

INTERNAL CONTROL ANALYSIS OF THE SYSTEM AND PROCEDURES OF GIVING PEOPLE'S BUSINESS CREDIT CASE IN PT. BANK MANDIRI GAMBIR BRANCH

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Abstract - This study aims to explain the internal control of the systems and procedures for granting People's Business Credit (PBC) to PT. Bank Mandiri (Persero) Tbk Gambir Branch, Central Jakarta and also to find out the weaknesses that exist in the implementation of systems and procedures that have been determined and the actions of Bank Mandiri to overcome them. With these problems then researched by the author through interviews and literature studies. The results of research conducted at PT. Bank Mandiri (Persero) Tbk Gambir Branch, Central Jakarta shows that the implementation of the People's Business Credit (PBC) to the bank through several interrelated procedures, namely the procedure of the realization of credits, credit disbursement procedures, installment payment procedures, and repayment procedures for credit principal. Problems that arise are the legality of the business, the legality of collateral and bad credit. In the case of bad loans or bad credit, the efforts made by Bank Mandiri (Persero) Tbk is to provide credit restructuring regularly and education up to auctioning collateral from the Credit Recovery Operation (CRO) is a government program in helping SME financing to improve the living standards of the Indonesia people. To reduce the risks of bad loans from PT. Bank Mandiri (Persero) Tbk. has applied the 5C principles (Character, Capital, Capacity, Collateral, Condition of Economy) both at the time of the interview and at the time of the business survey and additional collateral.

Keywords: SME, Credit Procedure, Kredit Usaha Rakyat

I. PRELIMINARY

Indonesia's national development to create a just and prosperous society based on Pancasila and the 1945 Constitution which has achieved development for progress including in the economic and monetary sectors as reflected in the fairly high economic growth and a controlled inflation rate. Economic development, especially in Indonesia, is highly dependent on dynamic developments and the real contribution of the banking sector. Banking institutions are one of the financial institutions that have strategic values in the life of the economy in Indonesia. This institution can be interpreted as an intermediary for parties who have excess funds and parties who need funds. Such is the movement of banking in lending activities and various services provided, banks serve financing needs as well as smoothing payment system mechanisms for all sectors of the economy.

With this provision in banking, credit opening must be based on an agreement or agreement made for lending and borrowing or in other words, it must be preceded by a credit agreement between the bank and the debtor. Lending is a process that requires analysis and consideration from decision makers, in this case the credit decision committee (Sawori, et al. 2018: 389). According to Anggraini (2015: 3) Loans given by banks have a large risk or a small risk, so that in its implementation, banks must pay attention to sound credit principles.

It can be said that banking institutions that have the status of State-Owned Enterprises (BUMN) or the government are very important parties to help the development and growth of Micro, Small and Medium Enterprises (MSMEs) in Indonesia. The role of Micro, Small and Medium Enterprises (MSMEs) in the economic growth of a country is considered important, because it has a large and crucial contribution to the economy in Indonesia. This business is carried out by individuals or business entities that are not subsidiaries or branches of companies that are owned, controlled or become part of either directly or indirectly from medium-sized or large-scale businesses and meet other criteria (Kompas.com).

The role of banking in Indonesia is to provide guidance in the design, production and marketing processes for MSMEs that receive bank credit at various banks in Indonesia. This is reflected in the two credit schemes for those who have small businesses, namely, Permanent Working Capital Credit (KMKP) and Small Investment Credit (KIS). Since the beginning of the New Order government until now there have been many other special credit schemes that have been or are still being run by the government such as Small Business Credit (KUK), Multipurpose Credit, Investment Credit, Current Account Credit (KPR), and the last one since the administration of Susilo Bambang Yudhoyono (SBY) and until now during the reign of Joko Widodo (JOKOWI) is the People's Business Credit (KUR). In this case, the government can help capitalize the community to run MSMEs, either by using their own funds or from the state budget or with foreign loans.

Credit has several functions, namely it can increase the business capital of the company, besides that credit can also increase the usability of money. Credit services are the largest income from a bank. One type of credit is the People's Business Credit (KUR). People's Business Credit is a government policy that is a loan service provided to the public in general. (Febriani, et al., 2019: 31). The government is taking new steps in accelerating the empowerment of MSMEs through the People's Business Credit (KUR) program. The People's Business Credit Program (KUR) aims to improve the economy in Indonesia and expand the distribution of People's Business Credit to productive businesses, increase the competitiveness capacity of micro, small and medium enterprises and the absorption of labor in Indonesia. In the development of People's Business Credit (KUR), from 2007 to 2014 the distribution of People's Business Credit (KUR) has been running and has been disbursed as much as Rp. 178.8 Trillion with total debtors of 12.4 million debtors. For 2014, the amount of credit extended was Rp. 40.2 Trillion to 2.4 Million debtors. For the time being, the distribution of People's Business Credit (KUR) was stopped because it had almost exceeded the target. Based on the Ministerial coordination which was held on December 15, 2014, it was decided that the KUR Program would be continued in 2015 with some improvements. In its development, the Limited Cabinet Meeting on 17 June 2015 decided that the People's Business

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Credit (KUR) interest rate for debtors was a maximum of 12% effective per year with an allocation ceiling of Rp. 30 Trillion. The coordination meeting of the People's Business Credit Policy Committee (KUR) on June 26, 2015 resulted in major policy directives in the field of MSMEs and cooperatives in the 2015-2019 period.

