

Tracing Tax Violation by Taxation Information System

Siti Kurnia Rahayu
Departemen Akuntansi
Universitas Komputer Indonesia
 Bandung, Indonesia
 siti.kurnia@email.unikom.ac.id

Abstract— There is a problem of tax violation or non-compliance of taxpayers that occur every year in Indonesia. The Directorate General of Taxes needs to endeavor more intensive ways in which to strengthen the policy countermeasures to combat this problem. From various scholarly studies concerning this matter, even though the Tax Law Enforcement enforcing the tax auditing process have been made one of the essential taxation policies to test the obedience of taxpayers, the Directorate General of Taxes of Indonesia must design a tax auditing system that is far more effective, more efficient procedures; supported by a control system of great quality. The use of information systems of optimal tax auditing can reach the goal of a tax auditor, which is that the post-audited taxpayers are more compliant. The purpose of this research is to test the relevance of acquisition capability findings of taxpayer violations by a tax auditor by using a tax information system that is effective, which is affected by the level of competence of tax auditors themselves. This research used a quantitative method using data from a questionnaire that was answered by 88 respondents (tax auditors) in an Office of Tax Services in the location of West Java of Indonesia; in November 2018. The results show that using a tax information system is effective; it can increase the capability of tax auditors to find tax violations of certain taxpayers thoroughly, making a considerable contribution to the quality boost of tax audits. The frequent change in the dynamics of tax rules and an information system that is lacking in effectiveness can frequently inhibit the effectivity of a tax audit.

Keywords— Tax Audit, Competence of Tax Auditors, Information System, Tracing Taxpayers Violations

I. INTRODUCTION

For the Directorate General of Taxes of Indonesia, the utilization of information systems is done in perfecting the business process so that it is more effective in the procedure concerning the implementation of activities in tax administration. The critical part of the tax administration systems of the organization is the activity of Tax Law Enforcement, where one of them is the execution of a Tax Audit. The usage of information systems cannot be released from the multiples stages of activities involving the Tax Audit. Meanwhile, Tax Auditing right now is in a condition of importance amid a still-ongoing high-rate of taxpayers' non-compliance in Indonesia.

The exercise of a Tax Audit done by the Directorate General of Taxes at its core is to detect fraud or taxpayers' violations in reporting their taxations. Tax inspections are imaged as a procedure for checking how far a taxpayer has reported financial statements honestly and correctly according to the taxation laws that applies [1] whether the

taxpayer has reported their tax liabilities also truthfully and correctly [2]. At last, Tax Auditing involves checking the accuracy of tax documents submitted by taxpayers. Thus tax auditors can confirm the amount of taxes that are obligated to be paid [3].

Characteristics of taxpayers in fulfilling accountability in paying taxes is not an easy matter to reach in, possibly creating a climate of good tax obedience in Indonesia. Many research all over the world proved that tax evasion by taxpayers is still in high-rate. Some behaviors of certain taxpayers include hiding their income from tax departments and believe that many other taxpayers also do not abide by the laws that apply because of the assurance that there is little likelihood of being detected [4]. Other than that, the existence of a semiformal economy followed by the lack of political power, ready to apply the taxation laws and tax procedure that is clear and effective, are reasons for the high level of tax embezzlement occurring now [5].

The disobedience of taxpayers that is identified by the Directorate General of Taxes is that taxpayers do not report revenues in a correct sense for fulfillment of obligations purposes, by charging fees which is not right, doing aggressive tax planning, misusing the Tax Treaty (Tax Treaty Abuse), not reporting transfer value of assets which are actually in range of liquidation or merger, and not reporting acquisition values or value of sales in fact in asset trading [6]. Taxpayers are indicated not adhering to the obligation of the GST (Goods & Services Tax) by reporting revenues as debt, decreasing the price sales from the actual price, sales of off-balance sheet, and not reporting purchase so that the Cost of Goods Sold (COGS) are lower than it should be [6]. Taxpayers have also showed their disobedience of Goods & Services Tax by reporting local sales as exports, the usage of tax invoice data with buyers that are not of the same tax ID, followed by blatantly doing activities with another party that was suspected to have done transactions that are not following and not corresponding with the mechanism of Income Tax credits [6].

