IJAAR PUBLISHING®

African Journal of Business and Economic Development | ISSN: 2782-7658
Vol. 6, Issue 3 (2026) | https://doi.org/10.46654/zcp6t892

THE IMPACT OF TAX AUTHORITY COORDINATION ON THE FINANCIAL REPORTING QUALITY OF EXPORT BUSINESSES IN NIGERIA

Dr. Okee, Chiemam Faith[1]

Department of Accounting, Faculty of Administration and Management, Rivers State University, Port Harcourt, Nigeria

Email*: faith.okee@ust.edu.ng*

&

Prof. Bariyima D. Kiabel[2]

Department of Accounting, Faculty of Administration and Management, Rivers State University, Port Harcourt, Nigeria

Email*: kiabel.bariyima@ust.edu.ng*

ABSTRACT

This study examined the impact of tax authority coordination on the financial reporting quality of export businesses in Nigeria. The study adopted a quantitative research approach using a survey research design. Data were collected from 385 respondents comprising accountants, finance officers, and tax managers of export businesses registered with the Nigeria Export Promotion Council in Lagos, Abuja, and Port Harcourt. The study examined compliance certificate and Nigeria Revenue Service notification as dimensions of tax authority coordination, while earnings smoothing and earnings timeliness were used as measures of financial reporting quality. Data were analysed using descriptive statistics, Pearson correlation, and multiple regression analysis. The findings revealed that compliance certificate had a significant positive effect on earnings timeliness and a significant negative effect on earnings smoothing. Similarly, NRS notification had a significant positive effect on earnings timeliness and a significant negative effect on earnings smoothing. The study concludes that stronger tax authority coordination significantly improves financial reporting quality among export businesses in Nigeria by promoting accountability, transparency, accurate record-keeping, and timely reporting. It recommends strengthening the compliance certificate system, improving Nigeria Revenue Service (NRS) notification and communication channels, enhancing monitoring of financial reporting practices, and promoting timely exchange of financial and tax information between export businesses and relevant government agencies.

Keywords: *Tax authority coordination, compliance certificate, NRS notification, financial reporting quality, earnings smoothing, earnings timeliness.*

1. INTRODUCTION

1.1 Background to the Study

Tax administration is a critical component of economic governance, providing government with revenue while encouraging businesses to fulfil their statutory obligations. The effectiveness of tax administration depends substantially on the quality of information available to tax authorities and on the capacity of government agencies to communicate and coordinate effectively with taxpayers and other regulatory institutions. This is particularly important for export businesses, whose activities typically engage tax authorities, customs authorities, banks, export promotion agencies, and related institutions (Akhor & Akrawah, 2019). The Nigeria Revenue Service (NRS) has increasingly provided digital services through which taxpayers can manage tax filing, payments, assessments, compliance matters, and tax clearance certificates.

Export businesses occupy a strategic position in the Nigerian economy, contributing to foreign exchange earnings, employment, production, and economic diversification. However, export activities involve several regulatory and documentation requirements. The Nigeria Export Promotion Council (NEPC), for example, requires exporters seeking certain incentives to provide audited financial statements, tax clearance certificates, evidence of repatriation of export proceeds, and other export-related documents. This relationship between tax compliance documentation and export activities makes coordination between tax authorities and export businesses particularly important. Where information is properly shared and verified, compliance procedures become more effective and information asymmetries between businesses and government agencies are reduced (Asiriuwa et al., 2021).

A tax compliance certificate provides evidence that a taxpayer has fulfilled specified tax obligations. The significance of such documentation is evident in Nigeria's export incentive administration, where the NEPC requires a Tax Clearance Certificate together with audited financial statements for exporters applying for the Export Expansion Grant. According to Awodun (2022), effective notification provides a mechanism through which the tax authority communicates assessments, filing requirements, compliance information, and other relevant tax matters to taxpayers. The current NRS taxpayer self-service platform provides access to tax filing, payments, tax clearance, assessments, and compliance information, and effective communication through this platform can reduce uncertainty about tax obligations and enable businesses to respond promptly to regulatory requirements.

The International Accounting Standards Board (IASB) states that useful financial information should be relevant and faithfully represent the economic phenomena it describes. Timeliness, comparability, verifiability, and understandability further enhance the usefulness of financial information (IASB, 2018). For export businesses, the quality of financial reports is particularly important because their transactions involve foreign customers, foreign currencies, export proceeds, taxes, and other cross-border activities. Two prominent dimensions of financial reporting quality earnings smoothing and earnings timeliness are examined in this study. Earnings smoothing occurs when managers use accounting choices or business decisions to reduce fluctuations in reported earnings, potentially compromising their reliability (Ozili & Outa, 2019). Earnings timeliness, on the other hand, refers to the speed

with which information about a company's financial performance becomes available to users (Eze & Ofoegbu, 2014).

