



# KNOWLEDGE AND SKILLS REQUIRED TO PERFORM FORENSIC AUDITING SERVICES TOWARDS DETECTING ILLEGAL FISCAL RECEIPTS: A CASE STUDY OF INVESTIGATION DEPARTMENT AT TANZANIA REVENUE AUTHORITY

James Daniel Chindengwike <sup>1</sup>  

<sup>1</sup> Lecturer, Finance, Accounting and Economics Department, Faculty of Commerce and Business, Studies St. John's University of Tanzania, Dodoma, Tanzania



**Received** 20 July 2024  
**Accepted** 22 August 2024  
**Published** 29 September 2024

## Corresponding Author

James Daniel Chindengwike,  
[chindengwikejames@gmail.com](mailto:chindengwikejames@gmail.com)

**DOI**  
[10.29121/DigiSecForensics.v1.i1.2024.27](https://doi.org/10.29121/DigiSecForensics.v1.i1.2024.27)

**Funding:** This research received no specific grant from any funding agency in the public, commercial, or not-for-profit sectors.

**Copyright:** © 2024 The Author(s). This work is licensed under a [Creative Commons Attribution 4.0 International License](https://creativecommons.org/licenses/by/4.0/).

With the license CC-BY, authors retain the copyright, allowing anyone to download, reuse, re-print, modify, distribute, and/or copy their contribution. The work must be properly attributed to its author.



## ABSTRACT

Knowledge and skills are very important to perform forensic auditing services. The goal of this research is to examine the skills and knowledge needed to perform forensic auditing services towards detecting illegal fiscal receipts. A case study of the Investigation Department at Tanzania Revenue Authority (TRA). The study used Tanzania Revenue Authority as a case study where the study opted qualitative research approach. The study used 5 investigation officers and 5 tax management officers. Sample size calculated from Yamane formula. Surveys used as research tool to collect the data. The study found that interviewing skills, detail-oriented approach, communication skills, analytical skills, creative thinking and problem-solving skills are the knowledge and skills required to perform forensic auditing services towards detecting illegal fiscal receipts to the investigation department at Tanzania Revenue Authority. The study recommends that forensic auditing skills and knowledge help an auditor to collect facts of financial crimes and fraud, frequently in an operation. Forensic auditors must essentially be knowledgeable in both national laws and auditing in purpose to control fraud when happened.

**Keywords:** Skills, Knowledge, Forensic Auditing Services, Illegal Fiscal Receipt

## 1. INTRODUCTION

Forensic auditors require to be investigative as they appraisal of final accounts report and other supporting documents. They must assess the validity of each transaction and evaluate if the corporation informed it correctly. In rare circumstances, the documentation may contradict the figures in the reports. In Tanzania, the revenue authority is responsible to collect the government revenue

and therefore can support the government activities such as water supply, education, provision of health facilities and etc. Although TRA collect taxes, they facing some of challenges to meet the targets; one of the reasons is tax evasion [Vennila & Ravichandran \(2022\)](#). Some taxpayers use unidentifiable documents and unidentifiable fiscal receipts that lead to the loss of revenue. There is need for forensic auditors to detect some key features of what is illegal that help to redeem the government revenue [Felix \(2022\)](#). Electronic Fiscal Devices was officially introduced in Tanzania in 2010, with the following objectives; improved the quality of business record keeping, i.e. electronically, which is secure and reliable; create transparency between the Taxpayer and Tax Authority, through electronic transmission of sales data. Provision of a room for taxpayers to be fairly treated by the authority and minimized tax disputes. Enhance voluntary tax compliance. Now a day, there are a lot of cases of issuing illegal fiscal receipts among taxpayers that cause the tax such as Value Added Tax to drop down.

Forensic accounting theory describes why and how the techniques and methods employed to notice inspired manipulations or accounting in non-financial and financial recording, as well as the consequences of such methods or techniques, are prejudiced by the forensic investigator's auditors and non-accounting selections. The forensic accounting theory shaped in this work is appropriate to both experts and researchers, and additional helps in accounting theory and forensic knowledge aid in the determination of tests in the global financial writing program [Felix \(2022\)](#). Therefore, this study is intended to come up with knowledge and skills required to perform forensic auditing to detect illegal fiscal receipts. A case study of the Investigation Department at Tanzania Revenue Authority (TRA).

## 2. METHODOLOGY

The study used Tanzania Revenue Authority as a case study where the study opted qualitative research approach. The study used 5 investigation officers and 5 tax management officers. Sample size calculated from Yamane formula. Surveys used as research tool to collect the data. Semantic Scholar (6 academic books) used to find the empirical literature reviews from different scholars.

