



**Terms of Reference  
Short Term Consultant**

**Revenue Administration Adviser (Government Accounting)**

<b>National Remuneration Framework:</b>	Disciple Group C, Job Level 2
<b>Counterparts:</b>	Directorate General of Taxes (DGT), Ministry of Finance (MOF)
<b>Work Location:</b>	Jakarta, Indonesia
<b>Reports to:</b>	Revenue Administration Adviser (Government Accounting)
<b>Duration of inputs:</b>	60 input days, over 12 months (approx.)
<b>Budget Source:</b>	Revenue TA: Better Administration

**Summary of Expertise Required**

The Revenue Administration Adviser (Government Accounting)—hereinafter the “Adviser”—will advance the objectives of Prospera’s Revenue Engagement Area by providing technical analysis and advice to support the Directorate General of Taxes (DGT) in the improvement of VAT Forms (i.e., SPT PPN), and the design of VAT-Payer Accounts and Accounting Manual as inputs for the development of the new Core Tax Administration System. The Adviser will ensure that the proposed forms and accounting procedures can accommodate all related VAT transactions and comply with the prevailing government accounting standards and practices. The Adviser will also ensure that the reported transactions will be correctly journaled, and the journals are all sound in terms of having a solid legal basis and equipped with sufficient controls in place to ensure that quality accounting will be performed. The Adviser will develop the draft Accounting Manual to provide staff of DGT with a comprehensive set of standard operating procedures to capture all possible VAT journals. The Adviser will also need to ensure that the Accounting Manual provides the taxpayers with a comprehensive view that the accounting procedures performed by the tax administration follow the current laws. Overall, the Revenue Administration Adviser (Government Accounting) will provide advice and support the Lead Adviser (Revenue) in contributing to the program of work to assist the Government of Indonesia to achieve its goal of increasing revenue through the implementation of improved tax compliance programs.

**Scope of Services**

The position is required, but not limited, to:

**A. VAT Form Design**

- **Review proposed VAT Form**—assess all aspects of VAT transactions (outputs, inputs and adjustments, including penalties and interests, if applicable) and critically test the new Form as a medium to record business transactions (debit and credit balances) for VAT purposes in the most efficient and effective manner.
- **Review electronic invoice**—assess the current accounting procedures for posting business-to-business transactions using electronic invoices, and analyse options to construct proforma VAT Return using information from electronic invoices.
- **Review proposed rolling balances**—assess the introduction of rolling balances of VAT accounts (liability, payment, credit carried forward, refunds, disputes, etc.) to ensure reporting consistency and accuracy between one reporting period to another, and to establish a trusting relationship between taxpayers and DGT. This includes providing recommendations for practical implementation of the rolling balance on the form and account(s).

- **Review processes for updating VAT accounts**—assess the most efficient procedure to make corrections/adjustments to the VAT-payer accounts.
- **Design digital format**—review the current layout of the form and propose digital friendly options for, among others, pre-populated electronic filing using data from electronic invoices.

**B. VAT Accounts**

- **Review current government practices for revenue accounting**—review the current accounting rules related to VAT and formulate new rules required to ensure the accounting of the transactions fulfil the legal requirements and is in line with the prevailing central government accounting system and standards.
- **Design Chart of Account (CoA) for VAT administration**—the CoA must comply the prevailing central government and DGT accounting system and standards, and follow the generally accepted accounting principles. The design of the CoA must consider its application for performance measurement of the tax administration.
- **Design VAT accounts and accounting principles**— review the proposed VAT accounts (e.g., liabilities, payment, credit, refund, etc.) and all accounting principles related to the VAT accounts, including recording mechanism of all journals to ensure the completeness and accuracy of transactions based on the VAT Form review.
- **Reconcile VAT and Revenue Accounting**—review the rules related to the two sets of accounts (Revenue and Taxpayers) and assess the rules to ensure completeness and accuracy to conduct ongoing reconciliation between the two sets of accounts.

**C. Accounting Manual**

- **Develop Accounting Manual**—the Accounting Manual will support both the tax administration and taxpayers to ensure a standardised approach to accounting and establish transparency and certainty in all VAT accounting and reporting.
- **Ensure legal basis**—assess and confirm the legal basis for each of the business and accounting rules and ensure all are included in the manual—including procedures for paying before filing or vice versa; reassessment of tax liabilities; and calculation of interests/penalties—as body of knowledge for the tax administration and taxpayers.
- **Ensure completeness and accuracy of journals and reporting**—assess the journals and confirm the completeness and accuracy in terms of generally accepted accounting principles, and compliant with the prevailing central government accounting system and standards.

**D. Performance Management Reporting**

- **Design performance monitoring dashboard and periodic report**—the dashboard and periodic report should provide decision makers with a quick snapshot regarding the current state of the VAT administration. The snapshot should be able to be broken down by major accounts and processes, taxpayer segments, economic sectors, regions, etc.

**Outputs/Deliverables**

The position is expected to deliver the following outputs over the term of the contract to the satisfaction of the Lead Adviser:

1. **Design Thinking Workshop(s)**, in collaboration with other Prospera’s Advisers, to obtain feedback and improve the design of VAT Forms
2. **Draft VAT Forms (Return and Attachments) Design and their filling instructions**

3. **Detailed Chart of Accounts for VAT Administration**—in close collaboration with DGT counterparts, develop detailed CoA for VAT administration following the central government and DGT accounting system and standards.
4. **VAT Accounting Manual**—comprehensive and detailed step-by-step accounting manual for VAT administration.
5. **VAT Performance Dashboard and Periodic Reporting Format** with key indicators that will facilitate policy formulation and management decision making

The final products of Outputs 1-4 must be presented in Bahasa Indonesia.

