

**TAX REVIEW MODELS AND WORKING PAPERS
IN THE FRAMEWORK OF PREPARATION FOR A TAX AUDIT
(CASE STUDY PT BJS)**

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Article history:

Submission 01 December 2022

Revised 05 November 2022

Accepted 09 December 2022

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ABSTRACT

The existence of an examination letter addressed to the Industry as a taxpayer is a scourge that is very much feared by every taxpayer as a business actor receiving income. The existence of an audit means problems for the Industry as a taxpayer, ignorance of the rules and mistakes that may occur either intentionally or unintentionally in reporting Industrial taxes will eventually become a very feared scourge. The existence of payment of the principal tax that must be paid after the tax audit, as well as very large fines and sanctions due to the reporting errors in a very large amount, has disrupted the cash flow of the industry. So as to minimize errors and confusion in tax reports regarding fiscal financial reports that are reported to the Directorate General of Taxes (DGT) in the form of SPT, then prior to the existence of an audit letter it is better to hold a tax review contained in the working papers, to review or examine what tax obligations are inherent in every transaction that is in the commercial financial reports produced by the Industry, prior to reporting taxes. So that if there is a tax audit by the DGT on income from these business activities, a review or review of the tax payable that may exist in every transaction of the Industry's financial statements has been carried out beforehand, so that fines or sanctions that may arise can be minimized or prevented from the start. Ignorance of the need for a tax review model by the Industry made researchers conduct research on the tax review model and working papers in accordance with applicable tax regulations, in the face of a tax audit for Industry as a taxpayer and IDUKA.

This research method uses a qualitative descriptive method, which begins with designing a tax review in working papers for financial reports prepared by the industry as a taxpayer.

The results of this study produce a tax review model with audit work papers in preparing tax audits which are expected to assist taxpayers in planning corporate taxes.

Keywords: *Tax Review, Tax Payer, Audit, Payment*

How to cite:

Wauran, A. L. V. (2022). Tax Review Models and Working Papers in the Framework of Preparation for A Tax Audit (Case Study PT BJS). *Indonesian Journal of Social Science Research*, 3(1), 96 – 101. doi: 10.11594/ijssr.03.02.05

Introduction

Previous research in 2016 was conducted by Yunita Devita and Indra Wijaya, with articles published in the *Insan Akuntan Online Journal*, Vol.1, No.1, June 2016, 59 – 76 E-ISSN: 2528-0163 entitled Tax Review on Taxes Corporate income (PPh) at PT. Lasting 2016 Engineering Work. <https://media.neliti.com/media/publications/234084-review-pajak-atas-pajak-penghasilan-pph-ffb81364.pdf>. Where the research object is a contracting company that has somewhat different tax obligations, where the company or research object is more of a final tax obligation due to the contractor's business. different from the current research object, where PT BJS is a fish farming (fisheries) industrial company with different tax obligations. However, it has a research equation, namely to find out and assess tax compliance as a newly formed company by implementing a tax review. With the research results in the form of tax compliance by PT Langgeng Karya Teknik by implementing a tax review, which is in accordance with applicable tax laws. Previous research was also conducted in 2017 by Ernestir Wijaya entitled Tax review at Restaurant X to assess taxpayer compliance in fulfilling their tax obligations, which was published at <https://repository.unpar.ac.id/handle/123456789/3575> where the object of his research is a restaurant which is a trading company that has different tax obligations in terms of collection, withholding taxes because of different types of business, but has the same research objective, namely to find out taxpayer compliance by implementing a tax review. The results of this study conclude that the company, namely Restaurant X, has fulfilled its tax obligations but there are some discrepancies between calculations, payments and reporting between PPh and PB 1.

So that the two studies mentioned above have differences, namely in the design of a tax review by producing examination working papers because of different types of business and different withholding and collection obligations, but using the same research method, namely the analytical descriptive research method. Tax review is part of tax compliance (Tax Compliance) needed in dealing with tax audits, starting from mental, formal/material

provisions including conducting a Tax Review on the presentation of company financial reporting during a period of 1 fiscal year. Where the Tax Review in principle is part of a series of internal controls and supervision in measuring the compliance and correctness of the implementation of the tax provisions that have been stipulated. It is hoped that through this tax review, taxpayers can immediately improve and make corrections to their annual tax returns to avoid bigger administrative sanctions. <http://www.kontanacademy.com/article/detail/Pemeriksaan-Pajak-dan-The-Importance-of-Doing-Tax-Review> Thus doing repairs yourself is far better than waiting to be corrected by the Tax Auditor.

The general purpose of the Tax Review is to evaluate whether the submitted SPT is clear, correct and complete.