Other than that, the non-compliance of taxpayers include charging fees that aren't what it's supposed to be by making certificate of withholding tax with tax ID 000 (not based on the correct transaction), impositions in services of affiliate companies, backups that are not according to the Indonesian provisions of tax legislation, Impositions that is not according to provisions of tax legislation for fees that is related in range of the 3Ms- *Mendapatkan, Menagih, dan Memelihara* (Get, Charge, and Maintain) income, Taxpayers credit Income Tax or charge fees that is not in accord with the actual transaction [6].

Taxpayers are indicated too of doing aggressive tax planning by owning Debt to Equity Ratio/DER>4:1 and owning Controlled Foreign Company (CFC). There is also indications of risky transfer pricing that's done by Taxpayers by owning transactions with a transaction opponent that applies lower tax effective rate, occurrence of a transaction scheme that involves an entity/a party that does not own business substance and/or not adding any economic value (rein voicing), having affiliated transaction value that's significant towards their business circulation, occurrence of "intra-group" transactions (service provision, royalty payments, Cost Distribution Arrangement), there is business transaction restructuring (merger and acquisition), the financial performance of Taxpayers are much different than the financial performance of the likes of the industry, Taxpayers experience loss for as long as 3 (three) Years Tax in 5 (five) years [6]. The misuse of the Tax Treaty that is indicated among other Transaction that does not have economic substance is done using structure or scheme in such a way that resembles with intent solely to obtain the benefits of P3B, transaction with structure/scheme that's in its legal form is different than that of the economic substance with intent solely to obtain the benefits of P3B, and the receiver of the P3B benefit is not the actual owner based on the economic benefits from one transaction beneficial owner [6].

This condition of Taxpayers' non-compliance reveals that it requires an effective Tax Audit that can detect the possibility of violation inside the taxation obligations of Taxpayers to keep certain that the corridor of compliance keeps running with well intent. Finally, a survey by [7] showed a result that tax authority must apply simple practice and directly on Tax Audit.

Tax Auditing is one of the determinants in building the trust of Taxpayers to stay in the corridor of taxation compliance. The condition of taxation compliance in Indonesia is still currently low. This matter is marked by coverage ratio Income Tax (comparison of realization with potential revenue) for the year 2016 is only at 72.1%. Besides that, taxes auditing implementation within standard, subjectivity, and the certainty of the law have also not been as optimal yet. Based on information by CITA (Center for Indonesia Taxation Analysis), the level of tax auditing to the number of Taxpayers is still very sunken. Audit Coverage Ratio Year 2017 as much as 8.757 Taxpayer as Private Persons and 34.148 Taxpayer as bodies that were being audited, which means that there is still a plethora of Taxpayers that have not yet become tax audit targets. Other problems related to tax disputes are trend dispute in tax courts every year experiencing increase, whereas in the year 2017, the number of disputes intended by the Directorate General of Taxes as many as 568 disputes. This number enhanced from the comparison in the year 2016 occurred a decrease as many 374 disputes from the year 2015.

The intensity usage of information systems in the Indonesian Directorate General of Taxes for tax auditors is tremendously high in implementing their job. Therefore, it is necessary that the effectivity of information systems be analyzed at length at the Directorate in making sure that the system is suited to finish every task of a tax auditor. An

information system owns meaningful value if it can give the influence to change in the performance of an organization, important thoughtfully that there is the assurance that an information system that is applied by an organization has been effective. The approach in the effectiveness assessment is not in the information system, but of the user satisfaction, increased performance in effectivity of decision-making, cost-benefit analysis, economy information, utility analysis, performance factor, usability of information *output*, productivity, value of analysis, cost savings, and benefits produced by a system relating to costs [8]. Valuable information that is produced by the information system is of great importance for auditors to trace all possibilities of tax violations and tax violators [8]. Other than that, the concept of tax auditing also covers all actions essential for information collection to evaluate business financial statements in faith [9].

