BRIBERY IN TAX AUDIT – AN EXPLORATORY STUDY IN INDONESIA

BY

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ABSTRAK

Indonesia adalah satu negara yang sedang membangun yang mempunyai nisbah cukai GDP sekitar 12% dan ini dianggap rendah oleh standard antarabangsa. Nisbah yang rendah ini mungkin disebabkan oleh kekurangan formaliti dan pengelakan cukai termasuk amalan rasuah . Demi menjamin punca pendapatan negara dan meningkatkan pendapatan melalui cukai, badan yang menguruskan cukai perlu melakukan audit cukai yang boleh meminimakan pengelakan cukai. Salah satu cabaran audit cukai ialah rasuah kerana ia memberi kelebihan kepada juruaudit cukai dan pembayar cukai iaitu kelebihan dari segi ekonomi. Oleh itu, kajian ini menilai faktor-faktor yang menyebabkan berlakunya rasuah di dalam audit cukai, persepsi mereka yang berkepentingan tentang strategi-strategi yang sedia ada dan baru untuk mengurangkan rasuah di dalam audit cukai dan kesan reformasi cukai ke arah pengurangan cukai audit di Indonesia. Kajian kualitatif ini menyelami dua perspektif berbeza iaitu melalui pengalaman juruaudit cukai dan pembayar cukai yang menggunakan temubual sebagai kaedah pengumpulan data. Hasil kajian menunjukkan terdapat beberapa faktor yang menyebabkan rasuah berlaku di dalam audit cukai seperti keuntungan, kuasa yang berlebihan, syarat cukai yang tidak jelas, dapatan awal dan pertemuan secara bersemuka oleh juruaudit cukai dan pembayar cukai. Hasil kajian yang lain adalah seperti cadangan strategi tambahan bagi mengurangkan rasuah iaitu melalui kebenaran tambahan, sistem kira-kira yang kukuh, sistem pemantauan yang dinaiktaraf, penambahan kualiti audit, pelebaran rangkaian cukai, peningkatan nilai moral, pembaikan proses merekrut dan penghasilan dapatan awal yang konsisten. Kajian ilmiah ini membentangkan perspektif yang lebih baik untuk meminimakan rasuah di dalam proses audit cukai di Indonesia dan memberi maklum balas kepada kerajaan Indonesia untuk meningkatkan syarat yang sedia ada berkaitan strategi pengurangan rasuah.

ABSTRACT

Indonesia as one of the developing countries has a Tax-to-GDP ratio around 12%, which is considered low by international standard. To a large extent, this reflects prevalent lack of formality and tax evasion including bribery which decrease the national tax revenue. To secure government income and to increase tax revenue, tax authorities conduct tax audits which could minimize tax evasions. One of the challenges in tax audit is bribery as within this process there is a mutual benefit between tax auditors and taxpayers, which is economic benefit. Thus this study examines the factors leading to bribery in tax audit, the stakeholders' perceptions on existing and additional new strategies in reducing bribery in tax audit and the impact of tax reform on reducing bribery in tax audit in Indonesia. This is a qualitative study exploring two different perspectives from tax auditors and taxpayers' experience using in-depth interviews as the data collection method. Among the findings, are factors leading to bribery in tax audit which are :benefit, excessive power, ambiguous tax regulation, preliminary findings and direct encounter. Other findings are the suggested additional strategies to reduce bribery through additional sanctions, a reliable accounting system, increasing monitoring system, improving audit quality, expanding the tax coverage, increasing moral consciousness, improving recruitment process and producing consistent tax audit findings. This study presents a better perspective on how to minimize bribery opportunity in tax audit process in Indonesia and gives some feedbacks for Indonesian government to improve the existing regulation regarding the strategies to fight bribery.

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LIST OF ABBREVIATION

BPK	: Badan Pemeriksa Keuangan
CPI	: Corruption Perception Index
DGT	: Directorate General of Taxation
DPR	: Dewan Perwakilan Rakyat
FCPA	: Foreign Corrupt Practice Act
GDP	: Gross Domestic Product.
IMF	: International Monetary Fund
IRB	: Inland Revenue Board
ISO	: International Standard Organization
KADIN	: Kamar Dagang Indonesia
KITSDA	: Kepatuhan Internal dan Transformasi Sumber Daya Aparatur
KPK	: Komisi Pemberantasan Korupsi
KPMG – SSH	: Klynveld Peat Main Goerdeler – Siddharta Siddharta Harsono
MNC	: Multi National Company
OECD	: Organization fo Economic Cooperation and Development
P-A-C	: Principal, Agent, Client
PER	: Peraturan Direktur Jendral Pajak (Regulation of Directorate General of Taxation)
PMK	: Peraturan Mentri Keuangan (Ministry of Finance Decree)
RTA	: Relevant Tax Authority
SAI	: Supreme Audit Institution
SARBOX	: Sarbannes Oaxley

SE	: Surat Edaran (Circular Letter)
SME	: Small and Medium Enterprise
SPHP	: Surat Pemberitahuan Hasil Pemeriksaan
TI	: Transparency International
TPK	: Tindak Pidana Korupsi
VAT	: Value Added Tax

CHAPTER 1

INTRODUCTION

1.1 BACKGROUND OF THE STUDY

According to the Statistic Indonesia, the government's revenue from taxation in Indonesia is IDR 1,019,333 billion compared to the non taxation revenue which is IDR 272,720 billion ("Actual Government Revenue", 2013). The revenue from taxation in Indonesia is significant, about 79% from the total government revenue in 2012, which shows the importance of taxation as a source of income for the government. The decline in mining and export sectors forced the Indonesian government to revise its 2013 state budget on tax revenue to IDR 1,139.3 trillion which was originally IDR 1, 193 trillion ("Indonesia's Government", 2013).

Although the revenue from taxation in Indonesia is significant, the tax to Gross Domestic Product (GDP) ratio in Indonesia is still below 12% (Organization for Economic Cooperation and Development [OECD], 2012). This is considered low by international standard and is expected to increase to 12.11 % in 2013.

The definition of tax-to-GDP ratio is the total government tax collection divided by the country's GDP. According to the International Monetary Fund (IMF), a tax revenue equivalent to 15% of GDP is a "reasonable" minimum level for low-income countries to ensure the financing of basic government tasks such as law and order, health, and education (International Monetary Fund [IMF], 2005). The average national revenue from tax in low-income countries was approximately 13% of the GDP in 2000 (Baunsgaard & Keen 2005), less than half of the OECD average of 34% (OECD, 2011).

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