Benefits of Tax Reviews

1. Taxpayers have the opportunity to make improvements so as to avoid the consequences of tax sanctions;
2. Taxpayers can identify things needed for audit purposes earlier;
3. Taxpayers can make various reconciliations between commercial information and fiscal information;
4. Taxpayers can estimate the direction of the audit that will be carried out later and can even create various scenarios in connection with the development of the audit;
5. Taxpayers can prepare themselves in advance not only in facing tax audits but also in objection or appeal processes; (Perfect, 2019)

With a review of the tax payable, taxpayers can find out the accuracy of calculations, application of regulations, implementation of compliance with tax administration, and potential losses that may arise as a result of the imposition of tax sanctions for errors in implementing applicable tax regulations.

The existence of an inspection letter addressed to the Industry as a taxpayer, due to non-compliance in the implementation of tax obligations, is a scourge that is very much feared by every taxpayer as an income receiving business actor. Examination means problems for the industry as a taxpayer,

ignorance of the rules and errors that may occur either intentionally or unintentionally in reporting industrial taxes which are considered to be less compliant by the DGT are the things that taxpayers as the industry are most afraid of and avoid. There is a payment of the principal tax that must be paid after the results of the tax audit, as well as very large fines and sanctions due to the reporting error in a very large amount, result in disruption of the cash flow of the industry, and can even lead to crime (incarceration) and detention. (gisleng) if the taxpayer cannot pay and there is an element of intent in not complying with the implementation of these tax obligations.

The tax audit itself is part of the tax law that must be obeyed by taxpayers, if a tax audit is carried out by the DGT, where the purpose of conducting the audit is to test compliance with the fulfillment of tax obligations by taxpayers and/or other purposes in the context of implementing the provisions of tax laws and regulations.

So as to minimize errors and misunderstandings in tax reports as a form of disobedience in the implementation of tax obligations by taxpayers according to the DGT, the industry, in this case the taxpayer, requires a model of tax review and preparation of working papers in preparation for a tax audit. Tax review itself or Tax Review is an act of reviewing all company transactions to calculate the amount of tax payable and predict potential taxes that may arise based on applicable tax laws and regulations (Villios, 2011). Tax review is important to do because taxpayers can avoid tax sanctions prior to inspection (sanctions in the current year) in Law no. 28 of 2007 concerning General Provisions and Tax Procedures such as fines for late payment of taxes in article 14 paragraph 3 in the amount of 2% per month for a maximum of 24 months

While Audit / Review is an activity of collecting and evaluating evidence regarding information to determine and report the level of conformity between information and predetermined criteria, and of course to carry out a tax review as outlined in a Model Tax review must be accompanied by audit working papers as media review for each company transaction in calculating the tax payable.

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Each industry reflects the resulting financial performance which can be seen in the financial reports compiled by the company's management as the person in charge of the company's business activities. The financial statements produced by the company's management are fiscal financial reports, which later before being reported in the form of an SPT as a tax report will first look at possible corrections so that they become fiscal financial reports, which will be reported as a tax report. However, without making a review or review of the tax payable for each transaction that occurs in the form of working papers which also involve the completeness of the document as the source of the transaction, the potential for non-compliance with the implementation of tax obligations may arise or exist. However, if a tax review model is prescribed for each existing transaction, then the elements of intentionality and error in the implementation of tax obligations can be minimized, so as not to get audited. And if an inspection is carried out by the DGT,

then it already has a working paper on the results of a tax review in preparing for a possible inspection. Where for each transaction, the tax payable will be known, and what documents/transaction evidence is needed, so that material losses due to sanctions and fines from the tax principal that can arise can be minimized, so as not to disrupt cash flow or industrial business activities.

So that from this background it is necessary to have a Tax Review Model and preparation of Working Papers in the framework of preparing for a Tax audit, which will be applied to PT BJS as IDUKA which is also a taxpayer, which makes tax deductions and collections for every transaction that occurs, in connection with the obligation taxation inherent as a tax subject, so that it will not be separated from tax supervision by the DGT, and it is also possible to carry out a tax audit at PT BJS for tax non-compliance that may occur.

Previous research on tax reviews was carried out by Gilang Permana with the aim of carrying out a Tax Review Application of PPh and PPh as an Effort to Minimize Tax Sanctions at the North Buton Regional Financial Board Office. From the results of the study it was found that there was an increase in the realization of tax collection from the target set by implementing a tax review with a tax audit, and this was very effective in increasing the realization of tax revenue. https://digilibad-min.unismuh.ac.id/upload/30236-Full_Text.pdf. Subsequent research on the tax audit model with the title Tax examination management in the framework of increasing tax payer compliance by Nurul Hall 2018 which produces a tax audit model in order to increase taxpayer compliance. So that from some of the results of this research which is the background in taking the research theme because it is seen the importance of a tax review model in tax audits to carry out inspections in determining taxpayer compliance with their tax obligations (Guidebook, 2021).