Tax auditors have to increase their understanding of Accounting Information System that is owned by Taxpayers. The condition that is needed by a user for using Information System maximally is that trust will be effective in the Information System; the trust of Information System usage will not cause disturbance whatsoever and the trust has control for the use of information systems. A phenomenon that appeared in the Directorate General of Taxes environment, that many Tax Auditors who do not utilize the potential application of Information System intensely and consistently to contribute to task quality, which must be completed, even though Tax Auditors appreciate this potency. Conceptually, the usage of the application Information System not only will give quality to tax auditing but also prepare a strong foundation for the Directorate to use the application Information System thoroughly integrated. Nevertheless, the responsibility and expertise of Tax Auditors to run the future tasks involving applications of Information System will be immensely lifted as not only media but also it becomes the primary need from only checking documents.

Starting from the Planning Stages, until Stage Tax Auditing Report after all this time Tax Auditors use Information System that is known as "*Sistem Informasi Direktorat Jenderal Pajak (SIDJP)*" or Directorate General of Taxes Information Systems. As tools for doing the tasks of tax auditing, in reality, the Directorate General of Taxes Information System oftentimes does not produce information on time (timelines) and complete (completeness) that is required by Tax Auditors for the task of tax auditing. It seems like it is conceptually recognized that the indicator of information as a result of the information system of good quality is information that is accurate, relevant, complete and on time. With information that is still rarely on time and incomplete, it can be said that the Directorate General of Taxes Information System is not yet of adequate quality. In reality inside the arrangement of the Tax Audit Plan even if it is in the Stage of Tax Auditing Implementation oftentimes Tax Auditor Personnels obtain information that is needed by the Taxes Information System such as the *Surat Pemberitahuan Tahunan (SPT)* or Yearly Letter of Notification and Letter Notifications incomplete period, where detailed information from the Yearly Letter of

Notification cannot be opened. Therefore, to obtain complete information, Tax Auditors have to obtain a hardcopy for information essential to the service section. As it is understood that the Taxes Information System was built to actually give ease to a user good timeliness and completeness of information acquisition in a paperless manner, however practically, this case has not been achieved in a maximal way. More time is needed than it should so that these data can be served completely. Contradictory to the terms of tempo completion of a tax audit limited by tax regulations. This barrier could give an impact on obstacles concerning the accuracy of the deadline for the completion of a tax audit. This case should continue to be the main attention for the Directorate General of Taxes for the modern implementation of taxation systems.

The ability of tax auditors as a component of ICT is that brainware from the information system is still limited. Weakness that appeared is the lack of expertise of ICT usage or the SIA application by Taxpayers for Tax Auditor in the running process of tax auditing. Although the Directorate General of Taxes had given expert facilities that are provided if there comes any problem concerning the information system, the competence of the Tax Auditor in the understanding of ICT is placed within great importance in increasing the Tax Auditors' performance.

Competence is necessary for tracing the change in dynamics and Information Technology development [10]. This ability can optimally operate Information systems and can result in profit from an entire business operation [11]. Information System helps to keep a record of data consistently, access that is timely in that recording phase, a business process that is quick in increasing organization performance [12]. Competence is of great importance for an accountant and auditor to execute their tasks [13]. These determinants of competence are very vital because it sets the framework that affects an Information System [10].

Based on the results of previous studies, the purpose of this study is to examine the effect of the effectiveness of the tax audit on the effectiveness of the information system, where the effectiveness of the Tax Audit is measured in terms of Tax Auditor Competency. Next to test the effectiveness of the Information System used by the Tax Auditor in tracking taxpayers' violations.

II. METHOD

This research entails a Quantitative Research: using the Descriptive Research Method and the Explanatory Method. Data sourced from a questionnaire filled by Tax Auditors in Office located in West Java I involved as many as 88 people. The questionnaire filled by these respondents had been subjected to go through a Validity and Reliability test. The collection of data and data processing was done in November 2018. Description analysis by comparison analysis of actual score with the ideal score, which produced criteria on each measure of research. Ordinal data from the conclusions of the questionnaire had been transformed into an interval scale firstly before data was analyzed using the analyzation method of Structural Equation Model Partial Least Square (SEM PLS).

This research hypothesizes that the Competence of Tax Auditors affects the Effectiveness of Information System (H₁) and the Effectiveness of Information System's effect on Capability Tracing Taxpayers' Violations (H₂). The testing of this research hypothesis was to use the statistical hypothesis testing method of Test t (Partial Test).

