

THE ROLE OF OPERATIONAL AUDIT IN IMPROVING THE EFFECTIVENESS OF THE INTERNAL CONTROL SYSTEM IN PT. BANK RAKYAT INDONESIA (PERSERO) Tbk. ENDE

Sabra B. Wahab Thalib¹, Nuraini Ismail²

^{1,2} Fakultas Ekonomi Universitas Flores

ARTICLEINFO

Keywords:

Effectiveness, Internal Control and Operational Audit

ABSTRACT

In conducting business and banking operations, risk problems cannot be avoided or completely eliminated, but at least these risks can be identified and suppressed in order to reduce them. Internal audit activity is to examine and assess the effectiveness and adequacy of the existing internal control system within the organization. Without an internal audit function, the board of directors or unit leadership cannot have an independent source of internal information regarding organizational performance. Internal audit basically aims to provide assistance to management and the board of directors in carrying out their responsibilities effectively, including efforts to develop effective controls at a reasonable cost. An effective internal control system is an important component in bank management and forms the basis for sound and safe bank operations. This study aims to determine the effectiveness of bank internal control in bank operational activities, especially in the administration of deposits, loans and cash. Qualitatively, data were collected which were then concluded without formulating a hypothesis. The data was obtained by using the library method and the field method with observation, documentation and interview techniques. The results of research on bank internal control found that internal control was still less effective, especially in terms of cash administration, deposits and loans.

E-mail:

sabrawahabthalib@gmail.com

Copyright © 2020 Economic Journal. All rights reserved.
is Licensed under a [Creative Commons Attribution-NonCommercial 4.0 International License \(CC BY-NC 4.0\)](https://creativecommons.org/licenses/by-nc/4.0/)

1. INTRODUCTION

In the current era of globalization, the role of the bank as a financial institution plays an important role in the development of the world economy in Indonesia. Bank is a business entity that collects funds from the public in the form of savings and distributes them back in the form of credit in order to improve their standard of living. The very rapid development of the banking industry at this time is accompanied by increasingly complex business activities which result in higher risks and challenges to be faced by the banking world, especially in Indonesia, so that more efforts are needed to improve supervision and control of operational activities.

In conducting business and banking operations, risk problems cannot be avoided or completely eliminated, but at least these risks can be identified and suppressed in order to reduce them. This is a very important contribution from auditing activities.

Internal audit activity is to examine and assess the effectiveness and adequacy of the existing internal control system within the organization. Without an internal audit function, the board of

The role of operational audit in improving the effectiveness of the internal control system in pt. Bank rakyat indonesia (persero) tbk. Ende - Sabra B. Wahab Thalib , Nuraini Ismail

directors or unit leadership cannot have an independent source of internal information regarding organizational performance. Internal audit basically aims to provide assistance to management and the board of directors in carrying out their responsibilities effectively, including efforts to develop effective controls at a reasonable cost. An effective internal control system is an important component in bank management and forms the basis for sound and safe bank operations. Effective internal control can help bank management maintain bank assets, ensure the availability of reliable financial and managerial reporting, improve bank compliance with applicable laws and regulations, and reduce the risk of losses, irregularities and violations of prudential aspects.

Internal auditors focus not only on administrative controls but also on accounting controls. The two controls are interconnected. Accounting controls are intended to protect company assets and ensure that accounting records and financial reports provide correct information. This is intended to avoid any omissions/cheats that may occur. In addition, the security of company assets and financial reports that provide correct information will result in a good reputation for the company. However, no matter how tight the accounting controls are, they will not work well if they are not followed by good administrative controls. Administrative controls are intended to ensure the quality of employee performance related to the company's operational activities and comply with all applicable laws and regulations. With good administrative control, of course, it will support the achievement of good accounting control, for example, an employee who has good performance and fulfills all applicable rules will certainly provide good accounting records and according to company procedures, so that the resulting financial statements will also provide correct information to users. Both of these controls are equally important and neither can be ignored because they support each other for the achievement of organizational goals. From this description, it can be concluded that the activity/scope of the internal audit includes the audit of financial statements and operational audits.

