

The Role of the Inspectorate in Supervising Surface Water Tax: Case Study of the Inspectorate of West Papua Province

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Abstract

This study aims to analyze the role of the provincial inspectorate in supervising local taxes, especially the surface water tax. The method used in this research is descriptive qualitative method. to find out and analyze the role of the provincial regional inspectorate and its capabilities in conducting guidance and supervision on local taxes. Data The type of data used is primary data and secondary data. The technique used to analyze the data is to focus the data on the role of the provincial regional inspectorate and its capability in conducting guidance and supervision of regional tax supervision, especially the Surface Water Tax. Based on the results of research by the Inspectorate of West Papua Province, they have carried out their main tasks properly and are in accordance with applicable regulations. However, it has not been effective in carrying out regional tax supervision. This is because there is no SOP related to tax oversight and a lack of human resource competency. Even though the SOP for supervising regional taxes does not yet exist, the implementation of supervising local taxes, specifically the surface water tax, is still carried out by following the procedures for general supervision and inspection.

Keywords: *The Role of Inspectorate, Supervision, Local Taxes, Surface Water Taxes.*



A. INTRODUCTION

One of the demands of the community is to create good governance in the administration of regional government so that the role of regional supervisory institutions is needed (Siraja, Alam, and Samsu 2012). According to Silangit (2014) the increasing demands of society for clean, fair, transparent and accountable governance must be taken seriously and systematically. All levels of state administrators, both in the executive, legislative and judicial branches, must have a shared commitment to upholding good governance and clean government. Along with this, the central and regional governments have set targets to improve bureaucratic services to the community with the policy direction of creating clean and authoritative governance (good governance).

Supervision is required both externally and internally. External supervision is carried out by bodies or people who come from organizational units other than the organizational unit being examined, while internal supervision is carried out by bodies or people within the organizational unit being examined (Arfiani, Mas'ud, and Suriyanti 2020). In order for this supervision to run smoothly in accordance with the objectives that have been set, the role of technical and functional institutions related to supervisory tasks both regionally and centrally is needed effectively. If it is later found that there are irregularities or obstacles, it is hoped that they can be immediately

controlled, and corrective action can also be taken immediately. Through this corrective action, it is hoped that the implementation of the activities in question can still achieve its objectives optimally so that it can improve the performance of the work unit (Sari 2015).

The provincial inspectorate is led by an inspector who is responsible to the governor. In the Government Regulation of the Republic of Indonesia Number 18 of 2016 concerning Regional Apparatus, it is stated that within the scope of provincial regional government, internal supervision is carried out by the provincial inspectorate. The provincial inspectorate is tasked with assisting the Governor in developing and supervising the implementation of government affairs which fall under the authority of the Region and assistance tasks by regional officials, implementing guidance on the administration of Regency/City Regional government and the implementation of government affairs in the Regency/City area. In addition, it was explained that the functions of the provincial inspectorate are (1) formulation of technical policies in the field of supervision and supervision facilitation; (2) internal control over performance and finance through audits, reviews, evaluations, monitoring and other supervisory activities; (3) implementation of supervision for certain purposes on the assignment from the Governor; (4) preparation of monitoring results reports; (5) the administration of the Regional Inspectorate, and; (6) implementation of other functions given by the Governor related to his duties and functions. Therefore, based on their duties and functions, the provincial inspectorate also plays a role in supervising local taxes.

Silangit (2014) states that the Inspectorate has authority in terms of supervising regional tax payments. This supervision is aimed at the efficiency and effectiveness of the work apparatus of the Regional Revenue, Finance and Asset Office so that they work optimally so that local tax sources including value added tax can be properly managed.

