

## Corporate Governance and Tax Avoidance of Listed Consumer And Industrial Goods companies In Nigeria

<sup>1</sup>OMESI, ISRAEL (PhD)&<sup>2</sup>APPAH, EBIMOBOWEI

<sup>1 & 2</sup>department Of Accounting, Faculty Of Business Studies, Ignatius Ajuru Univeristy Of Education, Port Harcourt, Rivers State, Nigeria

### Abstract

This study empirically investigated the effects of corporate governance attributes on tax avoidance of quoted companies in Nigeria for the period 2015 to 2019. The study employed ex post facto and correlational research design. The sample size of the study comprised of consumer goods companies that were determined using Taro Yamen's formula. The data for the study was obtained from the published annual financial statements of the sampled companies and descriptive statistics, Philip Perron Fisher Unit Root test, Kao residual cointegration test was used for data analysis while panel generalized method of moments (PGMM) for the test of hypotheses. The result from the panel generalized method of moments (PGMM) revealed that board size and audit committee do not significantly affect tax avoidance of listed firms in Nigeria while board independence, audit quality and ownership significantly affect tax avoidance of listed firms in Nigeria. Also the control variables of leverage, capital intensity and return on asset suggested no significant influence on tax avoidance of listed firms while expected growth and firm size significantly affect tax avoidance of listed companies in Nigeria. The paper concluded that corporate governance attributes of board independence, audit quality and ownership do affect the level of tax avoidance practices in listed companies while board size and audit committee do not affect tax avoidance activities. Therefore, the paper recommends amongst others companies in Nigeria should improve on the level of governance practices in order to decrease corporate tax liability for better firm performance.

**Keywords:** Board Size, Board Independence, Ownership, Audit Committee, Tax Avoidance.

Date of Submission: 25-03-2021

Date of Acceptance: 09-04-2021

### I. Introduction

Taxes are a major source of revenue to government all over the world. According to Omesi and Appah (2020a), taxes are compulsory contribution made by members of any given society to the state subject to the jurisdiction of the government for the purpose of generating revenue to facilitate economic growth, economic stabilization, income redistribution, promoting fairness and equity, fiscal responsibility and accountability, as well as for the provision of national goods and services (Omesi & Appah, 2020b). Mais and Patmininingih (2017), state that taxpayers are expected to contribute to the growth and development of any given economy. However, taxpayers view the payment of taxes as burden hence minimize the burden of corporate income tax by using the loophole of the various tax provisions. Therefore, corporate governance provides the decision for companies to avoid the payment of corporate income tax (Yuniarsih, 2018). Aburajah, et al (2019) stated that corporate tax affects corporate governance mechanism by discouraging those actions that are contrary to the interests of stakeholders. Ibrahim and Law (2014) observed that board of directors and stakeholders must be aware of the risks of tax administration. Mahenthiran and Kasipillai (2012); Landry, et al (2013) argued that corporate governance affects corporate tax which influences decision-making associated with tax strategies

Corporate governance influences good corporate management of organisations including the reduction of tax liability. Ogbeide and Obaretin (2018) suggest that corporate governance is the heart of every company and it takes a center stage in effective management and control of corporate entities. Abraham (2011) stated that good corporate governance structure is a major factor that affects tax avoidance. Ogbeide and Obaretin (2018) noted that the utilization of corporate governance structure to reduce tax payments no doubt is as a result of tax management efficiency and management effectiveness towards the wealth maximization of shareholders. Nwaobia, et al (2016) stated that changes in the value maximizing influence of tax avoidance of manufacturing companies in Nigeria were as a result of differences in the governance structures of the corporate entities and their use of knowledgeable professional experts in taxation. Zemzem and Fluohi (2013) observe that corporate governance attributes is interrelated with board size, managerial ownership, board independence, ownership concentration, board diversity, audit committee size, amongst others. The association between corporate governance and tax is ambiguous (Hanlon & Heitzman 2010). According to Ogbeide and Obaretin (2018), several studies on corporate governance and tax avoidance have showed different outcomes. Hence, the

results of prior studies remained inconclusive. Minnick and Noga (2010); Ogbeide and Obaretin (2018) found a positive relationship between corporate governance and tax avoidance. Contrary, Khurana and Moser (2012) state a negative association between corporate governance and tax avoidance.

Lanis and Richardson (2011) suggest that board size does not influence tax avoidance. Aliani and Zarai (2012) showed a non-significance association between the size of the board and tax avoidance. Boussaidi and Hamed (2015) indicate a positive influence of ownership concentration on tax avoidance. Ying (2015) revealed an association between ownership structure, board characteristics and tax avoidance in China. Boussaidi and Hamed (2015) study suggests a negative association between managerial ownership and tax avoidance. Aliani and Zarai (2012) showed that gender diversity does not significantly affect tax avoidance. The effects of corporate governance and corporate tax avoidance have not been given serious attention in sub-Saharan Africa. This constitutes the gap this investigation intends to fill by using more robust variables and methodologies than other prior studies of corporate governance and tax avoidance. Therefore, the main objective of this study was to investigate corporate governance attributes on tax avoidance of listed consumer and industrial goods companies in Nigeria.

The following are the specific objectives of this study:

1. To investigate effects of board size on tax avoidance of listed consumer and industrial goods companies firms in Nigeria.
2. To investigate effects of board independence on tax avoidance of listed consumer and industrial goods companies firms in Nigeria.
3. To investigate effects of audit committee on tax avoidance of listed consumer and industrial goods companies firms in Nigeria.
4. To investigate effects of audit quality on tax avoidance of listed consumer and industrial goods companies firms in Nigeria.
5. To investigate effects of ownership structure on tax avoidance of listed consumer and industrial goods companies firms in Nigeria.
6. To investigate effects of size, leverage capital intensity, inventory intensity, profitability and expected growth on tax avoidance of listed consumer and industrial goods companies firms in Nigeria.

The following research questions were analysed:

1. What is the relationship between board size and tax avoidance of listed consumer and industrial goods companies in Nigeria?
2. What is the relationship between board independence and tax avoidance of listed consumer and industrial goods companies in Nigeria?
3. What is the relationship between audit committee and tax avoidance of listed consumer and industrial goods companies in Nigeria?
4. What is the relationship between audit quality and tax avoidance of listed consumer and industrial goods companies in Nigeria?
5. What is the relationship between ownership structure and tax avoidance of listed consumer and industrial goods companies in Nigeria?
6. What is the relationship between firm size, leverage, capital intensity, inventory intensity, profitability and expected growth and tax avoidance of listed consumer and industrial goods companies in Nigeria?

The following null hypotheses were tested in this study:

**H<sub>01</sub>:** Board size does not significantly affect tax avoidance of listed consumer and industrial goods companies in Nigeria.

**H<sub>02</sub>:** Board independence does not significantly affect tax avoidance of listed consumer and industrial goods companies in Nigeria.

**H<sub>03</sub>:** Audit committee does not significantly affect tax avoidance of listed consumer and industrial goods companies in Nigeria.

**H<sub>04</sub>:** Audit quality does not significantly affect tax avoidance of listed consumer and industrial goods companies in Nigeria.

**H<sub>05</sub>:** Ownership structure does not significantly affect tax avoidance of listed consumer and industrial goods companies in Nigeria.

**H<sub>06</sub>:** Profitability, leverage, capital intensity, firm size and expected growth does not significantly affect tax avoidance of listed consumer and industrial goods companies in Nigeria.