Operational Audit is conducted to determine the effectiveness and efficiency of a company's operational activities. The implementation of a good company's operational activities can be controlled through a good internal control system and vice versa if the implementation of operational activities carried out is not good in the sense that there are errors or irregularities and a lack of efficiency and effectiveness in its implementation, it can be judged that the bank's internal control has not been implemented properly. effective so that it can cause several risks, including risks that have an impact on the company's reputation, risks of financial losses and risks that affect bank productivity. In addition, the security system to protect company assets must also be considered, namely in the use of passwords to open the main safe (treasury key) and passwords to open BRI's operational systems which can only be opened by authorized officers.

The problem of bank internal control is currently still being discussed because there are cases of theft/ embezzlement of funds and system breaches that have occurred in several banks in Indonesia, including one of the BRI Units in Ende district which can be carried out by internal and external parties of the bank so that the control system The internal management of each bank needs to be improved in order to detect and prevent as early as possible the occurrence of undesirable things that can harm the company.

In observations made at the BRI Paupire Unit, researchers found problems, namely the lack of effectiveness of internal control over the administration of books, both deposit bookkeeping, loan bookkeeping and cash bookkeeping caused by the lack of accuracy of officers in recording accounts/accounts, errors in recording account numbers and in using transaction

The role of operational audit in improving the effectiveness of the internal control system in pt. Bank rakyat indonesia (persero) tbk. Ende - Sabra B. Wahab Thalib , Nuraini Ismail

codes. Errors or mistakes that often occur will certainly have a negative impact if effective supervision and internal control are not carried out. In addition to having an impact on the company's reputation, it can also have an impact on financial losses.

In addition, there is a lack of efficiency both in terms of business costs and in terms of service time. Efficiency in terms of costs in question, namely where the costs of operational activities are too high from operating income so that the company has not yet made a profit in accordance with the target. The efficiency in terms of service time is still lacking, which is seen from the service process that is not fast enough so that there are still complaints from customers who are not satisfied. This is due to the lack of employees and the placement of tools/work machines needed so that each job can be carried out in a more efficient time is not placed close to the service officer. Therefore, it is necessary to conduct an assessment of the effectiveness of the internal control implemented which will help the company to achieve the target in accordance with the established criteria and avoid any internal audit findings and external audits in the operational audit implementation. From the background above, the problem is about "The Role of Operational Audit in Improving the Effectiveness of Internal Control at PT. BRI (Persero) Tbk. Ende Branch Paupire Unit".

2. METHOD

Data collection techniques used in this study are:

1. Field Research Method, is a field study, which is a method that intensively studies the background and current state of an object of research based on existing information, collected, classified and interpreted so that accurate information is obtained. The activities carried out are:
 - a. Observation, is direct observation of an object to be studied and aims to get an overview of the object of research. Observations made by the author by examining how the bank's operational activities take place and how the internal control system in controlling these activities at PT. Bank Rakyat Indonesia (Persero) Tbk. Unit Paupire Ende.
 - b. Documentation, namely collecting data by studying the records and documents that exist at PT. Bank Rakyat Indonesia (Persero) Tbk. Paupire Ende unit that deals with research problems.
 - c. Interview, is a data collection technique in which researchers ask questions about everything to obtain the expected information.
2. Library Research Method, namely research data collection techniques carried out by collecting data based on several literatures, books or various other types of data sources that have a relationship with the problem being studied. The data obtained are used by the author as a theoretical basis for research. The data analysis technique in this study uses qualitative descriptive

3. RELUST AND DISCUSSION

Evaluation of the Effectiveness of Bank Internal Control in Operational Audit

In the previous theoretical basis, it has been explained about the application of internal control in the banking world which should be implemented properly so as to reduce the findings of auditors, especially internal auditors because with a good internal control system it will also have a good impact on bank operational activities. The internal control system cannot be separated from auditing because with the existence of internal control/internal audit, a company's internal control system will be able to assess whether it has been adequate or has been implemented effectively according to the criteria set by the company.