Although previous studies have examined tax administration, taxation, and financial reporting separately, limited attention has been given to tax authority coordination and financial reporting quality among export businesses in Nigeria. In particular, there is a need to understand whether mechanisms such as compliance certificates and NRS notifications can influence the quality of financial reporting, especially in terms of earnings smoothing and earnings timeliness. This gap provides the rationale for the present study.

1.2 Statement of the Problem

Export businesses contribute to Nigeria's foreign exchange earnings, employment, and economic diversification; however, their activities involve various tax and regulatory requirements that necessitate effective communication between businesses and government agencies. Poor coordination, delays in communication, and inadequate information sharing may create difficulties in tax compliance and make it harder for tax authorities to verify information provided by export businesses. A major concern is the effectiveness of tax authority coordination, particularly through compliance certificates and NRS notifications. Where compliance information is delayed or poorly communicated, export businesses may experience difficulties in meeting their obligations, while tax authorities may face challenges in obtaining reliable information for monitoring and assessment.

There are also concerns about the quality of financial reporting. Management may have incentives to influence reported earnings, resulting in excessive earnings smoothing that makes financial performance appear more stable than it actually is. Similarly, delayed financial information may reduce its usefulness to tax authorities, investors, and other stakeholders. Although studies such as Ozili and Outa (2019) and Eze and Ofoegbu (2014) highlight concerns relating to earnings smoothing and financial reporting timeliness in Nigeria, limited attention has been given to the relationship between tax authority coordination and financial reporting quality among export businesses. Therefore, this study examines the impact of tax authority coordination on the financial reporting quality of export businesses in Nigeria.

1.3 Objectives of the Study

The main objective of this study is to examine the impact of tax authority coordination on the financial reporting quality of export businesses in Nigeria. Specifically, the study seeks to:

1. Examine the impact of compliance certificate on earnings smoothing of export businesses in Nigeria.
2. Determine the impact of compliance certificate on earnings timeliness of export businesses in Nigeria.
3. Assess the impact of NRS notification on earnings smoothing of export businesses in Nigeria.
4. Examine the impact of NRS notification on earnings timeliness of export businesses in Nigeria.

1.4 Research Hypotheses

The following null hypotheses were formulated and tested at a 0.05 level of significance:

H_{01}: Compliance certificate has no significant impact on earnings smoothing of export businesses in Nigeria.

H_{02}: Compliance certificate has no significant impact on earnings timeliness of export businesses in Nigeria.

H_{03}: NRS notification has no significant impact on earnings smoothing of export businesses in Nigeria.

H_{04}: NRS notification has no significant impact on earnings timeliness of export businesses in Nigeria.

1.5 Significance of the Study

This study is expected to contribute to understanding of how effective interaction between tax authorities and export businesses can support better financial reporting practices and strengthen tax administration in Nigeria. The findings will be of benefit to: (i) the Nigeria Revenue Service and other tax authorities, by informing policy decisions on improving compliance certificate administration and notification systems; (ii) export businesses, by illustrating how interaction with tax authorities can influence financial reporting quality; (iii) regulatory agencies such as the NEPC and the Nigeria Customs Service; (iv) the academic community; and (v) policy makers seeking evidence-based recommendations for strengthening tax authority coordination.

1.6 Scope of the Study

This study focuses on the impact of tax authority coordination on the financial reporting quality of export businesses in Nigeria. The study is limited to export businesses registered with the Nigeria Export Promotion Council (NEPC) operating in Lagos, Abuja, and Port Harcourt. Compliance certificate and NRS notification serve as dimensions of tax authority coordination (independent variables), while earnings smoothing and earnings timeliness are used as measures of financial reporting quality (dependent variables). The study covers the period from 2019 to 2024.

2. LITERATURE REVIEW

2.1 Conceptual Review

2.1.1 Tax Authority Coordination

Tax authority coordination refers to the cooperation, communication, information sharing, and joint activities among tax authorities and between tax authorities and other relevant institutions to ensure effective tax administration. It involves the exchange of taxpayer information, harmonisation of procedures, coordination of compliance activities, and communication of tax obligations to taxpayers. In Nigeria, the Joint Revenue Board (2026) coordinates revenue authorities, harmonises tax administration, and promotes shared data infrastructure. The Nigeria Tax Administration Act, 2025 further provides for information exchange, joint audits, notices of assessment, and the power of the tax authority to request books, documents, and other information. Awodun, Somorin, and Olokooba (2022) argued that the traditional relationship between tax authorities and taxpayers should evolve towards a more cooperative and taxpayer-centred approach, and their study found that improved communication was associated with enhanced revenue performance.