## II. Literature Review

### Conceptual Review

**Corporate Governance:** O'Donovan (2003) in Appah (2017) stated that corporate governance explains the internal dynamics of an organization that consists of policies, processes and people that meets the objectives of the various stakeholders through directing and controlling management actions with objectivity, accountability and integrity. It encompasses marketplace commitment, legislation, corporate board culture which safeguards policies and processes. Mohammed (2017) suggested that corporate governance consists of both internal and external mechanism. The internal mechanisms are those mechanisms that deal with the effectiveness of the board of directors in positively advising on and overseeing the design and implementation of appropriate business strategies that would ensure that managers maximize the wealth of positively. While external mechanisms consist of those measures taken to monitor stakeholders such as government regulations, debt covenants, financial analysts etc. Hanlon and Heitzman (2010) listed two major reasons for investigating corporate governance attributes and tax avoidance. The first reason is that properly planned tax administration is essential for maximizing valuable activities that reduce taxes and assist in performance improvement. The second is the uncertainty of tax sheltering in the improvement of corporate performance (Aburajah, et al, 2019). Waluyo (2017) state that the major objective of good corporate governance is associated to accountability, responsibility, and an attitude to protect the shareholders' requirements to pay the tax. The structure of the ownership of the company has a major role in tax avoidance. Yuniarsih (2018) emphasizes that corporate governance attributes are standards employed in the evaluation of corporate tax avoidance. He further stated that the impact of tax avoidance is the acceleration of corporate assessment.

**Board size:** This is the number of individuals that constitute the board of directors of a company. The number of individuals that make up the board of directors influence the advisory capacity of the board as well as its monitoring effectiveness. Lanis and Richardson (2011) suggested that the size of the board has a significant impact on tax avoidance. Mahenthiran and Kasipilai (2012) examined board composition and corporate tax avoidance and found a significant but negative partial association between board composition and corporate tax avoidance among Malaysian listed. Aliani and Zarai (2012) study revealed that no significant association between the size of the board and tax avoidance. Their investigation suggested that the number of directors do not affect the strategies for tax avoidance.

**Board independence:** This is the proportion of members of the board who are non-executive directors that influence board oversight. Van Der Pilos (2017) conducted a study of the proportion of the independent directors and tax avoidance in the U.K. The result of the study revealed that the fixed effect model showed that when there are more independent directors on the board it reduces the level of tax avoidance. Minnick and Noga (2010) report that the association between independent directors and tax avoidance has a negative association. Lanis and Richardson (2012) stated that the presence of more independent external directors is negatively related to tax avoidance and that the existence of independent boards with good corporate governance attributes significantly impact on tax avoidance (Lanis & Richardson, 2012). Aburajah, et al (2019) carried out a study on corporate governance and tax aggressiveness in Jordan. Their study revealed a negative association between board independence and tax avoidance.

**Ownership structure:** This explains the number of individual with sizeable number of shares in a company (block shareholding), the level of managerial shareholding as well as the ownership of shares by other corporate bodies (institutional shareholding). Fadhilah (2014) stated that institutional ownership is the proportion of share ownership by the founding institution of the company, and it is measured by the percentage of total shares owned by the investor of the internal institution (Mais & Patminongih, 2017).

**Audit Committee:** According to Aldamen, Duncan, McNamara and Nagel (2012) the audit committee is a key monitoring mechanism, both in respect of shareholders' and for other stakeholders' interests. The committee is chaired by an independent director. Pratama, et al (2017) investigated corporate governance mechanisms and tax avoidance in Indonesia. The result suggested that the independence of the audit committee does not influence the tax avoidance.

**Audit Quality:** Audit quality is an important indicator in reducing conflicts of interest between management and shareholders (Chytis, Filos, Tagkas, & Rodosthenous, 2016). Audit quality is a measure of corporate governance that controls the activities of managers and prevents accounting manipulation and potentially fraudulent activities (DeAngelo & Masulis, 1980 in Chytis, Tasios, Georgopoulos & Hortia, 2019). Audit quality is measured by the Public Accounting Firms. The Big Four of Public Accounting Firms are more reliable in showing the actual value of the company and can control the company tax avoidance. The external auditors are expected to provide an independent opinion in the annual reports of companies. Gallemore, et al (2014) suggest that external auditors evaluates whether their clients adopt aggressive tax positions that may fall within the grey area and could be identified by the tax authority. McGuire, et al (2012) stated that companies engage in better tax avoidance when their external auditor is a tax expert.

**Tax Avoidance:** The concept of tax avoidance explains the legal means of reducing a taxpayer's income tax liability. According to Appah (2019), tax avoidance arises where the taxpayer organises his financial affairs in such a way that would make him pay the least possible amount of tax. Yuniarsih (2018) stated that tax avoidance is the utilization of accounting methods and techniques by a taxpayer in accordance with relevant tax provisions so that income tax payable becomes minimal. He further noted that tax avoidance minimizes the income tax liability of taxpayers with the various tax laws in a given tax jurisdiction. Abdul-Wahab and Holland (2012) defined tax avoidance as the actions of corporate entities to gain tax benefit or increase corporate tax efficiency.

#### **Effective Tax Rate**

Effective tax rate is the measure used in several studies such as (Zhu, et al, 2019; Yuniarsih, 2018; Murni, et al 2016; Igbinoia and Ekwueme, 2018; Ogbeide and Obaretin, 2018) to measure tax avoidance. According to Yuniarsih (2018), effective tax rate is a rate calculated to explain the cumulative impact of several tax incentives and changes on rates of corporate tax. It is measured by comparing real tax paid and net income before tax (Zhu, et al, 2019; Yuniarsih, 2018). Aburajah, et al (2019) suggested that the tax avoidance can appear in two ways, the first is the preparation of tax returns in accordance with the law and the second is to do the tax sheltering.

**Profitability and Corporate Tax Avoidance:** Profitability of corporations influences the level of tax avoidance. Profitability has been measured in previous empirical studies on corporate tax avoidance as return on assets (ROA). Rego and Wilson (2012), McGuire, Wang and Wilson (2012), and Gaertner (2013) studies revealed a positive and significant relationship between profitability and tax avoidance. However, other studies such as Boone, Khurana and Raman, (2013), Edwards, Schwab and Shevlin (2013) and Taylor and Richardson (2013) found a negative correlation between corporate profitability and tax avoidance.

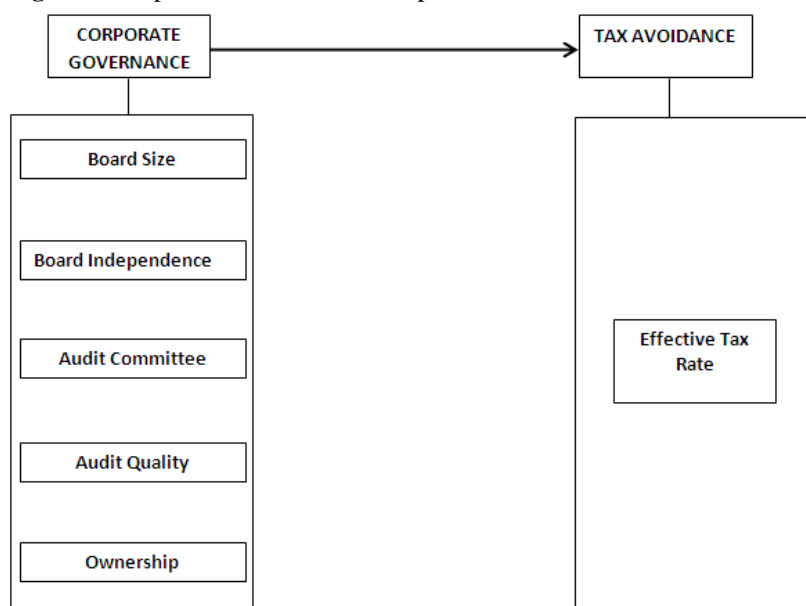
**Capital Intensity and Corporate Tax Avoidance:** Capital intensity is measured in prior studies as the level of property, plant and equipment (PPE) to be related with variations in corporate effective tax rate. Taylor and Richardson (2013) study showed a significant positive relationship between capital intensity and thin capitalization in their ordinary least squares estimate but found a positive but statistically not significant association using their logit estimate. Edwards, Schwab and Shevlin (2013) and Ding, Duan, Hou and Zhang (2013) studies revealed a statistically insignificant negative relationship between capital intensity and tax avoidance. Salawu & Adedeji, (2017) study showed a negative but insignificant association between capital intensity and effective tax rate.