The role of operational audit in improving the effectiveness of the internal control system in pt. Bank rakyat indonesia (persero) tbk. Ende - Sabra B. Wahab Thalib , Nuraini Ismail

In the research conducted on the system and internal control in the BRI Paupire unit, the researcher found that the existing system was adequate, meaning that it was implemented in accordance with the guidelines or provisions that had been previously set where there were adequate elements of internal control, control from the internal auditor supervisors who are carried out on an ongoing basis so that they can detect each bank operational activity/activities earlier if they are deemed to have violated the applicable rules or regulations so as to prevent things that might harm the company both in terms of reputation and financially.

Every company certainly expects a good and adequate internal control system, including the BRI Unit. From the previous explanation, the Paupire BRI unit already has adequate internal control elements, but in practice it is still not effective because several weaknesses were found that could lead to undesirable things that ultimately resulted in losses for the company.

There are several weaknesses that cause the ineffectiveness of internal control at the BRI Unit Paupire which is reviewed from several aspects of assessment, namely:

1. Bank's Internal Control Function

a) Safeguarding and Securing Bank Assets

In securing the company's assets at BRI Unit Paupire overall has been good. This can be proven by the existence of a cash storage area that has been stored in a safe (treasury) by using a combination key held by the teller and the head of the unit. Cash collection and cash storage have been carried out under the supervision of the unit but to further improve internal control, it is better to have other officers besides the unit and teller. This is to avoid the possibility of irregularities or unhealthy cooperation. Meanwhile, the security measures taken to secure important documents belonging to the company and customers have also been stored in the vault, but the key holder officers are sometimes negligent in re-checking the locking of the cabinet. And this can also lead to the possibility of something undesirable, such as theft.

b) Ensuring Availability of More Accurate Reports

Any data or information, namely financial statements or accounting records, must be presented according to the real situation in the company. The financial statements must be continuously tested so that the truth of the accounting data can be maintained. The management of BRI Unit Paupire has prepared every report on time, but in testing the accuracy of the accuracy of the accounting data it is still not effective. This is evidenced by the findings from the internal audit of errors in charging fees made by the recording officer so that it continues to use the wrong cost transaction code and ultimately has an impact on the presentation of the income statement. In this case, it can be concluded that there is still a lack of good internal control, namely in the aspect of lack of accuracy in double-checking (dual control) by the Unit for the bookkeeping carried out by the previous officer.

c) Improving the Company's Operational Efficiency

Cost efficiency is an important thing to note so that the company can generate optimal profits every year in accordance with the targets that have been set. But that is no less important than cost efficiency, namely time efficiency in service which also needs attention because every customer wants to be served quickly. If this can be done, the company will also indirectly benefit both in terms of financial and reputation.

In terms of cost efficiency, the management of BRI Unit Paupire needs to pay attention to what costs can be reduced and how to increase revenue so that the company can achieve the expected profit targets. In addition, the management of BRI Unit Paupire also needs to pay attention to time efficiency in service, which is seen from the location of the machines or work tools needed by the deskman who are too far away, such as printers used to print debt acknowledgments or loan realization receipts or photocopiers to serve customers in opening accounts. savings and ATM opening.

Elements of Internal Control

Judging from the elements of internal control at the BRI Unit Paupire in general, it is adequate, namely the existence of an organizational structure and the separation of functions and authorities that have been clearly defined, the existence of an authorization system and adequate recording procedures, healthy practice, namely the implementation of each employee's duties without interference from other

The role of operational audit in improving the effectiveness of the internal control system in pt. Bank rakyat indonesia (persero) tbk. Ende - Sabra B. Wahab Thalib , Nuraini Ismail

parties. However, there are still weaknesses in the element of employee quality that have not been specifically considered, namely the placement of tasks that are in accordance with their educational background so that the work provided can be understood and gives satisfactory results.