In a complete sense, the relationship between variables in this research can be seen illustrated in Fig 1:

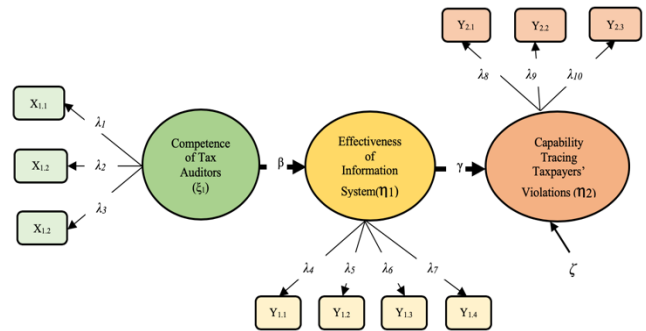


Fig 1. Overall Structure Analysis of Research Variables

III. RESULTS AND DISCUSSION

For this research, there are 35 indicators and 3 variables assuring the Tax Auditors' Competency Level (X) that is measured by 11 indicators represented by 3 manifest variables. Then Effectiveness of Information System that is Used by Tax Auditors (Y) with 12 indicators represented by 4 manifest variables and Capability Tracing Taxpayers' Violations (Z) with 12 indicators that were represented by 3 manifest variables. Calculation results from the Measurement Model (Outer Model) using SmartPLS 3.0 is shown by the following Fig 2.

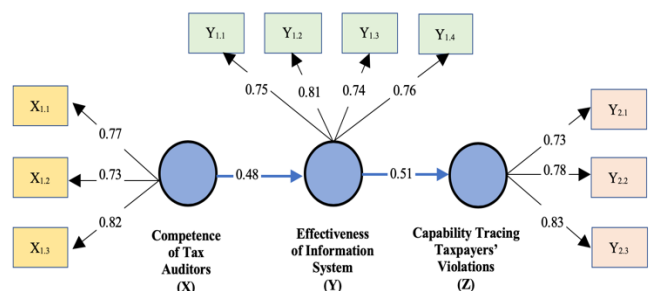


Fig 2. Results of Research Measurement Model

Measurement model testing (outer model) was used for specifying relationship specifications between variables latent with its manifest variable. Test results, which include convergent validity, discriminant validity, and reliability, are shown in Table I below.

TABLE I. TESTING RESULTS OF MEASUREMENT MODEL (OUTER MODEL)

Manifest Variable		Convergent Validity			Discriminant Validity				Ket	Composite Reliability		
		LF	t _{hitung}	AVE	CL	Akar AVE	Corr Latent Var			CR	Ket	
							X	Y ₁				Z ₂
X ₁₋₁	Job completion ability	0.77	16.48	0.54	LF > λ (η ₁) & λ (η ₂)	0.73	1.00		Valid	0.86	Reliable	
X ₁₋₂	Technical ability	0.73	10.02									
X ₁₋₃	Cognitive abilities	0.82	30.27									
Y ₁₋₁	Suitability of SI Performance with expectations	0.75	15.47	0.57	LF > λ (ξ ₁) & λ (η ₂)	0.75	0.72	1.00	Valid	0.87	Reliable	
Y ₁₋₂	Benefit	0.81	27.29									
Y ₁₋₃	Convenience	0.74	9.57									
Y ₁₋₄	Quality of SI output	0.76	17.18									
Y ₂₋₁	Ability to track fraud through documents	0.73	28.86	0.72	LF > λ (ξ ₁) & λ (η ₁)	0.85	0.71	0.70	1.00	Valid	0.84	Reliable
Y ₂₋₂	Tracking capabilities through understanding WP accounting systems	0.78	34.45									
Y ₂₋₃	Tracking capabilities through understanding taxation	0.83	37.82									

Based on the table above, the overall manifest variable for every latent variable shows a positive Loading Factor and is above 0.7. Therefore, it can be said that the use of manifest variable in this research can measure every latent variable in appropriate sense. The third latent variable has value AVE and a more significant commonality from 0.5. So that all manifest variables concerning each latent variable can be stated to have fulfilled convergent validity requirements. Other than that, cross-loading value for every indicator is higher if compared with the correlation indicator with other latent variables. Hence it can be said that the latent variable in this research has adequate discriminant validity. Size of cross-loadings or comparison root AVE with correlation latent variable have qualified; thus it can be concluded that the terms of discriminant validity have been fulfilled. Meaning, the indicator can be used because the indicator was stated to be valid or can be revealed well for each statement listed inside the questionnaire of this research. Composite reliability value resulting from all construct was above 0.7 and so that it can be concluded that all indicator construct under this research is reliable. Overall, the manifest variable for every latent variable was proved to have accuracy, consistency and an instrument of definiteness in measuring construct well.

