

# Grant Thornton Indonesia Viewpoints

Expand Your Horizons Through Our Pages

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# Did You Know There is a QR Code in the Independent Auditors' Report?

Over the years, the business community, the Indonesian Institute of Certified Public Accountants, and the government have taken numerous actions to prevent fraudulent activities related to the falsification of Independent Auditors' reports.

Businesses have incurred significant costs as a result of this fraudulent practice. As of the end of 2021, the Ministry of Finance issued the latest regulation, PMK NO. 186 / PMK.01/2021, pertaining to the Development and Supervision of Public Accountants, dated on December 14th, 2021.

**In chapter 39 of this new regulation, the following statement is provided:**

- 1** Public Accountants Firm are required to include a QR code on the independent auditors' report, when providing audit services for historical financial information.
- 2** Public Accountants Firm are required to include a QR code as described in paragraph (1), on the same page as the signature sheet of the Public Accountant's opinion in the independent auditors' report.
- 3** Public Accountants Firm are required to register the auditor's report independently through the electronic system when it is issued in order to obtain the QR code mentioned in paragraphs (1) and (2).
- 4** The Registration process for the independent auditor's report, as stated in paragraph (3), involves:
  - a. filling in the appropriate report number, complying with the numbering guidelines specified by the Head of the Center for Supervision of Financial Services (PPPK), an agency under the Ministry of Finance.
  - b. Providing client data; And
  - c. Uploading the audited financial report documents that have been approved by the client.
- 5** Public Accountants Firm are required to upload the signed independent auditor's report documents, along with the QR code, when issuing the independent auditors' report.
- 6** Public Accountants Firm can create their own QR codes after obtaining approval from the Head of PPPK, provided that KAP's system:
  - a. is integrated with the electronic systems mentioned in paragraph (3); And
  - b. contains real-time data and documents as specified in paragraph (4) and (5) at the time of issuing the independent auditor's report.
- 7** Public Accountants Firm that violate the provisions stated in paragraph (1) or (3) is subject to administrative sanctions in the form of a written warning.
- 8** Public Accountants Firm who violate the provisions mentioned in paragraph (2) is subject to sanctions administration in the form of a license suspension ranging from a minimum of 1 (one) year to a maximum of 2 (two) years.
- 9** (9) The Head of PPPK has the authority to revoke the approval mentioned in paragraph (6) if the QR Code of the KAP no longer meets the requirements.

With the introduction of this regulation, it is now mandatory for all Independent Auditor's Reports in Indonesia to contain a QR Code. This QR Code should direct to the website of PPPK, which is <https://pelita-api.kemenkeu.go.id>. By scanning the QR Code, you will gain access to the following information associated with that specific QR Code:

- CPA and his/her firm name;
- The Company name;
- The period of report;
- The number and date of the Independent Auditors' Report;
- The opinion on the financial statement; and
- The total asset, net income/loss balances, respectively.

This allows every stakeholder to verify the validity of their Independent Auditor's Report. Through the collaborative efforts of stakeholders and the implementation of this feature, we aim to provide stakeholders with valid audited financial statements and their corresponding Independent Auditor's Reports.

**Here is an example of how it would appear on the Independent Auditor's Report.**



**Once the QR Code is scanned and redirected to <https://pelita-api.kemenkeu.go.id/api/VerifikasiLai?code=2be3bc49-9ca8-46c1-8d71-5183a53151cb>, this is how the information will be displayed:**



# The Evolving Landscape of Feminism for Empowering Women In an Inclusive Tomorrow

Gender equality has been highlighted as an essential value in the community at the moment. When it comes to leadership, men are no longer the only ones capable of being torchbearers. As time goes by, the role of women has been greatly overlooked in society, and they have encountered numerous obstacles which have given them the motivation to earn rights equal to men.

## Historical Context on Feminism

In the ongoing pursuit of gender equality, the concept of feminism has emerged as a transformative force. The term “feminism” was first used by Charles Fourier, a French philosopher, in 1837. It subsequently gained traction in France and the Netherlands in 1872, in Great Britain in the 1890s, and in the United States in 1910. The Oxford English Dictionary also documented the appearance of the word “feminist” in 1894, and “feminism” in 1895.

According to Josephine Donovan on her book titled *Feminist Theory: The Intellectual Traditions*, the development of feminism theory is divided into several stages:

- The first wave of feminist theory emerged in the early 18th century, focusing primarily on women’s suffrage and political rights.
- The second wave of feminism theory emerged in the 1960s and persisted into the 1980s, centering around issues such as reproductive rights, workplace equality, and gender stereotypes.
- The third wave of feminism theory emerged in the 1990s and continues to the present day. It emphasizes intersectionality and seeks to address the diverse experiences of women across various races, ethnicities, sexual orientations, socioeconomic backgrounds, and more.