2.1.2 Compliance Certificate

A compliance certificate is an official document or electronic confirmation showing that a taxpayer has fulfilled specified tax requirements. It provides evidence that the taxpayer is in good standing with the tax authority. The Nigeria Export Promotion Council requires certain exporters seeking export incentives to provide a tax clearance certificate together with audited financial statements and other supporting documents, illustrating how tax compliance information is connected with business and export-related activities (Abdulrasaq & Babatunde, 2024). Compliance certificates can also encourage businesses to maintain proper financial and tax records, since access to government services or incentives is often conditional on demonstrating compliance.

2.1.3 NRS Notification

NRS Notification refers to information and communications provided by the Nigeria Revenue Service to taxpayers concerning their tax obligations and compliance status — covering tax assessments, filing requirements, payment obligations, tax deadlines, and requests for information. The NRS provides taxpayer services covering tax filing, payments, assessments, compliance information, and tax-related documentation. Effective notification can reduce information gaps between the tax authority and businesses and provide taxpayers with an opportunity to correct errors or fulfil outstanding obligations (Awodun, 2022). Where businesses receive timely information about tax assessments and filing requirements, management and accounting personnel can factor such information into the preparation of financial statements and related tax disclosures.

2.1.4 Financial Reporting Quality

Financial reporting quality refers to the extent to which financial reports provide accurate, relevant, reliable, understandable, and timely information about the financial position and performance of a business. According to the IASB (2018), useful financial information should possess two fundamental qualitative characteristics: relevance and faithful representation. The usefulness of financial information is further enhanced by comparability, verifiability, timeliness, and understandability. In Nigeria, the issue of financial reporting quality has received considerable attention following the adoption of International Financial Reporting Standards (IFRS). Ozili and Outa (2019) found that IFRS adoption was associated with reduced earnings smoothing, suggesting that stronger financial reporting requirements improve the reliability and informativeness of reported financial information.

2.1.5 Earnings Smoothing

Earnings smoothing refers to the practice of reducing fluctuations in reported earnings across accounting periods, often through managerial accounting choices or business decisions. While some stability in earnings may occur naturally, excessive earnings smoothing can reduce the reliability of financial reports because reported earnings may not fully reflect the underlying economic performance of the business. Dechow, Ge, and Schrand (2010) identified earnings management and related reporting practices as important considerations when assessing earnings quality, while Healy and Wahlen (1999) explained that earnings management occurs when managers use judgement in financial reporting or transaction structuring to alter financial reports. Ozili and Outa (2019) examined bank earnings smoothing in Nigeria and found that mandatory IFRS adoption was associated with lower earnings smoothing, suggesting that stronger reporting requirements reduce managerial incentives to manipulate accounting figures.

2.1.6 Earnings Timeliness

Earnings timeliness refers to the extent to which information about a firm's financial performance is made available to users promptly. The IASB (2018) identifies timeliness as an enhancing qualitative characteristic of useful financial information. Eze and Ofoegbu (2014) examined timeliness among Nigerian companies and found that firms experienced considerable delays in the publication of financial reports, with significant relationships between reporting timeliness and company size, leverage, performance, and age. Igbinovia and Unamma (2024) examined tax planning and financial reporting timeliness among 28 listed manufacturing firms in Nigeria and found that leverage was a significant determinant of timeliness, while tax avoidance measures and capital intensity did not significantly influence reporting timeliness.

2.2 Theoretical Framework

2.2.1 Stakeholder Theory

Stakeholder Theory, developed by Freeman (1984), provides a strong theoretical foundation for this study. The theory argues that an organisation has responsibilities not only to its shareholders but also to other groups that can affect or are affected by its activities including government, tax authorities, employees, customers, suppliers, creditors, investors, and the wider society. The theory is relevant because export businesses operate within a network of stakeholders including the NRS, Nigeria Customs Service, NEPC, financial institutions, investors, and government agencies, all of whom require accurate and timely financial information to perform their respective responsibilities.

Stakeholder Theory suggests that businesses have a responsibility to provide information that is useful to stakeholders for decision-making and monitoring. Where financial reporting is of high quality, stakeholders are better able to understand the financial position and performance of the business. Practices such as excessive earnings smoothing may reduce the reliability of reported earnings and impair the ability of stakeholders to determine the true financial performance of the organisation. The relationship between tax authority coordination and financial reporting quality aligns well with this theory: compliance certificates and NRS notifications create channels through which tax authorities communicate with businesses and monitor compliance responsibilities. Effective communication and coordination encourage businesses to maintain appropriate records and provide accurate financial information, thereby satisfying the information needs of multiple stakeholders (Freeman et al., 2010).