Predictive power from the structural model (inner model) is illustrated in Fig. 3 below.

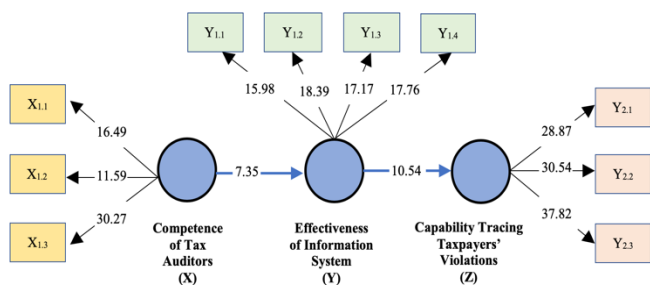


Fig 3. Structural Model Results

The predictive power of this structural model can be seen by the value *R-Square* that is shown in Table II.

TABLE II. CORRELATION COEFFICIENT AND R SQUARE DETERMINATION COEFFICIENT ANALYSIS

Latent variable	Correlation	T _{Statistics}	Structural Path Coefficient	Correlation with Dependent Variables	Total Influence
Tax Auditor Competence (X) → Information System Effectiveness (Y)	0.44	7.70	0.44	0.72	31.68%
Effectiveness of Information Systems (X2) → Abuse Tracking Ability WP (Z)	0.54	11.35	0.54	0.70	37.80%
TOTAL					69.48%

Source: data processed using SmartPLS 3.0 software

Correlation of Tax Auditors' Competence with Effectiveness of the Information System, display the same power of Effectiveness in Information System to the Capability Tracing Taxpayers' Violations. Each show positive values of 0.44 and 0.54 (strong enough to be in intervals 0.40 – 0.69). The relationship between variables is in the same direction where the higher Tax Auditors' Competence is, the more Effective the Information System and impactful in increasing Capability Tracing Taxpayers' Violations. This positive relationship was demonstrated in Table 3, with the value result *t_{count}* above value *t_{critical}* (7.70 and 11.35 > 1.96).

Tax Auditors' Competence gave a contribution to the Effectiveness of Information System as big as 31,68% in percentage and impact influence on the Capability Tracing Taxpayers' Violations as big as 37,80%. Together, these two variables gave contributions of 69,48% (*R Square*), and as much as (1-*Rsquare*) 30.52% left is big contribution of influence given by other factors not examined (ζ).

TABLE III. TEST-T RESULTS

Latent variable	t-count	t-critical	Acceptance of Hypothesis	Conclusion
Tax Auditor Competence (X) → Information System Effectiveness (Y)	7.70	1.96	Significant	H ₀ rejected H ₁ accepted
Effectiveness of Information Systems (X2) → Abuse Tracking Ability WP (Z)	11.35	1.96	Significant	H ₀ rejected H ₁ accepted

Source: data processed using SmartPLS 3.0 software

The results of hypothesis testing (Table III) show that the research hypothesis is accepted. In this table, it can be seen that value t_{count} for hypothesis 1 (first), which is Tax Auditors' Competence to Effectiveness of Information System = 7.70 > 1.96 ($t_{critical}$). In addition, value t_{count} for hypothesis 2 (two) which is the Effectiveness of Information System to Capability Tracing Taxpayers' Violations is t_{count} = 11.35 > 1.96 ($t_{critical}$). This result shows that Tax Auditors' Competence has a significant influence on the Effectiveness of Information System.

