze the determinants of effective tax investigation among tax investigation officers in the IRBM Investigation Branch, particularly those in Malaysia's northern region. The outcomes of the study demonstrated that tax knowledge and abilities, tax enforcement approach, and tax penalty all had a substantial impact on effective tax investigation. The competencies items including the knowledge, skills, and experience are the important elements that affect the audit quality. The study conducted by Sabin Samitah (2019), Zarefar et al.(2016), Nadiyah et al. (2017) outcome claimed that those competencies elements are among the essential variables that correlated to tax auditors' tax audit quality.

**Table 1. Review of Tax Audit Quality Studies**

| No | Authors / Year  | Title  | Country        | Objective of the Study  | Independent Variable   | Dependent Variable      | Theory   |
|----|---|--|----------------|---|--|-------------------------|--|
| 1  | Farah. (2023) (Thesis)                                  | Determinants of Tax Audit Effectiveness in Somali Regional State Revenue Authority.  | Somali         | To investigate the factors that influence the effectiveness of tax audit Somali Regional State Revenue Authority.   | Tax Audit Independence, Resource Availability, Information system and Management Support.                          | Tax Audit Effectiveness | Agency Theory, Positive Accounting Theory, Institutional Theory. Stewardship Theory & Stakeholder Theory             |
| 2  | Mersha, S. Z., Belaye, A. B., & Gobena, L. B. (2022).   | Determinants of Tax Audit Quality with Audit Process as the Mediator in Ethiopia: The Case of The Ministry of Revenues                       | Ethiopia       | The study analyzed the determinants of tax audit quality with the audit process as the mediator.  | Input Factors<br>Key Interactions<br>Contextual Factors  | Tax Audit Quality       | Agency Theory, Contingency Theory. Inspired Confidence Theory & Stakeholder Theory                                   |
| 3  | Rotich, C. C. (2020) (Thesis)                           | Factors Affecting Tax Audit Effectiveness in Kenya Revenue Authority : A Case of South Rift-Valley Region.                                   | Kenya          | To evaluate the selected factors tax audit effectiveness in Kenya   | Audit Case Selection, Staff capacity, Tax dispute resolution mechanism and Interpretation of tax laws              | Tax Audit Effectiveness | Theory of Inspired Confidence, Policy Learning Theory, Optimal Theory of Taxation and Hoffman's Tax Planning Theory. |
| 4  | Xiao, T., Geng, C., & Yuan, C. (2020).                  | How audit effort affects audit quality: An audit process and audit output perspective  | China          | Examines the relationship between audit effort and audit quality from the perspective of audit process and audit output.  | Audit effort, Audit Process, Audit Output  | Audit Quality           | There is no explanation on theory used.  |
| 5  | Mengist, M. W., & Kumar, D. B. (2019)                   | Factors Affecting Tax Audit Effectiveness in East Gojjam Zone Revenue Office in Ethiopia   | India          | To determine factors affecting tax audit effectiveness using statistical analysis: both qualitative and quantitative approach.  | Auditee attribute<br>Organizational Setting, Top Management Support, Organizational Independence and Audit Quality | Tax Audit Effectiveness | There is no explanation on theory used.  |
| 6  | Persellin, J., Schmidt, J. J., & Wilkins, M. S. (2018). | Auditors Perceptions of Audit Workloads, Audit Quality and Job Satisfaction. (External Auditor)  | United Kingdom | To obtain the present-day audit workloads and the relationship between audit workloads, audit quality and job satisfaction.   | Audit Workloads and Job Satisfaction.  | Audit Quality           | There is no explanation on theory used.  |
| 7  | Noor Adwa Sulaiman, Yasin, F. M., & Muhamad, R. (2018). | Attributes and Drivers of Audit Quality: The Perceptions of Quality Inspectors in the UK   | United Kingdom | This study examines the UK's Audit Quality Review's quality inspectors' perceptions of attributes and drivers of audit quality.   | People & Internal factors & Contextual Factors   | Audit Quality           | There is no explanation on theory used.  |
| 8  | Patrick, Z., Vitalis, K., & Mdoom, I. (2017).           | Effect of Auditor Independence on Audit Quality: A Review of Literature  | Nigeria        | This paper reviews literature related to auditor independence and audit quality in order to determine the effect of the former on the latter  | Auditor Independence   | Audit Quality           | Agency Theory & Theory of Relationship Marketing   |
| 9  | Zahmatkesh, S., & Rezazadeh, J. (2017)                  | The effect of auditor features on audit quality  | Iran           | To investigate the effect of work experience, professional competence, motivation, accountability and objectivity of the auditor on audit quality from the viewpoint of auditors employed in firms. | Work Experience, Professional competence, Motivation, Accountability Objectivity                                   | Tax Audit Quality       | Theory Planned Behavior (TPB)  |
| 10 | George, D. S., & Diavastis, I. (2015).                  | Tax audit effectiveness in Greek firms: Tax auditors' perceptions<br>Department of Business Administration, University of Macedonia, Greece. | Greece         | The aim of this study is to examine the relationship between tax audit effectiveness, tax legislation and the use of specialized information system tools.  | Information Systems<br>Tax Legislation<br>Tax Infringements<br>Tracking  | Tax Audit Effectiveness | There is no explanation on theory used.  |