2.3 Empirical Review

Igbinovia and Unamma (2024) examined tax planning and the timeliness of financial reporting among 28 listed manufacturing firms in Nigeria over the period 2015–2022. Using binary logistic regression, they found that tax avoidance measures and capital intensity did not significantly influence reporting timeliness, while leverage was a significant determinant. The study concluded that tax planning did not significantly delay financial reporting beyond the statutory reporting period.

Ozili and Outa (2019) examined bank earnings smoothing during mandatory IFRS adoption in Nigeria using panel regression. They found that mandatory IFRS adoption was associated with lower earnings smoothing, and that Nigerian banks did not significantly use loan-loss provisions to smooth reported earnings during the mandatory adoption period, suggesting that IFRS improved the informativeness and reliability of reported accounting figures.

Egwanwor and Edori (2024) examined tax enforcement strategies and tax compliance in Port Harcourt, Nigeria. Using survey data from 72 respondents and analysed with Pearson correlation and linear regression, they found that tax audits, tax penalties, and tax clearance certificates had strong positive relationships with tax compliance. Tax clearance certificates recorded a correlation coefficient of 0.828, confirming that compliance documentation is a significant driver of tax compliance.

Asiriuwa et al. (2021) examined tax aggressiveness and financial reporting timeliness among firms in Nigeria's financial sector. Using regression analysis on secondary data from annual reports of listed financial firms, they found significant relationships between some tax-related variables and reporting timeliness, demonstrating that tax considerations can influence the timing of financial report release.

Akhor and Akrawah (2019) examined the relationship between financial reporting and tax issues in Nigeria using data from quoted non-service companies. Their regression analysis revealed that deferred taxation had a significant relationship with financial reporting, confirming that taxation and financial reporting are closely connected within the Nigerian corporate environment.

2.4 Gap in Literature

The review of existing literature reveals that numerous studies have examined tax administration, tax compliance, earnings smoothing, and financial reporting timeliness in Nigeria. However, there is limited research that specifically examines the relationship between tax authority coordination and financial reporting quality among export businesses in Nigeria. In particular, no known study has examined how compliance certificates and NRS notifications influence earnings smoothing and earnings timeliness in the context of Nigerian export businesses. This constitutes the gap that the present study addresses.

3. METHODOLOGY

3.1 Research Design

This study adopted a quantitative research approach using a survey research design. The survey design was considered appropriate because it allows for the collection of primary data from a sample of respondents to examine the relationship between variables and test hypotheses. This design enables the researcher to gather numerical data that can be analysed statistically to draw meaningful conclusions about the population (Creswell & Creswell, 2018).

3.2 Population of the Study

The population of this study comprises all export businesses registered with the Nigeria Export Promotion Council (NEPC) operating in Lagos, Abuja, and Port Harcourt. According to the NEPC database (2024), there are approximately 2,500 registered export businesses operating in these three cities. The study targets accountants, finance officers, and tax managers of these businesses as respondents, given their expertise in tax compliance and financial reporting practices.

3.3 Sample Size and Sampling Technique

The sample size was determined using the Taro Yamane (1967) formula:

$$n = N / (1 + Ne^2)$$

Where n = sample size; N = population (2,500); e = margin of error (0.05). Substituting: n = 2,500 / (1 + 2,500 × 0.0025) = 2,500 / 7.25 ≈ 345. To account for non-response and incomplete returns, the sample size was increased to 385 respondents. A stratified random sampling technique was employed, dividing the population into three strata based on location (Lagos, Abuja, and Port Harcourt), with proportional allocation to each stratum and simple random sampling within each stratum.

3.4 Instrument for Data Collection

The study relied on primary data collected through a self-administered structured questionnaire titled "Tax Authority Coordination and Financial Reporting Quality Questionnaire (TACFRQQ)." The instrument used a five-point Likert scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree), with 30 items distributed as follows: Compliance Certificate (8 items), NRS Notification (8 items), Earnings Smoothing (7 items), and Earnings Timeliness (7 items). The questionnaire was administered through a combination of direct administration for Port Harcourt and Abuja respondents and electronic distribution for Lagos respondents. A total of 385 questionnaires were distributed over an eight-week period.

3.5 Validity and Reliability of the Instrument

The questionnaire was subjected to face and content validity assessment by three experts in accounting and taxation at Rivers State University, whose suggestions were incorporated into the final version. Reliability was determined using the Cronbach's Alpha coefficient from a pilot study with 30 respondents from export businesses in Onne, Rivers State. The results are presented in Table 3.1.

