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Best and Emerging Trend Practices in Tax Compliance and Audit Practices in a Company Secretary Firm

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ABSTRACT

Tax compliance and audit practices are critical factors for achieving financial accuracy, regulatory adherence, transparency and effective governance in a Company Secretary (CS) firm. With the frequent changes in tax regulations, increasing compliance requirements and the rapid adoption of digital technologies, company secretary firms are required to continuously improve their traditional practices and adopted more efficient and reliable approaches. This study "Best and emerging trend practices in tax compliance and audit practices in a company secretary firm" explores the prevailing practices followed by company secretary firms and identify emerging trends that could enhance the quality and efficiency of professional services. This paper focuses on areas such as timely tax filing, proper documentation, compliance monitoring, reconciliation, audit procedures, risk assessment, professional competency, digital record management and use of technology in tax-related activities. Particular focus is given to emerging practices such as automation, data analytics, artificial intelligence, cloud-based systems and digital compliance platforms used to enhance accuracy, reduce manual effort and identify potential compliance risks. This study anticipates that the findings can provide valuable insights into how company secretary firms can combine established compliance and audit procedures and emerging technologies and professional practices to enhance tax compliance and minimises errors and enhance the organisational performance. The study concludes that adopting a balanced approach involving technology, systematic review, skilled professionals and proactive compliance management can enhance efficient, accurate and future-ready tax and audit practices in company secretary firms.

***Keywords**: Tax Compliance, Audit Practices, Company Secretary (CS) Firms, Emerging Trends, Digitalisation, Automation, Artificial Intelligence, Data Analytics, Risk Assessment, Regulatory Compliance, Professional Competency, Corporate Governance.*

Introduction

Income tax and audit practices are among the essential services rendered by Company Secretary (CS) agencies to enterprises while facilitating tax compliance, record-keeping, and meeting statutory and regulatory requirements. Tax and audit practices, when performed effectively, contribute to enhanced financial and legal risk management, increased accountability, and improved quality of financial reporting. In the current dynamic business environment, CS agencies handle a high number of transactions making compliance management a challenging task. This is exacerbated by the ever-changing tax, auditing, and government regulations, as well as the need for clients' satisfaction with regard to timely and quality service delivery. Consequently, CS agencies must implement effective compliance procedures, professional audit practices, hire competent staff, and adopt advanced technologies to support e-filing, accounting and audit

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processes, and other related procedures. These capabilities enhance the accuracy of tax and audit-related computations to improve performance, increase productivity while minimizing errors.The performance of Company Secretary agencies is determined by a number of factors. For instance, effective tax compliance procedures facilitate timely filing and payment of taxes and ensure that an enterprise meets the legal requirements. Similarly, effective audit practices improve the accuracy of financial reporting, which enhances the reliability of the information for decision-making. In addition, staff competencies and professional expertise play a critical role in determining the quality of service delivery, while technology supports effective and efficient processing of transactions to improve performance. Therefore, this study examines the effect of income tax compliance procedures and audit practices, staff competencies and professional expertise, and technology on the performance of a company secretary firm.

Review of Literature

The review of literature focuses on income tax compliance, audit practices, employee expertise, and technology in professional firms. The review concludes that improved tax compliance procedures, the use of skilled workers, appropriate audit practices, and the adoption of technology can improve the performance of Company Secretary firms.

Hassan, N. S. A., Palil, M. R., Ramli, R.& Maelah, R. (2023): This study aimed to determine the influence of tax rewards and other factors on tax compliance behavior in a more accommodative approach to achieve compliance in Malaysia. The study focused on factors such as tax education, taxpayer's perception toward tax authorities, voluntary disclosure initiatives, and tax reward schemes. According to the survey results, the study found that taxpayer compliance behaviors are highly dependent on the initiatives of tax authorities and voluntary disclosure programs. On the contrary, the study found out that tax education has no significant impact on tax compliance behavior in the study area. The study also found that non-monetary rewards such as privilege cards have a positive influence on taxpayer compliance behavior. Finally, the study concluded that a combination of supportive approaches and reward schemes is effective in improving tax compliance behaviors.