| No | Authors   | Title   | Country   | Objective of the Study  | Independent Variable   | Dependent Variable             | Theory   |
|----|---|---|-----------|---|--|--------------------------------|--|
| 11 | Sadiyah, I. S., & Rasmini, N. K. (2023).                            | Job Satisfaction Moderate the Effect of Integrity, Work Experience, and Organizational Commitment on Audit Quality.   | Indonesia | The aim of the study to provide comprehensive view of the influence of integrity, work experience and organizational commitment on audit quality moderated by job satisfaction.                                 | Experience, Integrity and Organizational Commitment  | Audit Quality                  | Herzberg two-factor Theory   |
| 12 | Trisna Yudi Asri, I. A. A., & Suariedewi, I. G. A. A. M. (2023)     | The Effect of Professionalism and The Use of Information Technology on Auditor Performance and Its Implications on Audit Quality  | Indonesia | The Effect of Professionalism and The Use of Information Technology on Auditor Performance and Its Implications on Audit Quality  | Professionalism, The Use of Information Technology, Auditor Performance  | Audit Quality                  | Theory of Reasoned Action (TRA), Technology Acceptance Model (TAM)   |
| 13 | Hardiyanto, A., Sudarman, S., Krisnawati, H., & Kuncoro, A. (2022). | The Professional Etiquette Moderating The Correlation Between Auditor's Independence And Job Experience Toward Audit Quality (A Study Case Of Tax Investigator In The Tax Directorate | Indonesia | To analyze the independence and job experience of auditors toward audit quality moderated by profesional etiquette  | Independence, Job Experience,  | Audit Quality                  | There is no explanation on theory used.  |
| 14 | Nugrahanto, A., & Alhadi, I. (2021).                                | Tax Audit Quality: An Empirical Analysis Of The Use of Information Technology, Competence, Task Complexity and Time Pressure.   | Indonesia | To analyze the empirical evidence related to factors in the use of information technology, tax auditors competencies, task complexity and time pressure that could potentially affect the quality of tax audit. | Information Technology, Tax Auditor's Competencies, Task Complexity, Time Pressure   | Tax Audit Quality              | Technology Acceptance Model (TAM), Task Technology Fit Model (TTF) and Unified Theory of Acceptance and Use of Technology (UTAUT). |
| 15 | Lannai, D., Budiyo, & Mursalin. (2021).                             | Effect of Auditor Functional Competence, Integrity and Utilization of Information Technology on Tax Audit Quality   | Indonesia | To analyze and examine the effect of auditor functional competence, integrity and utilization of information technology on tax audit quality.   | Auditor functional, competence, Integrity and Utilization of Information technology  | Tax Audit Quality              | Stewardship Theory & TAM Theory  |
| 16 | Ratnawati, V., Wahyuni, N., Freddy, D., & Abduh, A. (2021).         | Factors maximizing tax auditors' performance: Study on Indonesian Directorate General of Taxes in Riau Region   | Indonesia | To investigate factors that affect tax auditors' performance including the moderate role of work environment.   | Job Satisfaction, Job Stress, Organizational Commitment  | Tax Auditors' Performance      | There is no explanation on theory used.  |
