

# The Role of the Internal Control System in Supporting the Supervision Procedures for Corporate Taxpayer Income Tax Receipt

**Tatang Suhidayat**

Faculty of Economy, STIE STAN IM, Indonesia  
[tatangherisman9@gmail.com](mailto:tatangherisman9@gmail.com)

## Abstract

*Problems that occur at the Bandung Bajonagara Tax Service Office in connection with the title that the author adopts, namely an error that occurs in tax reporting by taxpayers, due to a lack of knowledge and understanding of taxpayers, so that the level of taxpayer compliance is less and the state will suffer losses if If the tax revenue target is not achieved, it will result in reduced state revenue from the tax sector. The data collected consisted of primary data and secondary data, collected through documentation studies with an ordinal scale, then the data were analyzed using correlation, termination, and t-test methods. For primary data obtained through the distribution of questionnaires. Then the results that with a significance level of 5% regarding the relationship and role of the internal control system in supporting the procedures for controlling corporate income tax receipts at KPP Bandung Bojonagara, there is a strong, positive, and significant relationship between the internal control system and the procedures for controlling the receipt of corporate income tax. It means that if the internal control system is carried out properly, the supervisory procedure for the receipt of the Agency's PPH will be effective and efficient under the applicable laws and regulations, and vice versa. The internal control system can contribute 70.73% in its role in achieving the effectiveness of the procedures for controlling the receipt of Corporate Income Tax and the remaining 29.27% is influenced by other factors not carried out in the study. Based on these two points, the hypothesis that the author put forward that "The internal control system plays a significant role in supporting the procedures for controlling the receipt of Corporate Income Tax" is acceptable.*

## Keywords

internal control system;  
procedures for supervision of  
income tax receipts; corporate  
taxpayers



## I. Introduction

Changes in the taxation sector are a very significant change because there is a change in the tax system from an official assessment system to a self-assessment system (Imron Rizki, 2018). With this new system, taxpayers are given the full trust to calculate and report their taxes.

Considering the tax system in Indonesia, which adheres to a system where taxpayers are fully trusted to calculate, pay and report their taxes owed. So the responsibility for the implementation of tax obligations lies with the taxpayer himself (Diamastuti, 2016). In these activities, opportunities to commit fraud or the possibility of negligence causing losses to the state can often occur if efforts are not made to prevent or overcome them (Fadhli, 2018).

To anticipate the things mentioned above, the Tax Service Office must be able to formulate reliable internal controls to create good collection procedures (Haricahyo, Noch,

& Ak, 2019). However, the implementation of internal control must be based on environmental aspects that occur such as human resources, environmental conditions, income levels, and so on, and what should not be forgotten is how this collection procedure is monitored (Napitupulu et al., 2020).

The organizational structure describes the separation of functions and permanent work that must be separated between the functions of monitoring, receiving, compiling reports, and verification (Nena, 2015). The system of granting authority and recording procedures is one way to control assets, income, and costs (PaSometimes, 2013). In a healthy practice, every officer involved in the system and procedures must be considered as best as possible to foster a feeling of mutual ownership, which in turn encourages officers to maintain all activities of the Tax Service Office. The control environment will function properly if employees have skills based on experience and education following their duties (Sofiyulloh, 2011). Education is a very important human need because education has a duty to prepare Human Resources (HR) for the development of the nation and state (Pradana et al, 2020). According to Astuti et al (2019) Education is an obligation of every human being that must be pursued to hold responsibilities and try to produce progress in knowledge and experience for the lives of every individual. Education is one of the efforts to improve the ability of human intelligence, thus he is able to improve the quality of his life (Saleh and Mujahiddin, 2020).

With the existence of internal control over the supervisory procedure, it is hoped that an implementation order in the procedure will be created, in this case how the internal control of Corporate Taxpayer Income Tax can be secured as the first step for effective supervision of tax revenues.

Supervision procedures for the Tax Service Office (KPP) are the most important element to evaluate the achievement of objectives, because the supervision procedure is a KPP activity which is finally carried out in a KPP operating activity cycle, in measuring the success of income tax collection for both Individual and Corporate Taxpayers, or the collection of Added Tax Score. Failure in tax revenue monitoring activities, among others, is due to the inability of the tax authorities to properly evaluate the condition of taxpayers, sanctions, and tax revenue targets, which will affect other activities.