II. REVIEW OF PREVIOUS RESEARCH

The research conducted by Saifudin and Yuniarti (2019) aims to determine the effect of internal and external factors on the debtor on the smooth return of micro people's business credit. This research is a qualitative descriptive analysis approach using the triangulation of data sources, namely through the documentation method by looking for information on PBC data at the West Semarang BRI Unit, then interviewing BRI employees and BRI customers to obtain clearer and more accurate information. The informants' research was based on the principles of appropriateness and adequacy of the information. The basic principles of the informants in this study were 4 people. From the results of the study shows that it is necessary to analyze customer data before disbursement or credit agreement, internal and external factors, most of the debtors are able to influence the smooth return of their credit to BRI Bank.

Research conducted by Febriani, et al. (2019) aims to find out a management system for managing existing People's Business credit services that can help provide solutions and control as an effort to improve even better in the Bandar Lampung Branch of People's Business Credit services. The existence of a governance system for the people's business credit services at the Bandar Lampung branch, an effort will be made to control and also the root of the problems that often occur in the people's business credit services so that the same mistakes will not occur. This control process can also evaluate as a whole in the service management of people's business credit to increase management and user satisfaction with the People's Business Credit services at the Lampung branch. Management of People's Business Credit Service Governance will improve services within the company because in this management the company can properly control what are the obstacles and weaknesses in the company and immediately make improvements and find solutions to provide comfort and excellent credit service to the community directly safely and controlled.

Research conducted by Pratama (2019) aims to determine the procedure for implementing People's Business Credit (KUR) at PT. BANK NAGARI SABANG PADANG, which is one of the banks that provides People's Business Credit (PBC) facilities of up to IDR 500,000, which will be distributed to the business development sector, with a maximum credit period of up to 5 years. In distributing credit to prospective borrowers, PT. Bank Nagari Padang Branch uses the 7P Analysis method, namely Personality, Party, Goals, Prospects, Protection, and Profitability. And PT. Bank Nagari Padang Branch also uses 5C analysis, namely Character, Capacity, Capital, Economic Conditions, and Collateral. The procedure for granting people's business loans to PT. Bank Nagari Padang Branch, among others, first, prospective borrowers apply for credit. second, the marketing department checks the completeness of the documents. Third, conduct a business location review. Fourth, if credit is approved, the legal officer will be given an order to the notary department and a notary credit agreement drawn up, only after that is the credit search.

Research according to Ivana, et al. (2019) aims to obtain answers to a problem, namely to find out the policy for granting People's Business Credit (KUR) at PT. Bank Rakyat Indonesia (Persero), Tbk. Sukun Unit, to know the system and procedure for giving KUR, and to know the supervision of KUR granting. The method used in this research is descriptive research method. The focus of this research is the procedure for giving KUR, the supervision of KUR, which has been applied to BRI Unit Gunung Sari. Based on the results of the study, it was found that there were multiple functions that occurred in the mantri section. Mantri doubles as a surveyor in the field, credit analysis and credit collection. At the time of applying for credit, a checklist sheet has not been provided to facilitate the fulfillment of credit application requirements by customers and to facilitate re-checking of file completeness. The document process that is running is inadequate,

seen when the credit cannot be processed or the credit is rejected, there is still no credit rejection certificate accompanied by reasons for credit refusal.

Previous research researched by Oseifuah (2015) aims for this study to analyze the effectiveness of internal control in small and medium-sized medical practices (SMMP) in Thulamela City in Vhembe District, Limpopo Province, South Africa. A questionnaire, supplemented by interviews, was used to collect data relating to the five main components of the internal control system in the sample SMMP. The main findings are that: 1) all of the SMMP owner / managers in the sample strongly agree that effective internal controls are necessary for business success; 2) 80% of the junior high schools are owned by men while 20% are owned by women; 3) 76.6% of the operations were owned by people between the ages of 26-40 years, while aproksatley, 25% were owned by those aged over 40 years; 4) majority (86.7%) of respondents indicated that they usually identify and analyze risks to ensure that their business objectives are being achieved; 5) About 30% of medical practices have no insurance even though they have expensive equipment in their business.