| 17 | Elvin, A. M., Firmansyah, A., Amardianto, A., & Bernadi, V. (2021). | Tax Auditor Team Leader's Quality, Time Budget Pressure, Task Complexity: How Well Tax Audit Quality in Indonesia   | Indonesia | To analyze the effect of tax auditor team leader's technical competence and experience, time budget pressure, and task complexity on tax audit quality  | Technical Competence, Experience, Time budget pressure and Task complexity   | Tax Audit Quality              | TRA and MARS Model   |
| 18 | Calocha, R., & Herwiyanti, E. (2020).                               | Factors that affect audit quality   | Indonesia | To analyze, and show the effects of the relationship between experience, auditor professionalism, time budget pressure, audit tenure, and knowledge of detecting errors on audit quality.                       | Experience, Auditor professionalism, Time budget pressure, Audit tenure, and Knowledge of detecting errors                                     | Audit Quality                  | Agency Theory, Stakeholder Theory & Legitimacy Theory  |
| 19 | Supriyatin, E., Ali Iqbal, M., & Indradewa, R. (2019).              | Analysis of auditor competencies and job satisfaction on tax audit quality moderated by time pressure (a case study of Indonesian tax offices)'                                       | Indonesia | To examine the effect of auditor competencies and job satisfaction in regard to the quality of the tax audit under time pressure as a moderating variable.  | Auditor Competencies, Job Satisfaction and moderated by Time Pressure  | Quality Process Quality Result | There is no explanation on theory used.  |
| 20 | Chanaklang, A., Boonlua, S., & Muenthaisong, K. (2018).             | Effects of Audit Adaptation Competency on Audit Survival of Tax Auditors in Thailand.   | Thailand  | Effects of Audit Adaptation Competency on Audit Survival of Tax Auditors in Thailand.   | Audit Change Education, Audit Flexibility Perception, Audit Learning Continuity, Audit Dynamic Improvement and Audit Environmental             | Audit survival                 | There is no explanation on theory used.  |
| 21 | Sompong, A., Ussahawanitichakit, P., & Janjarasjit, S. (2017).      | Effects of Strategic Comprehensive Audit Process and Audit Success Of Tax Auditors (TAs) In Thailand  | Thailand  | To investigates the strategic comprehensive audit process relevant to the audit in excellent practice, report quality, information reliability, and success.  | Strategic Comprehensive Audit Process (SCAP), Audit Practice Excellence (APX), Audit Report Quality (ARQ), Audit Information Reliability (AIR) | Audit Success                  | There is no explanation on theory used.  |
| 22 | Wittayapoom, K., & Limanonthachai, T. (2017).                       | Audit knowledge management strategies and audit job performance: A study of tax auditors in Thailand  | Thailand  | To examine audit knowledge management strategies and audit job performance of Tax Auditors.   | Audit Knowledge Strategies (AKM) Job Performance, Organizational Climate   | Audit Job Performance          | Contingency Theory   |