Problems that occur at the Bandung Bajanagara Tax Service Office in connection with the title that the author adopts, namely an error that occurs in tax reporting by taxpayers, due to a lack of knowledge and understanding of taxpayers, so that the level of taxpayer compliance is less and the state will suffer losses if If the tax revenue target is not achieved, it will result in reduced state revenue from the tax sector. The Tax Service Office must strive to anticipate and strive to cope with the increasing risks and increasingly limited resources concerning achieving government objectives.

The Tax Service Office is the implementation element of the Directorate General of Taxes which is under and directly responsible to the Head of the Regional Office.

The Tax Service Office has the task of carrying out tax service operational activities within its area of authority based on the technical policies stipulated by the Director-General of Taxes in the fields of (1) Income Tax (PPh); (2) Value Added Tax (VAT); (3) Sales Tax on Luxury Goods (VAT BM); and (4) other indirect taxes.

One of the fields in the Tax Service Office (KPP) above, namely the PPh sector, has a Corporate Income Tax Section (Corporate Income Tax). The Corporate Income Tax Section has the task of administering and checking Periodic Tax Returns, monitoring and compiling reports on Periodic and Annual Corporate Income Tax Payments. The purpose of this study is to analyze and explain to what extent the internal control at the Bandung

Bajonagara Tax Service Office can carry out the procedures for collecting corporate income tax. The purpose of this research is to find out objectively about the realization.

## **II. Research Method**

The method used in this study is a survey research method with a quantitative verification approach. The author uses a survey research method with a quantitative verification approach and qualitative descriptive, namely an approach that views activities as a single dimension and tends to be fixed, while descriptive qualitative is a method that describes in more depth about data or events based on the facts that appear on the situation under investigation.

The researcher and the object studied are separate and the research process is carried out through measurements with the help of standard and objective tools. The results of the research are generalizations, namely general conclusions made based on empirical facts about the research sample, while the research conducted has the intention of explaining by measuring carefully on, certain phenomena and explain the causal relationship between the variables through hypothesis testing.

## **III. Results and Discussion**

### **3.1 Result**

#### **a. Application of Internal Control System at KPP Bandung Bojonagara**

The internal control system carried out by KPP Bandung Bojonagara must be aimed at ensuring that the procedures for controlling the receipt of Corporate Income Tax have been carried out as planned and have met the formal and material requirements. In the control system for corporate income tax, what is important is taxpayer compliance in making payments, applying sanctions, and targeting corporate income tax revenues correctly and correctly.

Therefore, the control system for corporate income tax receipts by KPP Bandung Bojonagara is very important in evaluating taxpayer compliance, for example on time and correctly on the amount of corporate income tax paid. The Corporate Income Tax Revenue Control System includes an examination if the corporate taxpayer has paid a tax greater than the amount of tax owed or vice versa.

#### **b. General Policy on Internal Control System for Corporate Income Tax Revenue**

Based on the General Provisions of Taxation Law no. 16 of 2000 Article 7 the third amendment of Law no. 6 of 1983, that the main reference in the policy of receipt or collection of Corporate Income Tax by KPP Bandung Bojonagara is (1) Concerning the time and amount of taxes paid by Corporate Taxpayers, the rules of the game in measuring the level of truth must look at the level of taxpayer compliance in making payments and reporting under tax laws. (2) If the corporate taxpayer violates the rules and the Taxation Law due to improper payment and not reporting from the truth, it is necessary to apply sanctions.

#### **c. Application of Internal Control System Elements**

As a basis for applying the elements of the internal control system that applies to the Bandung Bojonagara KPP, previously the PISKUS has established a conducive environment concerning the implementation of the control itself, which is as follows:

## **1. Formation of Integrity and Ethical Values**

The integrity of the tax authorities at KPP Bandung Bojonagara is considered quite good. This can be seen from the discipline, thoroughness, and honesty in work and in making reports. Ethical values for each tax officer are the main requirements and professional skills and internal auditors. This is supported by the provisions regarding the knowledge and skills that must exist in every internal auditor in the field of taxation.

The ethical value of the tax officer is quite good, this can be seen by the existence of a code of ethics that regulates the behavior of employees as tax officers when carrying out their activities.

## **2. Commitment to Competence**

The most important element of any internal control system is that employees as tax authorities must be competent and trustworthy. In recruiting employees, for the tax office, graduates of the State College of Accountancy (STAN) Jakarta are preferred, which in recruitment have good policies and procedures which include selection, interviews, testing, and psychological tests.