**Financial Leverage and Corporate Tax Avoidance:** Financial leverage is also another dimension employed by previous studies to examine tax avoidance. Harrington and Smith (2011) found that firms that pursue tax avoidance activities issue more long-term debt as a form of financing and thus have higher average leverage after a re-financing. Md Noor, Fadzillah and Mtsuki (2010), found a negative and significant correlation between financial leverage and tax avoidance. The empirical studies Gaetner (2013) and Edwards *et al* (2013) studies have also documented a negative and significant association between financial leverage and tax avoidance. Salawu & Adedeji, (2017) study showed a negative but insignificant association between financial leverage and effective tax rate.

**Firm Size and Corporate Tax Avoidance:** The size of a company influences tax avoidance, this is because bigger companies will have a lower cash effective tax rate compared to smaller companies; they have more economic and political power and are able to reduce corporate tax liabilities (Salawu & Adedeji, 2017). The size of a company is measured by natural logarithms of total assets (Lanis & Richardson, 2012; Salawu & Adedeji, 2017; Hasibuan & Khomsujah, 2019). Salawu and Adedeji, (2017) study revealed that firm size positively and significantly influences effective tax rates.

**Expected Growth and Corporate Tax Avoidance:** Expected growth was utilized in this study to control the extent of the growth of the company. Hence to maintain the organisation at a steady growth, managers are more encouraged to engage in tax avoidance activities. Also, companies with high growth will indicate a smaller cash effective tax rate, and thus a greater incentive for tax avoidance. Salawu and Adedeji, (2017) study showed a negative but insignificant association between growth opportunities and effective tax rate.

Fig. 1: Conceptual Framework on Corporate Governance & Tax Avoidance



Source: Authors Design(2020)

### Theoretical Framework

There are several theories that can be used to explain corporate governance and tax avoidance. Therefore, this study is anchored on agency theory and legitimacy theory.

**Agency theory:** This theory is credited to the works of Jensen and Meckling (1976) and Fama and Jensen (1983). Izedonmi (2016) suggested that agency problem arises in a situation where the principal (owners, shareholders) employs the agent (board/management) to undertake number of duties on behalf of the owners for a reward. Olugbenga, et al (2014) state that agency theory is the application of game theory to the explanation of the circumstances in which a person (the agent) acts on behalf of the principal for the advancement of the principal's objectives. According to Adeyemi, et al (2019), agency theory is a unit of finance and accounting that explains the conflicts of interest between stakeholders with diverse interests in the same asset. The conflicts between the different interests may result in agency cost. Bundala (2012) suggests that agency costs consist of three dimensions, namely: the monitoring expenditure of the principal, the bonding expenditure by the agent, and the residual loss. Olugbenga, et al (2014) stated that the monitoring cost is the cost incurred by the principal to monitor the behaviour of the agent. Adeyemi, et al (2019) stated that this behaviour can be monitored through budget restrictions, compensation policies and operating rules. Bundala (2012) noted that the bonding cost explains the circumstances where the principal pays the agent to guarantee that harmful actions would not be taken to harm the principal. Adeyemi, et al, (2019) further suggest that bonding cost increases where the principal pays a premium to the agent to establish a legal obligation from which the principal can be compensated for any harmful actions of the agent. The residual loss represents the difference between the agent and principals actions if the principal takes the action. Olugbenga, et al (2014) stated that residual loss is as a result of divergence in between the principal and agent interests.

Agency theory explains the relationship between tax and corporate governance. Yuniarsih (2018) observed that corporate governance is important because the preparation of corporate tax report is not easy. Therefore, corporations with high fees reveal that the management has failed in business activities which necessitate tax avoidance (Yuniarsih, 2018). Hanlon and Heitzman (2010) state that agency theory explains the association between on tax matters and governance structures in corporate entities. Desai and Dharmapala (2006) described that tax avoidance influences agency costs. Similarly, Armstrong, Blouin, et al (2015) in their study observe that shareholder preferences regarding tax avoidance and how corporate governance attributes can affect tax avoidance in either direction.

**Legitimacy theory:** This theory explains the behaviour of corporate entities in the implementation and development of policies and the communication of the outcomes. O'Donovan (2002) suggests that legitimacy theory developed from the notion that for businesses to continue operating successfully, it should perform within the bounds and norms of what society identifies as socially responsible behaviour (Omran & Ramdhony, 2015). Kanakriyah (2013) suggest that legitimacy theory describes the level of financial reporting that provides the voluntariness to disclose financial information by pointing out that business entities want to guarantee their

continued existence in society. This theory explains the reasons for companies to pay attention to the environment and its responsibility towards the society in which it operates. Olugbenga, et al (2014), state that corporations should achieve the social contract and behave in a way that is consistent with the expectations of investors. Therefore, if investors expect companies to apply impairment of assets, then companies may feel forced to achieve continuity as being legitimate. The legitimacy theory also can be employed to explain tax avoidance practices by corporate entities. Avi-Yonah (2008) emphasize that corporate entities deliberately avoid payment of company income tax to reduce their tax liability which is seen as illegitimate social contracts. Lanis and Richardson (2012) also explain that tax avoidance is viewed as an act that has no social responsibility because it does adversely affect the economy of any given society. Therefore, by taking a positive attitude towards tax payment, corporate entities will gain legitimacy in the society and can choose the sustainability of its business activities in the society.

### **Empirical Literature**

There are several previous empirical investigations on the association between corporate governance mechanisms and tax avoidance in developed and developing countries. Some of these studies are reviewed below with a view to observe the trends of the findings and the gaps in literature.

Yuniarsih (2018) carried out an investigation on accounting conservatism and corporate governance mechanism on tax avoidance in Indonesia. The study employed ex post facto research design. The data for this study was secondary obtained from the published financial statements of sampled manufacturing companies listed on the Indonesian Stock Exchange for the period 2014 to 2016. The investigation employed random sampling technique for the purpose of sampling technique. The data obtained from the annual reports were analysed using descriptive and inferential statistics. The inferential statistics was guided by multiple regression analysis. The result obtained from the hypotheses testing revealed that accounting conservatism does not influence tax avoidance, managerial ownership negatively affects tax avoidance, institutional ownership does not affect tax avoidance and audit quality also does not affect tax avoidance in Indonesia listed manufacturing companies.

Zhu, et al (2019) investigated the corporate tax avoidance and firm performance in Ghana. The study utilized ex post facto and correlational research design. The data for the study was collected from the annual financial statements of the companies listed on the Ghanaian Stock Exchange for the period under review. The independent variable was corporate tax avoidance and the dependent variable was return on assets. The study controlled for size, inventory intensity, capital intensity and board independence. The study adopted purposive sampling technique and the data obtained were analysed using descriptive and inferential statistics. The inferential statistics was guided by standard ordinary least square regression model. The result obtained from the hypotheses test revealed that a negative association between corporate tax avoidance and return on assets.

Murni, et al (2016) analysed institutional ownerships, board of independent commissioner, leverage and corporate tax avoidance in Indonesia. The study adopted ex post facto research design and secondary data was used for the purpose of data collection for the period 2010 to 2014. The study was limited to only manufacturing companies listed on the Indonesian Stock Exchange for the period under review. The dependent variable was tax avoidance while the independent variable was institutional ownership, board independent and leverage. The population consists of all manufacturing companies while the study used a purposive sample of 108 manufacturing companies. The data collected from the annual financial statements were analysed with descriptive and inferential statistics. The inferential statistics of multiple regression analysis revealed that institutional ownership significantly affects tax avoidance while board independence and leverage does not significantly affect tax avoidance.

Igbinovia and Ekwueme (2018) carried out an investigation of corporate tax avoidance and shareholders returns in Nigeria. The study utilized ex post facto research design and the population consisted of all non-financial companies quoted on the Nigerian Stock Exchange for the period 2010 to 2016. The study employed convenience sampling technique with a sample of fifty four non-financial companies as sample size and secondary sources of data collection from the annual financial statement of sampled companies. The dependent variable was stock returns while the independent and control variables consists of corporate tax avoidance, liquidity, profitability, expected growth, and capital intensity. The data obtained from the annual financial statements were analysed with descriptive and inferential statistics. The inferential statistics was guided by pooled ordinary least square regression analysis. The result showed that corporate tax avoidance positively and significantly affects shareholders return of listed non-financial companies in Nigeria. Also, the study revealed that the improvement of liquidity, profitability, expected growth and capital intensity of sampled companies when tax avoidance behaviour is properly monitored.