## 3. DISCUSSION

### 3.1. INSIGHTS OF THE KNOWLEDGE AND SKILLS REQUIRED TO PERFORM FORENSIC AUDITING SERVICES TOWARDS DETECTING ILLEGAL FISCAL RECEIPTS: A CASE STUDY OF THE INVESTIGATION DEPARTMENT AT TANZANIA REVENUE AUTHORITY

**Oriented to Detailed Approach:** Forensic auditors, like all auditors, must be thorough. The task of detecting unlawful fiscal receipts and identifying minor differences that might signal a wider pattern of fraud necessitates tremendous concentration and attention. Forensic auditors spend a significant amount of time analysing and evaluating data. They must also document their findings in an ordered manner. Investigation Department at Tanzania Revenue Authority should ensure all forensic auditors must be detailed-oriented [Matar \(2023\)](#).

**Skills of interviewing:** A forensic auditor's responsibilities extend beyond just scrutinising documents. They may also conduct interviews to gather evidence or obtener a better grasp of the situation. In certain cases, these people may be under

a lot of stress, and a professional forensic auditor may help them relax while acquiring vital information. Forensic auditors must be able to detect falsehoods and know when to seek further information. Good listening skills are essential to forensic auditors' overall interviewing ability. Investigation Department at Tanzania Revenue Authority should ensure all forensic auditors must have interviewing skills [Evans \(2020\)](#).

**Analytical skills;** as the World Bank data points out, analytical skills are vital for all auditors. In the case of forensic auditors, analytical skills are essential through the procedure of revising document numbers and while interrogating people. The forensic auditors would then employ those analytical skills to hypothesis an image of what type of fraud may have occupied place in order to current that indication to others. Occasionally, forensic auditors work on separation cases, and that may include examining financial papers to control whether a person is struggling to skin assets. Investigation Department at Tanzania Revenue Authority should ensure all forensic auditors must have Analytical Skills [Evans \(2020\)](#).

**Skills of communication:** Forensic auditors must be able to effectively communicate and conduct interviews. They must be able to effectively express their findings in both oral and writing forms. They may cooperar closely with law enforcement or judicial officers. Some forensic auditors serve as expert witnesses, meaning they must explain complicated and sometimes technical matters to a jury while also establishing their significance to the broader case. A forensic auditor needs to be able to write and communicate properly. Investigation Department at Tanzania Revenue Authority should ensure all forensic auditors must have good communication skills [Shalaby & Al-Harkan \(2022\)](#).

**Problem solving and creative thinking skills:** Forensic auditors must be flexible and capable problem solvers. New facts or events can create a substantial shift in the course of an inquiry. A forensic auditor must be creative enough to consider several scenarios and alternatives before determining if they are compatible with the data. Investigation Department at Tanzania Revenue Authority should ensure all forensic auditors must have good problem solving and creative thinking skills [Evans \(2020\)](#).

#### 4. CONCLUSION AND RECOMMENDATIONS

Forensic auditors require to be investigative as they appraisal of final accounts report and other supporting documents. Forensic auditors, it is essential to be knowledgeable in both law and auditing in purpose to control whether a fraud has happened. The study recommends that the Investigation Department at Tanzania Revenue Authority should ensure all forensic auditors must be detailed-oriented, interviewing skills, analytical skills, have good skills of communication and a good problem solving and creative thinking skills in order to reduce issuance of illegal fiscal receipts among traders and therefore can increase the government revenue. The researcher suggests that the future research should use another public sector.

#### CONFLICT OF INTERESTS

None.

#### ACKNOWLEDGMENTS

None.

## REFERENCES

- Evans, C. D. (2020). Forensic Accounting and Fraud Deterrence. In Corporate Fraud Exposed, (pp. 261-278). Emerald Publishing Limited. <https://doi.org/10.1108/978-1-78973-417-120201017>
- Felix, U. O. (2022). Evidence Collecting Processes and Fraud Examination: The Role of an Expert Forensic Accountant. Asian Basic and Applied Research Journal, 394-420.
- Matar, D. O. (2023). The Role of Forensic Accounting in Reducing Tax Evasion (Crimes and Penalties). International Multilingual Academic Journal.
- Mishra, K., Azam, M. K., & Junare, S. O. (2021). Role of Forensic Audit in Controlling Financial Statement Fraud: A Case Study of Satyam Computers. Psychology and Education, 58(2), 4016-4025.
- Shalaby, A., & Al-Harkan, A. (2022). The Awareness of Judicial Accounting Techniques Towards the Expectations of the External Auditor in Detecting Fraud and its Impact on the Performance. Accounting, 8(3), 345-354. <https://doi.org/10.5267/j.ac.2021.10.003>
- Vennila, R., & Ravichandran, R. (2022). A Study on Forensic Audit and Regulatory Perspective.