#### **Other Outputs:**

- **Weekly Progress Reports** which briefly cover current week activities and achievements, and plan for the following week, and technical and administrative reform advice related to the VAT Form, Accounts and Accounting Manual.
- **Presentation materials and/or other documents**, as required, to effectively deliver the assignment stipulated under this TOR.

In addition to the above deliverables, the Adviser is expected to regularly communicate with the Lead Adviser on progress and seek input where required, including providing inputs to a team of experienced tax policy and administration experts with whom counterparts engage and seek advice, as required. This Adviser shall also submit an **Input Completion Report (ICR)** in Prospera's format, upon completion of the assignment, to be endorsed by the Lead Adviser.

#### **Selection Criteria – Qualifications and Experience**

The Revenue Administration Adviser (Government Accounting) will have deep knowledge in the Indonesian Government accounting regulations, system and practices. S/he must have extensive accounting experience in general and specific public sector finance experience. More specifically, the successful Adviser shall be able to demonstrate to have the following skills, experience and qualifications:

- Advanced qualifications in accounting, finance, public administration or related disciplines.
- At least 5 years' experience in, and significant technical knowledge of, accounting practices and accounting in public sector in Indonesia.
- Demonstrated capacity to review and assess accounting practices in public sector organisations as well as national tax administrations.
- Knowledge in International Public Sector Accounting Standard (IPSAS) and/or Generally Accepted Accounting Principles (GAAP), or any other professional accounting certification would be a strong advantage.
- Strong relationship management skills, particularly in dealing with senior government officials, and ability to operate effectively and sensitively in a cross-cultural environment.
- High-level communication skills (verbal, written and presentational) in English, with language skills in Bahasa Indonesia (required).

#### **Overview of Work Unit**

Prospera's Revenue Engagement Area works largely with the Fiscal Policy Agency and Directorate General of Taxes, in the Ministry of Finance to support the Government of Indonesia's objective of increasing revenue through tax policy reform and a strong, credible and accountable tax administration. Prospera aligns this support around two activity streams: Revenue Policy and Administration. Both streams of work involve technical and analytical advice, institution strengthening, change management, and stakeholder engagement activities.

### Relationship Management

The position will be required to work with officials in the Directorate General of Taxation and Fiscal Policy Office, in the Ministry of Finance as well as other government officials as needed. Close collaboration and support for the Government of Indonesia’s Tax Reform Team will be critical to success. Engagement with external stakeholders, including the private sector, tax agents and financial advisers, will also be required to inform advice on revenue policy and administration. The position will be required to coordinate and consult with other development partners and stakeholders working in related areas.

### Overview of PROSPERA

Prospera is a partnership facility between the Government of Australia (through the Department of Foreign Affairs and Trade) and the Government of Indonesia. It aims to foster strong, sustainable and inclusive economic growth in Indonesia. Commencing from 1 March 2018, Prospera is a planned five-year investment that draws together the former Government Partnership Fund (GPF) and Australia Indonesia Partnership for Economic Governance (AIPEG). Prospera will be responsive to the needs of a wide range of agencies in the Indonesian government, covering five engagement areas:

- (i) Markets – improving product and factor market efficiency;
- (ii) Finance – delivering financial stability and development;
- (iii) Spending – improving the quality, delivery efficiency, and access to public services;
- (iv) Revenue – mobilising revenues without unduly impeding private activity;
- (v) Public Sector Reform – strengthening economic institutions; and
- (vi) Economics & Inclusion – providing analysis to boost the evidence for economic policy.

### The following standard requirements apply for all Prospera team members:

<p><b>Confidentiality</b></p> <p>Due to the sensitivity of much of the information the position will encounter, there is an obligation, pursuant to the contract of engagement to maintain full confidentiality of information and to not disclose this to third parties without the express written approval of Prospera. In some cases, a separate confidentiality agreement may be required authorising the review of sensitive material.</p>	<p><b>Conflict of Interest</b></p> <p>The team member will use her/his best endeavours to ensure that a situation does not arise which may result in a conflict of interest. Where a conflict of interest or a potential conflict of interest arises in the performance of the obligations under this Terms of Reference, the team member must immediately notify the Chief of Operations.</p>
<p><b>Knowledge and Performance</b></p> <p>The team member will support Prospera’s Knowledge and Performance team through reporting and communication products for knowledge capture and learning purposes. The team member will also support monitoring and evaluation through the supply of high quality data, participation in data collection methods and case studies that may arise from the inputs.</p>	<p><b>Diversity and Inclusion</b></p> <p>Prospera recognises the importance of embracing workplace diversity, specifically valuing the unique qualities, attributes, skills, and experience all employees bring to the workplace. Prospera is committed to supporting a positive work environment based on respect. These values should be reflected in the function and behaviour of all team members.</p>
<p><b>Code of Conduct</b></p> <p>The team member is to conduct themselves in a manner consistent with the Public Service Act 1999 (Cth), (including the Australian Public Service Values and Employment Principles, and Code of Conduct) and the employer’s professional standards.</p>	<p><b>Policy Compliance</b></p> <p>The team member will work within Department of Foreign Affairs and Trade policy and Prospera guidelines on gender, child protection, poverty, the environment, human rights, and governance.</p>