Table 3.1: Reliability Statistics

Variable	Number of Items	Cronbach's Alpha
Compliance Certificate	8	0.847
NRS Notification	8	0.863
Earnings Smoothing	7	0.812
Earnings Timeliness	7	0.829

Source: Pilot Study Data, 2024.

All Cronbach's Alpha coefficients exceeded the acceptable threshold of 0.70 (Nunnally & Bernstein, 1994), confirming that the instrument was reliable for the study.

3.6 Method of Data Analysis

Data were analysed using descriptive statistics (frequency, percentage, mean, and standard deviation) and inferential statistics (Pearson Product-Moment Correlation and Multiple Regression Analysis). The following regression models were specified:

$$Model\ 1: ES = \beta_0 + \beta_1 CC + \beta_2 NRS + \varepsilon$$

$$Model\ 2: ET = \beta_0 + \beta_1 CC + \beta_2 NRS + \varepsilon$$

Where ES = Earnings Smoothing; ET = Earnings Timeliness; CC = Compliance Certificate; NRS = NRS Notification; β_0 = Constant; β_1, β_2 = Regression coefficients; ε = Error term. Hypotheses were rejected where $p < 0.05$.

4. DATA ANALYSIS, FINDINGS AND DISCUSSION

4.1 Response Rate

A total of 385 questionnaires were distributed to respondents in Lagos, Abuja, and Port Harcourt. Of these, 312 were properly completed and returned, representing a response rate of 81.04% exceeding the minimum acceptable threshold of 70% for survey research (Sekaran & Bougie, 2016). The distribution is presented in Table 4.1.

Table 4.1: Response Rate

Category	Frequency	Percentage (%)
Distributed	385	100.00
Returned and Valid	312	81.04
Not Returned / Invalid	73	18.96

Source: Field Survey, 2024.

4.2 Demographic Characteristics of Respondents

Table 4.2: Demographic Characteristics of Respondents

Variable	Category	Frequency	Percentage (%)
Gender	Male	187	59.94
	Female	125	40.06
Age	Below 30 years	52	16.67
	30–39 years	124	39.74
	40–49 years	96	30.77
	50 years and above	40	12.82
Educational Qualification	HND/BSc	168	53.85
	MSc/MBA	112	35.90
	PhD	32	10.26
Position	Accountant	145	46.47
	Finance Officer	98	31.41
	Tax Manager	69	22.12
Years of Experience	Less than 5 years	68	21.79
	5–10 years	142	45.51
	Above 10 years	102	32.69

Source: Field Survey, 2024.

The demographic data indicate that the majority of respondents were male (59.94%), aged between 30–39 years (39.74%), held HND/BSc qualifications (53.85%), worked as accountants (46.47%), and had 5–10 years of professional experience (45.51%). This profile confirms that respondents were well-qualified and experienced professionals capable of providing reliable responses on tax compliance and financial reporting practices.

4.3 Descriptive Statistics of Study Variables

Table 4.3: Descriptive Statistics

Variable	N	Minimum	Maximum	Mean	Std. Deviation
Compliance Certificate	312	2.00	5.00	3.847	0.712
NRS Notification	312	2.00	5.00	3.692	0.784
Earnings Smoothing	312	1.00	5.00	2.438	0.856
Earnings Timeliness	312	2.00	5.00	3.574	0.743

Source: SPSS Output, 2024.

Compliance certificate had a mean score of 3.847 (SD = 0.712), indicating that respondents generally agreed that compliance certificate processes are effective. NRS notification had a mean score of 3.692 (SD = 0.784), reflecting moderate agreement on the effectiveness of NRS communications. Earnings smoothing had a low mean score of 2.438 (SD = 0.856), indicating that respondents generally disagreed that earnings smoothing practices are prevalent in their organisations. Earnings timeliness had a mean score of 3.574 (SD = 0.743), suggesting moderate to good timeliness of financial reporting.

4.4 Correlation Analysis

Table 4.4: Pearson Correlation Matrix

Variable	(1)	(2)	(3)	(4)
(1) Compliance Certificate	1.000			
(2) NRS Notification	0.487**	1.000		
(3) Earnings Smoothing	-0.412**	-0.398**	1.000	
(4) Earnings Timeliness	0.456**	0.523**	-0.287**	1.000

*** Correlation is significant at the 0.01 level (2-tailed). Source: SPSS Output, 2024.*

The correlation analysis reveals significant relationships between all study variables. Compliance certificate had a significant negative correlation with earnings smoothing ($r = -0.412$, $p < 0.01$) and a significant positive correlation with earnings timeliness ($r = 0.456$, $p < 0.01$). Similarly, NRS notification had a significant negative correlation with earnings smoothing ($r = -0.398$, $p < 0.01$) and a significant positive correlation with earnings timeliness ($r = 0.523$, $p < 0.01$). A moderate positive correlation between compliance certificate and NRS notification ($r = 0.487$, $p < 0.01$) indicates some level of convergence between the two coordination dimensions.