### **Challenging Essentialism**

While masculinity and femininity encompass more than just differences in character or nature between men and women, they also carry implications of hierarchical power dynamics. Gender hierarchy often places masculine traits on a higher pedestal, affording them positions of power and authority, while subordinating feminine traits.

Feminist postmodernism plays a significant role in challenging essentialism, a belief in the existence of fixed inherent characteristics that define particular groups such as women or men. Feminist postmodernists argue that it oversimplifies women's diverse experiences, and they stress the existence of diversity within women's lives, recognizing that each woman's experience is unique. This emphasis on individual experiences serves as a crucial starting point in addressing gender inequalities and paving the way for women to embrace their inner abilities and forge their own paths to success. In other words, we begin to understand that each woman's journey is distinct and shaped by her own circumstances, perspectives, and aspirations.

### **How Women Empowerment Advances Sustainable Development**

According to the United Nations, providing women equal access to education, healthcare, decent work, and even representation in political and economic decision-making processes, will fuel sustainable economies, as well as benefit societies and humanity at large. Awareness of the importance of education is the first step to eliminating the inequalities between men and women. This would involve empowering women with the knowledge, skills and self-confidence in order to fully participate in the development process. In addition, the benefits of diversity include improved financial performance, leveraging talent, reflecting the marketplace and customer perspectives, and increased innovation. These things are essential for the achievement of sustainable development, as well as the full participation and partnership of both women and men in their professional and personal lives, which can include shared responsibilities towards the care and nurturing of children and maintenance of the household.

### **Women Empowerment Reflected in the Media**

Many who have seen the Barbie movie this year have drawn conclusions from the way the movie explicitly addresses gender patriarchy issues that mirror real-world experiences. It describes how navigating the world as a woman is like traversing a maze of societal expectations, how their responses to constantly shifting and contradictory demands are never good enough, sweet enough, smart enough, or even strong enough. Consequently, this movie has also become an inspiration for women, proving that unity can allow women to overcome patriarchal systems and demonstrating that women can be influential and successful when they dare to challenge the status quo. The victory scene echoed as a rallying call to all women, showing that they can achieve anything they set their minds to, regardless of the obstacles they face. This message was a resounding reminder that women are not to be underestimated. They are strong, intelligent, and resourceful. They are willing to pursue what they believe in, and they will not be discouraged by the challenges they encounter.

### **Conclusion**

In a nutshell, people should recognize that empowering women to expand their own capacity should be a main objective of development and an internal resource for motivation. Empowerment requires the full participation of people in the provision, implementation, and evaluation of decisions in determining the function and well-being of our environment. Hopefully, people will be able to contribute to the effort to close the gender gap between men and women in their personal and professional lives by increasing the participation of women throughout society, as well as bring about a balanced representation of women and men in all sectors and increase the access of education and careers for all women.

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# Facing Fraud Within a Company

When dealing with fraud, companies should take corrective action. However, there are challenges in ensuring those actions can be implemented effectively.

## Understanding the Complexity of Fraud

Fraud in companies can appear in various forms, from the misuse of assets and inventory theft to the falsification of records, including employee payroll records. In many of the cases we have handled, business owners only realize fraud is present after fraud has been happening for a long time and the amount of loss incurred is quite large. Business owners who have faced fraud cases surely understand the complicated nature of the fraud handling process, which includes the formation of a team, gathering evidence, conducting investigations, and documentation. In some cases, the entire fraud handling process can take months.

Despite all the work put into dealing with fraud, the risk of fraud still exists. This article discusses one of the common challenges faced when addressing the risk of recurring fraud and the measures that can be taken to stop it from happening.

## A Challenge to Changing Habits

Business process changes and the implementation of new internal controls are often met with opposition from within any company. Employees can feel uncomfortable with the new processes. There is a possibility that transitions and implementations of new processes that do not run smoothly can disrupt company operations.

Ensure employees are ready to adapt to the new effective processes. Provide adequate training to employees about the changing processes. Educate employees that the new processes are aimed at ensuring the company can deal with existing business challenges and risks. Set a reasonable time to guarantee the process shift runs smoothly.





### Commitments from Management

Management plays an active role in ensuring that the processes and internal controls are aligned with the company's overall strategy. Commitment from management is the primary basis for managing risk and creating a sense of accountability within the company. Management should provide a strong message to its employees about the importance of internal controls to create a balance between process and results.



**Management needs to understand that corrective measures and internal controls do not eliminate the risk of fraud.**

### Aim for Prevention, Not Correction

Most fraud cases result in significant loss for the company. Therefore, it is necessary to ensure that the corrective actions that have been designed are effectively implemented from time to time.

Monitor and test the effectiveness of internal controls regularly. Identify any areas that impede the operation of internal control. Identify the weaknesses that occur and make remediation efforts within the specified time period.

Fraud handling does not only stop at implementing corrective action, but also requires effort to adjust habits and continue the monitoring process. It cannot be denied that management involvement in the implementation of monitoring plays a very large role in reducing the risk of fraud in the future.

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