Waluyo (2017) carried out a study of good corporate governance on tax avoidance in Indonesia. The study employed ex post facto and quantitative research design from banks quoted on the Indonesia Stock Exchange. The study utilized purposive sampling of ninety two observations. The study used secondary data

obtained from the published annual financial statements of the sampled banks. The dependent variable tax avoidance was proxied as effective tax rate while corporate governance was measured with audit committee, independent directors, institutional ownership, and audit quality. The data collected from the annual reports were analysed using descriptive and inferential statistics. The inferential statistics was tested with ordinary least square model. The results revealed that independent directors and corporate performance negatively affects tax avoidance while audit committee, audit quality and size positively influence tax avoidance.

Ogbeide and Obaretin (2018) studied corporate governance and tax aggressiveness of quoted non-financial companies in Nigeria for the period 2012 to 2016. The study utilized longitudinal and causal effect research designs. The study employed secondary sources of data collection from the annual reports of eighty-five sampled companies from the total population of one hundred and sixteen. The dependent variable was tax aggressiveness measured with tax effective tax rate and the independent variables was corporate governance that was measured with board size, board independence, ownership concentration, and board gender diversity. The data obtained from the secondary sources was analysed using descriptive and inferential statistics. The inferential statistics consists of general method of moment after diagnostic and unit root tests. The result from the statistical tests suggests that corporate governance significantly affects tax aggressiveness. Their study specifically revealed that ownership concentration and managerial ownership positively and significantly affects effective tax rate while board size showed negatively and significantly on effective tax rate. Also, board gender diversity and board independence showed a negative and significant effect on effective tax rate of quoted non-financial companies in Nigeria for the period under review.

Aburajah, et al (2019) carried out a study on board of directors' characteristics and tax aggressiveness in Jordan. The study employed ex post facto and correlational research design. The study population consisted of all listed companies in Jordan while the sample of one hundred and twenty nine companies. Secondary data was used for data collection from the annual financial statements of sample companies. The dependent variable was tax aggressiveness measured with effective tax rate and independent variable board of directors' characteristics of board composition, board independence and CEO duality with size and return on assets as control variable. The data collected from the secondary data was analysed using descriptive and inferential statistics. The inferential statistics was logarithmic regression model. The result suggest that board composition and board independence showed a negative association with tax aggressiveness while board duality revealed a positive association with tax avoidance. The control variables of return on assets and firm size showed a positive association with tax avoidance.

Mappadang, A. (2019) investigated corporate governance mechanism on tax avoidance and firm value of listed companies in Indonesia Stock Exchange for the period 2013 to 2016. The study adopted ex post facto and correlational research design. The data for the study was collected from the published annual reports of the listed companies. The population consisted of all manufacturing companies while a sample of eighty seven companies and purposive sampling methods was applied. The independent variable was measured by independent commissioners, institutional ownership, and the board of commissioners while the dependent variable was tax avoidance and firm value. The data collected from the annual reports was analysed with descriptive and inferential statistics. The inferential statistics was guided by partial least square regression analysis. The result revealed that corporate governance positively and significantly affects firm value while it shows a negative and significant association with tax avoidance. Also the result showed a positive and significantly affects firm value.

Jamei (2017) conducted a study on corporate governance and tax avoidance in Iran in companies listed on the Tehran Stock Exchange for the period 2011-2015. The study employed ex post facto and correlational research design and data was obtained from the annual reports of the quoted companies. The population consisted of all the companies while the sample comprised one hundred and four companies. The independent variables were corporate governance measured by number of board members, non-executive directors, managerial ownership and institutional ownership while tax avoidance was measured by effective tax rate. The data collected was analysed with descriptive and inferential statistics. The inferential statistics was guided by multiple regression model. The empirical results revealed that there is no significant association between number of board members, proportion of non-duty members, institutional ownership and tax avoidance. Also, there is no significant association between managerial ownership and tax avoidance.

Salawu and Adedeji (2017) carried out a study of corporate governance and tax planning in Nigeria. The study adopted ex post facto and correlational research designs. The population of the study comprised one hundred and fifty one listed companies and a sample of fifty companies was selected using stratified random sampling technique. The secondary data was employed for the purpose of data collection from the annual reports and financial statements of the sampled companies for the period under review. The independent variable was corporate governance measured by board size, gender diversity, audit quality, foreign ownership and equity concentration while the dependent variable was tax planning measured by effective tax rate while the control variable consisted of liquidity, firm value, inventories, capital intensity, net working capital and firm

size. The study employed both descriptive and inferential statistics for the purpose of data analysis. The inferential statistics used multiple regression analysis for the purpose of hypotheses testing. The result revealed that board size and ownership concentration positively and significantly influences tax aggressiveness while board diversity and foreign investors showed a significant negative association with tax planning.

Chytis, et al (2019) investigated tax avoidance, company characteristics and corporate governance in Greece. The study adopted ex post facto research design and the data was collected from the annual reports of listed companies in Greece for the period 2011 to 2015. The population of the study comprised of all listed company and the sample consisted of fifty six companies quoted on the Athens Stock Exchange. The independent variable consisted of board independence, audit quality, concentration of ownership with financial variables such as capital employed, leverage, liquidity and company size while the dependent variable was effective tax rate. The secondary data of the study was analysed with descriptive and inferential techniques. The inferential statistics employed random effect method. The results revealed that cash effective tax rate positively and significantly influence company size and a significant negative association with capital employed. The study therefore showed no significant association between corporate governance and tax avoidance.

Hasibuan and Khomsujah (2019) carried out a study of corporate social responsibility, corporate governance and tax aggressiveness in Indonesia. The study employed ex post facto and correlational research designs. The population comprised of all companies quoted on the Indonesia stock exchange for the period 2014 to 2017. The study employed purposive sampling technique with a sample size of two hundred and four. The data for this study was secondary data obtained from the annual reports and financial statements of sampled companies. The dependent variables was tax aggressiveness measured with effective tax rate while the independent variable consisted of corporate social responsibility and corporate governance with several control variables such as company size, leverage, and returns on assets. The secondary data was analysed with descriptive and inferential statistics. The inferential statistics was based on a multiple regression model. The results obtained from the regression model showed that corporate social responsibility positively influences tax aggressiveness and corporate governance does not influence tax aggressiveness. Also corporate governance has no influence on the moderation of corporate social responsibility and tax aggressiveness.

### **III. Methodology**

The methodology of this study consisted of research design, sources and methods of data collection, population and sample of the study, methods of data collection, variables, measurement and model specification.

**Research Design:** This study was designed to capture corporate governance and tax avoidance of quoted companies in Nigeria. The study adopted a combination of ex post facto and correlational research design. Ndiyo (2005) observe that ex post facto research design is a systematic empirical study in which the researcher does not in any way control or manipulates independent variables because the situation for study already exists or has already taken place (Appah, 2020). Appah (2020), Asika (2014) contend that correlational design shows the relationships between independent and dependent variables. These research designs were considered appropriate because they facilitate a comprehensive perspective of the major research questions and hypotheses in the study.

**Population, Sample and Sampling Technique:** Asika (2014) and Ndiyo (2005) state that a population is a set of large number of conceivable observations of any kind of people or events possessing some specified characteristics. Appah (2020) distinguishes between the target population and an accessible population. The target population represents all the members who meet the particular criterion specified for a research investigation. While the accessible population composed of members of the target population who are willing to participate and will be available at the time of the study. Therefore, the target population consists of all the fifty one (51) Consumer and Industrial Goods Sectors companies listed on the Nigerian Stock Exchange. This study utilizes convenience sampling technique in selecting sample due to availability and completeness of data for the period under review. The sample size of forty-five companies was determined using Taro Yamen's formula.

**Methods of Data Collection:** The data for this study was sourced from the published annual reports and financial statements of sampled companies for the period 2015 to 2019.