Research conducted by Farida, et al. (2015) aims to determine the factors that affect access to formal micro credit. Randomly collected data were assigned to 30 villages for the treatment group (not credit rationed) or the control group (credit rationing and non-rationing). Data were analyzed using descriptive statistics and logistic regression models. Socio-economic characteristics were identified, including the constraints faced by micro enterprises. The data shows that there are several factors that can significantly affect people's access to business credit programs. This includes gender, length of business, business constraints, bank accounts, spouse's job and other sources of loans. Based on the results of the odds ratio, it is concluded that men are 6.56 times more likely to have access to credit than women. People with bank accounts were 3.66 times more likely to get credit. New businesses that face capital constraints and people whose husbands work are more likely to access KUR. From the total observations, there are about 52.4 percent of the fully non-credit allotment group, 6.3 percent of the non-credit partially allotment group, and 41.3 percent of the credit allotment group in this research study.

Research conducted by Wang, et al. (2019) examined internal control and sustainable growth of Small and medium enterprises (SMEs), which face more risks for sustainable growth due to the lack of resources from large companies in developing countries. Therefore, SMEs are more likely to seek management risk in order to survive in a volatile market. As a risk management tool, whether internal control does contribute to the sustainable growth of SMEs, especially conditional on a large number of shareholders, has not been empirically explored. Using a sample of SMEs registered in China, this study examines the relationship between internal control and sustainable growth, and assesses the moderating role of many large shareholders. The results show that effective internal control significantly promotes SMEs to achieve sustainable growth, and the effect is moderated by many large shareholders, suggesting that the role of internal control is more prominent in SMEs with many large shareholders. These results are strong for the battery sensitivity test. This study extends the literature by providing empirical evidence on the role of internal controls in the sustainable growth of SMEs.

2.2 Theoretical Basis

2.2.1 Credit

Latin in credit is a credere which means trust. Giving credit starts from the lender (creditor) trusting the recipient of the credit (debtor) that the credit that is channeled will definitely be returned according to the agreement. For debtors, the credit that will be received is the creditor's trust to the debtor. Which means receiving a mandate so that you have an obligation to pay according to the time period. From the several definitions of credit above, several elements that allow credit to occur can be drawn. The elements contained in the provision of a credit facility under Cashmere (2014: 84) are as follows:

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1. Creditors

Creditors are parties that provide credit (loans) to other parties who receive loans. The party is usually an individual or business entity. Banks that provide credit to borrowers are creditors.

2. Debtors

Debtors are parties who need funds, or parties who get loans from other parties.

3. Trust (Trust)

The creditor gives confidence to the party receiving the loan (the debtor) that the debtor will fulfill his obligation to pay his loan according to the agreed period of time.

4. Agreement

An agreement is a contract agreement or agreement made between the bank (creditor) and the borrower (debtor).

5. Risk

Every fund channeled by the bank always carries the risk of not returning the funds. Risk is the possible loss that will arise on bank lending.

6. Term.

The period of time is the length of time required by the debtor to pay off his loan to the creditor.

7. Remuneration.

In return for the funds channeled by the creditor, the debtor will pay a certain amount of money according to the agreement. In conventional banking, the reward is in the form of interest, while in Islamic banking there are several kinds of rewards, depending on the contract.

In his book Kasmir (2014: 101) to get credit, you have to go through procedures that have been determined by the bank / financial institution. So that credit implementation activities can run healthily and properly, it is known as 5C, namely:

a. Character (Personality / Character)

Character is the character and willingness of the applicant to fulfill the promised obligations. What is studied are the characteristics, habits, personality, lifestyle and family circumstances.

b. Capacity (Ability)

Capacity is the applicant's ability to pay off the obligations of the business activity carried out or activities that are reviewed by credit from the bank. So the purpose of this credit assessment for capacity is to assess the extent to which the results of the business it gets will be able to pay it off on time according to the credit agreement that has been agreed upon.

c. Capital (Capital)

Capital is the capital owned by prospective debtors when they apply for bank credit.

d. Collateral (Guarantee)

Collateral are items that are submitted to the bank by borrowers or debtors as collateral for loans. Collateral is needed so that credit does not contain risk.

e. Condition of Economic

Condition of Economic is a situation and condition, social, economic, cultural and others that affect the state of the economy at one time or for a certain period of time which is likely to affect the smooth running of the business of the company that receives credit.

2.2.2 Micro, Small and Medium Enterprises (MSMEs)

Micro, Small and Medium Enterprises are always interesting to study, not only in terms of resilience, aspects of financing, obtaining loans or from business managerial aspects. In the era of globalization, especially with the existence of economic integration in Southeast Asia, namely the economic union (Economic Union) which makes Southeast Asia into an economic community with a single production base, MSMEs must be able to maintain their existence amid the onslaught of the global economy.