Types of regional taxes Law Number 28 of (2009) concerning regional taxes and regional levies is distinguished on provincial taxes and district/city taxes. Provincial taxes include motor vehicle tax, motor vehicle transfer fee, motor vehicle fuel tax, surface water tax and cigarette tax. Regency/city taxes include hotel taxes, restaurant taxes, entertainment taxes, billboards taxes, street lighting taxes, non-metallic mineral and rock taxes, parking taxes, groundwater taxes, bird's nest taxes, rural and urban land and building taxes, and fees for acquisition of land and building rights. The provincial regional inspectorate supervises provincial taxes more, while regional taxes are overseen by the regency regional inspectorate. The West Papua provincial inspectorate has conducted an inspection of regional taxes handled by the provincial government. The regional taxes examined are like the surface water tax which is a provincial tax.

According to Tuidano, Kaunang, and Kimbal (2017), in general the problems faced by regional inspectorates in carrying out supervision are first, one of the important factors that supports the performance of regional inspectorate supervision so that it can run effectively is independence. However, sometimes the

implementation is not carried out objectively. Second, the condition of the objects that will be monitored by the Inspectorate, especially if there is minimal access to carry out supervision, this is due to unfavorable weather so that the Inspectorate's supervisors are ineffective. This is of course a special concern so that the process of carrying out supervision can run effectively and efficiently. Third, the specifications of the educational background (competencies) and human resources (HR) of regional supervisory officials are still minimal so that carrying out supervision is not running optimally. These conditions can affect the implementation of the supervisory function. Therefore, good human resources for supervisory apparatus are needed to carry out supervision.

Previous research focused on the role of monitoring regional government administration (Tuidano et al. 2017), budget preparation and managerial performance (Sari 2015), regional financial supervision (Arfiani et al. 2020), BKD performance (Siraja et al. 2012), procurement supervision regional property (Ardiyanti, Djasuli, and Harwida 2016), as well as the role of district regional inspectorates (Iswanto and Rufaedah 2019; Mafaza, Mayowan, and Sasetiadi 2016; Setiawan and Putro 2013). Meanwhile, this research focuses on the role of inspectorates in supervising regional taxes, especially surface water taxes. This is important because taxes are a source of funds that support the implementation of regional government. Moreover, with Government Regulation no. 10 of 2021 which aims to strengthen the role of Regional Government in supporting national fiscal policy, ease of doing business and regional services.

This research was chosen and conducted in West Papua Province because in 2021, several C excavation entrepreneurs did not pay tens of billions of rupiah in taxes to the local government. This case was revealed after the Mayor of Sorong carried out a surprise inspection with representatives of the Corruption Eradication Commission (KPK) to several C excavation locations and found alleged leaks in tax payments to the state (Suripatty 2021, Papua Inews). Then in 2022, PT SIDC Papua Cement, which operates in the Manokwari Regency area, was found to have been in arrears in surface water tax payments since 2020 to the West Papua Provincial Government with a total arrears reaching IDR 20 billion (Santoso 2022, Antara News). This means that regional tax supervision in West Papua Province is still lacking.

This research aims to analyze the role of provincial regional inspectorates in supervising regional taxes, especially surface water taxes. It is hoped that this research will be useful for increasing knowledge in the field of accounting regarding the public sector and taxes. Apart from that, it is also hoped that this research can provide input for the West Papua Provincial Inspectorate regarding regional tax supervision. Supervision is required both externally and internally. External supervision is carried out by bodies or people from organizational units other than the organizational unit being examined, while internal supervision is carried out by bodies or people within the organizational unit being examined (Arfiani et al. 2020).

B. LITERATURE REVIEW

1. Main Duties of Inspectorate Functions

Based on Law Number 23 of 2014 concerning regional government and Government Regulation Number 20 of 2001 concerning guidance and supervision of the implementation of regional government, the element of supervision in regional government was previously carried out by provincial and district/city regional inspectors. The inspectorate is a supporting element of regional government in the field of supervision led by a head of agency who is under and responsible to the governor and regent/mayor through the regional secretary. The Inspectorate based on its main duties and functions is to carry out functional supervision of the administration of regional government in the field of supervision which includes government, social development and regional finance and regional assets. In the context of accountability and objectivity of monitoring results, the inspector in carrying out his duties is directly responsible to the governor, while the regional secretary is administrative responsibility in terms of finance and personnel.