### **d. Procedure for Supervision of Mandatory PPH Receipts at KPP Bandung Bojonagara**

Monitoring carried out by the Bandung Bojonagara Tax Service Office is carried out for the process of determining the quality of internal control performance at all times properly under the circumstances. Information for assessment and improvement can come from various sources including studies on existing internal controls, reports from internal auditors, reports on deviations from controls, reports from the Perception Bank, feedback from employees, and complaints on incoming invoices.

### **e. Procedure for Payment and Reporting of Corporate Income Tax**

The government in this case the Directorate General of Taxes has made it easy for taxpayers to report their taxes, namely to the Tax Service Office or the Post Office and Registered Post. Period payment for Corporate Taxpayer Income Tax shall be made no later than the 15th day of the following month after the end of the tax period. This payment uses a Tax Payment Letter in 5 copies (attachment 9)

Taxpayers deposit or pay taxes by submitting a Tax Payment Letter that has been filled out correctly and completely along with the money to be deposited by the amount stated in the Tax Payment Letter to the Perception Bank or Post and Giro Office. After the Tax Payment Letter is signed, affixed with a stamp/stamp, and given a date of receipt by the place of payment (Perception Bank/Post Office), the taxpayer receives back the 1st, 3rd, and 5th sheets of the Tax Payment Letter the 4th sheet is retained at the Perception Bank which is subsequently reported or deposited with the Treasury and State Treasury for inspection, after being inspected by the Treasury and State Treasury, the second sheet of the Tax Payment Letter will be sent back to the Tax Service Office after being affixed with the cash register, while the 4th sheet of the Tax Payment Letter is kept as an archive at the Office of the Treasury and State Treasury.

After the taxpayer makes the deposit or payment of taxes, he must carry out the next obligation, namely reporting to the KPP regarding the implementation of the obligation to pay taxes for the period in question so that this is referred to as Periodic Reporting or Notification.

As for how to carry out the reporting or notification of the period, it is by submitting the 1st and 3rd sheet of the Tax Payment Letter. Furthermore, the 3rd sheet of Tax Deposit is recorded through a computerized system in the register of receipt of the Corporate Income Tax Tax Payment Letter to be recorded in the book supervision or better known as the table book (attachment 11). After that, it is archived in a file.

This report can be made by the taxpayer himself or his proxy directly or by registered post to the relevant Tax Service Office no later than the 20th of the following month after the end of the tax period.

#### **f. Respondents' Responses on Procedures for Supervision of Mandatory Corporate Income Tax Receipt**

The procedure for supervising the receipt of mandatory corporate income tax can be said to be effective if there is a clear separation of duties and functions from each department, making it easier to evaluate compliance with the stipulated regulations. Based on the results of the research that the author did, that the respondent's answer about the procedure for controlling the receipt of Corporate Income Tax at the Bandung Cibeunying Tax Office was based on: (1) Adequate segregation of duties; (2) Adequate authorization procedures. (3) Design and use of adequate documents and records. (4) Physical control of property and records. (5) Independent checking of performance, shown in the table below.

**Table 1.** Recap of Respondents' Answers on Procedures for Supervision of Mandatory PPH Receipts at KPP Bandung Bojonagara N = 30

Item	Size of Procedure for Supervision of Mandatory Corporate Income Tax Receipt (Y)	Respondents' Answers		
		No	Yes	n
25	Separation of functions between the section that receives the SPT report, recording tax arrears, and the internal audit section.	4	26	30
26	Recording/administrative system of corporate taxpayer data or SPT	4	26	30
27	Provisions regarding the procedure for supervising the receipt of corporate tax returns	0	30	30
28	Some officials are authorized to approve the results of the SPT evaluation	25	5	30
29	Approval of the results of the body PPH examination	25	5	30
30	There is an official who signs the one determined by the Director-General of Taxes	10	20	30
31	Supporting data when recording taxpayer data and reported tax returns	14	16	30
32	Notes on taxpayers who have been penalized for various errors	14	16	30
33	Verification of the amount and time of payment of corporate income tax according to the law and the reported tax return	0	30	30
34	Verification of SPT reporting and payment of tax payable	4	26	30



35	Signing the results of the evaluation of the tax payment tax return report and the time of the tax return report	1	29	30
36	Re-checking the results of verification of the correctness of filling in the SPT, the amount & time of continuous tax payments	4	26	30
37	Re-evaluation of the settlement of sanctions imposed on taxpayers	0	30	30
38	Revaluation of SPT reporting along with taxpayer compliance with applicable tax laws by independent parties	4	26	30
39	Revaluation of the correctness of the tax authorities in setting fines to taxpayers	1	29	30
<b>Total Point</b>		<b>110</b>	<b>340</b>	<b>450</b>
<b>Average in %</b>		<b>24%</b>	<b>76%</b>	<b>100%</b>

Source: Primary Data (Answers from Questionnaires)

### 3.2 Discussion

Starting from the research data at KPP Bandung Bojonagara, the condition of the internal control system variables and the procedures for controlling the receipt of Corporate Income Tax are shown in the discussion below.