| No | Authors   | Title  | Country  | Objective of the Study  | Independent Variable   | Dependent Variable                    | Theory  |
|----|---|--|----------|---|--|---------------------------------------|---|
| 23 | Zuriahati Zainal (2023)(Thesis)                                     | Improving The Audit Quality of The Inland Revenue Board Malaysia Through Action Research   | Malaysia | To improve the audit quality of IRBM audit officers through an action research process involving planning, acting, observing, and reflecting.   | Time training and continuous coaching  | Audit Quality and Auditors Competency | Competency Based Training Theory, Human Capital Theory and Researching Real-World Problems Theory |
| 24 | Teoh Ting Ting (2023)(Thesis)                                       | Determinants of Effective Tax Investigation: A Case of The IRBM Investigation Branch in The Northern Region  | Malaysia | This study attempted to investigate the determinants of effective tax investigation among tax investigation officers in IRBM Investigation Branch, especially those located in the northern region of Malaysia. | Complex tax laws, Tax Knowledge & Skills, Tax Enforcement Strategy & Tax penalty           | Effective Tax Investigation           | Deterrence Theory   |
| 25 | Nurul Fatiha Sohami (2022)(Thesis)                                  | Factors Influencing Audit Quality In Tax Audit Among Irbm's Tax Audit Officers In Malaysia   | Malaysia | This paper aims to determine the factors that influence audit quality in tax audit among IRBM's tax audit officers in Malaysia  | Accountability, time limit, job satisfaction, competency, and taxation technical training  | Audit Quality                         | Attribution Theory and Theory Planned Behavior  |
| 26 | Ghani, E. K., Abdul Aziz, M. A., Shamsudin, N., & Ilias, A. (2021). | Do Audit Case Selection, Supervision Monitoring and Auditors' Characteristics Influence Tax Auditors' Effectiveness? (IRBM Tax Auditors)                           | Malaysia | To examine the factors influencing tax audit effectiveness of tax auditors in the Inland Revenue Board of Malaysia (IRBM).  | Audit Case Selection, Supervision Monitoring and Auditor's Characteristics                 | Tax Audit Effectiveness               | There is no explanation on theory used.   |
| 27 | Sabin Samitah (2019) (Thesis)                                       | Factors Affecting the Productivity of IRBM Field Tax Auditor: A Case Study in Malaysia   | Malaysia | To explore the idea of factors affecting the productivity of field tax auditors in IRBM   | Human Capital Talent, Demographic, Religiosity, Motivation, Job Satisfaction and Happiness | Productivity IRBM Field Auditor       | Theory Planned Behavior & Neo-Classical Marginal Productivity Theory                              |
| 28 | Nadiah A.H., Siti Hajar A.M., & Zarinah A.R. (2017).                | The Influence of Core Competency Skills of IRBM Tax Auditors Towards Their Performance.  | Malaysia | To examine the relationship between core competencies towards their performance in completing audit cases.  | Core Competency Skills Organizational Independence, Knowledge and Understanding.           | IRBM Tax Auditor's Performance        | There is no explanation on theory used.   |
| 29 | Zarefar, A., Andreas, & Zarefar, A. (2016).                         | The Influence of Ethics, Experience and Competency Toward the Quality of Auditing with Professional Auditor Skepticism as Moderating Variable. (External Auditor). | Malaysia | To prove empirically on effect of ethics, experience and competency of auditor toward the output of auditing and professional scepticism as moderating variables to the auditors BPKP Province of Riau.         | Ethics, Experience, Competencies   | Quality of auditing output            | There is no explanation on theory used.   |

