

SPECIFIC-CASE

WORKSHEET 8 OF 9

DJP Audit Notice Arrives — Mapping the Exposure Before Responding

Scenario: a PT in its fifth year of operation receives a Surat Pemberitahuan Pemeriksaan covering tax years 2022 and 2023. The letter covers PPh Badan and VAT. The business had cost records but not a consistent archiving system — documents are spread across email, a shared drive, and physical folders in two locations. The owner has 30 days before the first document submission deadline.



Complementary worksheet for
Tax Optimization for SMEs
by Ibrahim Anwar

What This Is For

A DJP audit notice covering two tax years is not a single problem. It is six to eight problems stacked in one letter: one per tax type per year. Each problem has a different exposure amount, a different documentation status, and a different probability of surviving scrutiny. Treating the whole audit as one undifferentiated crisis produces bad decisions. This worksheet breaks the audit into rows and calculates the exposure per row before any response is prepared.

The specific scenario here — documents exist but are scattered — is the most common situation in a fifth-year SME audit. The records were made at the time. The question is whether they can be found, retrieved, and presented within the 30-day window. Answering that question systematically in the first week determines what is conceded, what is supplemented, and what is contested in the response.

Benefits

What you get when you actually run this worksheet on a real situation:

- Produces a total estimated additional tax exposure figure before any document is sent, giving the operator the number that guides every subsequent decision.
- Prioritises which cost category to retrieve first — largest gap in absolute dollars, highest retrieval probability, tightest deadline.
- Identifies third-party document sources (supplier copies, bank records, consultant files) for gaps where originals are missing.
- Separates the owner's role (strategic decisions) from the consultant's role (technical response), with the worksheet as the briefing document.
- Creates a paper trail of the internal pre-response analysis that demonstrates good faith engagement with the audit process.

Framework To Use

— Per-Row Exposure and Retrieval Matrix

Each tax type and year gets its own row. Exposure is calculated before retrieval is attempted. Retrieval effort is prioritised by exposure size.

| Tax Type / Year | Exposure Calculation | Retrieval Priority | Decision Rule |
|----------------------------------|---|---|---|
| Corporate income tax — Year N | Missing deduction × 22% | Largest absolute dollar gap first | Gap < \$2K: concede. Gap \$2–10K: supplement. Gap > \$10K: contest if evidence exists. |
| VAT — Year N | Unverifiable input × 11% | Invoices with third-party backup first | Supplier copy available: supplement. No backup: concede. |
| PPH 21 — Year N | Under-withheld amount × penalty rate | Payroll records + BPJS records | Payroll list exists: likely Complete. Missing list: reconstruct from bank transfers. |

How To Use

Follow these steps in order. Each one builds on the previous.

- 1** Step 1: Record the audit notification date. Count 30 days forward to the first document deadline — write that date at the top of the sheet.
- 2** Step 2: For each tax type and year in the audit scope, pull the relevant return from Coretax or your records. Write the total tax reported.
- 3** Step 3: For corporate income tax rows, write the total deductions claimed. Then go through the physical and digital archive and calculate how much of that amount has located documentation.
- 4** Step 4: Calculate the undocumented gap per row: total deductions claimed minus documents located. Multiply by the applicable tax rate for the exposure estimate.
- 5** Step 5: For VAT rows, repeat with input VAT: total input credited minus verifiable input invoices. Multiply by 11% for the VAT exposure.
- 6** Step 6: Total all exposure rows. This is the maximum additional tax if all gaps are corrected. Write it prominently — this figure informs the settlement versus contest decision.
- 7** Step 7: For each gap row, identify whether third-party copies of missing documents may exist. Note the source and assign a retrieval task with a deadline.
- 8** Step 8: Give the completed worksheet to the tax consultant as the briefing document before any response to DJP is drafted.

Example Use

A PT receives an audit covering corporate income tax and VAT for 2022 and 2023. Total deductions claimed were \$310,000 across both years. Documents are split between two office locations and a personal email account. The owner has 30 days.

The owner starts with corporate income tax 2022. Total deductions claimed: \$155,000. After a two-day search across both office locations and email, documents are located for \$131,000. Gap: \$24,000. Exposure: $\$24,000 \times 22\% = \$5,280$.

The \$24,000 gap breaks down: \$14,000 in consulting fees with no contract (consultant B from 2022 — can they supply their own records?), \$6,500 in materials purchased cash (no invoices), \$3,500 in vehicle maintenance (receipts exist, trip log missing).

Corporate income tax 2023: total deductions \$155,000. Documents located for \$143,000. Gap: \$12,000. Exposure: \$2,640. Mostly vehicle costs and one supplier invoice stack that went missing in a computer migration.

VAT 2022: input VAT credited \$18,400. Verifiable input invoices: \$15,800. Gap: \$2,600. VAT exposure: \$286.

VAT 2023: input VAT credited \$19,200. All invoices located. Gap: \$0. Exposure: \$0.

Total estimated exposure: $\$5,280 + \$2,640 + \$286 = \$8,206$.

The owner calls consultant B from 2022 — they have an engagement file and can supply the contract and delivery notes. \$14,000 of the 2022 gap becomes supplementable. Revised exposure drops to: $(\$10,000 \times 22\%) + \$2,640 + \$286 = \$5,126$.

For the \$3,500 vehicle maintenance gap: toll records exist for the delivery routes from 2022. The owner retrieves them and builds a partial trip log reconstruction covering 65% of the claimed maintenance cost. The remaining 35% (\$1,225) will be conceded.

