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Moderating Effect of Tax Audit Probability on the Causality Between Taxpaying Attitudes and Tax Compliance Behavior in Restaurant of Uasin Gishu County (Kenya)

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Abstract: We investigated the moderating influence of audit probability on the effect of taxpaying attitudes on tax compliance behaviour in restaurants in Kenya. Four linear regression models were compared. Estimations in the models suggest that taxpayers' attitudes and audit probability have significant effects on the tax compliance of the restaurants, but the influence of external audit probability is more significant. Estimations in model where taxpaying attitudes without the moderating influence of audit probability exerted a significant effect on tax compliance by 22%, while taxpaying attitudes with the moderating influence of audit probability exerted 27%. Taxpaying attitudes with the moderating influence of the external audit probability dimension had a more significant contribution to the changes in tax compliance. The findings demonstrated that if taxpayers' attitudes improved and audit probability was leveraged by the tax authorities, tax compliance behaviour of restaurants would be improved for restaurant owners in Kenya.

Keywords: Restaurants in Kenya, Audit Probability, Tax Compliance Behavior, Taxpaying Attitudes, Kenya

INTRODUCTION

The governments need to collect revenue to fund the growth of public expenditure, which can be accomplished through taxation (Kimaro *et al.*, 2017; Bausch, 2019). Thus tax remains an important tool for governments across the world because public revenue that accrues from taxes is required for the county's growth and development as well as finance social programmes and infrastructure (Prichard *et al.*, 2019; Siglé *et al.*, 2022). Tax imposed by the governments rely on voluntary compliance by taxpayers who must fulfil their tax obligation without coercion (Slemrod, 2019; Okwara, 2020). Here, tax compliance is the ability to pay taxes on time and timely reporting of the correct tax information (McGill, 2019; De Neve *et al.*, 2021).

In this case, governments requires that all the citizens within their jurisdiction will fully comply with tax regulations and payments (Hofmann *et al.*, 2017; Guerra and Harrington, 2018). At the global front, governments or public authorities demand positive tax compliance

from the citizens, thus making tax compliance behaviour an urgent issue in the tax debate (Boateng *et al.*, 2022; Dularif and Rustiarini, 2022). Generally, it has been observed that while government would try to ensure maximum tax compliance from the citizens, most of the tax remitters will likely try to evade or hide from paying taxes to the authorities (D'avino, 2023; Dumiter, 2023). There are a number of factors that may affect tax compliance in developing countries which may range from effectiveness of tax mobilisation (Adaletey *et al.*, 2022; Occhiali and Kalyango, 2023), trust (Batrancea *et al.*, 2019; Widuri *et al.*, 2019), the threat of sanctions (Handoko *et al.*, 2020), taxpayers' expectations from government (Adekoya *et al.*, 2022; Abdu and Adem, 2023), rigidity/flexibility of the tax law (Frank and Schrom, 2022) as well as isomorphic forces such as coercive, mimetic and normative pressures (Jones and Reitano, 2023; Nartey, 2023) among others. The question that continues to linger is how to encourage taxpayer to comply with the tax obligations. To try and answer this question, several scholars have suggested that individual taxpayers' actual tax compliance decisions and behaviours be based on their attitudes.

Taxpayer's attitude remained an important issue in tax psychology research due to direct linkage with the behavior of taxpayers (Murad and Mosab, 2020). Several studies content that individual's taxpayers compliance is significantly correlated with their tax attitude (Sebele-Mpofu and Chinoda, 2019; Shiferaw and Tesfaye, 2020; Naeem and Gulzar, 2021; Bani-Khalid *et al.*, 2022). Most of these studies suggest that the more positive a taxpayer's attitudes towards tax payment is the more likely they will be compliant in tax payment compared with those who have negative attitudes. Nevertheless, most taxpayers tend to have negative attitudes towards tax payment which has often affected their overall tax compliance (Rashid, 2020; Kassa, 2021). There fore to hasten the taxpayers to comply and pay tax, one has to establish mediating variables that may strengthen the relationships between tax payers attitude and tax compliance.