The main tasks of the provincial inspectorate based on Law no. 23 of 2014 are: a) Assisting the governor in fostering and supervising the implementation of government affairs which are the authority of the region and assistance tasks by regional apparatus; and b) assisting the Governor as Representative of the Central Government (GWPP) to carry out general supervision and technical supervision.

Meanwhile, the functions of the provincial inspectorate are: a) Carrying out the formulation of technical policies in the field of guidance and supervision as well as facilitation of supervision; b) carrying out internal development and supervision duties through audits, investigations, reviews, monitoring, evaluation and other supervisory activities; c) implementation of guidance and supervision for certain purposes on assignment from the Governor; d) preparation of reports on the results of supervision; e) implementation of provincial inspectorate administration; and f) carrying out other tasks in accordance with the main tasks and other functions assigned by the Governor related to their duties and functions.

The main tasks and supervisory functions of the provincial inspectorate are carried out starting from the formulation of technical supervision policies, implementation of supervision and guidance both routine and in accordance with special assignments from the governor up to the reporting stage. The implementation of this supervisory function in regional taxes focuses on provincial regional taxes or district regional taxes according to the assignment of the inspector and/or governor.

2. Local Tax

Regional taxes are an important source of regional income to finance the implementation of regional government to strengthen broad, real and responsible regional autonomy. The role of taxes in development can be seen in every project implemented by the government, it is always said that the projects being built are financed from tax funds that have been collected from the community (Nopyandri 2015).

Regional taxes are regulated in Law Number 28 of 2009 concerning Regional Taxes and Regional Levies. The types of regional taxes are differentiated into provincial taxes and district/city taxes. Provincial taxes include motor vehicle tax, motor vehicle title transfer fee, motor vehicle fuel tax, surface water tax and cigarette tax. The district/city taxes include hotel tax, restaurant tax, entertainment tax, advertising tax, street lighting tax, non-metallic mineral and rock tax, parking tax, ground water tax, wallet bird's nest tax, rural and urban land and building tax, and fees for acquiring rights to land and buildings.

In 2021 the Indonesian Government issued Government Regulation Number 10 of 2021 concerning Regional Taxes and Regional Levies. PP Regulation No. 10 of 2021 aims to strengthen the role of regional governments in supporting national fiscal policies, ease of doing business and regional services. PP No.10 of 2021 regulates the following policy points: a) adjustment of Regional Tax and Regional Retribution (PDRD) rates on national strategic projects (PSN); b) evaluation of draft Regional Regulations and Regional Regulations regarding PDRD; c) supervision of Regional Regulations regarding PDRD; d) support for incentives for implementing ease of doing business; and e) administrative sanctions.

3. Surface Water Tax

Surface water tax in West Papua Province is regulated in West Papua Provincial Regulation Number 6 of 2011 concerning Surface Water Tax. Surface Water Tax is a tax on the collection and/or use of surface water for use by individuals or entities, except for basic household needs, agricultural irrigation and people's fisheries while still paying attention to environmental sustainability in accordance with laws and regulations. Surface water in question is all sources of water that are on the surface of the ground, excluding sea water, both at sea and on land. Surface Water Taxpayer is an individual or entity that collects and/or utilizes Surface Water is required to pay the tax owed.

The basis for imposing Surface Water Tax is the Acquisition Value of Surface Water. Surface Water Acquisition Value as intended in paragraph (1) is expressed in rupiah which is calculated by considering some or all of the following factors: a) type of water source; b) location of water sources; c) purpose of water extraction and/or utilization; d) volume of water taken and/or utilized; e) water quality; f) the area where water is collected and/or utilized; and g) the level of environmental damage caused by water extraction and/or use.

The Surface Water Tax rate is set at 10% (ten percent). The principal amount of Surface Water Tax payable is calculated by multiplying the rate and the tax base. Tax collection is carried out through data collection, determination, payment, billing, bookkeeping, reporting and confiscation activities. The collection of Surface Water Tax is prohibited from being wholesaled. Surface Water Tax is imposed for a Tax Period of 1 (one) calendar month starting from the time of collection and/or utilization of Surface Water. When Tax is Payable is at the time of collection and/or utilization of

Surface Water and/or when it is determined by a Regional Tax Assessment Letter (SKPD) or other equivalent documents by the Governor.