**Variable, Measurement and Model Specification:** The dependent variable for this study is corporate tax avoidance and the independent variable consists of board size, board independence, CEO duality, audit committee, audit quality and gender diversity while the control variables consists of profitability, leverage, size, capital intensity, and growth. According to Sekaran and Roger (2013), measurement of variables in the theoretical framework is a scientific research process and an important component of research design. Therefore, the variables for this study were measurement using appropriate proxies on the basis of prior studies as follows:



**Table 1: Measurement of Variables**

Variables	Type of Variable	Symbol	Measurement	Sources
Effective Tax Rate	Dependent	ETR	Total tax cash expense divided by pretax income expressed as a percentage	Salawu & Adedeji (2017); Yuniarsih (2018); Hasibuan and Khomsujah (2019); Ogbeide and Obaretin (2018); Chytis, et al (2019)
Board Size	Independent	BOZ	Total number of directors on the board	Salawu & Adedeji (2017); Hasibuan and Khomsujah (2019); Chytis, et al (2019)
Board Independence	Independent	BOI	% of independent directors on the board	Ogbeide and Obaretin (2018); Aburajah, et al (2019); Chytis, et al (2019); Zhu, et al (2019)
Audit Committee	Independent	AUC	Number of audit committee members in the company.	Tandean & Winnie (2016); Pratama, et al (2017)
Audit Quality	Independent	AUQ	If big four 1, if not 0	Salawu & Adedeji (2017); Tandean & Winnie (2016);
Ownership Structure	Independent	OWS	Cumulative percentage of shares own by major shareholders who own more than 5% of voting rights	Salawu & Adedeji (2017)
Profitability	Control	ROA	Operating profit divided by total assets	Salawu & Adedeji (2017); Hasibuan and Khomsujah (2019)
Leverage	Control	LEV	Total long term debt divided by total assets	Salawu & Adedeji (2017); Hasibuan & Khomsujah (2019); Chytis, et al (2019); Zhu, et al (2019)
Growth	Control	GRW	(Present non-current assets – Previous non-current assets)/Previous non-current assets x 100%	Salawu & Adedeji (2017); Ogbeide and Obaretin (2018)
Size	Control	SIZ	Log of total assets	Salawu & Adedeji (2017); Hasibuan and Khomsujah (2019); Zhu, et al (2019)
Capital intensity	Control	CAI	Tangible assets divided by total assets	Salawu & Adedeji (2017); Ogbeide and Obaretin (2018); Zhu, et al (2019)

Source: Compiled by the Researchers (2019)

The model for this study was developed using multiple regression analysis. Multiple regression analysis shows the variation in the value of the dependent variable on the basis of the variation in the independent and control variables. The assumption is that the dependent variable is a linear function of the independent variables.

$$ETR = f(BOZ, BOI, AUC, AUQ, OWN, ROA, LEV, GRW, SIZ, CAI) \text{ ----- } 1$$

The multiple regression with an error ( $\epsilon$ ) is showed below:

$$ETR_{it} = \alpha + \beta_1 BOZ_{it} + \beta_2 BOI_{it} + \beta_3 AUC_{it} + \beta_4 AUQ_{it} + \beta_5 OWS_{it} + \beta_6 ROA_{it} + \beta_7 LEV_{it} + \beta_8 GRW_{it} + \beta_9 SIZ_{it} + \beta_{10} CAI_{it} + \epsilon \text{ ----- } 2$$

**Method of data analysis:** This study employed descriptive, correlational and generalized method of moments for the purpose of data analysis. The correlation analysis was used to examine the association between the variables. The descriptive statistics on the other hand served as a first step to assessing the nature of the sampling distribution from which the variables were drawn. The regression technique used by the study was a dynamic panel data estimator; the Generalized Method of Moments (GMM). The GMM estimator was employed because of its ability to tackle the issue of endogeneity and several related studies employed this technique in their estimation of corporate governance and tax avoidance (Mohammed, 2017; Ogbeide & Obaretin, 2018).

**IV. Results and Discussion**

**Table 1: Descriptive Statistics**

Statistic	ETR	BOZ	BOI	CEO	AUC	AUQ
Mean	20.44000	10.05051	3.707071	1.000000	5.606061	0.616162
Median	17.88000	9.000000	3.000000	1.000000	6.000000	1.000000
Maximum	410.3900	17.00000	12.00000	1.000000	6.000000	1.000000
Minimum	-51.97000	4.000000	1.000000	1.000000	3.000000	0.000000
Std. Dev.	47.29864	2.800779	2.408541	0.000000	0.890061	0.488794
Skewness	5.760055	0.317670	1.038719	NA	-1.937357	-0.477717
Jarque-Bera	8985.019	2.284138	22.19227	NA	80.67769	16.71484
Probability	0.000000	0.319158	0.000015	NA	0.000000	0.000235

Sum	2023.560	995.0000	367.0000	99.00000	555.0000	61.00000
Sum Sq. Dev.	219241.8	768.7475	568.5051	0.000000	77.63636	23.41414
Observations	99	99	99	99	99	99
<b>Statistic</b>	<b>OWS</b>	<b>ROA</b>	<b>LEV</b>	<b>GRW</b>	<b>SIZ</b>	<b>CAI</b>
Mean	32.38123	4.934102	0.516071	9.432364	16.46667	0.578586
Median	0.987000	4.420000	0.310000	2.840000	8.730000	0.610000
Maximum	99.70000	38.81000	15.49000	210.5800	744.0000	0.990000
Minimum	-7.270000	-34.24000	-0.990000	-13.86000	6.990000	0.150000
Std. Dev.	38.72236	12.93547	1.550020	25.64017	73.87632	0.236734
Skewness	0.494273	-0.141070	9.230841	5.354437	9.794279	-0.206358
Jarque-Bera	14.71187	7.715415	32478.46	6190.010	37997.10	6.599323
Probability	0.000639	0.021116	0.000000	0.000000	0.000000	0.036896
Sum	3205.742	488.4761	51.09100	933.8040	1630.200	57.28000
Sum Sq. Dev.	146943.2	16397.99	235.4511	64426.98	534855.6	5.492202
Observations	99	99	99	99	99	99

**Source:** Author's computation using e-views

Table 1 presents the descriptive analysis of the time series properties of the variables included in the model. The descriptive statistics was carried out for the variables involved. It shows that the mean value of ETR, BOZ, BOI, CEO, AUC, AUQ, OWS, ROA, LEV, GRW, SIZ and CAI are 20.44000, 10.05051, 3.707071, 1.000000, 5.606061, 0.616162, 32.38123, 4.934102, 0.516071, 9.432364, 16.46667 and 0.578586 respectively. The standard deviation of ETR, BOZ, BOI, CEO, AUC, AUQ, OWS, ROA, LEV, GRW, SIZ and CAI from their respective long-term mean values every year point at 47.29864, 2.800779, 2.408541, 0.000000, 0.890061, 0.488794, 38.72236, 12.93547, 1.550020, 25.64017, 73.87632 and 0.236734 respectively. The probability value of Jarque-Bera statistics for all variables shows their distribution level at mean zero and constant variance. It indicated that Tax avoidance and corporate governance attributes variables were normally distributed. All the variables except ROA are positively skewed.