Tax audit is important because it assist the government in collecting appropriate tax revenue necessary for budget, ensure strict compliance with tax laws by tax payers and improve the degree of voluntary compliance by tax payers as well as ensuring that the amount due is collected and remitted to government (Beredugo *et al.*, 2019; Nurebo *et al.*, 2021). Post tax audits have been variously discussed in relation to tax compliance. Some studies have asserted that higher rates of posttax audits tend to reduce chances of tax evasion (Chyz *et al.*, 2021; Ma *et al.*, 2021; Dang and Nguyen, 2022). These findings suggest that post tax audits can play an important role in increasing voluntary compliance. Besides, the thoroughness of post audits tend to encourage taxpayers to be more prudent in completing their tax returns, reporting all the income and tax liability (Bedada, 2016; Kimani, 2019; Olaniyi and Ilesanmi, 2019). In contrast, taxpayers who have never been audited might be tempted to under report their actual income and claim false deductions. There are also studies that have indicated that tax audits change tax compliance behaviour from negative to positive Yet there are also some studies that have found no effects of tax audits on tax compliance during their studies. In these studies, audits were found to be more effective in inducing taxpayers to over claim deductions rather than encouraging them to correctly report actual income (Beron et al. 1988). Several studies have also claimed that audit probability, remains one of the major reasons why people, small business enterprises and corporate entities evade taxes. However, emerging pieces of evidence refute this perspective, especially where some studies establish that deterrence and punitive measures are sufficient to improve taxpayers' compliance (Andriani et al., 2020).

The relationship between tax audit and compliance has also been affected in variant ways by probability of audits. It has been noted that despite the acknowledgement of the relevance of audit probability on tax compliance behaviour, studies on the influence of audit probability on human behaviour have not given direct or consistent results (Ebimobowei and Peter, 2013; Ştefura, 2013; Alm, 2014). There is considerable variation in the taxpayers attitudes and tax compliance where some have been shown to comply to the fully extent required, irrespective of whether there is an opportunity for audit of tax compliance. With regard to institutional pressure to the taxpayer, a number of studies have established that taxpayers' attitudes to compliance behaviour can be driven by what the taxpayers believe that may constitute an external pressure,

of which probability of tax audit remains paramount.

However, few studies have explored the tax-audit probabilities in a taxpayer's attitude-tax compliance nexus especially in developing countries such as Kenya. Based on the foregoing arguments, we aim to bridge the gaps in the literature by investigating whether the causality between taxpayers' attitude and tax compliance behaviour in restaurants is moderated by audit probabilities. We hypothesised that understanding the influence of audit probability on the relationship between taxpayers' attitudes and tax compliance behaviour could assist tax authorities in developing policies and strategies that would induce favourable attitudes towards tax compliance and ultimately enhance tax payments.

RESEARCH

Research design

This study adopted explanatory research design. The explanatory research design analyzes the cause-effect relationship between two or more variables (Casey *et al.*, 2022). This design was adopted since the analysis investigated the cause-effect relationship between taxpayer attitude and tax compliance.

Study area

The study was carried out in Uasin Gishu County in Kenya. Uasin Gishu is one of the 47 counties in Kenya lying between longitudes 34º50' East to 35º37' East and latitudes 0º03' South to 0º 55' North. The County shares common borders with Trans Nzoia County to the North, Elgeyo Marakwet County to the East, Baringo County to the South East, Kericho County to the South, Nandi County to the South West and Kakamega County to the North West. It covers a total area of 3,345.2 km^2.

Target population, sample size determination and sampling

The target population for taxpayer attitudes will restaurants within Eldoret Town. There are a total of 264 restaurants in Eldoret Town that were operational by March 2023 distributed as shown in Table 1.

Table 1. Population of customers and restaurants per sub-county in Eldoret Town

Sub County number	Sub-County	Number of restaurants	Sampled restaurants
141	Soy	101	13
142	Turbo	176	23
143	Moiben	154	20
144	Ainabkoi	97	13
145	Kapseret	78	10
147	Kesses	58	8
Total		**664**	**87**

Source: Researcher survey (2022-23)

The sample size was derived from the population and the information used to generalize the findings within the limit of random error. The owners/managers of the restaurants were the unit of inquiry. To calculate the number of sampling units required (restaurants), the Slovins formula (Tejada and Punzalan, 2012) with a 95% confidence level was used as:

$$n = \frac{N}{1+Ne^2} = \frac{664}{1+364*0.05^2} = 246.743295 \approx 247$$

Where: n = Sample size required

N = Number of people in the population

e = Allowable error (5%) 0.1 for population 100 to 1000

Therefore, the number of restaurants target as the sampling units will be 247 restaurants.