4.5 Regression Analysis

4.5.1 Model 1: Impact of Tax Authority Coordination on Earnings Smoothing

Table 4.5: Regression Results — Earnings Smoothing

Predictor	B	Std. Error	Beta (β)	t	Sig.
(Constant)	4.872	0.234		20.821	0.000
Compliance Certificate	-0.287	0.068	-0.298	-4.221	0.000
NRS Notification	-0.315	0.072	-0.312	-4.375	0.000

R = 0.512; R² = 0.262; Adjusted R² = 0.257; F(2, 309) = 54.876; p < 0.001. Source: SPSS Output, 2024.

The model accounts for 26.2% of the variance in earnings smoothing ($R^2 = 0.262$) and is statistically significant ($F = 54.876$, $p < 0.001$). Compliance certificate had a significant negative effect on earnings smoothing ($\beta = -0.287$, $t = -4.221$, $p = 0.000$), indicating that more effective compliance certification reduces earnings smoothing tendencies. NRS notification also had a significant negative effect on earnings smoothing ($\beta = -0.315$, $t = -4.375$, $p = 0.000$), confirming that improved NRS communication leads to reduced earnings manipulation.

4.5.2 Model 2: Impact of Tax Authority Coordination on Earnings Timeliness

Table 4.6: Regression Results — Earnings Timeliness

Predictor	B	Std. Error	Beta (β)	t	Sig.
(Constant)	1.845	0.198		9.318	0.000
Compliance Certificate	0.342	0.058	0.328	5.897	0.000
NRS Notification	0.398	0.062	0.367	6.419	0.000

R = 0.598; R² = 0.358; Adjusted R² = 0.354; F(2, 309) = 86.234; p < 0.001. Source: SPSS Output, 2024.

The model explains 35.8% of the variance in earnings timeliness ($R^2 = 0.358$) and is statistically significant ($F = 86.234$, $p < 0.001$). Compliance certificate had a significant positive effect on earnings timeliness ($\beta = 0.342$, $t = 5.897$, $p = 0.000$), suggesting that effective compliance certification encourages timely financial reporting. NRS notification also had a significant positive effect on earnings timeliness ($\beta = 0.398$, $t = 6.419$, $p = 0.000$), the strongest predictor in the model, indicating that improved NRS communications substantially enhance reporting timeliness.

4.6 Test of Hypotheses

Hypothesis 1 (H_{01}): Compliance certificate has no significant impact on earnings smoothing of export businesses in Nigeria.

Compliance certificate had a significant negative effect on earnings smoothing ($\beta = -0.287$, $t = -4.221$, $p = 0.000 < 0.05$). H_{01} is rejected. Compliance certificate has a significant impact on earnings smoothing.

Hypothesis 2 (H_{02}): Compliance certificate has no significant impact on earnings timeliness of export businesses in Nigeria.

Compliance certificate had a significant positive effect on earnings timeliness ($\beta = 0.342$, $t = 5.897$, $p = 0.000 < 0.05$). H_{02} is rejected. Compliance certificate has a significant impact on earnings timeliness.

Hypothesis 3 (H_{03}): NRS notification has no significant impact on earnings smoothing of export businesses in Nigeria.

NRS notification had a significant negative effect on earnings smoothing (β = -0.315, t = -4.375, p = 0.000 < 0.05). H_{03} is rejected. NRS notification has a significant impact on earnings smoothing.

Hypothesis 4 (H_{04}): NRS notification has no significant impact on earnings timeliness of export businesses in Nigeria.

NRS notification had a significant positive effect on earnings timeliness (β = 0.398, t = 6.419, p = 0.000 < 0.05). H_{04} is rejected. NRS notification has a significant impact on earnings timeliness.

4.7 Discussion of Findings

4.7.1 Compliance Certificate and Earnings Smoothing

The study found that compliance certificate has a significant negative impact on earnings smoothing of export businesses in Nigeria. This means that effective compliance certificate processes reduce the tendency to engage in earnings smoothing practices. This finding is consistent with Egwanwor and Edori (2024), who found that tax clearance certificates had a strong positive relationship with tax compliance (r = 0.828). The finding suggests that when export businesses must demonstrate their tax compliance through certificates before accessing government services or incentives, they are more likely to maintain accurate financial records and present reliable reported earnings. This aligns with stakeholder theory, which posits that accountability mechanisms compel organisations to provide transparent information to their various stakeholders.

