



Analysis of Accounting Information Systems and Operational Budgets as An Internal Control Tool for Lending

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Abstract

This study aimed to determine the Analysis of Accounting Information Systems and Operational Budget as a Tool for Internal Control of Credit Distribution at PT Bank Perkreditan Rakyat (BPR) Buana Citra Sejahtera Magetan. The research was conducted on: 1 director, 1 IT officer, and 1 operational member of PT Bank Perkreditan Rakyat (BPR) Buana Citra Sejahtera Magetan. The research was conducted at PT Bank Perkreditan Rakyat (BPR) Buana Citra Sejahtera Magetan. The research method used was a qualitative method with descriptive study research type. Collecting data used observation, interviews, documentation, and triangulation. The results showed that the internal control of credit distribution was related to the accounting information system run by PT. Buana Citra Sejahtera People's Credit Bank (BPR). Internal control of credit distribution was related to the operational budget carried out by PT. Buana Citra Sejahtera People's Credit Bank (BPR).

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INTRODUCTION

Ismail (2010) A bank is an organization that has an important function to promote the progress of a country's economy, especially with the development of a bank in a country which is used for the scale of the country's economic development. Banks are also interpreted as the most important business entity in providing services to support the economy (Alper et al, 2011). Banks have many important roles in channeling aid to people in need. Salim (2013) The presence of banks is a company that acts as an intermediary medium or intermediary between various parties who require easy and effective business processes. Banks are considered very vital to their existence, because banks are financial institutions under the auspices of the Law of a State with legal force, so banks are required to obey and follow established procedures (Prasanjaya dkk, 2013).

The accounting information system is the heart of a company (Gustiyan, 2014). Amri (2020) that the accounting information system is an important component needed by industrial management related to industrial financial evidence. Every industry, both state-owned and private-owned, has predetermined targets and goals. In order to achieve these goals and targets, industry leaders need to be able to reap definite results from among the available options. The existence of an operating system and budget must have something to do with internal control in a bank. According to Yusli (2018) operating budget is the initial step of all budgets to be prepared by a company. The operating budget includes the main activities of the company in a certain period. The operating budget is a concept that identifies the resources that are needed by the users. The operational budget includes a profit and loss statement that has been calculated together with assistant reports in the form of marketing costs, manufacturing costs, implementation costs, and the purchase of appropriate materials, manufacturing labor costs, overhead costs, reserve costs for finished goods, HPP costs and non-related expenses (Hery, 2012:11). With this operational budget, it is necessary to have internal controls in order to maintain the stability of organizational resources.

According to Ranatarisza dan Noor (2013) internal control is a way to monitor, measure, and

direct resources in an organization. Control functions to detect and prevent fraud and protect company assets. Internal control is a decision to protect company assets to protect company assets from misuse and ensure the accuracy of the company's accounting information. The decisions referred to include regulations in the field of taxation, capital markets, business law, anti-corruption laws, and so on. Hery (2014) Internal control is a complement to the development of strategies and methods to protect industrial capital or property from all character traits of abuse which will ensure the availability of accurate industrial accounting reports, can also select all legal policies and laws as well as administrative wisdom implemented properly by all employees industry. Therefore, the existence of an internal control system application hopes that all industrial operational activities can work optimally in order to achieve profit maximization Hariyani (2010).

The development of the banking industry in Indonesia is getting higher in number, causing more and more competitions, both in fundraising and credit distribution. Buana Citra Sejahtera People's Credit Bank (BPR), namely a bank that serves savings, time deposits, and credit policies for working capital. The procedure for credit contributions from the Buana Citra Sejahtera People's Credit Bank is done manually, namely BPR employees go directly to the field to find borrowers. The process is through the stages of credit application, interviews, surveys, credit analysis, credit decisions, credit disbursements, credit administration and credit supervision. BPR Buana Citra Sejahtera does not impose an area limit in the provision of working capital loans, savings or time deposits.

Dana (2011) explained that accounting is the process of identifying, measuring, recording and communicating economic events from an organization (business and non-business) to parties with an interest in the business information (information users). An accounting information system is an arrangement that is integrated into one organizational entity that employs resources and other components to convert economic data into accounting information with the aim of satisfying users' information needs.