Alabdullah, T. T. Y. (2023): The present study aimed to determine the influence of the sustainability assurance audit failure , internal control, and auditing practices on the given research field. The research method used in the study was a quantitative survey, and the collected data were analyzed using the Smart-PLS analysis of auditors' responses. The results of the study revealed that the effect of sustainability assurance and internal control on auditing practices was positive and significant. In contrast, the study found no significant effect of audit failure. Therefore, the research proved that effective internal control and proper implementation of sustainability assurance practices lead to increased efficiency and improvement of audit results.

Osayabor, E. F., Olufemi, G. O., & Sunny, A. I. (**2023**): The study looked at how cloud based tech impacts professional accountants in Nigeria, and it did that mainly with a literature review method. What it found was that cloud based accounting can ramp up efficiency, cut down operational costs, and it also helps organizations keep IT spending more under control. Overall, the study says cloud technology brings real advantages for businesses. It further commended that companies adopt cloud computing, but also keep up with regular training for accountants, so they can work faster and also help protect data security, without leaving gap

Alzeban, A. (2023): The study finds that when firms start to implement internal audit recommendations, it seems like firm performance goes up, The audit committee characteristi Company secretary, are more effective, really make the whole effect stronger. So basically, internal audit really matters, and at the same time the effectiveness of the audit committee, is just as key, to the results you see.

Rahman, S., Sirazy, M. R. M., Das, R., & Khan, R. S. (2024): The research examined the implementation of the artificial intelligence in the field of tax administration and its influence on the efficiency of this area. The results of the study revealed that the application of AI to taxation significantly improved the effectiveness of tax audits, increased the efficiency of taxpayer identification, and optimized the auditing process, which is why it was possible to make these processes more cost-effective.

Sigle, M., Muehlbacher, S., JM van der Hel, L. E., & Kirchler, E. (2024): The study explored the relationships between the audit experience, technology readiness, and audit quality within a more digitalized environment. The results demonstrated that an experienced tax auditor with higher technology readiness was able to achieve higher audit quality

Marei, A. (2024): The above study focused on understanding how E-Accounting was adopted and factors that influenced its implementation, using the Technology–Organization–Environment (TOE) framework. The data was collected from 215 E-accounting users who were conveniently sampled and analyzed using Statistical Package for Social Sciences (SPSS) software. The results established that the technology, organizational, and environmental factors played a significant role in E-Accounting adoption and implementation. In addition, the study found that cyber security had a positive influence on E-accounting adoption and implementation, thus establishing a firm connection between the factors and outcome. Finally, the study recommends that there is a need to create awareness of the benefits of E-Accounting to promote its adoption and implementation, especially in the developing world**.**

Farras, A., Ali, A., & Audi, M. (2025): The study researched the development of continuous auditing over time, as well as the integration method with novel auditing methods, such as artificial intelligence, robotic process automation, blockchain technology, and data analytics. The paper concluded that continuous auditing can be utilized to make the auditing process more efficient and accurate and allow real-time monitoring of financial transactions due to the possibility of automating routine procedures in order to minimize human errors. At the same time, the researchers mentioned potential issues associated with data overload, data governance problems, and professional skills gaps. Consequently, the study revealed that continuous auditing improves audit quality and enhances risk management in organizations but requires technological, professional, and methodological changes to be effective.

Blaufus, K., Bock, J., Peuthert, B., & Schwäbe, A. N. (2025): This study investigates how auditor characteristi Company secretary shape tax audit efficiency, using survey data gathered from tax auditors who handled 791 audited firms, so it's kind of a broad view. The results show that theoretical knowledge, along with soft skills like work motivation, resistance to stress, and professional scepticism, really matter as predictors of tax audit efficiency. It also seems that practical knowledge and work motivation have a stronger effect when the audit cases are more complex, like higher level and trickier. Overall, the study implies that bringing in soft skills training and taking auditor traits into account during recruitment, training, and even case allocation may improve tax audit efficiency, at least in the way these auditors are currently working.

Zhang, J., Qi, Y., Song, Y., & Zeng, Y. (2025): 10. In the research article, the authors examine the impact of auditor cash compensation on the financial performance of the audit offices in China. The results indicate that the latter tends to be higher when the auditor's cash compensation is higher as well. In addition, the researchers found out that the decrease in auditor turnover, together with the increase in investment into human capital through training and technical development, magnifies the effect. Overall, the article proves that competitive cash compensation combined with investment into human capital contributes to the increased viability of audit service providers as they are able to attract and retain qualified auditors.