The procedures for paying for surface water are: (1) Payment of Tax owed must be made at once; (2) The Governor determines the due date for payment and deposit of tax payable no later than 30 (thirty) working days after the time the tax becomes payable; (3) Local Tax Assessment Letters (SKPD), Regional Tax Collection Letters (STPD), Rectification Decision Letters, Objection Decision Letters, and Appeal Decisions which cause the amount of tax to be paid to increase are the basis for tax collection and must be paid in full within the longest period of time. 1 (one) month from the date of issue; (4) Upon the application of the Taxpayer after fulfilling the specified requirements, the Governor may give approval to the Taxpayer to repay or delay the payment of taxes, subject to interest of 2% (two percent) a month; (5) Further provisions regarding procedures for payment, deposit, place of payment, installments, and delays in payment of taxes are regulated by a Governor Regulation.

(6) Payment of taxes owed is made at the Regional Treasury or other place determined by the Governor; (7) Tax payments as intended in paragraph (1) are made using a Regional Tax Payment Letter (SSPD); (8) The form, type, size and procedures for filling out the SSPD are determined by Governor Regulation.

4. Linkage of Supervision with Optimization of Regional Tax Collection

Regional taxes are one of the largest sources of income for local governments. Regional taxes are divided into provincial taxes and district taxes. Provincial regional inspectorates supervise provincial taxes, while regional taxes are supervised by district regional inspectorates. However, if there are obstacles that cannot be resolved by the district inspectorate in supervising regional taxes, the case will be forwarded to the provincial inspectorate for follow-up. The Inspectorate has the authority to supervise regional tax payments. Taxes as a source of revenue are often problematic in terms of collection, often there is also misappropriation of funds. For this reason, the inspectorate is tasked with supervising regional taxes. Supervision is carried out so that regional tax sources can be managed well (Silangit, 2014).

5. Regional Tax Supervision

The meaning of supervision over the administration of regional government in accordance with article 1 of government regulation No. 79 of 2005 concerning guidelines for the development and supervision of regional government administration, namely "Supervision over the administration of regional government is an activity process that is demonstrated to ensure that regional government runs efficiently and effectively in accordance with plans and provisions of statutory regulations (Nainggolan 2018). Supervision is an administrative function that serves to prevent deviations or deviations from previously formulated policy plans (Sakti and Fauzia 2018). According to Terry in Winardi (2012) supervision consists of a process formed by three kinds of universal steps, namely (1) measuring work results, (2) comparing work results with standards and ensuring differences and (3) correcting

irregularities that are not required through corrective action. Therefore, regional tax supervision can be interpreted as an activity process aimed at preventing regional tax irregularities.

Specifically, the regional tax discussed in this research is surface water tax. The steps taken in efforts to supervise regional taxes are comparing related regulations, especially West Papua Province Regional Regulation No. 6 of 2011 concerning Surface Water Tax with implementation in the field, for example (1) Determination of Surface Water Value and Basic Price of Surface Water; (2) Determination of Surface Water Tax Rates; (3) Determination of fines.

C. METHOD

The method used in this research is a descriptive qualitative method. To find out and analyze the role of provincial regional inspectorates and their capabilities in providing guidance and supervision on regional taxes. The object of this research is the Regional Inspectorate of West Papua Province. The research analysis was carried out in several stages, namely providing a description of the West Papua Province Inspectorate and discussing an overview of the implementation of surface water tax supervision at the West Papua Inspectorate.

The types of data used are primary data and secondary data. The primary data in this research is data from interviews sourced from several West Papua Province Inspectorate employees, namely Middle Expert Auditors, Junior Expert Auditors, and First Expert Auditors. Meanwhile, secondary data is inspection results reports (LHP), regulatory documents and other related documents.