**Table 2: Philip-Perron Fisher Unit Root Test**

Variables	Level	1 <sup>st</sup> Difference	Order of Integration
ETR	0.11523	-2.95722	I(1)
BOZ	0.00737	-4.72790	I(1)
BOI	-0.23630	-2.91456	I(1)
AUC	1.60304	4.02392	I(1)
OWS	-0.40932	-4.51679	I(1)
ROA	-0.36632	-7.29689	I(1)
LEV	-2.16774	-7.95184	I(1)
GRW	-0.13630	-3.82058	I(1)
SIZ	-2.38879	-6.77681	I(1)
CAI	-2.17681	-7.92492	I(1)

Critical Value @ 5% **-1.950117**

*Source:* Author's Computation using e-views

The variables in the model were integrated variables; all the variables attained stationarity after first difference. The null hypothesis of non-stationarity of the variables in the model is rejected after differencing at 5 per cent level of significance

**Table 3: Kao Residual Cointegration Test**

Kao Residual Cointegration Test  
 Series: ETR BOZ BOI AUC OWS ROA GRW SIZ LEV,CAI  
 Date: 12/29/20 Time: 17:42  
 Sample: 2015 2019  
 Included observations: 125  
 Null Hypothesis: No cointegration

Trend assumption: No deterministic trend  
 User-specified lag length: 1  
 Newey-West automatic bandwidth selection and Bartlett kernel

	t-Statistic	Prob.
ADF	-2.477581	0.0066
Residual variance	2881.433	
HAC variance	1500.320	

Augmented Dickey-Fuller Test Equation  
 Dependent Variable: D(RESID)  
 Method: Least Squares  
 Sample (adjusted): 2017 2019  
 Included observations: 56 after adjustments

Variable	Coefficient	Std. Error	t-Statistic	Prob.
RESID(-1)	-2.067713	0.231631	-8.926739	0.0000
D(RESID(-1))	0.566112	0.146501	3.864233	0.0003
R-squared	0.706092	Mean dependent var		0.692654
Adjusted R-squared	0.700650	S.D. dependent var		57.27214
S.E. of regression	31.33526	Akaike info criterion		9.762426
Sum squared resid	53022.53	Schwarz criterion		9.834760
Log likelihood	-271.3479	Hannan-Quinn criter.		9.790470
Durbin-Watson stat	2.053470			

*Source: Author's Computation using e-views*

The Kao Residual Cointegration Test results indicate the probability of cointegration among the variables in the long run.

**Table 4: Panel Generalized Method of Moments**

Dependent Variable: ETR  
 Method: Panel Generalized Method of Moments  
 Sample: 2015 2019  
 Periods included: 5  
 Cross-sections included: 23  
 Total panel (unbalanced) observations: 99  
 2SLS instrument weighting matrix  
 Instrument specification: C AUQ BOZ BOI AUC OWS ROA GRW SIZ LEV CAI  
 Constant added to instrument list

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	117.2792	118.6181	0.988712	0.3265
BOZ	0.612480	0.395158	0.821923	0.4141
<b>BOI</b>	-0.300420	0.203048	-2.314497	0.0238
AUC	0.293972	17.02244	0.017270	0.9863
AUQ	0.393972	0.192244	2.068270	0.0463
ROA	-0.469243	0.634691	-0.739325	0.4624
GRW	0.467230	0.175328	8.368464	0.0000
OWS	-0.510420	0.253048	-2.041497	0.0138
LEV	-0.779611	0.844658	-0.625597	0.5338
<b>SIZ</b>	0.424540	0.211621	2.001233	0.0464
CAI	-0.724540	0.641621	-1.129233	0.1464

Effects Specification

Cross-section fixed (dummy variables)			
The period fixed (dummy variables)			
R-squared	0.627305	Mean dependent var	20.44000
Adjusted R-squared	0.538091	S.D. dependent var	47.29864
S.E. of regression	35.45533	Sum squared resid	81710.23
Durbin-Watson stat	2.835721	J-statistic	65.00000
Instrument rank	35	Prob(J-statistic)	0.000000

*Source: Author's Computation using e-views*

Table 4 report the Panel Generalized Method of Moment's results showing the empirical relationship between the independent variables (BOZ, BOI, AUC, OWS, ROA, GRW, SIZ, LEV and CAI) and the dependent variable (ETR). The coefficient of determination  $R^2$  shows that the independent variables account for about 63 per cent of the changes recorded in the dependent variable. The remaining 47 percent is accounted for by variables not included in the model taken care of by the stochastic error term. The independent variables explain an excellent aspect of the changes in the dependent variables. The J-statistic value of 65 with a probability value of 0.000 indicates that the entire model is statistically significant. The Durbin Watson statistic of 2.83 rules out the presence of autocorrelation; this means that the model can be relied upon for policy decision making.

The result suggested that board size with a t-statistic of 0.821923 and p-value of 0.4141 is greater than the critical value 0.05. Hence there is a positive but insignificant relationship between board size and effective tax rate. The finding of this study is in line with Salawu and Adedeji (2017) that board size positively and significantly influences tax avoidance. However, the result disagrees with that of Ogbeide and Obaretin (2018) that board size negatively and significantly influences tax avoidance. Therefore, we conclude that board size does not significantly affect tax avoidance of listed firms in Nigeria.

Board independence with a t-statistic of -2.314497 and p-value of 0.0238 is less than the critical value of 0.05. Therefore, there is a negative and significant relationship between board independence and effective tax rate. The result is in line with the research conducted by Aliani (2013), Waluyo (2017), Ogbeide and Obaretin (2018); Aburajah, et al, (2019) that board independence negatively affects tax avoidance of listed companies. However, this result contradicts the study of Zemzem and Flouhi (2013) and Ying (2011); Murni, et al (2016); Mais and Patminigih (2017) that board independence does not have a significant effect on tax avoidance. Therefore, this study concludes that board independence significantly affects tax avoidance of listed firms in Nigeria.

Audit committee with a t-statistics of 0.017270 and p-value of 0.9863 is greater than the critical value of 0.05. Hence, there is a positive and insignificant relationship between audit committee and effective tax rate of sampled companies. The study agrees with that of Waluyo (2017); Pattiasina, et al (2019) that audit committee positively influences the tax avoidance behaviour of companies. This result is inconsistent with the study of Mais and Patminigih (2017) that audit committee does not significantly affect tax avoidance. Therefore, this paper concludes that audit committee does not significantly affect tax avoidance of listed firms in Nigeria.

Audit quality with a t-statistics of 2.068270 and p-value of 0.0463 is less than the critical value of 0.05. Therefore there is a positive and significant relationship between audit quality and effective tax rate of sampled companies. The result is consistent with the findings of Pratama (2017); Mais and Patminigih (2017), Waluyo (2017) that there is a positive relationship between audit quality and tax avoidance. However, the study negates that of Yuniarsih (2018); Grabbe (2010). Therefore, audit quality significantly affected tax avoidance of the sample of firms listed on the stock exchange.

Return on assets with a t-statistic of -0.739325 and p-value of 0.4625 is greater than the critical value of 0.05. Hence there is a negative but insignificant association between return on assets and effective tax rate of sampled companies. This result is in line with Zhu, et al (2019) that found a negative relationship between return on assets and tax avoidance. However, the result is not in line with the study conducted by Aburajah, et al (2019) that return on assets positively influences tax avoidance of listed companies. Therefore, return on assets has not significantly affected tax avoidance of listed firms in Nigeria. An insignificant negative association for return on assets was identified, demonstrating that less profitable companies exhibit lower tax avoidance and, therefore, tend to engage more in tax avoidance.

Growth with a t-statistics of 8.368464 and p-value of 0.0000 is less than the critical value of 0.05. Therefore there is a positive and significant relationship between growth and effective tax rate of sampled companies. A significant positive association was identified, demonstrating that when the firm becomes more profitable, they would exhibit higher effective tax rate and tend to engage less in tax avoidance.

Ownership with t-statistics of -2.041497 and p-value of 0.0138 is less than the critical value of 0.05. Therefore there is a negative and significant relationship between ownership and effective tax rate of sampled companies. The result of this study agreed with that of Munnick and Noga (2010); Murni, et al (2016); Ogbiede and Obaretin (2018) that ownership significantly influences tax avoidance while the result disagrees with Yuniarsih (2018). Hence, we conclude that ownership structure significantly affects tax avoidance, which indicates that firms with a higher concentration in the ownership of their share capital have lower ETRs and therefore, higher tax avoidance.

Leverage with a t-statistic of -0.625597 and p-value of 0.5338 is greater than the critical value of 0.05. Therefore there is a negative and insignificant relationship between leverage and effective tax rate of sampled companies. This result confirmed the study of Murni, et al (2016) that leverage does not have a significant effect on tax avoidance. Hence, leverage has not significantly affected tax avoidance of listed firms in Nigeria. An insignificant negative association for leverage was identified, demonstrating that less profitable companies exhibit lower tax avoidance and, therefore, tend to engage more in tax avoidance.

