TAX HEALTH CHECK

Tax Health Check Report

PT Contoh Teknologi Usaha

FY2025 | Prepared for the fictional management team | 3 October 2026

Executive assessment

Prioritise the related-party service evidence and revenue cut-off controls. The sample review identifies important gaps, but its targeted testing does not support a conclusion that the whole tax population is compliant.

The fictional company has revenue of IDR 250,000 million and 2,400 selected transaction records in the review population. The team inspects 120 records totalling 18,000 million. Fourteen tested records, with value of 2,100 million, contain incomplete documentation or unreconciled classifications.

Priority	Matter requiring a decision	Current evidence position
High	Service support is inconsistent	Open for professional review
Medium	Cut-off control is manual	Open for professional review
Medium	Tax ownership is fragmented	Open for professional review

This is a worked sample, not an issued client opinion. All companies, transactions, evidence records and calculations are fictional. The recommended actions demonstrate professional delivery; they do not establish a tax liability, filing eligibility, benchmark or regulatory approval.

Scope and analytical method

Purpose and intended use

The purpose is to help the fictional management team understand the evidence, the decision still required and the work needed to complete a defensible deliverable. The report is intended for internal discussion with the responsible Falcon professional. It is not a filing, an audit opinion or a guarantee of an authority outcome.

Work performed in the illustrative case

- Corporate income tax and fiscal reconciliation
- VAT and withholding controls
- Related-party and material contract review
- Governance remediation and review limitations

Use a risk-based selection drawn from a defined population, document the basis for each test and reconcile the tested records to original evidence. Assess design and operation of key controls separately. A targeted sample may reveal issues but does not estimate the population error rate without a valid statistical design.

Evidence population

Ref	Illustrative record	Role in the analysis
E01	Review population and trial balance	Starting population and primary bridge
E02	Test selection and workpapers	Classification and factual support
E03	Exception and cut-off register	Exception or corroboration testing
E04	Tax responsibility and approval matrix	Decision history and completion support

The references are report-local training identifiers. They are not verified originals, app record IDs or hashes. No real client files were inspected. A live engagement must preserve the actual originals, their versions and the reviewer's assessment of each material claim. The descriptions above define the evidence that the case assumes or explicitly identifies as missing.

Coverage and limitations

Only the stated sample scope is covered. The report does not infer completeness of other entities, years, transactions or tax types. Where the record is incomplete, the analysis identifies the limitation rather than treating management's explanation as verified evidence. Any estimate remains subject to factual validation, current legal applicability and independent review.

Detailed findings and professional response

Priority is a qualitative judgement about the importance of resolving an issue before delivery. High means that the matter could change a material conclusion or prevent completion. Medium means that a control or corroboration improvement is required. These labels are not a probability of assessment or a calculated tax exposure.

Finding 1 Service support is inconsistent

High priority. E02 contains related-party service entries with incomplete delivery and allocation support.

Professional implication. The documentary gap could affect the legal analysis and makes the internal sign-off unreliable.

Recommended response. Expand testing of the affected service population and assign a finance owner to complete the evidence.

Finding 2 Cut-off control is manual

Medium priority. E03 relies on a spreadsheet with no evidenced independent review of year-end exceptions.

Professional implication. Transactions can fall into inconsistent accounting and reporting periods.

Recommended response. Introduce a reconciled exception log and approval of period treatment supported by originals.

Finding 3 Tax ownership is fragmented

Medium priority. E04 assigns responsibilities across finance and operations without a clear reviewer for tax classification.

Professional implication. An unresolved exception may be passed between teams without a final decision or record.

Recommended response. Define preparation, legal review and approval responsibilities and measure closure of material exceptions.

Counteranalysis and judgement

An incomplete record is not proof that the taxpayer's position is wrong. Equally, an invoice, signed agreement or plausible narrative does not establish every factual or legal element. The reviewer should test alternative explanations and record what evidence would change the assessment. Preserve both supportive and adverse material so that the final conclusion remains balanced.

Financial analysis and decision alternatives

The schedule below makes the numerical reasoning reproducible. All inputs are fictional. The calculation basis states whether a value comes from the assumed record, a formula or an explicit scenario parameter. Figures should not be copied into a live return or used as a benchmark.