The technique used to analyze the data is to focus the data on the role of provincial regional inspectorates and their capabilities in providing guidance and supervision of regional tax supervision, especially Surface Water Tax. Data that is deemed unnecessary or unrelated to this research will be reduced or set aside by the researcher. After that, the data will be analyzed to explain the role of the provincial regional inspectorate in carrying out regional tax supervision, including the procedures carried out by the West Papua Provincial Inspectorate in carrying out its main duties. The final step will be drawing conclusions and providing recommendations regarding the implementation of the supervisory function of the provincial inspectorate.

D. RESULT AND DISCUSSION

1. West Papua Provincial Inspectorate

The West Papua Provincial Inspectorate is a work unit that carries out the task of carrying out internal supervision within the state administrative institutions (LAN) in West Papua Province. The vision of the West Papua Province Inspectorate is towards a safe, prosperous and dignified West Papua. Its mission is to create good governance based on a clean and authoritative apparatus and effective special autonomy.

The West Papua Provincial Inspectorate has carried out the main tasks of the provincial inspectorate in accordance with the regulations stipulated in Law no. 23 of 2014 concerning Regional Government. The West Papua Provincial Inspectorate is a work unit that carries out the task of carrying out internal supervision within the state administrative institutions (LAN) in West Papua Province. The vision of the West Papua Provincial Inspectorate is Towards a Safe, Prosperous and Dignified West Papua. The Mission is to Create Good Governance Based on Clean and Authoritative Apparatuses and Effective Special Autonomy.

The West Papua Provincial Inspectorate has carried out the main tasks of the provincial inspectorate in accordance with the regulations stipulated in Law no. 23 of 2014 concerning Regional Government. The main tasks of the provincial inspectorate based on Law no. 23 of 2014 are: a) Assisting the governor in fostering and supervising the implementation of government affairs which are the authority of the region and assistance tasks by regional apparatus; and b) assisting the Governor as Representative of the Central Government (GWPP) to carry out general supervision and technical supervision.

Meanwhile, the functions of the provincial inspectorate are: a) Carrying out the formulation of technical policies in the field of guidance and supervision as well as facilitation of supervision; b) carrying out internal development and supervision duties through audits, investigations, reviews, monitoring, evaluation and other supervisory activities; c) implementation of guidance and supervision for certain purposes on assignment from the Governor; d) preparation of reports on the results of supervision; e) implementation of provincial inspectorate administration; and f) carrying out other tasks in accordance with the main tasks and other functions assigned by the Governor related to their duties and functions.

The main tasks and supervisory functions of the provincial inspectorate are carried out starting from the formulation of technical supervision policies, implementation of supervision and guidance both routine and in accordance with special assignments from the governor up to the reporting stage. The implementation of this supervisory function in regional taxes focuses on provincial regional taxes or district regional taxes according to the assignment of the inspector and/or governor. IN as the Middle Expert Auditor expressed his opinion in the interview as follows: *"...Yes. We have carried out our main tasks in accordance with the regulations set. Activities such as conducting audits, reviews, evaluations and monitoring."*

H as the Young Expert Auditor also expressed his opinion in the interview results as follows: *"...Yes We have carried out supervision of OPDs such as SPJ/Audit Examination, Evaluation, Review and Monitoring"*.

Based on the results of the interview, it can be seen that the West Papua Inspectorate has carried out the main tasks of the provincial inspectorate in accordance with established regulations, such as carrying out internal guidance and supervision tasks through inspections, investigations, reviews, monitoring, evaluation and other supervisory activities.