Firm size with a t-statistic of 2.001233 and p-value of 0.0464 is less than the critical value of 0.05. Therefore there is a positive and significant relationship between firm size and effective tax rate of sampled companies. A significant positive association was identified between firm size and effective tax rate, demonstrating that when the firm becomes more profitable, they would exhibit higher effective tax rate and tend to engage less in tax avoidance. This result confirmed with the earlier study conducted by Minnick and Noga (2010); Ribeiro et al. (2015), Waluyo (2017); Aburajah, et al (2019) that the size of a company positively influences the tax avoidance behaviour of listed companies. However, several other studies (Pratama, 2017) showed a negative relationship between firm size and tax avoidance.

Capital intensity with a t-statistic of -1.129233 and p-value of 0.1464 is greater than the critical value of 0.05. Therefore, there is a negative and insignificant relationship between capital intensity and effective tax rate of sampled companies. Hence, capital intensity has not significantly affected tax avoidance of listed firms in Nigeria. An insignificant negative association for capital intensity was identified, demonstrating that less profitable companies exhibit lower tax avoidance and, therefore, tend to engage more in tax avoidance. This result is in line with Pattiasina, et al (2019) that capital intensity showed an insignificant relationship with tax avoidance.

## V. Conclusion and Recommendations

This study examined corporate governance attributes and tax avoidance of consumer goods companies for the period 2015 to 2019. The panel generalized method of moments (PGMM) for the test of hypotheses suggested that board size and audit committee does not significantly affect tax avoidance of listed firms in Nigeria while board independence, audit quality and ownership significantly affect tax avoidance of listed firms in Nigeria. Also the control variables of leverage, capital intensity and return on asset suggested no significant influence on tax avoidance of listed firms while expected growth and firm size significantly affects tax avoidance of listed companies in Nigeria. The paper concluded that board size does not significantly affect tax avoidance; board independence significantly affects tax avoidance; audit committee do not significantly affects tax avoidance; audit quality significantly affects tax avoidance; ownership structure significantly affects tax avoidance; leverage, capital intensity and return on asset has not significantly affects tax avoidance; expected growth and size significantly affects tax avoidance of listed firms in Nigeria. Hence, the paper made the following recommendations:

1. The managers of corporations should improve on the internal and external control mechanisms by clarifying the responsibilities of directors in the use of appropriate tax management strategies.
2. Companies should improve on the size of the board of directors as this will affect good strategies in decreasing tax liabilities and invariably bring about the best tax management practices.
3. Companies should ensure that audit committees are encouraged in the evaluation of tax assessment and returns in order to reduce any form of strategic tax behaviour by board of directors.

## References

- [1]. Abdul-Wahab, N. S., & Holland, K. (2012). Tax planning, corporate governance and equity value. *The British Accounting Review*, 44(2), 111-124.
- [2]. Aburajah, L., Maali, B., Jaradat, M. & Alsharairi, M. (2019). Board of directors' characteristics and tax aggressiveness: Evidence from Jordanian listed firms. *Theoretical Economics Letters*, 9, 2732-2745.
- [3]. Abraham, N.N.B. (2011). *Corporate governance and tax aggressiveness: Evidence from Malaysia*. Research report, MBA; University Sains Malaysia.
- [4]. Adeyemi, S.B., Omobude, S.I. & Udofia, I.E. (2019). Impairment testing of intangible assets and quality of financial reporting of Nigerian manufacturing companies. *Global Journal of Accounting*, 5(1), 1-15.
- [5]. Aliani, K. (2013). Does corporate governance affect tax planning? Evidence from American companies. *International Journal of Advanced Research*, 1(10), 864 – 873.
- [6]. Aliani, K., & Zarai, M. A. (2012). Demographic diversity in the board and corporate tax planning in American firms. *Business Management and Strategy*, 3(1), 72-86.

- [7]. Aldamen, H., Duncan, K., Kelly, S., McNamara, R. & Nagel, S. (2012). Audit committee characteristics and firm performance during the global financial crisis. *Accounting & Finance*, 52, 971-1000.
- [8]. Appah, E. (2019). *Principles & Practice of Nigerian Taxation*. Port Harcourt, Nigeria: Vinson Printing and Publishing Venture.
- [9]. Appah, E. (2017). Corporate governance and corporate social responsibility of listed companies in Nigeria. *Research Journal of Accounting and Finance*, 8(14), 40 – 48.
- [10]. Appah, E. (2020). *Research Methodology: Integration of Principles, Methods and Techniques*, Port Harcourt, Nigeria: Vinson Printing and Publishing Ventures.
- [11]. Armstrong, C. S., Blouin, J. L., Jagolinzer, A.D. & Larcker, D.F.(2015). Corporate governance, incentives, and tax avoidance. *Journal of Accounting and Economics*, 60 (1), 1–17.
- [12]. Asika, N. (2014). *Research Methodology in the Behavioural Sciences*. Ikeja: Longman Nigeria PLC.
- [13]. Avi-Yonah, R. S. (2008). Corporate social responsibility and strategic tax behavior. Tax and corporate governance (pp.. Berlin, Heidelberg: Springer.
- [14]. Boone, J. P., Khurana, I. K & Raman, K. K (2013). Religiosity and tax avoidance. *Working Paper*, University of Texas at San Antonio.
- [15]. Bundala, N. N. (2012). Do Tanzanian companies practice pecking order theory, agency cost theory or trade-off theory? An empirical study in Tanzania listed companies. *International Journal of Economics and Financial Issues*. 2(4): 401-422.
- [16]. Chytis, E., Filos, J., Tagkas, P., & Rodosthenous, M. (2016). Audit firms, taxation and financial reporting: The case of the Athens stock exchange. *International Journal of Corporate Finance and Accounting*, 3(1), 1-21.
- [17]. Chytis, E., Tasios, S., Georgopoulos, I. & Hortis, Z. (2019). The relationship between tax avoidance, company characteristics and corporate governance: evidence from Greece. *Corporate Governance and Control*, 16(4), 77 – 86.
- [18]. Deegan, C., & Unerman, J., (2011). *Financial accounting theory*, McGraw-Hill, Sydney.
- [19]. Desai, M. A. & Dharmapala, D. (2006). Corporate tax avoidance and high-powered incentives.
- [20]. *Journal of Financial Economics*, 79 (1), 145–179.
- [21]. Desai, M. A. & Dharmapala. 2009. Corporate tax avoidance and firm value. *The Review of Economics and Statistics* 91 (3): 537–546.
- [22]. Ding, D., Duan, T., Hou, W., & Zhang, J. (2013) The Burden of Attention: The Impact of CEO Publicity on Tax Avoidance. *Working paper*. Southampton University Management School, Highfield Campus and University of Edinburgh Business School. Electronic copy available at, <http://ssrn.com/abstract=2426413>
- [23]. Edwards, A., Schwab, C. & Shevlin, T. (2013). Financial constraints and the incentives for tax planning. *Working paper*. Universities of Toronto, Georgia and California at Irvine.
- [24]. Gaertner, F. B. (2013). CEO after-tax compensation incentives and corporate tax avoidance. *Working Paper*, Nanyang Business School, Nanyang Technological University, Singapore.
- [25]. Gallemore, J., Maydew, E. L., & Thornock, J. R. (2014). The reputational costs of tax avoidance. *Contemporary Accounting Research*, 31(4), 1103-1133. <https://doi.org/10.1111/1911-3846.12055>
- [26]. Hanlon, M. & Heitzman, S. (2010). A review of tax research. *Journal of Accounting and Economics*, 50 (2–3), 127–178.
- [27]. Harrington, C. & Smith, W. (2011). Tax avoidance and corporate capitalsStructure. *Journal of Finance and Accountancy*, 1- 20.
- [28]. Ibrahim, M.H. & Law, S.H. (2014). Social Capital and CO2 Emission-Output Relations:A Panel Analysis. *Renewable and Sustainable Energy Reviews*, 29, 528-534.
- [29]. Igbinovia, I.M. & Ekwueme, C.M. (2018). Corporate tax avoidance and shareholder return: moderating effects of monitoring. *Sriwijaya International Journal of Dynamic Economics and Business*, 2(3), 255-268.
- [30]. Izedonmi, P.F. (2016). *A quick guide to project writing, for social and management sciences students*, Benin City, Nigeria: ZionPraise Publishers & Anoitod Publishers.
- [31]. Jamei, R. (2017). Tax avoidance and corporate governance mechanisms: Evidence from Tehran Stock Exchange. *International Journal of Economics and Financial Issues*, 7(4), 638-644.
- [32]. Jensen, M & Meckling, W (1976). Theory of the Firm: Managerial Behaviour, Agency Costs and Ownership Structure. *Journal of Financial Economics*, 3: 305-360.
- [33]. Kanakriyah, R.M. (2013). The effect of asset impairment (IAS 36) in improving the quality of accounting information according to user’s perspective: Evidence from Jordan, Unpublished PhD Thesis, Durham University, United Kingdom.
- [34]. Khurana, I. K. & Moser, W.J. (2012). Institutional Shareholders’ Investment Horizons and Tax
- [35]. Avoidance. *The Journal of the American Taxation Association*, 35 (1), 111–134.
- [36]. Landry, S., Deslandes, M. & Fortin, A. (2013). Tax Aggressiveness, Corporate Social Responsibility and Ownership Structure. *Journal of Accounting, Ethics and Public Policy*, 14, 611-645. <https://doi.org/10.2139/ssrn.2304653>
- [37]. Lanis, R., & Richardson, G. (2012). Corporate social responsibility and tax aggressiveness: An empirical analysis. *Journal of Accounting and Public Policy*, 31(1), 86–108.
- [38]. Mais, R.G. & Patminigih, D. (2017). Effects of good corporate governance on tax avoidance of the company listed on the Indonesia Stock Exchange. *Journal of STEI Economics*, 26(2), 230-243.
- [39]. Mahenthiran, S. & Kasipillai, J. (2012). Influence of Ownership Structure and Corporate Governance on Effective Tax Rates and Tax Planning: Malaysian Evidence. *Australian Tax Forum*, 27, 941-969. <https://doi.org/10.2139/ssrn.2384718>
- [40]. Mappadang, A. (2019). Do corporate governance mechanism influences tax avoidance and firm value? *International Journal of Academic Research in Business and Social Sciences*, 9(10), 203-217.
- [41]. McGuire, S. T., Wang, D. & Wilson, R. (2012). Dual class ownership and tax avoidance. *Working paper*.
- [42]. McGuire, S. T., Omer, T. C., & Wang, D. (2012). Tax avoidance: Does tax-specific industry expertise make a difference? *The Accounting Review*, 87(3), 975-1003.
- [43]. Md Noor, R. Fadzillah, N. M., & Mastuki, N. (2010). Corporate tax planning: A study on corporate effective tax rates of Malaysian listed companies. *International Journal of Trade, Economics and Finance*, 1(2), 189-183.
- [44]. Minnick, K. & Noga, T. (2010). Do corporate governance characteristics influence tax management? *Journal of Corporate Finance*, 16 (5), 703–718.
- [45]. Mohammad, A.N. (2017). Effects of corporate governance mechanisms on tax avoidance in deposit money banks in Nigeria. Unpublished PhD. Thesis, Ahmadu Bello University, Zaria, Nigeria.
- [46]. Murni, Y., Sudarmaji, E. & Sugihyanti, E. (2016). The role of institutional ownerships, board of independent commissioner and leverage: corporate tax avoidance in Indonesia. *IOSR Journal of Business and Management*, 18(11), 79-85.
- [47]. Ndiyo, N.A. (2015), *Fundamentals of Research in Behavioural Sciences and Humanities*. Calabar: Wusen Publishers.