The business groups that have the largest numbers have proven to be resistant to various kinds of shocks to the economic crisis. So it is imperative to strengthen groups of Micro, Small and Medium Enterprises which involve many groups. In Firmansyah (2018: 29) The following is the classification of Micro, Small and Medium Enterprises (MSMEs):

1. Livelihood Activities, are MSMEs that are used as job opportunities to earn a living, which are more commonly called the informal sector. For example, street vendors.
2. Micro Enterprise, which is an SME which has the character of a craftsman but is not yet entrepreneurial.
3. Small Dynamic Enterprise, which is an MSME that has an entrepreneurial spirit and is able to accept sub-contract and export jobs.
4. Fast Moving Enterprise, is a UMKM that has an entrepreneurial spirit and will transform into a big business (UB).

III. RESEARCH METHOD

Qualitative research is defined as planned activities, including a set of interpretive practices that make the world of participants and informants visible. According to Irianto and Subandi (2015: 145) there are five methodological approaches in qualitative research, namely: biography, phenomenology, grounded theory, case studies, and ethnography. With the five methodological approaches, it can be seen from the objects and results to be obtained, so this type of research is a type of descriptive qualitative research with a phenomenological approach. Qualitative research according to Moleong (2017: 6) is research that intends to understand the phenomena experienced by research subjects such as behavior, perception, motivation, action and others holistically and by means of descriptions in the form of words and language, in a special context which is natural and by making use of various natural methods. Meanwhile, according to Hendryadi, et al. (2019: 218) Qualitative research is a naturalistic inquiry process that seeks a deep understanding of natural social phenomena. Qualitative research emphasizes quality not quantity and the data collected does not come from questionnaires but is based on interviews, direct observation and other related official documents. Qualitative research is also more concerned with the process aspect than the results obtained. This is because the relationship of the parts being studied will be much clearer when observed in the process.

Basically, the theoretical foundation of qualitative research rests fundamentally on phenomenology. Phenomenological research according to Moleong (2017: 14) is a view of thinking that emphasizes a focus on subjective human experiences and world interpretations. There are things that must be considered in qualitative research, especially those that use the phenomenological approach. Many contemporary researchers claim that they use a phenomenological approach, but they rarely relate this method to the principles of the phenomenological philosophy (Sohn, et al. 2017: 4). This can lead to the conclusion that it needs to be underlined so that the quality of the resulting phenomenological research has high standard values and results. The phenomena experienced by each individual are of course so diverse. This research is focused on the phenomenon in the activities of giving credit at PT. Bank Mandiri, the Gambir branch, which applies a comparison of the Standard Bank Mandiri Credit Procedure with the theory according to Mulyadi (2016) and with its document storage, and a comparison with the Credit Lending System according to practice The focus of his research is to make a conclusion from analyzing the results of this study, namely analyzing systems and procedures in the implementation of credit internal control at PT. Bank Mandiri, Gambir Jakarta branch.

According to Husbiansyah in Arifin (2016) there are important procedures in phenomenological studies, namely:

1. Determining the scope of the phenomenon to be studied. Researchers try to understand the philosophical perspective behind the approach used, especially the concept of studying how people experience a phenomenon.

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2. Compile a list of questions. Researchers write down questions that reveal the meaning of the experience to individuals, and ask them to describe their experiences.
3. Data collection. Researchers collect data from individuals who experience the phenomenon under study.
4. Data analysis. Researchers analyzed data such as analyzing data in other qualitative research, namely data reduction, data presentation and conclusion drawing.
5. Researchers describe thoroughly the meaning and essence of the subject's experience.
6. Researchers report the results of their research. This report provides readers a better understanding of how a person experiences phenomena.

RESEARCH SUBJECTS AND OBJECTS

This study uses a qualitative approach, using a qualitative approach, not using the population and sample method as in quantitative research, therefore the research departs from the case of the existence of individuals or groups in certain social situations and the results only apply to the social situation at that time. In a study, the research subject has a very strategic role because in the research subject, that is the data about the variables that the researcher observes. In qualitative research, research subjects are referred to as informants, namely people who provide information about the data the researcher wants related to the research being carried out. Attributes are qualitative characteristics of an element that differentiate this element from other elements. Concerning to control testing, attributes are deviations from certain elements in an internal control system.

DATA SOURCE

Sources of data are data or in other forms that are needed to become information for researchers to use in related matters. The data used in this study used two types of data sources, namely as follows:

1. Primary Data

According to Sugiyono (2018: 456) Primary data is a data source that directly provides data for data collection. The data is collected by the researcher directly from the first source or the object of the research. Researchers used the results of interviews and those made, namely about policies and procedures for internal control of credit extension at Bank Mandiri, Gambir Jakarta Branch. All permits and interviews were carried out on July 7, 2020 to July 20, 2020 for direct interviews (face to face) and indirect interviews via WhatsApp and e-mail → will be carried out several times throughout the research. Due to the implementation of the Covid-19 PSBB, researchers cannot conduct regular direct interviews.