Sawaya, C., Khalil, F. C., Jabbour Al Maalouf, N., & Kaspard, J. (2026): The study looked at how Artificial Intelligence (AI) adoption affects audit practices, especially when auditors deal with consolidated financial statements in a market that is kind of turbulent. By using a cross-sectional survey of auditors, the results showed that AI improves audit efficiency and audit effectiveness in a meaningful way. They also found that audit efficiency has a positive effect on effectiveness. But, interestingly, AI does not really change or moderate the connection between efficiency and effectiveness.

Ogbebor, J. (2026): the study aimed to investigate the effect of Artificial Intelligence (AI) on audit practices through an analysis of survey records conducted among selected auditors in Nigeria. The findings indicate that AI-enabled audit technologies, including machine learning, expert systems, and natural language processing, have a positive and significant influence on auditing practices. The results further reveal that AI has the capacity to improve audit efficiency, enhance audit accuracy, and increase fraud detection levels. A conclusion was drawn that audit firms and regulatory bodies need to embrace AI to improve the quality of audit services and facilitate timely analysis of financial information to support decision-making processe**s.**

Karim, D., Audi, M., & Ali, A. (2026): This study aimed to determine the impact of Artificial Intelligence (AI) on the qualification requirements for accounting professionals in the field. After analyzing the data from the 200 questionnaires distributed to professionals and using the regression method, the research identified that the adoption of AI leads to a shift in the nature of work, as repetitive tasks are automated. As such, one can observe an increased need for advanced analytics and problem-solving skills. Digital proficiency and adaptability are two more key indicators of professional readiness to embrace technological changes. Moreover, the study found a significant association between the aforementioned factors and the level of transformation that has been embraced by the accounting sector. In general, the article concludes that AI transformation is strongly associated with employee training and skills development.

Sunny, S. A., & Apsara, F. A. (2026): the study establishes that audit quality plays a role in amplifying the positive effect of the audit committee's size as well as its independence on the firm performance of Bangladesh's firms, although it has no significant impact on its qualification. Secondly, the study hints that audit quality could potentially offset some of the benefits of the frequent meetings of the audit committees, possibly by incurring additional monitoring costs, thereby establishing the need to consider effective audit committees as well as quality audit for effective corporate performance.

Research Gaps

- There is a need for more research on income tax compliance procedures, audit practices, and technology and software applications in relation to the performance of Company Secretary firms.
- There is a need to conduct more research on Company Secretary firms which evaluate the performance of professional organizations.
- There is a need to conduct an integrated study on the influencing factors of performance of Company Secretary firms.
- There is a need to carry out more research on the challenges faced by Company Secretary firms in taxation and auditing.
- There is a need to conduct more empirical studies on the role played by professional practices and technological processes in the performance of Company Secretary firms.
- More empirical studies need to be conducted to identify success factors which positively influence the performance of Company Secretary firms.

Research Questions

- How do financial appraisal techniques influence investment decisions in real estate projects?
- What factors most strongly influence project efficiency after an investment decision is made?
- How do market, financing, legal, behavioural and project risks affect investment decision quality?
- What role do artificial intelligence, machine learning and big-data analytics play in improving investment decisions and project efficiency?
- How do sustainability and life-cycle costs influence the long-term efficiency of real estate investments?
- What practices can real estate developers adopt to improve the alignment between investment appraisal and project execution?

Objectives of the Study

- To undetstand the inflence of income tax procedure on overall performance of company secretary firm
- To examine the role of audit practices on the overall performance of company secretary firm
- To analyze the role of technology and software applications on overall performance of company secretary firm
- To examine the promonent factor on company secretary firm
- To provide suggestions based on the study

Hypothesis

- Income Tax Compliance Procedures have a significant influence on the overall performance of the Company Secretary firm.
- Audit Practices have a significant influence on the overall performance of the Company Secretary firm.
- Technology and Software Usage have a significant influence on the overall performance of the Company Secretary firm.