## 4. Findings

Based on a frequency analysis of the 29 analyzed articles, conclusions were drawn. The findings of the study are shown in the following.

### 4.1 Factors Influencing Tax Audit Quality

As a result of the three categories of synthesis analysis, the study found that there are eleven most important factors in achieving tax audit quality. Figure 2 shows that the most important factors are experience, skills, and knowledge then followed by information technology (IT), job satisfaction, time, and organizational commitment. Lastly, the most important factors are audit case selections, task complexity, and motivation, each of them with frequency 2.

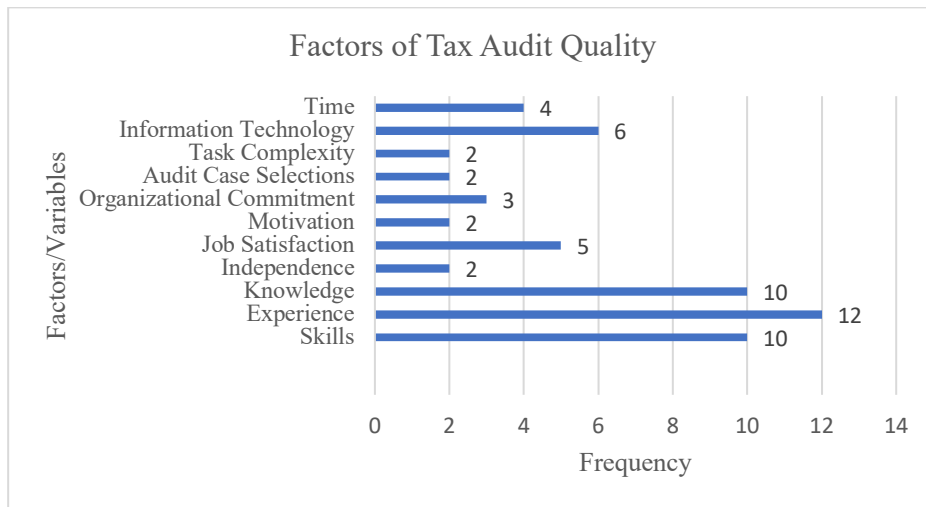


Figure 2: Most factors that contribute to tax audit quality.

#### 4.2 Countries of the reviewed studies

Out of the 29 studies that were evaluated, Indonesia is the nation that analyses tax audit quality the most frequently (9 times), followed by Malaysia (7 times), Thailand (3 times), the United Kingdom (2 times), and other nations including Somalia, Ethiopia, Kenya, India, China, Nigeria, Iran, and Greece (1 time). Figure 4 displays the nations in which the research was carried out.

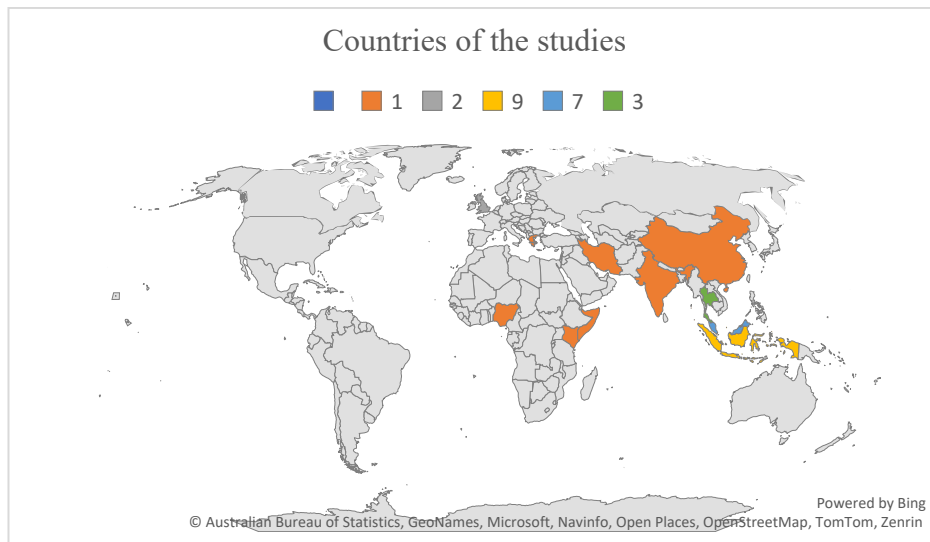


Figure 3: Countries of the study.

#### 4.3 Chronology of the studies

The studies were conducted between the year 2015 to 2023. Figure 4 shows the slope fluctuating up to a maximum of frequency 5 where the flat pattern can be seen starting in 2017 until 2023 with a decrease in 2019 with only 2 studies. This slope also shows that research on tax audit quality is relatively less researched in 2015 and 2016.