2. Secondary Data

Secondary data serves as a complement to or supporting primary data in the form of forms, evidence, records and other company documents (Amalia, 2019: 31). In this study the secondary data used for this study are:

- a. Historical documents of the establishment of Bank Mandiri.
- b. Organizational Structure of Bank Mandiri Gambir Jakarta unit.
- c. Job descriptions of each section in the process of providing Bank Mandiri credit.

d. Forms, evidence and notes relating to the process of granting loans to Bank Mandiri, Gambir Jakarta Branch.

e. The procedure for granting People's Business Credit (KUR) at PT. Bank Mandiri (Persero) Tbk.

DATA COLLECTION METHOD

The purpose of this study is to be able to obtain data, the data collection method is the most vital way in a research. According to Sugiyono (2018: 224) data collection can be done in various settings, various sources, and various ways. When viewed from the setting, data can be collected in natural settings, in laboratories with experimental methods, at home with various respondents, at a seminar, discussion, on the road and so on. When viewed from the data source, data collection can be used as a primary source and a secondary source. Furthermore, when viewed in terms of data collection methods or techniques, data collection techniques can be carried out by observation, interview, documentation and literature study.

The data collection methods used in this study are as follows:

1. Interview

An interview is a conversation with a specific purpose carried out by two parties, namely the interviewer (interviewer) who asks the question and the interviewee (interviewee) to provide answers to the questions given. In this study, interviews were addressed to the Micro Business Cluster Manager (MBCM) and the credit department to find out the history of the company, credit granting procedures, organizational structure, as well as the security and supervision systems implemented.

2. Observation

Observation is a technique that can be used to identify or investigate nonverbal behavior. According to Sugiyono (2018: 229) observation is a data collection technique that has specific characteristics when compared to other techniques. Observation is also not limited to people, but also other natural objects. The observation in this study is a direct observation to determine the course of the procedure for granting credit to the company.

3. Literature study

Literature study is a method of collecting data from many sources and information to study books related to internal control systems and accounting information systems as well as procedures for granting credit in order to gain a better understanding of this..

METODA ANALISIS DATA

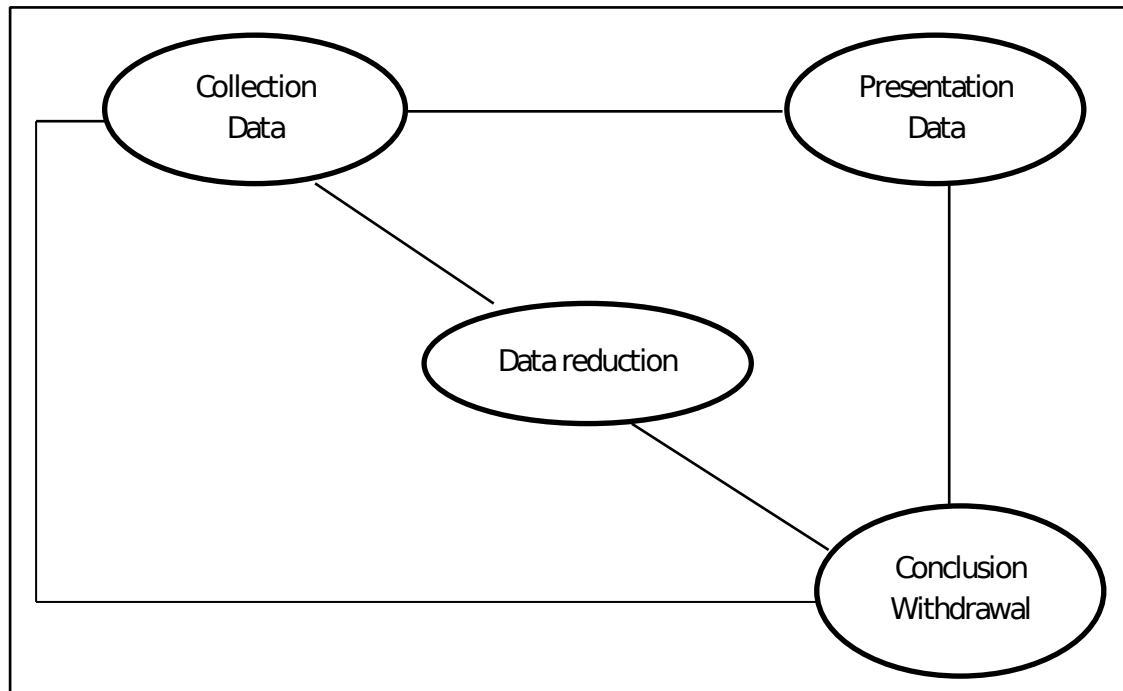
Data analysis according to Moleong (2017: 280) is the process of organizing and sorting data into patterns, categories and basic description units so that themes can be found and work hypotheses can be formulated as suggested by the data. Meanwhile, according to Sugiyono (2016: 147) states that data analysis is an activity after data from all respondents or other data sources are collected. Activities in data analysis are grouping data based on variables and types of respondents, tabulating data based on variables from all respondents, presenting data for each variable studied, performing calculations to answer problem formulations, and performing calculations to test hypotheses that have been proposed.