(Setyorini dkk, 2021). According to Puspitawati dan Anggadini (2011) The accounting information system is a system that functions as the creation of

synchronized forms, records and reports in order to realize the financial data needed to make decisions by management and industry leaders and to provide convenience in managing the company.

This research is important because the internal control system in applying for credit makes it easier for creditors and debtors to carry out their respective functions. In addition, the existence of internal controls prevents companies from committing fraud. Fraud can be avoided by having a good internal control system.

Clear and efficient administrative control methods are needed to reduce credit risk faced by banks, including credit risk at rural banks. Researchers carried out research on the Credit Control System, with problems at PT Bank Perkreditan Rakyat (BPR) Buana Citra Sejahtera Magetan, which is one of the non-state-owned banks in the city of Magetan that has practiced internal control and computerized information systems. When the emergence of savings and loan cooperatives and private banking in the community, BPR Buana Citra Sejahtera Magetan survived, even became the best BPR in Magetan and had an overall ranking of 95 based on total assets and growth comparisons (Bank Indonesia Banking Statistics, 2019) for the category BPR with asset value below 50 billion. BPR Buana Citra Sejahtera Magetan had a low NPL as of October 2019, below 7% (gross) with a liquidity ratio of above 10%.

METHODS

This study used a qualitative observation approach procedure and selects the type of observation, namely descriptive to describe or explain the analysis of accounting information systems and operational budgets as a means of internal control for providing credit to BPRs. This research was conducted

at the Buana Citra Sejahtera People's Credit Bank (BPR), which is located at Jl. MT. Haryono, No. 09, Tawanganom, Kec. Magetan, Kab. Magetan, East Java 63312. Observation was carried out from March to June 2020. The object of this research was employees of BPR Buana Citra Sejahtera Magetan, which included BPR leaders, field officers or mantri, staff, and cashiers.

Sugiyono (2017) explained related to qualitative data, namely the results of qualitative research, the data obtained by observation, interview and documentation techniques were structured by classifying and separating the data into several sections, then described, and then analyzed by making conclusions in order to facilitate understanding for the reader and researcher. After obtaining information from the research results using the data collection method, the researcher processed and analyzed the data by means of descriptive qualitative analysis. Data analysis was carried out by organizing information, describing it into units, carrying out a synthesis, arranging it into patterns, choosing what was important and what was studied, and making conclusions that can be shared with others.

RESULTS AND DISCUSSION

The results of observations, interviews and documentation related to the Analysis of Accounting Information Systems and Operational Budget as a Tool for Internal Control of Lending at PT Bank Perkreditan Rakyat (BPR) Buana Citra Sejahtera Magetan were said to be valid. In table 1. The researcher described the triangulation of data which showed that based on his statements from several sources that had been given the same question, consistently expressed the same statements, so that it could be concluded that the data obtained was valid.

Table 1. Triangulation of sources

Research focus	Interview result		Data validation	
	Informant	Informant	Informant	
	1	2	3	
	E	R	T	
How is the internal control for providing credit in the accounting information system run by PT. Buana Citra Sejahtera Magetan People's Credit Bank (BPR)?	Management is committed to increasing control activities by designing a proper authorization separation system in accordance with the job descriptions of each division. Where the case shows a relationship between the accounting information system and internal control in granting credit in the accounting information system	The system information used is sufficient. The information system used has several technical guarantees in its use. BPR provides informative reports that are easy and fostering by our stakeholders to increase work productivity and internal control	Credit internal control stage at PT. BPR Buana Citra Sejahtera can be said to have fulfilled the essential elements of an effective internal control system	Valid
How is the internal control for providing credit in the operational budget carried out by PT. Buana Citra Sejahtera Magetan People's Credit Bank (BPR)?	Internal control over credit disbursement is carried out well, where budgets are prepared by management, directors and reported by the OJK. In implementation, supervision is carried out by the board of directors and related management. The obstacles that occur are disasters such as the current Covid 19 pandemic, limited capital, limited bank products. Then the steps taken are provide maximum service to prospective creditors / debtors as well as a more in-depth assessment of prospective creditors in order to avoid all risks so that what we have budgeted does not differ greatly from the true value	The internal control system at BPR Buana Citra Sejahtera has been implemented effectively and is in accordance with the budget.	Internal control for lending is done well. Compiled by the board of directors and reported by the OJK.	Valid