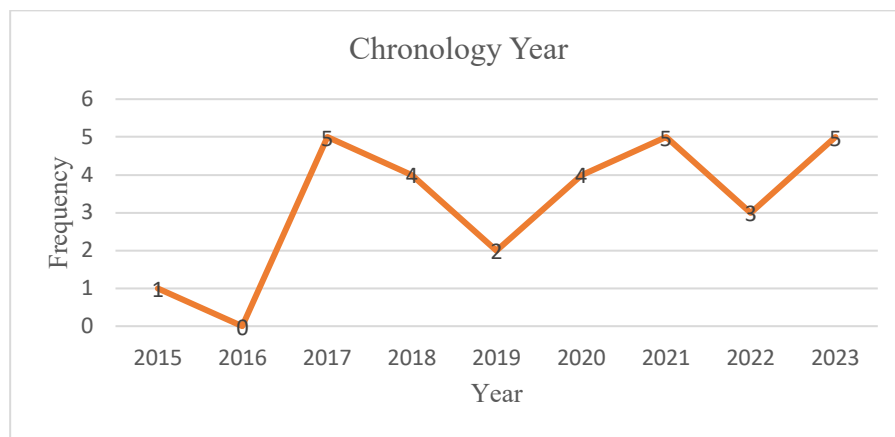


Figure 3: Countries of the study

## 5. Discussion and Conclusion

The findings of this study showed that the most important factors are those related to competencies which include elements of skills, experience, and knowledge. In general, Spencer and Spencer (1993) and (Chilcott et al., 2023) describe competence as the essential traits of persons who demonstrate a causal connection in achieving effective and/or outstanding results in a specific employment environment or situation. Zahmatkesh and Rezazadeh (2017) found that hiring individuals with extensive experience improves the professional competency of the auditor, giving them greater insight and improved judgment to produce high-quality audits. Therefore, it is not surprising that the results of this review found that the elements of skills, experience and knowledge are the most important factors in making an audit quality. With the era of globalization and the importance of using IT, tax auditors should also follow the current trend by using the best IT available. According to this study, the use of IT is the fourth most important variable in producing a quality audit. Technology is defined as an instrument for gathering, modifying, processing, communicating, and presenting data that is helpful for decision-making (James L. Bierstaker et al., 2001). A fundamental understanding of information systems can help auditors choose the right audit processes that can speed up audit goals and length while also lowering the complexity of audit activities (Hardiyanto et al., 2022). It is supported by George and Diavastis (2015) where the outcomes show that tax agency staff of the Greek Taxation Information System (TAXIS) believe that employing IT has improved their work performance and Farah (2023) study recommends the Somali Revenue Authority to maintain current databases with new competitive technology. Furthermore, Nugrahanto and Alhadi (2021) stated that the use of IT is useful in implementing all tax audit procedures to fulfill the complete standard stages in the audit program. In general, it can be interpreted that IT can increase the productivity of tax auditors in all audit activities so that the work results are more optimal.

Several studies revealed the importance of job satisfaction and time in performing audit quality. Job satisfaction becomes one of the most essential variables in conducting quality audits since a high degree of individual job satisfaction will have an impact on improved employee performance for organizations as a whole Ratnawati et al. (2021) it supported by (Sabin Samitah, 2019); (Supriyatin et al., 2019) and (Persellin et al (2014). Contrary to (Nurul Fatiha Sohaimi, 2022), where the results indicate that job satisfaction has no bearing on audit quality, the majority of IRBM's tax audit officers expressed satisfaction with their tasks, working environment, teammates, and the support and direction they received from their

manager and group lead. By this finding, previous studies found that time also gives mixed results. Some of the studies have a significant impact on audit quality (Elvin et al., 2021); (Calocha & Herwiyanti, 2020); (Supriyatin et al., 2019) but the other does not (Nurul Fatiha Sohaimi, 2022) and (Nugrahanto & Alhadi, 2021)

Overall, this study has revealed the elements influencing tax audit quality. This study can help decision-makers focus on these aspects and improve the quality of tax audits. By understanding the factors that affect the quality of tax audits, audit organizations and stakeholders can take steps to improve their audit processes and maximize tax compliance (Khafizah et al., 2020). This can help reduce the risk of fraud and improve the integrity of the tax system as a whole. For academics, this study consolidated the findings of earlier investigations, making it easy to discover gaps and expand on the findings of this research.

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