Data analysis in qualitative research is carried out when data collection takes place, and after completing data collection within a certain period. Activities in qualitative data analysis are carried out interactively and continuously until completion, so that the data is saturated. According to Miles and Huberman in Sugiyono's book (2018: 246) There are three lines of qualitative data analysis, namely data reduction, data presentation, and conclusion drawing. This process continues

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throughout the research, even before the data is actually collected as seen from the research conceptual framework, study problems, and the data collection approach chosen by the researcher. Miles and Huberman offer a general pattern of analysis by following an interactive model as follows :

Figure 3.1 Schematic of Qualitative Data Analysis Techniques



Sumber : (Sugiyono 2018)

Miles and Huberman offer a general pattern of analysis by following an interactive model as follows:

1. Data Collection

In this study, researchers need some data or material to become information for researchers. To get the required amount of data, the researcher collected data through observation and interviews.

2. Data Reduction

According to Sugiyono (2018: 247-249) Data reduction is summarizing, selecting the main things, focusing on important things that are in accordance with the research topic, looking for themes and patterns, in the end providing a clearer picture and making it easier to do further data collection. In reducing the data will be guided by the goals to be achieved and have been determined beforehand. Data reduction is also a critical thinking process that requires intelligence and high breadth and depth of insight.

3. Presentation of Data

After reducing the data, the next step is presenting the data. In qualitative research, data presentation can be done in the form of tables, graphs, phi charts, pictograms and the like. By

presenting the data, the data can be organized, arranged in a relationship pattern, so that it will be easy to understand. In addition, in qualitative research the presentation of data can be done in the form of brief descriptions, charts, relationships between categories, flowcharts, and the like, but what is often used to present data in research is narrative text. (Sugiyono, 2018: 249).

4. Conclusion Withdrawal

The final step in analyzing qualitative research is drawing conclusions. According to Sugiyono (2018: 252-253) Conclusions in qualitative research can answer the formulation of problems formulated from the start, but maybe not, because as it has been argued that problems and problem formulations in qualitative research are still temporary and will develop after the research is in the field. The conclusions in qualitative research are new findings that have never existed before.

DESCRIPTION OF THE RESEARCH OBJECT

Bank Mandiri was established on October 2, 1998 through the merger of PT. Bank Bumi Daya (Persero) (BBD), PT. Bank Dagang Negara (Persero) (BDN), PT. Import Export Bank (Persero) (Exim), and PT. Indonesian Development Bank (Bapindo). Based on Article 3 of Bank Mandiri's Articles of Association, the scope of activities of Bank Mandiri is to conduct business in the banking sector under applicable laws and regulations.

Bank Mandiri began operations on August 1, 1999, with the articles of association which had undergone several changes. As lastly based on the Deed of Resolution of the Extraordinary General Meeting of Shareholders No. 36 dated 24 August 2017 drawn up before Notary Ashoya Ratam S.H., M.Kn., Notary in South Jakarta, in connection with the implementation of a stock split. In carrying out its business activities, Bank Mandiri is required to maintain bank secrets concerning customer deposits and deposits as stipulated in Article 49 of Act Number 7 of 1992 Concerning Banking as amended by Act Number 10 of 1998.

IV. RESULTS AND DISCUSSION

PROCEDURES FOR GRANTING PEOPLE'S BUSINESS CREDITS (PBC)

Prospective debtors who will apply for People's Business Credit (PBC) in writing to Bank Mandiri Gambir. Prospective KUR debtors come to Bank Mandiri Gambir. Then will be assisted by Micro Credit Sales (MCS), prospective KUR debtors fill out the KUR application form or what is called the application form that has been provided by the bank and brings administrative requirements in the form of husband-wife ID card, photocopy of family card, and most importantly a certificate Business, and also a photocopy of the collateral if needed. After the documents submitted by the prospective debtor are received, the next step is to investigate the initial verification carried out by MCS to check the authenticity of the files, namely by checking the original or not the KTP, KK with special tools. Then MCA inputs data through BI Checking, which is to find out the customer's loan history for loans at all financial institutions and to print BI Checking Memos. Before entering the second stage of verification, several questions are asked of potential customers.