Source : primary data processed, 2020

Table 2. Triangulation Technique

Interview	Documentation	Observation
Based on the results of interviews with several informants that credit control has been carried out, and has a good accounting and budget management information system.	From observations that have been done well, it is indicated by the existence of a credit application form as an example of a control tool.	Based on the observation that credit control is carried out well, it is indicated by the national ranking of BPRs

Source: primary data processed, 2020

Table 3. Time Triangulation

Data collection technique	Date	Time
Interview director	Monday, July 6 th , 2020	09.00 WIB
IT department	Monday, July 6 th , 2020	10.00 WIB
Operations Section	Monday, July 6 th , 2020	13.00 WIB

Source: primary data processed, 2020

In this study, data analysis used data reduction where the researcher focused on the Analysis of Accounting Information Systems and Operational Budget as an Internal Control Tool for Providing Credit at PT Bank Perkreditan Rakyat (BPR) Buana Citra Sejahtera Magetan, such as how to internal control credit distribution in the accounting information system run by PT. Bank Perkreditan Rakyat (BPR) Buana Citra Sejahtera Magetan and How is the internal control of providing credit in the operational budget carried out by PT. Buana Citra Sejahtera Magetan People's Credit Bank (BPR). After the data source was reduced, the next step was presenting the data which would be presented in a narrative form, and the next step was drawing conclusions. From the results

of interviews with several respondents, the following results were obtained:

First, the management of the accounting information system was carried out quite well, PT Bank Perkreditan Rakyat (BPR) Buana Citra Sejahtera Magetan. This was evidenced by the fairly good use of software and support for internet data services. According to Hendrita (2016) data quality is part of data governance. Data quality means the completeness and accuracy of the data. In addition, data quality is related to completeness, accuracy, consistency, and timeliness. A measure of the agreement between the data display was provided by the information system and the same data in the real world. The proof was that there was no perfect data quality, but the quality of data in information systems was good enough, timely enough and consistent enough for organizations to survive and make reasonable decisions. It is important to have quality data to provide information in making important company decisions. According to Tjahyono (2019) there are two ways to measure data quality, namely: reliability and validity. It can be interpreted that a study will produce conclusions if the data is obtained with instruments that are less reliable and the data is less valid. Conversely, if the quality of research data is determined by the quality of the instruments used to collect the data. According to Saleh et al (2012) In addition to data quality, the quality of information systems affected the quality of accounting information. The better the information system was carried out, the more reliable, relevant, timely and reliable information was produced. The quality of the system can be a characteristic of existing information about the system itself. The quality of information systems can be assessed by analyzing the accuracy of the information (Lindrawati, 2001). An information system is an application of a system in an organization that can support the information needed by all management parties. That information is an important thing for management in making decisions, Sutabri (2012).

Second, management was committed to increasing control activities by designing a proper authorization separation system in

accordance with the job description of each division. BPR Buana Citra Sejahtera can provide fast service with an accounting information system, in addition to all stakeholders. BPR Buana Citra Sejahtera provided informative reports that could increase work productivity with the accounting information system. Increased productivity and increased control because it was supported by the existence of an accurate accounting information system, where with this accurate system BPR Buana Citra Sejahtera tried to produce the required reports. Based on the results of the interview, the internal control of providing credit in the operational budget carried out by PT. Buana Citra Sejahtera Magetan People's Credit Bank (BPR) was good enough. However, it was not entirely good, because there were several obstacles it had. The budgeting mechanism was carried out, namely the BPR submitted a bank business plan or RBB within one year after it was approved by the OJK, in which the RBB was prepared by the related directors and management. In the execution of the budget, it was supervised by the board of directors and related managers. The supervision was carried out in two ways, the first was the work reporting mechanism related to credit risk and direct supervision from the supervisor for cross-checks. Obstacles in budget execution were limited capital due to competition between BPRs, Cooperatives, Commercial Banks so that PT. Buana Citra Sejahtera Magetan People's Credit Bank (BPR) applied for a linkage program loan at a Commercial Bank. With low NPL requirements, but the linkage program at commercial banks was only the problem with high interest rates, high administrative costs and so on, in the end we were also better off looking for savings and deposit funds funding in schools and in markets.