The selection of restaurants will be done through systematic sampling which will involve selecting the sample at specific interval ($k = N/n$, where k = systematic sampling interval, N = Population size and n = sample size) until the desired sample size is obtained from within the target population.

Research instruments

The required primary data were collected from the restaurant managers using structured questionnaires. The questionnaire was divided into three parts; section A had the background information of the restaurants, section B gathered information about the attitude and audit probability while section C gathered information on tax compliance measures. The questionnaires were self-administered. A five-point Likert scale ranging from strongly disagree (1), disagree (2), neither agree nor disagree (3), agree (4) and strongly agree (5) was employed to improve response rate and response quality.

Validity and reliability of the research instruments

During the study validity will examine whether the instrument adequately covers all the content it should contain regarding the variable (Shrotryia and Dhanda, 2019). This will be ascertained through expert judgment (Demirpence and Putnam, 2020) where experts are asked their opinion on whether the intended concept is measured by an instrument.

Reliability was evaluated using the Cronbach alpha test. For Cronbach's alpha the commonly agreed lower limit is=>0.70, however in explanatory research it may decrease to =>0.60 and increase up to ≥0.80 in studies requiring more stringent reliability (Alkhadim, 2022). Score for Cronbach Alpha were obtained during piloting.

Data collection procedure

Before data collection, relevant documentation and permissions were sought and granted. First approval of the research was granted by Moi University School of Business. Then a research permit was obtained from the National Commission for Science, Technology and Innovation (NACOSTI). Data were collected at designated times in sampling units through the "drop-and-pick-later" method of questionnaire administration. In some instances the data collection were done at the convenience of the respondents. The respondents were assured that strict confidentiality would be maintained in dealing with the responses. Each of the respondents were given about 40-50 minutes to fill in the questionnaires after which the filled-in questionnaires were collected upon expiration of the allocated duration and kept in safe custody awaiting analysis. The data collection exercise took about four weeks.

Model development, measures and data Analysis

This study collected quantitative data determined by a Likert scale consisting of 5 items. The items were positively scored. Apart from Section A, the questionnaire items in all other sections were measured on a five-point Likert scale, ranging from strongly disagree (1) to neutral (3) and to strongly agree (5). Data collected were checked for errors and cleaned before analysis using Statistical Package for Social Sciences (SPSS 23.0). Data were then coded before statistical analysis. Descriptive statistics was used to summarize the data and included percentages, frequencies, means and standard deviations. Quantitative data evaluating the relationship between the independent and dependent variable were analyzed using Multiple Linear regression model.

The equation took the form:

Model 1: $Y_i = \beta_0 + \beta_1 \text{TAXATTD} + \beta_2 \text{AUDPROB} + \varepsilon$

Model 2: $Y_i = \beta_0 + \beta_1 \text{TAXATTD} + \beta_2 \text{INTAUDPROB} + \beta_2 \text{EXTAUDPROB} + \varepsilon$

Model 3: $Y_i = \beta_0 + \beta_1 \text{TAXATTD} + \beta_2 \text{TAXATTD} * \text{AUDPROB} + \varepsilon$

Model 4:

$$Y_i = \beta_0 + \beta_1 \text{TAXATTD} + \beta_2 \text{TAXATTD} * \text{INTAUDPROB} + \beta_2 \text{TAXATTD} * \text{EXTAUDPROB} + \varepsilon$$

Where Y_i = Dependent variable, β_0 = Y-intercept (constant term); X_i = predictor for the independent and moderator variables; β_1, β_2, β_3, β_4 and β_5 = Regression Coefficients; and ε = error. The assumptions of multiple regression analysis were strictly adhered to so as to control bias and they included linearity, normality, multicollinearity, homoscedasticity and autocorrelation.