Research Methodology

Research methodology is the general approach that is taken when conducting a research study, and it is often considered a guideline that should be followed to yield good results. This chapter contains the research design, sampling technique, sample size, data collection strategies, questionnaire design, statistical analysis, research objectives and hypotheses, and research limitations. The research methodology used in this study is aimed at finding out how income tax compliance procedures and practices, auditing, staff competence and professional skills, and technological and software usage can affect a company secretary firm's performance.

Data Analysis

The information obtained from the questionnaire was compiled and analyzed to ascertain the respondent's perception on income tax compliance, audit practices, staff expertise, technology use and overall performance of the Company Secretary firm. The gathered data was coded and grouped according to the study variables. The analysis involved frequency and percentage calculation to determine the demography of the sample and response disposition. In the case of Likert-scale items, an evaluation of the item-scale distribution was performed to establish agreement level. The study also employed statistical techniques including the Chi-square, correlation and regression analysis to establish the degree of relationship between the independent variables and company secretary firm performance. The results of the analysis were expressed in tables and charts for easy interpretation.

Frequency Analysis

Table 1: Age

Age	Frequency	Percent	Valid Percent	Cumulative Percent
Below 25 Years	30	53.6	53.6	53.6
25-34 Years	12	21.4	21.4	75
35-44 Years	9	16.1	16.1	91.1
Above 45 Years	5	8.9	8.9	100
Total	56	100	100	

Interpretation: Out of the 56 respondents, 30 respondents (53.6%) belong to the below 25 years age group which makes up the largest portion of the population. 12 respondents (21.4%) belong to the 25-34 years age group. 9 respondents (16.1%) are aged between 35-44 years. 5 respondents (8.9%) are aged 45 years and older. Therefore, the majority of the respondents are below 25 years

Table 2: Gender

Gender	Frequency	Percent	Valid Percent	Cumulative Percent
Male	29	51.8	51.8	51.8
Female	27	48.2	48.2	100
Total	56	100	100	

Interpretation: Of the 56 respondents, 29 respondents (51.8%) are Male while 27 respondents (48.2%) are Female. This implies that the respondents are almost divided in equal proportions between the two genders and that there are more male respondents than female respondents.

Table 3: Educational Qualification

Educational Qualification	Frequency	Percent	Valid Percent	Cumulative Percent
Undergraduate	18	32.1	32.1	32.1
Postgraduate	29	51.8	51.8	83.9
others	9	16.1	16.1	100
Total	56	100	100	

Interpretation: Among the 56 respondents, 18 (32.1%) are undergraduates, 29 (51.8%) are postgraduates, and 9 (16.1%) hold other professional qualifications. The findings indicate that postgraduates constitute the largest group of respondents, accounting for more than half of the total sample.

Table 4: Monthly Income

Monthly income	Frequency	Percent	Valid Percent	Cumulative Percent
Below ₹25000	20	35.7	35.7	35.7
₹25000-₹50000	19	33.9	33.9	69.6
₹50000-75000	9	16.1	16.1	85.7
₹75000-₹100000	4	7.1	7.1	92.9
above ₹100000	4	7.1	7.1	100
Total	56	100	100	

Interpretation: Among the 56 respondents, 20 (35.7%) fall under Monthly Income Category 1, while 19 (33.9%) belong to Category 2. Category 3 includes 9 respondents (16.1%), whereas Categories 4 and 5 have 4 respondents (7.1%) each. The findings show that most respondents belong to the first two income categories, indicating that the majority have low to moderate monthly income based on the categories considered in the study.

Table 5: Experience

Experience	Frequency	Percent	Valid Percent	Cumulative Percent
1-5 Years	29	51.8	51.8	51.8
6-10 Years	7	12.5	12.5	64.3
11-15 Years	14	25	25	89.3
16-20 Years	5	8.9	8.9	98.2
More than 20 Years	1	1.8	1.8	100
Total	56	100	100	

Interpretation: Among the 56 respondents, 29 (51.8%) have 1–5 years of work experience, making it the largest group. This is followed by the respondents (14; 25%) with 11-15 years of experience. In addition, 7 respondents (12.5%) have 6-10 years of experience whereas 5 respondents (8.9%) have 16-20 years of experience. Finally, only 1 respondent (1.8%) has more than 20 years of experience in the field. From the data, it can be seen that many respondents had fewer than 5 years of experience whereas very few respondents had more than 20 years of experience.