Material and Method

This study uses a qualitative research analysis method, is analytically descriptive with the aim of providing an initial description of the accounting cycle and tax cycle by analyzing the

types of taxes that occur in each transaction that is in the company's financial statements, so that it can produce a tax review model design and paper. examination work with data analysis techniques used in the qualitative analysis of this study, namely using several research stages, namely data collection, data reduction, data presentation and drawing conclusions.

Data Processing Techniques

The data processing technique in this study begins with collecting the necessary data starting with an overview of the company collecting transaction evidence data related to tax obligations related to tax deductions and collections. along with SPT that has been reported by the Industry. And the last data processing stage is to make a Tax Review model design that is contained in the inspection working paper (Jusup, 2014).

Results and Discussion

Model of Tax Review and Preparation of Working Papers

Understanding the General Description of the Company, PT BJS Company is an industry engaged in trading, with the main business being selling fish feed and fish farming by dividing each activity report based on business activity. **Determining related taxation aspects**, registered in a notarial deed with the name PT BJS, as a corporate taxpayer having its address in the city of Manado, with a Registered Service Office at KPP Manado. From the business activities carried out by the company as a taxpayer, it is known that the related tax aspects are as follows

- 1) Value Added Tax VAT, where goods sold or produced by companies are products that are tax objects, where companies are also PKP or Taxable Entrepreneurs where tax obligations are attached in terms of reporting VAT activities which must be reported every month/period.
- 2) PPh article 29 is underpaid Income Tax (PPh) contained in the Annual Income Tax Return. Underpaid PPh is the remaining income tax payable for the relevant tax year deducted by credit income tax (PPh Article 21, PPh Article 22, PPh Article 23, and PPh

Article 24), and PPh Article 25. Because companies are corporate taxpayers who have tax obligations to report taxation activities within a year into the Annual SPT, where if there is an underpayment, the company must pay PPH article 29. **Carry out financial statement analysis**, review financial reports starting from the ledger process journal to the work sheet to financial reports, then adjusting journals that occur until the trial balance after adjustments arrive at the financial statements, while the review cycle begins by examining the SPT that has been reported. by the taxpayer/industry, see if there is a fiscal reconciliation, commercial financial reports then check the adjusted trial balance, then the trial balance to the general ledger, then to the journal and most recently examine the transactions that have occurred. And to review the inspection cycle, it is inversely proportional to the financial report cycle. From the results of financial statement analysis it is known that the financial statements produced by the company are statements of financial position, income statements and reports of changes in capital, as well as cash flow statements. Where is the financial report generated including the cost of production report because the company is a manufacturing/industrial company that processes aquaculture from nurseries to produce fish products that are ready for sale. **Make an explanation of the Result/Impact of the Audit**, where after the inspection it is found that the accounting cycle carried out is in accordance with the applicable Accounting Standards, while the inspection after it is carried out by looking at the inspection cycle it is found that the completeness and procedures for making fiscal reports up to reporting are already based on existing evidence, where there is synchronization between what is paid and what is reported according to and based on the applicable tax regulations. **Examining the Formal Aspects of Taxation**, PPh 21 which is reported is in accordance with the applicable rules both rates and calculations, where the salary expense reported in the Annual

Tax Return is the same as the gross salary income reported in PPh 21, the proof is 23 tax credits already exist, for Article PPh 25 proof of payment for one tax period has been paid and the proof is complete. Meanwhile, VAT in one year has been completely checked, both equalization with the SPT report as well as calculations and reports that are in accordance with applicable regulations, so that the SPT overview and financial reports are in accordance. **Examining material aspects**, all types of taxes that arise as a result of tax obligations that occur, must be examined starting from the total calculation, the correctness of reported payments according to the transactions that occur. From the results of examining the material aspects for each type of tax, it was found that the amount of tax payments and their calculations were in accordance with the applicable tax regulations. And the last of this Tax Review model is to **make a conclusion**, based on the results of the tax review it is found that the tax reporting process is in accordance with applicable tax rules, starting from determining rates, payments and reporting based on transactions that occur that are arrears in the taxpayer's financial statements.

Conclusion

This research produces a tax review model that will assist companies in preparing if there is a tax audit by the DGT, where the company is ready with existing reports and evidence.

The results of this research will really help the company in the future if one day the company gets an SP2Dk or an inspection from the DGT because there is an adequate report ready. This research produces a tax review or audit model in the form of steps that must be taken or carried out by companies as taxpayers in order to avoid tax losses due to sanctions and fines due to errors in tax reporting.

Acknowledgment

This article is the work of an author who has never been published with the intention of providing knowledge for industries that have collaborations with institutions in the context

of transferring knowledge and technology to industries as social responsibility in the discipline of tax accounting.

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