After the prospective debtor is investigated in the second phase, the next step is to prepare a report, namely using a manual system, customer visit reports, by making a balance sheet and income statement to be input into the Loan Operation Systems (LOS) and Branch Delivery System (BDS) systems. Information in Bank Mandiri uses an online system installed in every work unit from the head office to the smallest unit, however, Bank Mandiri uses an information system that is directly related to Bank Indonesia to view the Debtor Information System (DIS) included in BI

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Checking to find out whether or not the prospective debtor is registered at another Bank Mandiri work unit, providing information to other work units if the prospective debtor is not eligible for credit so that it becomes a consideration for other work units. MCA will generate or generate Analysis Notes from the Loan Origination System (LOS) system to be submitted to MBM, MBCM, and MBH. People's Business Credit (KUR) made by the government has two limits, the first is KUR Micro and KUR Retail. In granting people's business credit (PBC) decisions proposed by prospective debtors, if the loan is up to Rp. 50,000,000, - the decision is at the level of the head of the unit or Micro Business Manager (MBM). As well as being taken into consideration for decision making are the 5C Principles of the prospective customer and BI Checking if there is a loan history. Then, MBM ordered MCA to make a Credit Agreement and Collateral SKMHT (Power of Attorney to Charge Mortgage Rights). Before signing the PK, prospective debtors are asked to show and/or submit original documents according to the requirements requested, and pay the required fees, namely provision fees and administrative costs, and other costs, after completion will be signed by MBM.

The next process is the Disbursement process (credit disbursement), in this disbursement process, a credit agreement is carried out, binding with a notary. Only then will the funds be disbursed to the debtor's account in question. The conditions for disbursing People's Business Credit (KUR) are that all requirements requested by Bank Mandiri are complete, after which the customer comes to the office personally with the original ID card of the husband and wife. All debt obligations in the calculation of the prospective debtor must be paid immediately or settled based on the calculation which includes the interest that has been given by Bank Mandiri which has been running on the day of settlement in the LOS system and cannot be calculated manually. Several Conditions must be met by prospective debtors, namely: Prospective debtors are also subject to a penalty of 8% of the remaining principal or remaining loan, After paying off people's business loans accordingly, the collateral will be withdrawn by the prospective debtor. If all the requirements for repayment have been fulfilled by the prospective debtor, the final stage is the signature of the guarantee in the form of a letter, namely the Certificate of Settlement / Roya signed by MBM and/or MBCM. After that from the Bank Mandiri as MBM or MCS will provide a printed bank statement from Bank Mandiri to prospective debtors to certifying the People's Business Credit.

INTERNAL CONTROL SYSTEM OF THE SYSTEM IN GIVING PEOPLE'S BUSINESS CREDITS

Bank Mandiri has employees who match the required competencies by selecting employees first. All employees who serve in this independent bank have requirements and qualifications that have been set by HRD. Bank Mandiri also has special training so that the job in this independent bank also involves product manuals, with this learning process or training is needed. Bank Mandiri tests its prospective employees by using the Posttest test to measure their understanding of their knowledge and pre-test, after participating in bank Mandir training, so that Mandiri banks can compare their abilities before and after studying and can select prospective employees. In the People's Business Credit at Bank Mandiri, there is no specific guide or SOP, because Bank Mandiri already has units in each branch dedicated to serving the needs of MSME lending facilities. In banking, one of the highest competencies is Character Integrity, in supervision, we have been monitored by very detailed and important rules as well as every independent bank employee has been tested for integrity and character.

Every process carried out has used an integrated application from Mandiri Bank. Bank Mandiri also has supervision carried out by the Business Unit (BU), these reports will be used as

the basis for the supervision of superiors who check the supervision. With valid data, real-time numbers in the system will be much more comprehensive in presenting the information. Bank Mandiri also has an examination process, namely a post check for newly disbursed loans every month, and there will be a deeper examination in the annual audit.

INTERNAL CONTROL SYSTEM ON PROCEDURES IN GIVING PEOPLE'S BUSINESS CREDITS

Bank Mandiri has the responsibility to ensure that this people's business credit will be able to be paid in installments, this KUR credit will be given to help increase the volume of business/ investment or others, so that production or sales increase. Bank Mandiri also has parameters to assess entrepreneurs who we deem worthy and capable according to the criteria set out in Bank Mandiri regulations. Based on the system that Bank Mandiri has and its parameters, it can make conclusions such as a simple balance sheet of the business owned by the customer, from these systems and parameters it can be concluded that the net profit that has been carried out by the entrepreneur and assesses how much is the maximum feasible for the entrepreneur to pay in installments each time. the month can be seen from the indicative limit suggested by Bank Mandiri.

With the new policy set by the government for banks that have been trusted to distribute KUR, to accelerate the development of MSMEs as well as to support the Job Creation Bill. The lowering of the KUR interest rate to 6% from the previous 7% which will help MSMEs gain access to formal financing with increasingly lower interest rates. The total KUR ceiling has also been increased from 140 Trillion to 190 Trillion in 2020, and will be increased gradually up to Rp. 325 Trillion in 2024. Increase in the KUR micro ceiling from Rp. 25 million to Rp. 50 million per debtor, this micro KUR at Bank Mandiri does not require collateral or collateral (kur.ekon.co.id).