The level of effectiveness in Information System in this matter; one of them is determined by the level of taxpayers' competence, where complications that arise in the lack of effectiveness in Information System that is applied by an organization is influenced by problems that arose from Tax Auditors' Competence. With efficient time that has needed in information acquisition and giving access to those concerned can increase the performance of the Directorate General of Taxes. Besides that, the use of the Information System can facilitate information provisions saved in the Directorate by Taxpayers, and with quick access whenever needed. Furthermore, this function also increases the compliance of Taxpayers because knowing that the Directorate keeps data regarding obligations, business, tax, and tax deposits of every Taxpayer. Other than that the use of ICT supports the monitoring process and: smooth evaluation, well planning and fast information processing with matters involving post-tax auditing, which is accurate from income assessment and Taxpayers' income for every period.

One of the most critical impacts of the usage of Information systems is the level of user satisfaction on Information System performance. Infrastructure, supporting facilities and the application of Information System in the Directorate that is effective and efficient will give satisfaction for the user (user satisfaction) in this matter that the Tax Auditor will finally raise user performance. Application of Information System in the Directorate that has quality will show a good system and present quality information, so this can improve user satisfaction. Various factors support the effective and efficient Information System in the Directorate (DJP).

Complications that happen in Effectiveness of Information System until now that are raised as reasons for this research are:

- 1) Lack of potency utilization application of Information System intensely and consistently for a contribution towards task quality that has to be done by Tax Auditors.

- 2) As tools for doing tax-auditing activities, in reality, the Directorate General of Taxes Information System (SIDJP) oftentimes do not produce timely information (timelines) and complete information (completeness) that is necessary for tax auditors during tax auditing activities.
- 3) In preparation of the Tax Audit Plan or in Stage Tax Auditing Implementation often times Tax Auditor, personnel obtain information required from Taxes Information System such as Yearly Letter of Notification and Letter of Notification for the incomplete period, where information details from this SPT cannot be opened.
- 4) Contradiction to the tempo of completion of a tax-audit that is limited by tax regulations. This barrier can give an impact on obstacles in terms of precision in a tax audit completion deadline.
- 5) Capability of Tax Auditors as a component from ICT, which is brainware from a limited Information System. Weakness that appears is the lack of expertise in the usage of ICT or the application of SIA from Taxpayers for Tax Auditors during the running process of tax auditing.

These problems occur because the Competence of Tax Auditors' has not been fully optimal. Based on the descriptive analysis of this research, here are the results:

- a) There is a gap as much as 26.62%, meaning there is still a problem in the competence so that it has not reached the ideal number that was expected.
- b) Generally, the ability to complete tasks and activities of Tax Auditors in an organization displayed a result of <80%, meaning there are complications as large as 20% in the matter of the management of tasks and the capability of teamwork between tax auditor personnel in the implementation of tasks.
- c) The significant finding of this research shows the still-current low-level competence (dominated by the response 'high enough' from respondents, and displaying score below 70%) on the dimension of technical capability occurring in:
 - a) Level of knowledge in generally accepted accounting standards.
 - b) Capability in the utilization of ICT that is used by Taxpayers that is audited.
- d) The research finding concerning consistent thinking ability in doing tasks and decision-making displayed a result of scores below 70%.

Tax Auditors' Competence plays as a qualification of abilities related to standards of audit assessment, where if only these characteristics are precisely and consistently applied, the audits will reach their intended performance [15]. Competency traits that tax employees should have are Self Motivated, Analyzes Pitfall, communication skill, Effective Enforcing, Diplomatic, Judgement, Persistent, Influencing, and Handles Conflict [15].

A condition that was found in this research gave a corridor in improving the quality of the ICT or tax auditors' capability quality in utilizing Information System. Therefore it is essential to give special attention to the quality

improvement of information systems integrally or infrastructure quality that support the use of information system. The solution in breaking the complications for the efforts in improving the Effectiveness of Information System should be focused on Improving Tax Auditors' Competence in this matter with ways in the likes of:

- 1) Raising the Tax Auditors' capability in managing tasks through periodically evaluating the Tax Auditors' administrative performance.
- 2) Raising teamwork ability between Tax Auditor personnel in task implementations through the training program of leadership and teamwork consistently and periodically.
- 3) Raising competence of the accounting field (knowledge of generally accepted accounting standards) through competency accounting training from IAI.
- 4) Raising the capability in concerning ICT that is implemented by Taxpayers', through accounting application training for all types of industry.
- 5) Raising thinking capabilities consistently in doing tasks and decision-making through evaluation of Tax Auditors' performance for each period consistently, and employee cognitive improvement training programs.
- 6) Raising self-control in completion of work, the endurance of work pressure, and performance ability for self-worth through the implementation of character-building programs and ESQ programs.