Reliability Analysis

Reliability analysis was performed to assess the reliability of the items included in the study questionnaire. Cronbach's Alpha is an indicator that is primarily applied in reliability analysis to determine whether items used to measure the study variables yield consistent results. A Cronbach's Alpha of 0.70 and above is considered satisfactory for research purposes. The study applied reliability analysis to 29 items developed for the research questionnaire. The analysis yielded a Cronbach's Alpha of 0.763, which is satisfactory for the study. Therefore, it can be concluded that the research questionnaire was reliable and could be used for the subsequent steps of data collection and statistical analysis.

Table 6: Reliability Analysis

Cronbach's Alpha	N of Items
0.763	29

Interpretation: The reliability analysis results in the Cronbach's Alpha of 0.763 for the 29 items. The value exceeds the acceptable level of 0.7 and thus indicates that the questionnaire is reliable. It can be concluded that the items used are consistent and therefore the data collected from the 56 participants can be used in the statistical analysis. In conclusion, the questionnaire used in the study is reliable.

Table 7: Correlation Analysis

		IT	AP	TS	OP
IT	Pearson Correlation	1	.374**	.065	.396**
	Sig. (2-tailed)		.005	.632	.003
	N	56	56	56	56
AP	Pearson Correlation	.374**	1	.331*	.009
	Sig. (2-tailed)	.005		.013	.948
	N	56	56	56	56

TS	Pearson Correlation	.065	.331*	1	.274*
	Sig. (2-tailed)	.632	.013		.041
	N	56	56	56	56
OP	Pearson Correlation	.396**	.009	.274*	1
	Sig. (2-tailed)	.003	.948	.041	
	N	56	56	56	56

Interpretation: The correlation analysis indicates that Income Tax Compliance Procedures tend to have positive associations with both Audit Practices and Overall Performance, while Technology and Software Usage seem to have no significant link with these factors. Technology and Software Usage appear to have a positive association with Overall Performance as well. On the other hand, Audit Practices do not seem to have a positive association with Overall Performance. In general, it could be stated that compliance procedures and technologies tend to have a positive impact on the performance of the organization.

Discussion

The results described above demonstrate that effective tax compliance procedures and the use of technology are more directly related to the firm's performance than the audit practices examined separately. This does not mean that audit practices are not important but according to the results of the regression analysis, these are primarily the planning, the quality of evidence, and the assessment of audit risks and integration into other processes that must be taken into account.

This implies that technology should be regarded as an organisational capability rather than an operational tool. Measures described in the source questionnaire include the reduction of errors, staff training, faster completion, software updates, and document management and communication. All of these can be useful in determining whether the application of technology actually results in value.

Practical Implications

- Use a unified dashboard for compliance control that allows tracking of deadlines, responsible staff, review status, and supporting documentation
- Standardize checklists for tax-return preparation, reconciliation, and pre-submission document review
- Ensure digital storage of audit working papers with restricted-access control and version auditability
- Train employees on tax-law updates, e-filing requirements, accounting software, cloud-based applications, Excel, ERP, and auditing tools
- Apply technology-enabled exception reporting for identifying discrepancies, missing documentation, and problem-reconciliation areas
- Use AI tools only within the framework of established control environments, applying human expertise to interpret laws and regulations and review final results
- Enhance internal quality control procedures via regular file reviews and the implementation of corrective measures
- Facilitate client communication and education via reminder notifications, explanations of updated regulations, and other relevant information
- Evaluate the impact of technology via turnaround time, error rates, file-review results, and client satisfaction

Conclusion

The study evidence shows that tax compliance, audit practices and technology are all integral parts of professional service delivery in company secretary firms. The results of research evidence from show that there is a positive perception of income-tax compliance, audit practices, technology/software and overall performance. In addition, it was observed that income-tax compliance procedures, and technology/software contribute significantly to the overall performance. The future of company secretary firms is not just about adopting more software. The future is about developing a complete integrated practice system driven by documented standardized operating procedures, compliance calendars, regular reconciliation, digital evidence, professional workforce, technology enabled audit practices, internal quality control processes, and responsible AI adoption. This will lead to enhanced productivity while at the same time not compromising on professional judgment and accountability.

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