4.7.2 Compliance Certificate and Earnings Timeliness

The study found that compliance certificate has a significant positive impact on earnings timeliness. This finding resonates with Igbinovia and Unamma (2024), who examined tax-related factors and reporting timeliness, and broadly supports the argument that regulatory compliance pressures drive timely financial reporting. When compliance certificates are required for specific purposes within defined timeframes — such as applying for export incentives under NEPC requirements — businesses face a practical incentive to prepare and publish their financial reports promptly. The IASB's (2018) identification of timeliness as an enhancing qualitative characteristic of financial information reinforces the value of this outcome.

4.7.3 NRS Notification and Earnings Smoothing

The study found that NRS notification has a significant negative impact on earnings smoothing. This supports Awodun (2022), who argued that effective communication between tax authorities and taxpayers improves compliance and transparency. Timely notifications about tax assessments, filing requirements, and compliance matters reduce informational uncertainty and provide businesses with clear expectations about their obligations. When businesses receive accurate and timely communication from the tax authority, they are better positioned to prepare accurate financial reports and are less likely to adopt practices that could attract regulatory scrutiny or audit adjustments. This finding also supports the stakeholder theory argument that effective institutional monitoring discourages opportunistic reporting behaviour.

4.7.4 NRS Notification and Earnings Timeliness

The study found that NRS notification has the strongest positive impact on earnings timeliness among all predictors in this study (β = 0.398). This is consistent with the

proposition by Asiriuwa et al. (2021) that tax-related factors can influence the timing of financial report release. Notifications about filing deadlines and compliance requirements create awareness of time-sensitive obligations, and when businesses receive timely reminders and information about their tax obligations, they are more likely to prepare their financial reports within the required timeframes. This finding is noteworthy for regulatory policy, as it suggests that investing in better taxpayer communication infrastructure can yield direct dividends in financial reporting quality.

5. SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Summary of Findings

This study examined the impact of tax authority coordination on the financial reporting quality of export businesses in Nigeria, using data from 312 respondents (accountants, finance officers, and tax managers) drawn from export businesses registered with the NEPC in Lagos, Abuja, and Port Harcourt. The key findings are summarised as follows:

1. Compliance certificate had a significant negative impact on earnings smoothing ($\beta = -0.287$, $p < 0.05$), indicating that effective compliance certification reduces earnings manipulation practices among export businesses.

2. Compliance certificate had a significant positive impact on earnings timeliness ($\beta = 0.342$, $p < 0.05$), indicating that effective compliance certification encourages timely financial reporting.

3. NRS notification had a significant negative impact on earnings smoothing ($\beta = -0.315$, $p < 0.05$), indicating that improved NRS communication reduces earnings manipulation practices.

4. NRS notification had a significant positive impact on earnings timeliness ($\beta = 0.398$, $p < 0.05$), indicating that effective NRS communication enhances the timeliness of financial reporting.

5.2 Conclusion

This study examined the impact of tax authority coordination on the financial reporting quality of export businesses in Nigeria. The findings demonstrate that stronger tax authority coordination contributes to improved financial reporting quality by promoting accountability, transparency, accurate record-keeping, and timely reporting. Specifically, the study concludes that: (i) effective compliance certificate procedures encourage export businesses to maintain proper tax and financial records, thereby reducing incentives for earnings manipulation; (ii) effective NRS notifications improve communication between tax authorities and export businesses, reducing information gaps and supporting more transparent financial reporting; and (iii) tax authority coordination, as operationalised through compliance certificates and NRS notifications, is a significant determinant of both earnings smoothing ($R^2 = 0.262$) and earnings timeliness ($R^2 = 0.358$) among export businesses in Nigeria. These findings are consistent with stakeholder theory and reinforce the argument that effective institutional monitoring can improve the quality of financial information provided to various stakeholders.

5.3 Recommendations

Based on the findings and conclusions, the following recommendations are made:

1. The Nigeria Revenue Service should strengthen the compliance certificate system by making it more efficient, transparent, and digitally accessible. A well-functioning compliance

certificate system creates accountability that reduces earnings manipulation and promotes accurate financial reporting.

2. The NRS should invest in robust electronic notification systems to ensure that export businesses receive timely, clear, and actionable information concerning tax assessments, filing deadlines, and compliance requirements. This will reduce information asymmetries and support more timely financial reporting.

3. Tax authorities and relevant regulatory agencies should enhance monitoring of financial reporting practices of export businesses, particularly for unusual patterns indicating excessive earnings smoothing. Export businesses should correspondingly strengthen their internal financial reporting controls.

4. Export businesses should be encouraged — through institutional incentives and awareness campaigns — to prepare and submit financial and tax information within required reporting periods. The NRS and allied agencies should improve information-sharing infrastructure to facilitate timely verification.