Revised total exposure after retrieval effort: approximately \$3,400. The owner briefs the consultant with the completed worksheet and the retrieval outcomes. The consultant prepares a response that concedes the cash purchases, supplements with consultant B's records and the toll log, and presents the full-year documentation for the remaining categories.

The Worksheet

Tear this out, copy it onto a fresh sheet, or fill it in directly.

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| TAX TYPE / YEAR | TAX REPORTED (\$) | TOTAL DEDUCTIONS CLAIMED (\$) | DOCUMENTS LOCATED (\$) | DOCUMENTS MISSING (\$) | ESTIMATED ADDITIONAL TAX EXPOSURE (\$) |
|---|-------------------|-------------------------------|------------------------|------------------------|--|
| Corporate income tax — 2022 | | | | | 22% × missing docs amount |
| Corporate income tax — 2023 | | | | | 22% × missing docs amount |
| VAT — 2022 (output/input delta) | | | | | 11% × unverifiable input |
| VAT — 2023 (output/input delta) | | | | | 11% × unverifiable input |
| PPh 21 — 2022 (if employees present) | | | | | |
| PPh 21 — 2023 (if employees present) | | | | | |
| TOTAL EXPOSURE (estimated) | | | | | |

Reflection Prompts

After filling in the worksheet on the previous page, work through these.

1. What is the total estimated additional tax exposure across all rows? This is the number that guides the decision on whether to concede the undocumented amounts, supplement with secondary evidence, or contest the audit position.

2. Which cost categories in the audited years have the largest gap between 'Documents Located' and 'Documents Missing'? Prioritize retrieving those first – they carry the highest exposure and the effort is most concentrated.

3. Were any of the missing documents ever sent to a third party (supplier invoices, bank statements, consultant contracts)? Third-party copies are secondary evidence and may be obtained even if the original file is lost.

Tips and Traps

TIPS

- Sort the gap rows by absolute dollar exposure before beginning retrieval. A \$14,000 consulting fee gap (\$3,080 tax exposure) is worth more retrieval effort than a \$1,500 office supply gap (\$330 exposure).
- Call suppliers and consultants from the audited years immediately — before the document deadline, not on the day of. Their records retention periods are the same as yours: 10 years. Most will cooperate.
- Bank statements covering the audited years are almost always retrievable from the bank. They are primary evidence for payment amounts. Combined with a supplier's invoice copy, they reconstruct the basic documentation triangle.
- If the estimated total exposure is below the cost of fully contesting the audit, a partial concession with voluntary payment (before the auditor completes the assessment) often reduces the penalty rate. Confirm this option with the consultant before the response is filed.

TRAPS

- Treating the audit as a revenue check rather than a documentation check. Auditors do not need to prove you under-reported revenue to make a correction. They only need to prove that a claimed deduction cannot be documented.
- Submitting all documents at once before reviewing them. Documents submitted cannot be recalled. If a document inadvertently shows something outside the audit scope, it has expanded the scope.
- Leaving the response to the consultant without a clear briefing on which gaps to concede. A consultant without written instructions will often contest everything — raising the cost of the process without necessarily improving the outcome for the gaps that have no evidence.

Appendixes

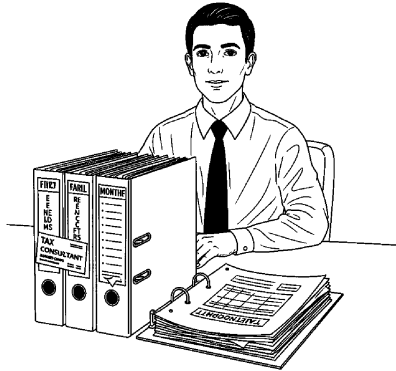
Appendix A – Document Retrieval Checklist by Gap Type

| Gap type | Own records to check | Third-party sources |
|--------------------------|------------------------|------------------------------|
| Consulting fees | Email threads, PO | Consultant's engagement file |
| Cash material purchases | Purchase notes, ledger | Supplier's invoice copy |
| Vehicle costs | Toll records, calendar | Service workshop records |
| Salary (no payroll list) | Bank transfer batches | BPJS contribution records |
| Missing input invoices | Email from supplier | Supplier's own invoice copy |
| Lease / rent payments | Bank transfers | Landlord's receipt book |

Appendix B – Decision Rules for Each Gap

| Exposure size | Third-party evidence exists | Decision |
|-----------------|-----------------------------|---|
| < \$1,500 | Any | Concede. Cost of contesting exceeds exposure. |
| \$1,500-\$5,000 | Yes, retrievable | Supplement. Retrieve and include. |
| \$1,500-\$5,000 | No | Concede with payment. |
| > \$5,000 | Yes, strong | Contest. The number justifies the effort. |
| > \$5,000 | Weak / partial | Partial supplement + partial concede. |
| | | Calculate expected settlement range first. |

Note: these thresholds are illustrative. The actual decision depends on the probability of success, the consultant's fee, and the penalty rate applicable to voluntary payment versus assessed payment. Confirm with the registered tax consultant before finalising.



WHERE THIS WORKSHEET COMES FROM

Tax Optimization for SMEs

Paying Tax Correctly Is the Kind of Business That Sleeps at Night

by Ibrahim Anwar

This worksheet is one of nine in the *Tax Optimization for SMEs* companion worksheet pack. The full pack is grouped into three categories: high-volume worksheets you can run weekly, niche-search worksheets for rare but high-value situations, and specific-case worksheets that walk you through a single concrete scenario.

Every framework, decision filter, and figure used in these worksheets is drawn from the chapters of the source book. The book sets the diagnosis, the worksheets give you the form to act on it.

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