#### a. Analysis of the Internal Control System for Receipts of Compulsory Income Tax at KPP Bandung Bojonagara

The target of the internal control system for Corporate Income Tax Receipts at KPP Bandung Bojonagara is intended to provide reliable data to carry out operations. Protecting sources of state revenue from various frauds & abuses committed by taxpayers. Improving compliance with the policies stipulated in the Tax Law in Indonesia The above targets will not have any meaning if the office leadership is not able to carry out the main elements in the internal control system itself. To find out to what extent the application of control system elements can be implemented effectively. As discussed earlier, the organizational structure is the main framework in terms of the division of tasks and authority towards the implementation of internal control in particular and the implementation of work in general. And therefore, through the distribution of questionnaires that the author has carried out in various parts to ask directly about the conditions and applications of the organizational structure at KPP Bandung Bojonagara.

#### b. Evaluation of Procedures for Supervision of Corporate Income Tax Receipts at KPP Bandung Bojonagara

As the author has stated, procedures are a sequence of clerical operations that usually involve several officers in one or more divisions which are held to ensure uniform execution of repetitive transactions within the company. An internal control procedure can be said to be effective if there is a clear separation of duties and functions from each department in the procedures and supervision of corporate income tax receipts, making it easier to evaluate compliance with established regulations.

Based on research data related to the procedures for controlling the receipt of Corporate Income Tax at the Bandung Bojonagara Tax Office.

### 1. Adequate Segregation of Duties

This aspect highlights the extent to which the Bandung Bojonagara KPP can separate its duties from various sections or between sections. The main purpose of the separation of duties in supervising the receipt of corporate income tax is to prevent and to be able to carry out an immediate detection of errors and irregularities in the implementation of tasks assigned to a person. If a person has the opportunity to make mistakes and irregularities in carrying out his duties without being prevented or detected immediately by the elements of internal control established, from the point of view of internal control, that person's position is an incompatible occupation.

Based on the answers to the questionnaire that the author obtained, the realization of adequate segregation of duties concerning the supervision of corporate income tax receipts is shown in the table below.

**Table 2.** Respondents' Answers on Adequate Segregation of Duties N = 30

No Item	Adequate Segregation of Duties	Respondents' Answers				
		No		Yes		n
		Point	%	Point	%	
25	Separation of functions between the section that receives the SPT report, recording tax arrears, and the internal audit section.	4	13%	26	87%	30
<b>Final Score</b>		<b>4</b>	<b>13%</b>	<b>26</b>	<b>87%</b>	<b>30</b>

Source: Primary Data (KPP Bandung Bojonagara employees)

From the answers above to interpret the interval values have been made as follows:

0 % - 20 %	21 % - 40 %	41 % - 60 %	61 % - 80 %	81 % - 100 %
Very Bad	Bad	Quite Good	Good	Very Good

With the help of the table and interpretation values above, information is obtained that the procedure for controlling the receipt of Corporate Income Tax in terms of segregation of duties is generally very good and adequate, as seen from 87% of respondents in the VERY GOOD category. This means that when the KPP Bandung Bojonagara evaluates the SPT report, the disbursement of tax arrears by the internal audit section and by related parties has established a clear and regular division of functions, thus facilitating the implementation of supervision.

### 2. Adequate Authorization Procedure

This aspect highlights the extent to which authorization procedures are realized concerning the supervision of the receipt of the Agency's PPH. Authorization is a very important point so that in carrying out supervision, it can be carried out systematically and thoroughly and not burdened by the decision-maker. Answers regarding authorization procedures related to the control of income tax receipts.

### 3. Design and Use of Sufficient Documents/Notes

This aspect highlights how the KPP Bandung Bojonagara can prepare supporting data for taxpayers and the SPT that it reports as a basis for monitoring. This design is very important for the course of supervision because without a clear design the objectives of

supervision will not reach optimally. Respondents' answers about the condition of the design and provision of documents/records in the KPP Bandung Bojonagara.