Tax Auditors' in tracing Taxpayers' violations are advised to have the ability to understanding the right and obligations, which have been set on the provisions of tax laws and regulations of a government. The rights of Taxpayers also imply the existence of Taxpayers' basic obligations. A set of norms and behaviors is expected of Taxpayers from the government. This expected behavior of Taxpayers is much grounded in succession, a tax system operation that is a requirement in many countries. Without the balance of the right and obligations of the Taxpayer, the taxation system cannot effectively and efficiently function. Basic Rights of Taxpayers: (1) Right to be informed, helped and listened; (2) Rights to filing objections and appeals; (3) Right to pay not more than the correct amount of tax; (4) Rights for legal certainty; (5) Right to privacy; (6) Right for confidentiality. Meanwhile, the obligations of taxpayers are (1) Obligation to be honest and open; (2) Obligation to teamwork; (3) Obligation to give accurate information and document on time; (4) Obligation to keep records; (5) Obligation to pay their taxes on time [16].

The problem in Tracing Taxpayers' Violations that became a reason for this research concerning things that are related to disobedience or non-compliance. The problems are the following:

- 1) Taxpayers do not report actual turnovers to fulfill the obligation, by charging fees that are not what it is supposed to amount to, doing aggressive tax planning, misusing the Tax Treaty (Tax Treaty Abuse), not reporting transfer value of assets that are in range of liquidation or merger, and not reporting accurate value of sales in asset trading (SE-15/PJ/2018).

- 2) Taxpayers were indicated as disobedient in PPN obligations by reporting income as debts, lowering the price of sales from what it actually was, sales of the off-balance sheet, and not reporting purchase so that the Cost of Goods Sold (COGS) (HPP) are lower than it should be (SE-15/PJ/2018).
- 3) Taxpayers non-compliance with the PPN by reporting local sales as exports, the usage of tax invoice data with buyers who do not have the same tax ID (Taxpayer Identification Number) while doing activities with another party that has been suspected doing transactions that is untrue and not according to the mechanisms of Tax Income crediting (SE-15/PJ/2018).
- 4) Taxpayers charging fees that are unjust by making the certificate of withholding tax with tax ID (Taxpayer Identification Number) 000, Impositions of service between affiliated companies, reserves that do not comply with the provisions of tax laws and regulations.

These problems above occur because of the overwhelming amount of complications within the Effectiveness of the Information System. Based on descriptive analysis, results that were obtained show the same findings as to the complications in the phenomenon that the Effectiveness of Information System that is still applied now are:

- 1) Generally, Information System that is used by Tax Auditors in doing their tasks is lacking in effectiveness. There is a gap of 41% in reaching the level of effectiveness that is ideal and expected.
- 2) Conformity of IS performance with user expectations showed the result of 56.2%, meaning there is a gap of 43.8% that indicates there is a problem in the conformity of Information System performance that is used as expected by the user.
- 3) There is a gap in the research findings with the ideal measure of Information System performance conformity that is used by Tax Auditors as big as 39.8%. There is still a lack of conformity in the application perspective (score>60%), the communication network (internet) that is still minimal (score>60%), or availability of primary Information Systems components that are not yet user-friendly (score =56%).
- 4) The findings of this research displayed that the use of Information Systems is simple enough (score 64.5%) used by Tax Auditors in doing their tasks.
- 5) Information quality result of the application system information in the Directorate needed by Tax Auditors some are considered less relevant.
- 6) The information that resulted in the application system of information in the Directorate for Tax Auditors is complete enough. In frame time information result of the application system of information for Tax Auditors are lacking in timeliness.

Based on these findings, therefore a solution to the problems regarding the effectiveness of information systems that can be done by tax authorities is putting in the effort on the capability improvement in tracing fraud through a document, understanding the Taxpayers' accounting system and tracing ability through the understanding of taxation.