- [48]. Nwaobia, A.N., Kwarbai, J.D. & Ogundajo, G.O. (2016). Tax planning and firm value: empirical evidence from Nigerian consumer goods industrial sector. *Journal of Finance and Accounting*, 7(12), 172 – 183.
- [49]. O'Donovan, G. (2003). A board culture of corporate governance. *International Journal of Corporate Governance*, 6(3).
- [50]. O'Donovan, G., (2002). Environmental disclosures in the annual report: Extending the applicability and predictive power of legitimacy theory. *Accounting, Auditing and Accountability Journal*, 15(3), 344–371.
- [51]. Ogebeide, S.O. & Obaretin, O. (2018). Corporate governance mechanisms and tax aggressiveness of listed firms in Nigeria. *Amity Journal of Corporate Governance*, 3(1), 1-12.
- [52]. Olugbenga, O.M., Olusola, A.J., Zacchaeus, S.A. & Oluwagbemiga, O.E. (2014). Financial reporting and compliance of impairment of non-current assets on Nigerian banks. *European Journal of Accounting, Auditing and Finance Research*, 2(2), 18 – 35.
- [53]. Omesi, I. & Appah, E. (2020a). Tax structure and economic growth in Nigeria: An auto regressive distributive lag evidence from 1980 to 2018. *International Journal of Innovations in Marketing and Accounting Research*, 8(1), 108-124.
- [54]. Omesi, I. & Appah, E. (2020b). Taxes and income inequality in Nigeria: Cointegration and error correction mechanisms evidence from 1980 – 2018. *International Journal of Innovations in Management and Accounting*, 8(2), 1-17.
- [55]. Omran, M.A. & Ramdhony, D. (2015). Theoretical perspectives on corporate social responsibility disclosures: A critical review. *International Journal of Accounting & Financial Reporting*, 5(2), 38 – 56.
- [56]. Pattiasina, V., Tammubua, M.H., Numberi, A., Patiran, A., & Temalagi, S. (2019). Capital intensity and tax avoidance: A case in Indonesia. *International Journal of Social Sciences and Humanities*, 3(1), 58-71.
- [57]. Rego, S. O., & Wilson, R. (2009). Executive compensation, tax reporting aggressiveness, and future firm performance. *Working paper*, The University of Iowa.
- [58]. Salaw, R.O. & Adedeji, Z.A. (2017). Corporate governance and tax planning among non-financial quoted companies in Nigeria. *African Research Review: An International Multi-Disciplinary Journal*, 11(3), 42-59.
- [59]. Tandean, V.A. & Winnie, (2016). The effect of good corporate governance on tax avoidance: An empirical study on manufacturing companies listed in IDX period 2010 – 2013. *Asian Journal of Accounting Research*, 1, 28- 38.
- [60]. Taylor, G. & Richardson, G. (2013). The determinants of thinly capitalized tax avoidance structures: Evidence from Australian firms. *Journal of International Accounting, Auditing and Taxation* 22, 12-25.
- [61]. Van Der Pilos, N. (2017). Does the board of directors influence tax avoidance? Unpublished Master Thesis, The Erasmus School of Economics, U.K). Retrieved from [https://thesis.eur.nl/pub/38909/Pilos\\_387123-2-.pdf](https://thesis.eur.nl/pub/38909/Pilos_387123-2-.pdf)
- [62]. Waluyo (2017). The effect of good corporate governance on tax avoidance: empirical study of the Indonesian banking sector. *The Accounting Journal of Binaniasa*, 2(2), 1-10.
- [63]. Ying, T. (2015). *Corporate governance and tax strategies in Chinese listed firms*. (Master's Thesis University of Nottingham, Nottingham). Retrieved from <http://eprints.nottingham.ac.uk/28838/>.
- [64]. Yuniarsih, N. (2018). The effect of accounting conservatism and corporate governance mechanism on tax avoidance. *Academic Research International*, 9(3), 68 – 76.
- [65]. Zemzem, A., & Flouhi, K. (2013). The effects of board of directors' characteristics on tax aggressiveness. *Research Journal of Finance and Accounting*, 4(4), 140 -147.
- [66]. Zhu, N., Mbroh, N., Monney, A. & Bonsu, M.O.A. (2019). Corporate tax avoidance and firm performance. *European Scientific Research*, 15(7), 61- 70.