To determine the fitness of our predetermined factor model that seeks to investigate the moderating influence of Tax audit probability (AUDPROB) on the causality between taxpaying attitude (TAXATTD) and tax compliance behaviour (TAXCOM), we conducted a confirmatory factor analysis (CFA). The fit statistics tested were the root mean square error of approximation (RMSEA), comparative fit index (CFI) and Tucker–Lewis index (TLI) under normal-theory maximum likelihood (ML) with continuous data. The results of the model fit indices generated were as follows: CFI = 0.845, TLI = 0.854 and RMSEA = 0.0828.

Two fit indices were satisfactory, and the third fit was marginal based on cut-off criteria of CFA in the literature. It has been suggested that RMSEA values less than 0.05 are good, values between 0.05 and 0.08 are acceptable, values between 0.08 and 0.1 are marginal and values greater than 0.1 are poor (Hair et al., 2017; Xia and Yang, 2019). Therefore, the RMSEA value of 0.0828 indicated an acceptable fit. Similarly, the generated CFI value of 0.845 is acceptable and falls within the acceptance threshold. According to Hu and Bentler (1999) and Bentler (1990), a CFI value that is close to 0.9 is an indication of a relatively good fit. However, the generated TLI value of 0.877 is less than the 0.9 cut-off threshold for a good fit (Xia and Yang, 2019). Based on the explicated fit indices, we asserted that the sample has an acceptable fit to the 3-factor model.

RESULT AND DISCUSSION

Questionnaire Response Rate

The response rate represents the percentage of all questionnaires returned. The data contained responses from online traders in Uasin Gishu County. A total of 247 self-administered questionnaires were distributed and a total of 227 were returned resulting in a response rate of 91.9% that was sufficient for the analysis. The overall response rate was found to be suitable for analysis and making interpretations and conclusions for this study since response rate of 60-100% his considered adequate to validate any survey based studies (Meyer *et al.*, 2022).

Reliability of the variables

The alpha coefficient results of the reliability tests are provided in Table 1. The reliability of that audit probability was the highest ($\alpha = 0.8426$), followed by Taxpayer attitude ($\alpha = 0.8222$), and finally, tax compliance had a lower reliability score ($\alpha = 0.7862$). Reliability coefficient were above 0.7 which is acceptable (Amirrudin *et al.*, 2021).

Table 2. Reliability statistics of items in the questionnaire

Variables	No. of items	Cronbach's alpha	Remark
Tax compliance (TAXCOM)	221	0.7862	Reliable
Taxpayer attitude (TAXATTD)	222	0.8222	Reliable
Overall audit probability (AUDPROB)	225	0.8426	Reliable
Internal audit probability (INTAUDPROB)	220	0.8222	Reliable
External audit probability (EXTAUDPROB)	219	0.7862	Reliable

Source: Data Analysis (2023)

Demographic characteristics of the respondents

The restaurants (owner managers) were the unit of inquiry. The socio-economic background of the respondents is presented in Table 3. Males were more dominant in the owners/managers of the restaurants than female respondents. From the demographics, all age

groups are well represented in the survey, however entrepreneurs within the age range of 36–55 years followed by those aged between 26–35 years. In terms of educational status, majority had college level of education followed by secondary levels of education. Finally, overall age of the business for most of the respondents was 5-10 years followed by 2-5 years suggesting that most of the restaurants were fairly young.

Table 3. Socio-economic characteristics of the respondents (n = 160)

Socio-economic attributes (n = 160)	Variable attributes	Freq.	Percent
Gender	Male	154	67.8
	Female	73	32.2
Age	18-25 years	21	9.3
	26 - 35 years	63	27.8
	36 - 55 years	112	49.3
	> 55 years	31	13.7
Level of Education	Primary school	20	8.8
	Secondary school	68	30.0
	College	103	45.4
	Bachelor degree	34	15.0
	Master degree	2	0.9
Business age	<1 years	41	18.1
	2-5 years	56	24.7
	5-10 years	109	48.0
	>10 years	21	9.3

Descriptive statistics

In Table 4 present the constructs descriptive statistics which were in the forms of means and standard deviations for tax compliance (TAXCOM), taxpayer attitude (TAXATTD), audit probability (AUDPROB), internal audit probability (INTAUDPROB), and external audit probability (EXTEAUDPROB). This methodological procedure is necessary because the means provide a good summary of the data, while standard deviations represent the data (Field, 2009).