1. Internal Audit Audit Division.

a). Cash Bookkeeping Administration

In terms of cash bookkeeping administration, the bookkeeping related to cash, both receipts from deposit deposits, deposit deposits and expenditures for loan realization, financing for office needs and cash withdrawals as a whole has been carried out well. However, the weakness that is often found is the completeness of signatures by both customers and tellers on withdrawal slips and deposit slips which still need to be considered in order to improve internal control to be more effective. The importance of re-checking the documents by the teller so that the evidence used as an archive can be justified. In observation, the researcher also found that the teller never signed the passbook register, which should be considered so that internal control in the use of the passbook is more effective because in addition to being controlled by the deskman, the collection is also controlled by the teller so that there are no more mistakes in taking the passbook according to the serial number sequence. .

b). Deposit Bookkeeping Administration

Judging from the administration of the savings bookkeeping that still needs to be considered, namely the administration of opening a new simpedes account, namely the completeness of customer data in the CIF 01-A form. In addition, the APL-01 form which should have two copies each as bank records and for customers, but in reality there is only one copy which is used as bank records and for customers is not provided so that most of the account opening requirements are not understood by customers. In addition, officers also need to pay attention to the provision of ATMs to new customers who open accounts so that the company's opportunity to obtain fee-based income can be achieved, namely how officers provide information about the various advantages and benefits of using ATMs so that customers are interested in using them. As for the archive storage of the account opening application, it has not been archived neatly in alphabetical order of name, so it is still difficult to find customer data if one day it is needed for other purposes such as checking the audit team or data of customers who get a savings lottery prize.

Loan/Credit Bookkeeping Administration

Judging from the administration of the loan bookkeeping, which is about giving the code/number to the Kupedes file, it is still done manually so the researchers found that there was the same number of credits given so that it could confuse the recording department officer who recorded it into the loan register. The printing of a Debt Acknowledgment Letter (SPH) as a condition for providing credit is only made in duplicate as a bank file while for customers it is not given as evidence that the customer has understood and agreed to all the requirements contained in the SPH. In addition, there is no clear accounting for the use of stamps that have been provided by the company to assist customers in expediting the loan realization process, so that the use of the amount and value of sales cannot be known with certainty because there is no special recording made and negligence that often occurs in giving receipts as proof of payment of the stamp duty which can confuse officers whether the stamp duty fee that has been used has been paid directly by the customer or through deductions at the time of loan realization.

4. CONCLUSION

Based on the results of research and discussion that have been described in the previous chapter, the authors can conclude several evaluation results, including: There is storage of important company archives and documents whose security has not been properly maintained, such as locking the cabinets where the daily mutation lists are stored, daily balance sheets and other archives regarding customer data for opening savings accounts and checking the neatness of each document stored. The existence of internal control that has not been implemented effectively in bookkeeping administration, among others: In cash bookkeeping administration, namely the lack of checking on the completeness of signatures by both customers and tellers on withdrawal slips and deposit slips to be accounted for the truth. In

The role of operational audit in improving the effectiveness of the internal control system in pt. Bank rakyat indonesia (persero) tbk. Ende - Sabra B. Wahab Thalib , Nuraini Ismail