Apart from Law no. 23 of 2014 concerning Regional Government, there are additional rules that are used. H as the Young Expert Auditor expressed his opinion in the interview as follows: *"...There are additional regulations, such as Government Regulations, Presidential Regulations, Ministerial Regulations, Governor Regulation number 43 of 2016 concerning Position, Organizational Structure, Duties and Functions and Work Procedures of Regional Inspectorates and Regional Regulation number 7 of 2016 dated 30 December 2016 concerning the Formation and Structure of Regional Apparatus".*

In addition, the inspectorate also analyzes certain activities that lead to adverse deviations, especially in the process of supervising local taxes, although not routinely. PSN as the First Expert Auditor expressed his opinion in the results of the interview namely: *"...Yes the analysis was carried out. For example, if regional income from the tax sector decreases, the amount from the licensing and regional investment sector increases."*

In added his opinion in the interview results, namely: *"...Done but not routinely. But this has never been done against a Surface Water Tax at a company in West Papua."*

Then the Inspectorate will provide recommendations in the detection and disclosure of fraud findings in the local tax oversight process. SA expressed his opinion in the interview, namely: *"...If fraud is found in the regional tax monitoring process, the inspectorate is obliged to report to the leadership, and recommend that the regional apparatus organization immediately follow up on the findings.."*

From some of the information obtained in the interviews, it can be concluded that the West Papua Province Inspectorate has carried out its main duties well and in accordance with applicable regulations. When there is a deviation will be followed up immediately. However, the problem faced is that the human resources at the West Papua Provincial Inspectorate are still very insufficient to support the effectiveness of regional tax supervision.

The quality of supervision over the administration of regional government is very dependent on the competence of the supervisory apparatus itself and is also supported by adequate facilities and infrastructure in carrying out supervision (Harris & Kusmanto, 2016)

2. Supervision of Surface Water Tax

Based on Government Regulation No. 12 of 2017 concerning the Development and Supervision of Regional Government, article 1, states that Supervision of Regional Government Implementation is efforts, actions and activities aimed at ensuring that the implementation of Regional Government runs efficiently and effectively in accordance with the provisions of statutory regulations. In this case the supervision of Regional Taxes is important. Based on the interview results, the West Papua Provincial Inspectorate has not carried out regional tax supervision in accordance with applicable regulations. H expressed his opinion in the results of the interview namely:

"...The inspectorate has not yet fully carried out supervision in regional taxation due to human resources and based on OPD requests for audits. Then there is no SOP and organizational structure for carrying out the regional tax supervision process."

In addition, there is no Standard Operating Procedure (SOP) and organizational structure in carrying out the regional tax monitoring process. SOP is a guideline or reference for carrying out work tasks in accordance with the functions and performance assessment tools for a company or organization (Estiningsih & Nurranto, 2020).

Regional tax supervision is carried out by the West Papua Provincial Inspectorate if there is a request for an audit from OPD. The inspectorate will design a control flow regarding what objects will be inspected. PSN expressed his opinion in the results of the interview namely: *"...If there is a request for a new audit, the inspectorate designs a flow of supervision regarding what objects to be inspected along with documents starting with planning, targets and their realization, after which they are evaluated regarding what factors influence the success of an activity."*

The party authorized to carry out the task of supervising regional taxes is the Regional Revenue Agency (Bappenda) and the Inspectorate is tasked with supervising Bappenda. In the process of monitoring regional taxes, there are obstacles faced. One of the obstacles faced is the lack of competence of human resources. U expressed his opinion in the interview, namely: *"...The obstacle is that human resources do not have sufficient knowledge about local tax supervision, so they still need experts"*.

PSN added his opinion in the interview results, namely: *"...It is not yet known what the obstacles are, because the West Papua Province Regional Inspectorate rarely carries out supervision regarding regional taxes"*.

The West Papua Inspectorate has made efforts to overcome existing obstacles, such as using experts. However, no strategy has been implemented to anticipate the recurrence of existing obstacles. U expressed his opinion in the interview, namely:

"...There is no strategy to anticipate the recurrence of existing constraints due to the infrequent carrying out of these inspections."

From some of the information obtained in the interview results, it can be concluded that the Inspectorate of West Papua Province has not been effective in carrying out regional tax supervision. This is because the Regional Tax supervision process is charged to Bapenda. Apart from that, the Inspectorate's HR competency regarding tax is still inadequate and they still use the help of experts. In addition, there is no strategy implemented to prevent the recurrence of the existing constraints because the Inspectorate rarely conducts inspections.