Table 4. Descriptive statistics showing metrics and score (means, Std. Dev. and distribution) for tax compliance in restaurants (N = 227).

			Skewness		Kurtosis		Shapiro-Wilk	
Parameter	Mean	SD	Skewness	SE	Kurtosis	SE	W	*P*
TAXCOM	2.012	0.234	-0.323	0.102	-0.453	0.147	0.823	<0.001
TAXATTD	1.933	0.212	-0.282	0.102	-0.223	0.147	0.745	<0.001
AUDPROB	1.804	0.195	-0.342	0.102	-0.332	0.147	0.845	<0.001
INTAUDPROB	1.945	0.115	-0.233	0.102	-0.232	0.147	0.834	<0.001
EXTAUDPROB	1.893	0.225	-0.356	0.102	-0.328	0.147	0.834	<0.001

Source: Authors' Computation (2023)

The mean score for the dependent variable (TAXCOM) is 2.012, while the standard deviation is 0.212. This means that on average, restaurants in Uasin Gishu County in Kenya are largely not willing to be tax compliant. Overall, the descriptive analysis suggested that, on a scale of 5, restaurants in Uasin

Gishu County in Kenya exhibited low levels of taxpayers' attitude and audit probability both at internal and external levels (mean ≤ 2.0). The standard deviations for attitude, audit probability, internal audit probability and external audit probability are small compared to their mean values, an indication that the statistical means are a good fit of the observed data. The construct data used for this analysis are normally distributed because the *P* values of the Shapiro–Wilk test (Prob < W values) for all the constructs are greater than 0.05. However, negative skewness values indicate that the data are skewed to the left further showing probability of lower values than the ones reported.

Correlation analysis results

In Table 5, the correlation analysis results are presented. Specifically, Pearson's correlation coefficient analysis was conducted to establish the relationships between the predictor variables (attitude, audit probability, internal audit probability and external audit probability and the dependent variable (tax compliance). The intent of a correlation analysis is to determine the strength and direction of the linear relationship between predictor variables and the dependent variable (Frost, 2021), and there is a need to test for causality using regression analysis. Several correlation analysis tests exist, but we adopted Pearson's correlation coefficient (r) a widely used parametric statistic that relies on interval data (Garson, 2012).

Table 5. Correlation matrix

Parameters		TAXCOM	TAXATTD	AUDPROB	INTAUDPROB
TAXCOM	Pearson's	-			
	P value	-			
TAXATTD	Pearson's	0.543***	-		
	P value	<0.001	-		
AUDPROB	Pearson's	0.475***	0.565***	-	
	P value	<0.001	<0.001	-	
INTAUDPROB	Pearson's	0.376***	0.405***	0.905***	-
	P value	<0.001	<0.001	<0.001	-
EXTAUDPROB	Pearson's	0.576***	0.465***	0.955***	0.965***
	P value	<0.001	<0.001	<0.001	<0.001

Effects of taxpayers' attitudes and audit probability on tax compliance

Displayed in Table 6 are the results from inferential analyses conducted through linear regression analysis. Here, taxpayers' attitudes and audit probability were treated as independent variables, and their effects on tax compliance behaviour were estimated.

Table 6. Multiple regression analysis showing the relationship between attitude and audit probability on tax compliance

Regression Statistics (Model 1)					
Multiple R	0.463				
R Square	0.218				
Adjusted R Square	0.204				
Standard Error of Estimate	0.5857				
Durbin-Watson	1.4543				
Dependent Variable	Tax compliance				
Predictors: (Constant), Taxpayer attitude (TAXATTD), Audit probability (AUDPROB)					
ANOVA	*TSS*	*df*	*MSS*	*F*	*P-*
Regression	47.937	2	23.96	57.215	<0.0
Residual	93.838	224	0.418		

Total	131.775	226			
	Unstandardized		Standardized Coefficients		
	B	*Std. Error*	*Beta*	*t Stat*	*P*
(Constant)	0.377	0.161		2.343	0.020
TAXATTD	0.287	0.107	0.558	3.730	<0.0
AUDPROB	0.227	0.103	0.442	4.229	<0.0