addition, the teller is negligent in signing the passbook register, which should be considered so that internal control in the use of the passbook is more effective because in addition to being controlled by the deskman, the collection is also controlled by the teller so that there are no more mistakes in taking the passbook according to the serial number sequence. In the administration of deposits, namely in opening a new simpedes account where new customers are not given an ATM so that the company loses the opportunity to earn fee based income and the lack of accuracy in checking the completeness of the CIF 01-A form and the APL-01 form which are only made in duplicate as bank records while to customers it is not given as evidence that the customer has understood the terms and conditions in opening an account. In the administration of Loans/Credits, namely: The absence of a good serial number in the Kupedes archive so that the same numbering is found which can cause errors in the recording. SPH printing which is only made in duplicate for bank records while for customers is not given as evidence that the customer has understood the terms and conditions in granting credit. There is no separate bookkeeping to record the cost of stamp duty used in the credit disbursement process. Lack of more careful re-checking of every job which is the task of the unit leader to control all bank activities so that errors and mistakes are still found by the internal auditors.

REFERENCES

- [1]. Amin Widjaja Tunggal. 2008. *Dasar-Dasar Audit Operasional*. Edisi Revisi. Jakarta: Harvarindo
- [2]. Amin Widjaja Tunggal. 2006. *Audit Operasional: Suatu Pengantar*. Jakarta: Harvarindo
- [3]. [http://: www.com](http://www.com). *Pedoman Standar Sistem Pengendalian Intern bagi Bank Umum*. (26 Mei 2011)
- [4]. Nugroho Widjajanto. 2011. *Pemeriksaan Operasional Perusahaan*. Jakarta: Fakultas Ekonomi Universitas Indonesia.
- [5]. Sabra B. Wahab Thalib. 2006. *Modul Kuliah Auditing*. Ende: Fakultas Ekonomi Universitas Flores.
- [6]. Sukrisno Agoes. 2006. *Auditing*. Edisi Ketiga. Jakarta: LP-FEUI
- [7]. Teguh Pudjo Muljono. 2012. *Aplikasi Akuntansi Manajemen Perbankan*. Yogyakarta : BPFE
- [8]. Alvin A. Arens, dkk. 2010. *Auditing and Assurance Services An Integrated Approach 13t,h, edition*. New jersey: Pearson
- [9]. Guy, M dan C. Wayne Alderman, Alan J. Winters. 2006. *Audit Operasional*. Jakarta: Erlangga.
- [10]. Sugiri Slamet. 2009. *Akuntansi Management Sebuah Pengantar*. Edisi Keempat, UPP STIM YKPN: Yogyakarta
- [11]. Henry, Simamora. 2010. *Akuntansi Basis Pengambilan Keputusan Bisnis*. Jakarta: Salemba Empat.
- [12]. Mulyadi. 2010. *Auditing* Jilid I, Cetakan ke Tujuh. Jakarta: Salemba Empat.
- [13]. Peraturan Bank Indonesia Nomor: 1/6/PBI/1999 *Tentang Penugasan Direktur Kepatuhan dan Penerapan Standar Pelaksanaan Fungsi Audit Intern Bank*.
- [14]. Sukirno, Agoes. 2010. *Auditing*. Jakarta: Lembaga Penerbit Fakultas Ekonomi Universitas Indonesia.
- [15]. Syairozi, M. I., & Rosyad, S. (2022). Inovasi Daun Lontar Untuk Meningkatkan Produktivitas Masyarakat Desa Lawanganagung. *Jurnal Pengabdian kepada Masyarakat Nusantara*, 3(1), 131-136.
- [16]. Syairozi, M., Rosyad, S., & Pambudy, A. P. (2019). Pemberdayaan Masyarakat Sebagai Pengguna Kosmetik Alami Beribu Khasiat Hasil Produk Tani Untuk Meminimalkan Pengeluaran Masyarakat Desa Wonorejo Kecamatan Glagah KAB. LAMONGAN. *Empowering: Jurnal Pengabdian Masyarakat*, 3, 88-98.
- [17]. Rosdiyati. 2016. *Audit Operasional atas Fungsi Produksi Perusahaan* (Studi Kasus pada PT.JAYA BRIX Indonesia). *Jurnal Penelitian Ekonomi dan Akuntansi*. Vol. 1 No. 1 2016.