#### 4. Physical Control of Wealth and Records

In this respect, the authors evaluate in terms of the extent to which the Head of the Corporate Income Tax Section can verify the correctness of the amount, time of payment of Corporate Income Tax following the Taxation Law in addition to reporting correctly and re-evaluating the results of the SPT examination and its payment.

### V. Conclusion

Implementation of internal control over corporate income tax receipts at KPP Bandung Bojonagara seen from various elements of internal control on average above 75%, so it can be categorized as GOOD. The procedure for controlling the receipt of Corporate Income Tax at the KPP Bandung Bojonagara shows that the implementation of the procedures for controlling the receipt of the Corporate Income Tax (PPh) carried out by the KPP Bandung Bojonagara 80% of respondents are categorized as VERY GOOD. The role of the internal control system in supporting the procedures for controlling the receipt of corporate income tax at the KPP Bandung Bojonagara, that with a significance level of 5% regarding the relationship and the role of the internal control system in supporting the procedures for controlling corporate income tax receipts at the KPP Bandung Bojonagara.

### References

- Astuti, R.W., Waluyo, H.J., and Rohmadi, M. (2019). Character Education Values in Animation Movie of Nussa and Rarra. *Budapest International Research and Critics Institute-Journal (BIRCI-Journal)*. P. 215-219.
- Diamastuti, Erlina. (2016). Ke (tidak) patuhan wajib pajak: Potret self assessment system. *Ekuitas (Jurnal Ekonomi Dan Keuangan)*, 20(3), 280–304.
- Fadhli, Reza. (2018). *Pertanggungjawaban Pidana Korporasi dalam Tindak Pidana Kebakaran Hutan dan Lahan*. Yogyakarta: Universitas Islam Indonesia.
- Haricahyo, Dhimas, Noch, R. Muchamad, & Ak, M. (2019). *Pengaruh Self assessment system, Pemeriksaan Pajak, Dan Modernisasi Perpajakan Terhadap Kepatuhan Wajib Pajak (Survey Pada Kantor Pelayanan Pajak Wilayah Kota Bandung)*. Bandung: Perpustakaan Fakultas Ekonomi dan Bisnis Unpas.
- Imron Rizki, A. (2018). Self Assessment system sebagai dasar pungutan pajak di Indonesia. *Jurnal Al- 'Adl Vol, 11(2)*.
- Napitupulu, Darmawan, Lubis, Muhammad Ridwan, Revida, Erika, Putra, Surya Hendra, Saputra, Syifa, Negara, Edi Surya, & Simarmata, Janner. (2020). *E-Government: Implementasi, Strategi dan Inovasi*. Yogyakarta: Yayasan Kita Menulis.
- Nena, Agustina Florentiana Du'a. (2015). Analisa Sistem Informasi Akuntansi Dalam Meningkatkan Pengendalian Internal Atas Pendapatan di Rumah Sakit Hermana-lembean (Analysis of Accounting Information Systems in Improving Internal Control of Revenue at Hermana-lembean Hospital). *Jurnal EMBA: Jurnal Riset Ekonomi, Manajemen, Bisnis Dan Akuntansi*, 3(4).
- Pakadang, Desi. (2013). Evaluasi Penerapan Sistem Pengendalian Intern Penerimaan Kas pada Rumah Sakit Gunung Maria di Tomohon (Evaluation of the Implementation of the Internal Control System for Cash Receipts at Gunung Maria Hospital in



- Tomohon). *Jurnal EMBA: Jurnal Riset Ekonomi, Manajemen, Bisnis Dan Akuntansi*, 1(4).
- Pradana, D. A., et al. (2020). Nasionalism: Character Education Orientation in Learning Development. *Budapest International Research and Critics Institute-Journal (BIRCI-Journal)* Volume 3, No 4, Page: 4026-4034.
- Saleh, A., Mujahiddin. (2020). Challenges and Opportunities for Community Empowerment Practices in Indonesia during the Covid-19 Pandemic through Strengthening the Role of Higher Education. *Budapest International Research and Critics Institute-Journal (BIRCI-Journal)*. Volume 3, No 2, Page: 1105-1113
- Sofiyulloh, Muhammad Bayu. (2011). *Tinjauan Atas Sistem Informasi Akuntansi Penggajian Karyawan Pada Perum Perhutani Unit Iii Jawa Barat Dan Banten (Overview of the Employee Payroll Accounting Information System at Perum Perhutani Unit III West Java and Banten)*. Bandung: Universitas Widyatama.