CONSTRAINTS FACED IN GIVING PEOPLE'S BUSINESS CREDITS (KUR)

Problems that can be found in general are more about the legality of the business and the legality of additional collateral. In business legality, debtors often ignore that they are doing business in an illegal place, for example selling on the sidewalk. That way, Bank Mandiri requires MSME documents that must be submitted and will be considered such as a Trade Business Permit (SIUP), Business Place Permit (SITU), Company Registration Certificate (TDP), and Business Domicile Certificate (SKDU), if not. Having these documents, prospective debtors can also provide a Taxpayer Identification Number (NPWP) as business legality. The second issue is the legality of collateral, at Bank Mandiri the legality of collateral in KUR Mikro is only additional collateral that is not required, so there is no need for collateral / collateral. If a debtor uses additional collateral, at Bank Mandiri, entrepreneurs often forget to change the names of the assets they have purchased. So entrepreneurs often think that the collateral that is still being held has become the right of ownership, but legally the collateral has not become a property right in the name of the person concerned. In order to avoid bad credit, Bank Mandiri uses constant communication with its customers so that Bank Mandiri can ensure that these debtors will continue to have the ability to pay and monitor monthly installments in the customer's savings account. Communication will continue with customers and will be supported financially in that the cash flow will be checked or monitored. In the event of bad credit, Bank Mandiri has a special unit, namely the Credit Recovery Operation (CRO), which has the function of collecting or restructuring credit for customers experiencing problems in reducing their ability to pay so that debtors experiencing problems will be transferred to the Credit Recovery Operations (CRO) unit.) which will help carry out billing,

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education up to auctioning collateral. So that the Business Unit (BU) conducting marketing will not be bothered by a special unit for billing for customers.

Another obstacle that can be found in the provision of People's Business Credit (KUR) at Bank Mandiri's Gambir branch is that there are problems in the financial statements of prospective debtors who often cannot get KUR at Bank Mandiri. Sometimes a prospective debtor does not have transparency in his business, including in the financial statements and business conditions of the prospective debtor. Financial reports can be submitted to Bank Mandiri in a simple form, so that Bank Mandiri can assess whether a business is running well or not, whether it is appropriate or not to be given a People's Business Credit from Bank Mandiri. Rescheduling for the extension of the loan period will be handled with the CRO unit, so the problem will be handled in the CRO section. Extension of the credit loan period can be done if the debtor still has prospects in the future, for example with a decrease in installments that makes the debtor repay. Especially in this Covid-19 pandemic, Bank Mandiri followed government regulations to provide relaxation / relief to debtors and was given the freedom not to make installments for at least 1 year. So that it is hoped that during this year debtors can slowly recover their business in the impact of the Covid-19 pandemic, and hopefully next year they will recover so that they can pay their installments normally. The latest policy has started from March 2020 (Result of interview with Pak Rahardiansyah as MBCM Gambir branch on July 20 at 10.43 WIB).

V. SUMMARY

Based on the results of research and analysis that has been carried out on Internal Control of the System and Procedure for granting People's Business Credit (PBC) at Bank Mandiri, Gambir branch, Central Jakarta, it can be concluded that :

1. Bank Mandiri, Gambir branch, Central Jakarta is one of the implementing banks in the distribution of People's Business Credit. To apply for a People's Business Credit (KUR), entrepreneurs must have a productive business sector with a credit limit of up to a maximum of Rp. 50,000,000, -.
2. There are several stages in the credit application system and procedure at Bank Mandiri Tbk (Persero), Gambir branch, Central Jakarta, namely by assessing and checking the documents of prospective debtors in applying for People's Business Credit, credit approval and credit analysis up to the credit given. The purpose of this system and procedure for granting people's business credit is to ensure the feasibility of a credit to be accepted or rejected from the submission of the prospective debtor. In determining the creditworthiness of credit, starting from the initial stage to the final stage, an in-depth assessment and check are always carried out at Bank Mandiri. If in the document assessment, the survey of the prospective debtor's place of business, and there is still a shortage of the prospective debtor, Bank Mandiri may ask to apply for another credit or even be rejected immediately.
3. The Internal Control System in Providing People's Business Credit at Bank Mandiri is adequate. This can be seen from the clear separation of functions and authorities, the employees have been properly carried out under the SOP of Bank Mandiri. Bank Mandiri carries out an examination process, namely post check every period per month and a deeper examination in the annual audit. Bank Mandiri has a responsibility to ensure that this people's business credit will run smoothly with its customers and will provide education and support to its customers.
4. Problems often encountered at Bank Mandiri are business legality, the legality of additional collateral, lack of smoothness in financial reports and bad credit. Bank Mandiri has also overcome this problem by reminding its customers of these matters. Bank Mandiri can see

the shortcomings of MSMEs and make it a little difficult for MSMEs to provide People's Business Credit, with financial reports or additional collateral from prospective borrowers so that they often reject requests for People's Business Credit because they are not following their business.

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