PT. Bank Perkreditan Rakyat (BPR) Buana Citra Sejahtera Magetan already had clear and written rules and procedures regarding the accounting or financial recording process of loan lending activities and they carried out internal audits reporting it every month and OJK in a year. Based on this, it can be said that there was a mutually supportive relationship between operational budget management and internal control of credit taking. Budget was an

internal control tool. Because with the budget we could find out the performance of each unit by looking at the proportion of the budget compared to the real expenditure. Internal control, in this case the BPR, could see how it was implemented in the process of providing credit. Management in conducting supervision was always guided by the initial plan he made. In this case, financial planning was related to the budget. Planning was done by separating each unit cost. Separation of unit costs was done so that managers could easily find out which parts were problematic (Paat, 2013). Cost accountability was very important in internal control, because with cost responsibility it would make it easier for managers to control. This happened because cost responsibility was one of the internal controls of a company.

Third, in management, of course, there were factors that supported or inhibit the management of the accounting information system itself. With that, PT Bank Perkreditan Rakyat (BPR) Buana Citra Sejahtera Magetan strived to do the best possible management and tried to eliminate existing obstacles. Furthermore, the fourth result was that the operational budget management of PT Bank Perkreditan Rakyat (BPR) Buana Citra Sejahtera Magetan was generally quite good. This was as explained by the director and the operational division. Management was carried out in accordance with technicalities or procedures, starting from planning, implementation, reporting, and financial responsibility.

This was done starting from planning the use of the budget, implementing defined programs, reporting program realization and financial accountability. BPR Buana Citra Sejahtera had a tangible budgeting mechanism such as BPR through a board of directors meeting and management holding a meeting to prepare the required budget, the results of the meeting were approved and reported to the OJK. The parties authorized in implementing the BPR Buana Citra Sejahtera budget were the Directors and related managers. BPR Buana Citra Sejahtera had a two-sided monitoring mechanism, the first with a work reporting mechanism related to credit risk and direct supervision from superiors for cross-checks. BPR

Buana Citra Sejahtera had obstacles in having to adjust the budget that was budgeted for with performance and incoming targets, which sometimes became complex when unexpected events occurred besides that obstacles also arose in increasingly fierce business competition, BPR Buana Citra Sejahtera through other financial services: cooperatives, commercial banks had been accessed in the MSME business. BPR Buana Citra Sejahtera had steps to provide maximum service to prospective creditors / debtors as well as a more in-depth assessment of prospective creditors in order to avoid all risks so that what we budget did not differ greatly from the true value. In management, of course, there were factors that supported and inhibited the management of operational budget management. With that, PT Bank Perkreditan Rakyat (BPR) Buana Citra Sejahtera Magetan strived to do the best possible management and tried to eliminate existing obstacles.

CONCLUSION

The conclusions of this study are: 1) Internal control of credit distribution was related to the accounting information system run by PT. Buana Citra Sejahtera People's Credit Bank (BPR). The management of the accounting information system was carried out quite well by PT Bank Perkreditan Rakyat (BPR) Buana Citra Sejahtera Magetan. There was a mutually supportive relationship between the information system and the internal control for credit taking, because the information system was a means of information that was used as a means of internal control. Internal control, in this case the BPR, was used, among other things, to provide decisions on granting credit to customers; 2) Internal control for providing credit related to the operational budget carried out by PT. Buana Citra Sejahtera People's Credit Bank (BPR). Budget management was carried out well, where the budget was prepared by management, the board of directors and was reported by the OJK. In practice, supervision was carried out by the board of directors and related management. There was a mutually supportive relationship between operational budget management and internal control over credit taking. Budget was

an internal control tool because with the budget we could find out the performance of each unit by looking at the proportion of the budget compared to the real expenditure. Internal control, in this case the BPR, could see how it was implemented in the process of providing credit

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