The result of the regression of tax compliance against the taxpayers' attitude and audit probability suggest that taxpayers' attitudes and audit probability collectively exerted a significant effect on the tax compliance behaviour of restaurants in Uasin Gishu in Kenya. When the magnitude and direction of the effect is considered, the results show that a positive effect of 21.8% (20.4% when adjusted for error) is exerted on the tax compliance behaviour of taxpayers. In particular, taxpayers' attitudes contributed 28.7% to the change in tax compliance behaviour (that is, TAXATTD: $\beta = 0.287$, $p < 0.05$), while audit probability contributed 21.7% to the change in tax compliance behaviour (that is, AUDPROB: $\beta = 0.217$, $p < 0.05$).

The study further deconstructed audit probability into two sub-constructs: internal and external audit probabilities. The outcomes of audit probability deconstruction in Table 7 [$R^2 = 0.166$, Adj. $R^2 = 0.159$, $F(3,383) = 25.138$, $p < 0.05$] suggest that taxpayers' attitudes and their internal and internal audit probability sub-constructs collectively exerted a significant effect on the tax compliance behaviour of restaurants in Uasin Gushu Kenya.

Table 7. Effects of taxpayers' attitude and audit probability sub-constructs on tax compliance

Regression Statistics (Model 2)					
Multiple R	0.483				
R Square	0.234				
Adjusted R Square	0.214				
Standard Error of Estimate	0.5457				
Durbin-Watson	1.5543				
Dependent Variable	Tax compliance (TAXCOM)				
Predictors: (Constant), Taxpayer attitude (TAXATTD), Audit probability (AUDPROB)					
ANOVA	*TSS*	*df*	*MSS*	*F*	*P-*
Regression	64.937	3	21.645	46.694	<0.00
Residual	103.838	224	0.4635		
Total	131.775	226			
	Unstandardized Coefficients		Standardized Coefficients		
	B	*Std. Error*	*Beta*	*t Stat*	*P*
(Constant)	0.377	0.161		2.343	0.020
TAXATTD	0.281	0.110	0.4225	5.230	<0.00
INTAUDPROB	0.127	0.123	0.1909	4.569	<0.00
EXTAUDPROB	0.257	0.133	0.3864	4.339	<0.00

When the magnitude and direction of the effect is considered, the results show that a positive effect of 23.4% (21.4% when adjusted) is exerted on the tax compliance behaviour of taxpayers. In terms of each sub-constructs contribution, taxpayers' attitudes contributed 28.1% to the change in tax compliance behaviour (ATTD: $\beta = 0.281$, $P < 0.05$); the internal audit probability dimension contributed 12.7% to the change in tax compliance behaviour (internal audit probability: $\beta = 0.127$, $p < 0.05$); and the external audit probability dimension had a marginal contribution of 27.5% to the change in tax compliance behaviour (external audit probability: $\beta = 0.275$, $P < 0.05$).

Moderating role of audit probability on the effect of taxpayers' attitudes on compliance

Table 8 shows the results of the linear regression analysis. Here, the moderating influence of audit probability on the causality between taxpayers' attitudes and tax compliance behaviour was estimated.

Table 8. Moderating role of audit probability on the effect of taxpayers' attitude on compliance

Regression Statistics (Model 3)					
Multiple R	0.553				
R Square	0.306				
Adjusted R Square	0.297				
Standard Error of Estimate	0.7457				
Durbin-Watson	1.6547				
Dependent Variable	Tax compliance				
Predictors: (Constant), Taxpayer attitude (TAXATTD), Audit probability (AUDPROB)					
ANOVA	*TSS*	*df*	*MSS*	*F*	*P-*
Regression	64.937	3	21.64	46.694	<0.0
Residual	103.838	224	0.463		
Total	131.775	226			
	Unstandardized		Standardized Coefficients		
	B	*Std. Error*	*Beta*	*t Stat*	*P*
(Constant)	0.477	0.261		6.343	<0.0
TAXATTD	0.113	0.123	0.220	3.569	<0.0
TAXATTD*AUDPROB	0.297	0.135	0.578	2.339	<0.0

From the regression model Model 3 suggest that taxpaying attitude with the moderating influence of audit probability exerted a significant effect on the tax compliance of the behaviour of managers in restaurants in Kenya. With regard to the magnitude and direction of the effect, tax paying attitude and audit probability have both increased firms' tax compliance behaviour to 29.7%. Analysis of the influence of the two audit probability dimensions of internal and internal audit probability revealed further findings, as presented in Table 9.