5. The NRS should intensify taxpayer education programmes to educate export businesses on the importance of compliance documentation, the benefits of timely financial reporting, and the implications of earnings manipulation for regulatory assessment.

6. The NRS, NEPC, Nigeria Customs Service, and other relevant regulatory bodies should strengthen inter-agency collaboration and information-sharing to minimise information gaps and improve the overall quality of financial reporting in the export sector.

5.4 Limitations and Suggestions for Further Research

The study acknowledges several limitations. First, it was restricted to NEPC-registered export businesses in three cities, limiting the generalisability of findings. Second, self-reported data may be subject to social desirability bias. Third, the cross-sectional design does not permit definitive causal inference. Future studies should extend the geographical scope to include other regions, employ objective financial statement data rather than perceptual measures, examine additional dimensions of tax authority coordination such as joint audits and information exchange, and adopt longitudinal designs to establish causality.

REFERENCES

Abdulrasaq, M., & Babatunde, A. A. (2024). Tax enforcement strategy: The antidote to non-tax compliance in North-West Nigeria. Journal of Business Management and Accounting, 14(1), 44–56. https://doi.org/10.32890/jbma2024.14.1.3

Akhor, S. O., & Akrawah, D. O. (2019). Financial reporting and tax issues in Nigeria. Journal of Accounting and Taxation, 11(8), 131–139.

Asiriuwa, O., Adeyemi, S. B., Uwuigbe, O. R., Uwuigbe, U., & Ozordi, E. (2021). Tax aggressiveness and timeliness of financial reporting in Nigeria financial sector. Academy of Accounting and Financial Studies Journal, 25(6), 1–11.

Awodun, M. (2022). Taxpayer self-service and tax administration in Nigeria: Implications for voluntary compliance. Journal of Tax Administration, 8(2), 1–22.

Awodun, M., Somorin, O., & Olokooba, S. (2022). Redefining the taxpayer and tax administrator relationship in Nigeria: A relational agency model perspective. Journal of Accounting and Taxation, 14(4), 312–320. https://doi.org/10.5897/JAT2022.0543

Creswell, J. W., & Creswell, J. D. (2018). Research design: Qualitative, quantitative, and mixed methods approaches (5th ed.). SAGE Publications.

Dechow, P., Ge, W., & Schrand, C. (2010). Understanding earnings quality: A review of the proxies, their determinants and their consequences. Journal of Accounting and Economics, 50(2–3), 344–401. https://doi.org/10.1016/j.jacceco.2010.09.001

Egwanwor, T. C., & Edori, D. S. (2024). Tax enforcement strategies and tax compliance in Nigeria: An empirical study of taxpayers in Port Harcourt. Advance Journal of Management, Accounting and Finance, 9(7), 36–60.

Eze, G. P., & Ofoegbu, G. N. (2014). Timeliness of financial reporting in Nigeria. South African Journal of Accounting Research, 28(1), 1–16.

Freeman, R. E. (1984). Strategic management: A stakeholder approach. Pitman.

Freeman, R. E., Harrison, J. S., Wicks, A. C., Parmar, B. L., & de Colle, S. (2010). Stakeholder theory: The state of the art. Cambridge University Press. https://doi.org/10.1017/CBO9780511815768

Healy, P. M., & Wahlen, J. M. (1999). A review of the earnings management literature and its implications for standard setting. Accounting Horizons, 13(4), 365–383. https://doi.org/10.2308/acch.1999.13.4.365

Igbinovia, I. M., & Unamma, A. N. (2024). Tax planning and the timeliness of financial reporting in listed manufacturing firms in Nigeria. Malete Journal of Accounting and Finance, 5(1), 1–15.

International Accounting Standards Board. (2018). Conceptual framework for financial reporting. IFRS Foundation.

Joint Revenue Board. (2026). Revenue authorities. https://www.jrb.gov.ng/revenue-authorities

Nunnally, J. C., & Bernstein, I. H. (1994). Psychometric theory (3rd ed.). McGraw-Hill.

Nwogugu, C. C. (2016). Operationalising the qualitative characteristics of financial reporting. International Journal of Finance and Accounting, 5(4), 221–226.

Ozili, P. K., & Outa, E. (2019). Bank earnings smoothing during mandatory IFRS adoption in Nigeria. African Journal of Economic and Management Studies, 10(1), 32–47. https://doi.org/10.1108/AJEMS-10-2017-0266

Sekaran, U., & Bougie, R. (2016). Research methods for business: A skill building approach (7th ed.). Wiley.

Yamane, T. (1967). Statistics: An introductory analysis (2nd ed.). Harper & Row.