Even though the SOP for supervising regional taxes does not yet exist, the implementation of supervising local taxes, specifically the surface water tax, is still carried out by following the procedures for supervision and general inspection.

a. Measure the results of work,

Supervision and inspections are carried out by comparing West Papua Province Regional Regulation No. 6 of 2011 concerning Surface Water Tax with the conditions of tax practices in the field. Based on the Surface Water Tax Inspection Report (LHP) that has been carried out, inspection and supervision is carried out by comparing regional regulations related to (1) determining the value of surface water

and the basic price of surface water; (2) determination of surface water tax rates; and (3) determination of fines.

b. Compare work results with standards and ascertain discrepancies

After comparing the relevant regulations with the practices that occur in the field, the inspectorate then explains the non-conformity conditions for each aspect found. In the aspect of determining the value of surface water and the basic price of surface water, it is not yet in accordance with West Papua Province Regional Regulation No. 6 of 2011 concerning Surface Water Tax. Determination of surface water values and basic surface water prices is calculated by considering some or all factors including: a) type of water source; b) location of water sources; c) purpose of collection and/or utilization; d) water quality; e) the area where water is collected and/or utilized; and f) the level of environmental damage caused by water extraction and/or use.

Inappropriate conditions for determining surface water tax rates, namely the rates used are not appropriate to the type of operation carried out. Based on the inspection, it was found that the measurement of the volume of water used did not match what was reported and the company should use the tariff for non-PLN PLTU electricity generation.

Furthermore, the conditions that are not appropriate for determining fines are that determining the day of delay should be imposed no later than 10 working days after the SKPD is sent, but the letter issued is written no later than 30 days after the SKPD is issued.

c. Correct unwanted deviations through corrective action.

Based on any findings of unsuitable conditions, the inspectorate will then provide recommendations for correcting inappropriate matters. Recommendations based on the LHP regarding conditions that are not suitable for determining the value of surface water and the basic price of surface water, namely preparing a draft amendment regarding the Procedure for Calculating the Amount of Surface Water Acquisition Value by consulting the Minister of Public Works and Public Housing. In addition, ordered the Head of the Public Works and Spatial Planning Office of West Papua Province to provide technical support to the Regional Revenue Agency in connection with the calculation of the intended NPAP.

The next recommendation regarding inappropriate conditions for determining surface water tax rates is to prepare and determine SOPs for testing methods and checking reports on the realization of surface water extraction and/or utilization. Apart from that, it is also recommended to carry out a detailed calculation of the underpayment of surface water tax to then issue a Regional Tax Underpayment Assessment Letter (SKPDKB). The final recommendation for inappropriate conditions in determining surface water tax rates is optimizing the tiered review in the implementation of the preparation of the Regional Tax Assessment Letter (SKPD) format and other related documents as well as correcting the notes on the SKPD, in accordance with applicable regulations.

E. CONCLUSION

This research aims to analyze the role of provincial regional inspectorates in supervising regional taxes, especially surface water taxes. Based on the results of research by the Inspectorate of West Papua Province, they have carried out their main tasks properly and are in accordance with applicable regulations. However, it has not been effective in implementing regional tax supervision. This is because there are no SOPs related to tax supervision and a lack of human resource competence.

Even though there is no SOP for regional tax supervision, implementation of regional tax supervision, specifically surface water tax, is still carried out by following general supervision and inspection procedures. The monitoring steps taken are (1) measuring work results, (2) comparing work results with standards and ensuring differences and (3) correcting unwanted deviations through corrective action.

Practical suggestions are expected so that the Inspectorate can create its own SOP for supervision regarding regional taxes. Apart from that, it is hoped that the Inspectorate can carry out training related to regional tax supervision, such as providing special training on tax audits to improve HR competency. Theoretical suggestions are expected for future researchers to conduct in-depth interviews with all parties directly related to the regional tax supervision process so that the information obtained from sources is not limited so that it can be used as material for consideration.

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