Measure	Illustrative result	Calculation basis
Population records	2,400	E01
Tested records	120	E02
Tested record coverage	5.00%	120 divided by 2,400
Tested value	18,000	E02
Exception value within tests	2,100	E03
Exception value within tested value	11.67%	2,100 divided by 18,000

Amounts are IDR million unless labelled as records or percentages. Fourteen of 120 tested records is 11.67%; the value ratio also happens to round to 11.67% in this fictional dataset. Neither ratio is extrapolated to the population. Exception value is not a tax liability and may include overlapping classifications or documentation issues.

Alternatives for management discussion

Alternative	Practical rationale	Condition before adoption
Targeted remediation	Addresses identified exceptions	Leaves untested populations outside assurance
Expand the high-risk review	Tests whether issues recur	Requires a documented selection method
Improve recurring controls	Reduces future handling errors	Needs ownership and evidence of operation

Management should compare the alternatives using verified facts, operational feasibility and the applicable legal analysis. A more favourable numerical scenario is not evidence that its assumptions are valid. The report therefore recommends completing the unresolved work before selecting a final tax position or an external action.

Recommendations and delivery plan

The following sequence is an illustrative internal work plan measured from engagement kick-off. It is not a statutory timetable. Any external response or filing date must be verified separately and may require faster escalation. The engagement partner remains responsible for the scope and resources agreed with the client.

Work step	Responsible role	Indicative timing	Completion evidence
Confirm scope and procedural facts	Engagement lead	Days 1 to 2	Approved scope and verified external date where relevant
Resolve finding 1	Client finance and Falcon adviser	Days 2 to 5	Original evidence and documented resolution or scope limitation
Resolve finding 2	Technical workstream lead	Days 3 to 7	Originals and approved technical treatment
Resolve finding 3	Client owner and Falcon adviser	Days 3 to 8	Reviewed action and completion evidence
Review analysis and computations	Independent Falcon partner	After evidence closure	Documented challenge and approved current version
Authorise delivery and preserve receipts	Engagement lead and client signatory	After professional approval	Final report version and any external acknowledgement

Escalation and change control

Escalate immediately if an actual external date is near, an original contradicts the working facts, the legal framework changes, or the proposed action exceeds the authorised scope. New evidence can change the recommendation. Update the affected calculations, issue analysis and report version, and obtain fresh independent review where the conclusion has changed.

Client communication

Tell the client what is established, what remains uncertain and what they must supply or decide. Explain how missing evidence limits the deliverable. Obtain approval of the final audience and language. Preserve the distinction between internal review, client delivery and authority acceptance.

Technical references and completion record

The official references below were located on 3 October 2026. They are starting points for a real technical review, not a representation that every operative article, amendment, treaty or transitional provision has been checked. No quoted legal passage or current statutory rate is relied on to decide this fictional case.

Indonesian tax administration

PMK 81 of 2024 and amendment history - The JDIH page lists amendment history including PMK 1 of 2026. Retrieve applicable originals and check all later amendments before use.

Open official reference

Indonesian related party transactions

PMK 172 of 2023 - Review the applicable articles, period, documentation, MAP and APA provisions and any subsequent changes.

Open official reference

Employment related withholding

PMK 168 of 2023 - Check the current original framework, subsequent measures, employee facts and any separate treaty questions.

Open official reference

Required legal applicability record

For each material position, retain the original provision and exact article, authority and version, effective dates, relevant amendments and the reason it applies to the client's facts and period. Record competing interpretations and the specialist's conclusion. Official service pages and OECD guidance have different authority from domestic legislation and treaty text.

Independent completion checks

- The client identity, period and authorised scope match the actual engagement.
- Every material statement is traceable to the original record and preserves any contradiction.
- The calculations are independently reperformed and assumptions are distinguished from legal rules.
- The applicable law and source history support the conclusion for the actual period.
- A different qualified Falcon reviewer records the judgement and material limitations.
- The client authorises the intended delivery and any separate external submission is evidenced.

Sample status: not approved for client issue. No preparer, reviewer or client signature is simulated. Replace the fictional dataset and complete the real engagement review before using this document as a delivery model.