These improvements can be done using intensive training programs related to accounting and ICT.

IV. CONCLUSION

Problems on the level of Effectiveness of Information System that is still lacking, occurring because of the actual condition concerning Competence of Tax Auditors: (a) in general, capability of finishing tasks and activities of a tax auditor in an organization are still problematic in terms of their ability in managing task and teamwork abilities between Tax Auditor personnel in implementing tasks; (b) current low level of competence on the dimensions of technical capability involving (Level of knowledge in generally accepted accounting standards and Utilization capabilities of ICT that's used by examined Taxpayers); (c) consistent thinking capabilities in completing tasks and decision-making shows below the expected ideal level. Complications on Tracing Taxpayers' Violation occurs because the current Information System: (a) indicate the presence of problems on suitability of Information System performance that is used and expected from user; (b) there is still lack of conformity in the application perspective, communication networks (internet) that are still limited, or availability of Information System primary components that are not yet user-friendly; (c) usage of Information System is easy enough for tax auditors in doing their tasks; (d) information on quality application result of Information System in the Directorate that is necessary for Tax Auditors suggest there are still some that considered it to be of less relevance; (e) information on application result of Information System in the Directorate for Tax Auditors is complete enough. In frame time information on application result Information System in the Directorate for Tax Auditors, is lacking in timeliness.

REFERENCES

- [1] Grampert M. Tax audit, Swedish National Tax Board, (2002). available at: www.worldbank.org (accessed 21 January 2002).
- [2] Pantelidis P. *Conceptual Framework of Auditing. Tax Audit Approach*, Inter. J. Manage. Res. Technol, (2009), 3(2):409-416.
- [3] Koromilas G. *Tax notes, Athens: Tax Advisors*, (2013).
- [4] Drogalas et al. *Tax Audit Effectiveness in Greek Firms: Tax Auditors' Perceptions. Journal of Accounting and Taxation*, 2015, Volume 7 (7), pp : 123-130, July 2015. ISSN: 2141-6664.
- [5] Artavanis N, Morse A, Tsoutsoura M *Tax Evasion Across Industries: Soft Credit Evidence From Greece*, Chicago Booth Research Paper, (2012), 12-25.
- [6] Surat Edaran Direktur Jenderal Pajak Nomor SE-15/PJ/2018 tentang Kebijakan Pemeriksaan.
- [7] Chatzipanagiotou E. *Problems during tax audit and proposals to the Tax Administration*, Ministry of Economy, (2010).
- [8] Cyrus. Angela. W. *Measuring The Effectiveness of Information Systems*. Naval Postgraduate School. Monterey, California, 1991.
- [9] Sen DK, Bala KM. *Tax audit: Bangladesh panorama. Manag. Audit. J.*, (2002), 17(8):464-477.
- [10] Damasiotis, Panagiotis T, Ilias S, Sotiris N, Evdokia T. *IT Competences for Professional Accountants. A Review*. Procedia - Social and Behavioral Sciences, (2015), 175 537 – 545, ScienceDirect, International Conference on Strategic Innovative Marketing, IC-SIM 2014, September 1-4, 2014, Madrid, Spain
- [11] Maisurah, K., Bahador, K., Haider, A. Information Technology Skills and Competencies – A Case for Professional Accountants. BIS (Workshops) LNBP 127, (2012), p. 81-87.
- [12] Victor, N.G.T. “The role of information and communication technology (ICT) in Taxation: the case of Large Taxpayer Department Tanzania Revenue Authority”, MBA dissertation, Mzumbe University, (2009).
- [13] Wessel, P., J. The Identification and Discussion of Strategies for Implementing an IT Skills Framework in the Education of Professional Accountants. South African Journal of Accounting Research, (2008), 22(1), p. 147–181.
- [14] Siti Kurnia Rahayu. *Perpajakan Konsep dan Aspek Formal*. Rekayasa Sains, bandung, (2017)
- [15] OECD, tax Guidance Series. *Taxpayers' Rights and Obligations-Practice Note Prepared*. General Administrative Principles-GAP002 Taxpayer's Right and Obligations, (2002).