ANALYSIS OF INTERNAL CONTROL AND ACCOUNTING INFORMATION SYSTEMS ON DECISIONS TO GRANTING CREDIT AT BANKS IN PEKANBARU

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Abstract
This study aims to determine the analysis of accounting information systems and internal controls on credit purchasing decisions at PT BPR Anugerah Bintang Sejahtera in Pekanbaru. The population in this study is the number of employees at PT BPR Anugerah Bintang Sejahtera as many as 16 people consisting of 8 female employees and 8 male employees. The sample in this study were 3 people, including the Director, Credit Analyst, and Credit Admin. Sugiyono, (2014: 224) argues that data collection techniques are the most strategic steps in research, because the main objective of research is to obtain data. The data collection techniques used in this study were observations and interviews. The data analysis technique used in this study is a qualitative descriptive analysis technique using interviews and documentation. The accounting information system for lending decisions at PT BPR Anugerah Bintang Sejahtera is generally good, this can be seen from the fulfillment of the elements of the credit granting system in accordance with the underlying theory, except for serial numbers that are not printed. The application of the credit granting internal control system implemented by PT BPR Anugerah Bintang Sejahtera is said to be still not good when viewed from the credit granting procedures.

Keywords: Accounting Information Systems, Internal Control, Credit Purchasing Decisions

JEL Classification: L10, M40

1. INTRODUCTION

Banking is one of the elements of economic development as well as an institution that is obliged to participate in facilitating the flow of activities in the economic and monetary sector. The more current economic activities are developing the more sources of funds are needed to finance these economic activities. Banking has a very important task in order to encourage the achievement of national goals related to increasing and equalizing people's living standards.

According to the Banking Law, banks are divided into two types, namely Commercial Banks and Rural Banks. Rural Banks are Banks that carry out their business activities conventionally or based on sharia principles whose activities do not provide services and payment traffic. Bank whose function is to accept deposits in the form of money and provide short term and long term credit to the public. According to Kasmir, (2016: 73) Credit is the provision of money or bills that can be equated with it, based on an agreement or agreement between the bank and another party that requires the party being financed to return the money or bill after a certain period of time.
in return or profit sharing. By carrying out its business activities, namely collecting funds from the public in the form of deposits in the form of time deposits, savings and or other equivalent forms, providing credit or loans to the public, placing funds in the form of time deposits, certificates of deposit or savings at other banks, carrying out activities other commonly done rural credit banks, as long as they are in accordance with banking regulations. The funds collected by the bank must be distributed to the community in the form of credit. Distribution of public funds is carried out because the function of the bank is as an intermediary between parties who have excess funds and those who lack funds. Banks must be able to place these funds in the most profitable form of placement.

The risk of bad credit can be caused by creditors (banks) and debtors. The occurrence of bad credit is likely due to the influence of negotiations from the candidate debtors with bank officers so that the credit results are in accordance with the wishes of the prospective debtor, so that sometimes the credit given is greater than what is needed and it is also possible that there are still prospective debtors who provide good information about their business. The risk of credit default can be reduced by implementing an effective internal control system. The internal control system is an integral part of the accounting information system. Therefore, an internal control system and accounting information system are needed for the smooth process of granting credit.

Bad credit is credit that is not current and has arrived at the due date and has not been resolved by the customer concerned. To overcome the existence of non-performing loans, it is necessary to carry out an internal control analysis before granting credit. Internal control according to Tuanakotta, (2014: 352) are processes, policies, and procedures designed by management to ensure reliable financial reporting and preparation of financial reports in accordance with the applicable accounting framework. In order to avoid system fraud and abuse, an internal control is needed as a function of control and control of the system, so that a properly designed and implemented system is not misused for things that can harm the company. In general, credit analysis includes gathering information, creating and analyzing collected information, compiling and storing information for future needs. According to Romney & Steinbart (2018: 10), an accounting information system is a system that can collect, record, store, and process data to produce information for decision makers. This includes people, procedures and instructions, data, software, information technology infrastructure, internal controls and security measures. At some banks, the credit department may provide recommendations on credit applications but the final decision on granting a loan is left to the credit officer or credit committee. At this stage of credit analysis, the possibility of errors and fraud is very large.