Table 9. Moderating role of sub-constructs of audit probability (internal- and external audit probability) on the effect of taxpayers' attitude on compliance

Regression Statistics (Model 4)					
Multiple R	0.663				
R Square	0.439				
Adjusted R Square	0.416				
Standard Error of Estimate	0.525				
Durbin-Watson	1.954				
Dependent Variable	Tax compliance				
Predictors: (Constant), Taxpayer attitude (TAXATTD), Audit probability (AUDPROB)					
ANOVA	*TSS*	*df*	*MSS*	*F*	*P-*
Regression	64.937	3	21.64	46.694	<0.0
Residual	103.838	224	0.463		
Total	131.775	226			
	Unstandardized		Standardized Coefficients		
	B	*Std. Error*	*Beta*	*t Stat*	*P*
(Constant)	0.677	0.361		9.343	<0.0
TAXATTD	0.103	0.123	0.144	3.569	<0.0
TAXATTD*INTAUDPROB	0.257	0.135	0.358	2.339	<0.0

TAXATTD*EXTAUDPROB	0.357	0.135	0.498	2.339	<0.0

The results of internal and internal audit probability in Model 4, suggests that taxpaying attitude with the moderating influence of internal and internal audit probability exerted a significant effect on the tax compliance of restaurants in Kenya. However, the probability of external audit dimension on tax attitude had a more significant contribution to the changes in tax compliance behaviour (49.8% change probability) than the internal audit dimension (35.8% change probability). In terms of each construct's contribution, internal audit and eternal audit- probability has a significant influence on taxpayers' attitudes that led to changes in tax compliance behaviour by 41.6%.

DISCUSSION

The present study indicates that audit probability moderates the relationship between taxpayers' attitudes and the tax compliance intention of restaurants in Kenya. The results of the four models are clear. In the first case (model 1), the taxpayers' attitudes without any moderating variable had a significant influence of tax compliance with a positive effect of 21.8% (20.4% when adjusted for error). In this case, the taxpaying attitudes without the moderating influence of audit probability exerted a significant effect on tax compliance behaviour by 28.7%, while audit probability exerted 22.7% effect. There are numerous studies that have indicated that taxpayers attitude always positively influence tax compliance (Sebele-Mpofu and Chinoda, 2019; Murad and Mosab, 2020; Do *et al.*, 2022), and therefore this result is not surprising. Meanwhile the indeirect effects of tax audits is to deter future non-compliance among taxpayers and hence any taxpayer will automatically pay their taxes for fear that should they failed to comply then the audit reports may reveal the non compliance. The implications of these results are to validate the extant literature that human behaviour and beliefs system can affect their influence them into action in this case their attitudes can influence them to pay taxes.

The second scenario looking at the effects of taxpayers' attitude and audit probability sub-constructs on tax compliance where there two variables were not considered as moderators of each other but complementary and the result clearly show that on tax compliance was significant in influencing tax compliance with a positive effect of 23.4% (21.4% when adjusted). In this case, the taxpaying attitudes without the moderating influence of audit probability exerted a significant effect on tax compliance behaviour by 28%, while probability of internal audit was 12.7% and probability of external audits was 25.7%. The current findings are in agreement with previous studies that have found that taxpayers attitude often influence taxpayers tax compliance behaviour and that the behaviour can be improved through probability of audits (Nguyen *et al.*, 2020). In a study conducted in Sri-Lanka, it was found that taxpayer attitude did not not significantly affect the tax compliance behaviour of taxpayers, however when there was a threat of punishment by the tax authority following audits then there was a significant influence on the tax audit probability on tax compliance behaviour of taxpayers (Jayawardane and Low, 2016). The study also reveals that external audits were better at forcing compliance than internal audit as established in other studies (Kasper and Alm, 2022).