PT BPR Anugerah Bintang Sejahtera was established to assist and encourage economic growth and regional development in all fields. As a regional company whose business is in the field of financial services. PT BPR Anugerah Bintang Sejahtera always strives to provide the best service to its customers by providing various types of savings and credit. For a bank, giving credit to customers is the biggest source of income or profit. Therefore, in accordance with the goals of every company to increase its income and maintain its survival, the provision of credit is something that is definitely continuously carried out by the Bank.

The biggest income for PT BPR Anugerah Bintang Sejahtera comes from interest on loans. However, the provision of this credit has a fairly high risk factor, and also has a significant influence on the soundness of the Bank. The Bank is always faced with a sizable risk whether the funds and interest from the credit given will be received back as promised in the credit agreement.

In order for credit activities to run smoothly, PT BPR Anugerah Bintang Sejahtera requires an accounting system to know the procedure for granting credit in one of the business fields that is engaged in savings and loans. In this case the accounting system needs to be examined to find out whether the credit...
granting procedure has been running properly and in accordance with the procedure so that credit risk does not occur. So that the credit given by the debtor will return to the bank smoothly according to the credit agreement. So the accounting system has a very important role for the development of the lending sector at BPRs.

PT BPR Anugerah Bintang Sejahtera's internal control system is overseen by one section, namely the Supervisory Section which consists of one person overseeing the company's internal controls. The control system at PT BPR Anugerah Bintang Sejahtera is actually good, but there are still employees who don't really pay attention to the existing procedures in the company, such as the account office section. Where credit is paid less attention to the procedure, so that the files in granting credit are incomplete and this can cause problem loans to occur. As well as employees who do not fully understand using the system.

The existence of Rural Banks in particular has been increasingly recognized by the wider community as a bank that is ready to provide financial services to the middle to lower economic community. Rural Banks are still expected to be able to eliminate the existence of illegal economic competitors such as loan sharks. The procedures for granting credit to PT BPR Anugerah Bintang Sejahtera are submitting credit applications, processing data analysis, deciding on credit applications, binding and realizing credit, disbursing credit facilities and paying off credit.

Based on the procedure that has been stated, the problem with this procedure is that sometimes the bank performs an analysis of debtors who are family or co-workers or debtors who promise compensation. In this case the bank no longer pays attention to the background of the debtor because they are sure that the debtor has good character.

The ability to pay is no longer considered how the debtor's ability to manage his business. The capital owned or assets of the debtor's business are also not considered by the bank.

The bank does not pay attention to the economic condition of the debtor. In Restu Febi Purwono's research, Rudy Fachruddi (2019) with the title "Analysis of Accounting Information Systems in Supporting Internal Control of Lending at PT Bank Tabungan Negara (BTN) in Banda Aceh City". The results of this study concluded that the accounting information system and internal control affect the granting of credit. So, the accounting information system and internal control are interconnected and if credit problems occur, the internal control system has a role, namely checking, observing and researching customer data that will be given credit. If the observations made do not comply with procedures and the internal control system is less selective in observing the validity of customer data, then problem loans will occur in the future.

2. LITERATURE REVIEW AND HYPOTHESES

2.1. Literature Review

The accounting information system is a system that has elements that are interrelated and related and has the goal of providing the information the company needs to achieve its goals.

Internal control is all company plans, methods and measurements chosen by a business activity to secure assets, check the accuracy and constraints of business accounting data, improve operational efficiency, and support compliance with established managerial policies.

Credit purchase decisions are the delivery of goods, services or money from one party (creditor or lender on the basis of trust to another party (debtor or debtor) with a promise to pay from the recipient of the credit to the lender on a date agreed by both parties.
3. RESEARCH METHODS

The variables in this study consisted of 3 variables, namely accounting information systems, internal controls and credit purchase decisions. The population in this study is the number of employees at PT BPR Anugerah Bintang Sejahtera Pekanbaru as many as 16 people consisting of 8 female employees and 8 male employees. The sample in this study were 3 people, including the Director, Credit Analyst, and Credit Admin. Sugiyono, (2014: 224) argues that data collection techniques are the most strategic steps in research, because the main objective of research is to obtain data. Data collection techniques used in this study were observation and interviews. The data analysis technique used in this study is a qualitative descriptive analysis technique using interviews and documentation. Qualitative descriptive analysis technique is that the data that has been obtained will be analyzed qualitatively and described in a qualitative descriptive form according to what happened in the field.