Third, it was found that taxpaying attitude with the moderating influence of the external audit probability dimension had a more significant contribution to the changes in tax compliance behaviour than the internal audit dimension. The above finding supports the a priori expectation that people's relationship with government influences their attitude and behaviour. In particular, Haji and Lalonde (2012) encouraged external audit probabilities for better compliance in tax obligations. Overall, all the findings are consistent with previous studies based on the theory of planned behaviour, that taxpayers' behaviour is directly predicted by their attitudes towards behaviour (here, tax compliance) as well as the perception of pressure externalities (here, audit probabilities). The implication of this new insight is that taxpayer attitudes values cannot alone elicit positive tax compliance behaviour in a developing country context of Kenya, without audits.

The final scenario where the attitude of the taxpayer was moderated by either internal or

external audit probability (model 4), suggests that taxpaying attitude with the moderating influence of internal and internal audit probability exerted a significant effect on the tax compliance of restaurants in Kenya. In terms of each construct's contribution, internal audit and eternal audit- probability has a significant influence on taxpayers' attitudes that led to changes in tax compliance behaviour by 41.6%. However, the probability of external audit dimension on tax attitude had a more significant contribution to the changes in tax compliance behaviour (49.8% change probability) than the internal audit dimension (35.8% change probability).

The focus on restaurants in Kenya is expedient and imperative in light of the presumption that the tax compliance behaviour of small business enterprises in developing countries is to a large extent different from that of large enterprises. In Uganda, the study of Night et al. (2019) found that attitude towards electronic tax systems, adoption of electronic tax systems and isomorphic forces (particularly coercive, normative and mimetic forces) have significantly influenced tax compliance to 57.4%. However, the three isomorphic forces have a high predictive power for tax compliance when compared with attitudes towards electronic tax systems. A number of studies have found that micro, small and medium entrepreneurs have low tax compliance behaviour due to lack of regulatory framework and registration by tax authorities, leading to lack of reporting of the incomes. The lack of effective tax monitoring and audit was the main factor.

In this study, tax audit probability was useful tool for changing taxpayers' attitudes, thereby enhancing tax compliance, is consistent with the long established view that deterrence and punitive measures are insufficient to improve taxpayers' compliance (Andriani et al., 2020). Specifically, Devos (2014) explains that external measures especially from the government authorities have proven to be good motivation tools for improving tax compliance behaviour among taxpayers (Devos, 2014). This is exactly the role of audit probabilities in tax management. Audit probabilities is able to evidently influence tax compliance because as an institutional element. To stimulate tax compliance by changing taxpayers' attitudes, policymakers should look beyond economic factors, as sociological, institutional and psychological factors have been found to be very helpful in the development of enduring and sustainable tax compliance behaviour.

CONCLUSION

The study examined the moderating influence of audit probability on the effect of taxpayers' attitudes on the tax compliance behaviour of restaurants in Kenya. The study based on its findings concludes that taxpayers' attitudes, moderated by audit probability, exerted a significant effect on the tax compliance behaviour of restaurants in Uasin Gishu County in Kenya. Specifically, the internal audit probability sub-construct, explaining individuals' fulfilment of the audit probabilities imposed less obligations towards changes in tax compliance behaviour of the sampled restaurants. On the other hand, external audit probability, had more significant contribution to the changes in tax compliance behaviour among the sampled firms.

Policy makers and managers in charge of tax administration need to see taxpayers' attitudes as a critical factor to be accorded importance when formulating and implementing tax policies. Policymakers and other government agencies, while working hard to avert tax evasion and tax avoidance, need to consider the influence of taxpayers' perceptions and attitudes, as both factors, if ignored, could negatively influence the compliance level of taxpayers. Additionally, the study underscored the role of audit probabilities as a major factor influencing the compliance behaviour of restaurants in Uasin Gishu County in Kenya. Therefore, audit probability should considered during tax policy formulation, implementation and evaluation in Kenya.

The implication of the far-reaching findings in this study suggests that tax authorities and other relevant government agencies should collaborate with audit firms more on the external audit dimension to collectively and collaboratively boost taxpaying attitudes and tax compliance in developing countries like Kenya. In particular, tax authorities should intensify efforts on tax enlightenment, education and campaigns using audit firms as tax ambassadors, promoters and

campaigners in Kenya.

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