4. RESULTS AND DISCUSSION

4.1. Descriptive analysis of accounting information systems on credit purchase decisions

The results of the discussion show that the accounting information system plays an important role in granting credit to PT BPR Anugerah Bintang Sejahtera. by using an accurate accounting information system, it is very easy for PT BPR Anugerah Bintang Sejahtera employees to obtain the data and documents needed before taking credit. The use of a good accounting information system is carried out through procedures set by the bank.

The procedure carried out is an attempt by PT BPR Anugerah Bintang Sejahtera to be able to find out the identity data of the credit applicant, whether the applicant is eligible or not to be given a credit loan. The role of the accounting information system, the applicant's credit loan cannot be separated from the rules and agreements agreed upon by the bank and the applicant.

The rules enforced by PT BPR Anugerah Bintang Sejahtera are none other than to try to avoid obstacles that might later
occur either in the form of late deposits or customers who have not made deposits (bad credit). For this matter, the bank has also provided what steps must be taken, starting from warnings, deliberations, between the bank and the customer regarding repayment or settlement, rescheduling credit payment times, to executing guarantees for auction for customers who are already unable to pay off debt.

Based on the explanation above, it can be concluded that PT BPR Anugerah Bintang Sejahtera has tried to carry out all existing procedures properly. In its business, PT BPR Anugerah Bintang Sejahtera is said to have not been able to apply the accounting information system properly because not all employees understand how to use the system used in the company.

4.2. Descriptive Analysis of Internal Control on Decisions, Credit Granting Decisions

The internal control system is a process that can be influenced by management and employees in providing reasonable certainty regarding achievements obtained objectively in the application of reliable financial reports, implementation of efficiency and effectiveness in the company's operational activities and the application of applicable laws and regulations so that they are complied with. by all parties. In the credit internal control stage at PT BPR Anugerah Bintang Sejahtera it can be said that it has not fulfilled the five main components of an effective internal control system. This can be assessed from the following components:

1. Control Environment

The control environment emphasizes all the key factors together influencing control policies and procedures. The control environment includes integrity and ethical values, commitment to competence, management philosophy and leadership style and organizational structure. In general, the control environment of PT BPR Anugerah Bintang Sejahtera in relation to lending is described as follows:

a) Integrity and ethical values

PT BPR Anugerah Bintang Sejahtera highly upholds integrity. PT BPR Anugerah Bintang Sejahtera has policies and procedures for granting credit and only carried out by competent people. In addition, PT BPR Anugerah Bintang Sejahtera also has a code of ethics that regulates behavior. The code of ethics is comprehensive and covers matters such as conflicts of interest, illegal or incorrect matters. And some employees have not followed the code of ethics in PT BPR Anugerah Bintang Sejahtera.

b) Commitment to competence

Commitment is a consideration for management to carry out certain tasks at PT BPR Anugerah Bintang Sejahtera. Competence is a knowledge and expertise required. The existence of job descriptions that describe specific tasks is one proof of the commitment of employee competency management, such as at PT BPR Anugerah Bintang Sejahtera which has a flowchart of credit granting procedures that are understood by every employee.

c) Management philosophy and style

At PT BPR Anugerah Bintang Sejahtera, management has a certain operational philosophy and style that is sufficient to show creative actions, including in extending credit to customers or debtors.

d) Organizational structure

The organizational structure is a form of formal communication related to the control environment. PT BPR Anugerah Bintang Sejahtera has a clear organizational structure that explains the division of tasks, authorities and responsibilities for all directors and employees.

2. Risk Assessment

Every organization or company will certainly face various risks that can hinder the achievement of its goals, both risks originating from external companies and risks that are internal to the company. Risks related to setting goals to be achieved by the organization or company, namely operational efficiency and effectiveness, reliability of financial reporting and compliance. Therefore, every organization or company must carry out adequate risk interpretation.
PT BPR Anugerah Bintang Sejahtera has carried out a risk interpretation of the possibility of financial statement misstatement which includes internal and external events that arise due to:
1) Placement of new employees in lending activities
2) Changes in the credit information system
3) Increase in lending activity
4) Dissemination of the use of new information technology in lending activities
5) Changes in the use of accounting principles in granting credit

3. Control Activities
   Control activities are policies and procedures that are made to ensure that the direction of the leadership is carried out properly. Control activities carried out by PT BPR Anugerah Bintang Sejahtera in relation to the provision of credit are:
1) Granting credit is only given authorization by an authorized official
2) Proof of incoming credit is made into several copies and distributed to different sections for the purpose of internal control
3) The existing credit balance is guaranteed protection from the possibility of fraud
4) Recording in the credit granting journal is based on incoming credit evidence that has been authorized by an authorized official and accompanied by complete documents
5) The credit granting function is complemented by tools that can prevent fraudulent acts on credit activities carried out
6) Loans that are in progress and those that are ongoing each get insurance protection

4. Information and communication
   Information and communication is needed at every level within the organization or company. Information and communication will affect management's ability to make the right decisions in processing and controlling organizational activities. Internal control of PT BPR Anugerah Bintang Sejahtera’s lending in terms of information and communication includes:
1) The existence of an information system that includes methods and records that show all valid credit transactions.
2) The existence of an information system that includes methods and records to describe on an appropriate basis the transactions that are sufficiently detailed to justify the fair classification of transactions in the financial statements.
3) The existence of an information system that includes methods and records for measuring the value of credit transactions that are correct in recording the monetary value in a fair financial report.
4) The existence of an information system that includes methods and records for credit transactions related to financial reports fairly within the company.
5) The existence of an information system that includes methods and records in terms of correct posting and summarizing credit transactions.

5. Monitoring
   Monitoring is the process of evaluating the internal control structure over time. Monitoring of the internal control structure, especially in terms of extending credit to PT BPR Anugerah Bintang Sejahtera, is carried out by the management, namely the credit analysis section. Credit analysts carry out monitoring in order to assess the effectiveness of the design and operation of internal control over lending.
   In addition, PT BPR Anugerah Bintang Sejahtera has a credit policy committee whose duties are to:
1) Decide on all applicable credit policies
2) Conduct periodic reviews of all credit policies and make revisions if necessary
3) Establish a target market for credit sectors that must be avoided
4) Establish methods and limits for measuring credit risk
5) Monitor and evaluate the development and quality of the overall credit portfolio

5. CONCLUSION
   Based on the analysis above, it is reviewed from the credit rating used in granting credit. Then this can be concluded as follows the accounting information system for lending decisions at PT BPR Anugerah Bintang Sejahtera is generally good, this can be seen from the fulfillment of the elements of the credit granting system in accordance with the
underlying theory, except for serial numbers that are not printed.

The application of the credit granting internal control system implemented by PT BPR Anugerah Bintang Sejahtera is said to be still not good when viewed from the credit granting procedures. In risk assessment, employees still fail to analyze unwanted risks, such as employee failure to follow certain procedures and employees who are less effective in applying the 5C principle to granting credit which can lead to bad credit. The information and communication carried out by employees has not been implemented properly because it was found that the carelessness of employees in entering customer data into an application that is already available at PT BPR Anugerah Bintang Sejahtera.

From the discussion that has been submitted, the authors can provide the following suggestions it is hoped that the company will provide training to staff or employees who will work as a credit division before carrying out their duties if there is employee turnover, so that employees are more thorough in processing applications that are already available at PT BPR Anugerah Bintang Sejahtera.

It is expected that the credit department can comply with all procedures for granting credit to minimize bad credit and the credit department must provide credit without any exceptions such as family or work relationships. Therefore, the credit department must increase knowledge and understanding in applying the 5C analysis.

REFERENCE


