

ANALYSIS OF HOUSING LOAN PROCEDURES TO SUPPORT INTERNAL CONTROL

(Case Study At PT. Bank Tabungan Negara Sub-branch Sawojajar malang)

Rusyda Aisyati Amrullah
Kertahadi
Nila Firdausi Nuzula
Faculty of Administration Science

Abstraction

As a developing country, Indonesia's economy is affected by the fluency of banking stream. The role of banks is significant to assist the venture capital provision in the form of credit. Business in Indonesia, both small and large enterprises are still depending their capital source from bank lending. In this case credit has become an important activity for every bank. Because, usually banks obtain bigger income from credit than other bank services. The interest becomes banks source of income, provision, and bank's administrative costs. The research objective is to describe the implementation of housing loans allocation procedures, to describe how the procedures of housing loans allocation can support internal control. Based on research findings, implementation for procedures of housing loans allocation until loans disbursement is good enough where the bank has used the principle of 5C. The weakness of this bank is still there overlapping performed by the department.

Key word : Analysis Procedures of Housing Loan Allocation

1. INTRODUCTION

1.1 Background

Credit has become an important activity for every bank. Because, usually banks obtain bigger income from credit than other bank services. The interest becomes banks' source of income, provision, and administrative costs. The distribution of credit in the economy sector by bank makes the flow of things and services from producers to consumers more fluent. However, in particular, credit is one means for meeting the variegated needs while the ability to meet it is limited.

Housing needs at the present time this is a national problem, especially in urban areas, who have to look for a solution either by the government together with the people, as entrepreneurs and as consumers of housing itself. Corporate developers (developers) as the private parties involved to find solutions to housing, business activity is to build and sell housing to consumers.

In-depth analysis on prospective debtors should be done by bank to find out the purpose of the funds usage and to minimize credit arrears. The analysis can be done according to principles of credit assessments 5 C, that is Character, Capacity, Capital, Collateral, Condition. These principles are beneficial for convincing the bank

that the client is trustworthy. It is also useful to know the background of venture prospect, guarantee that is given, as well as other factors from the client or the company. The aim is to make the bank believe that the given credit is completely secure and the distributed fund is certain to be returned.

Banks have basic activities to raise funds from people through savings, and to distribute the funds to society through providing credits. Hence, it is necessary to have an accounting system, such as accounting system of housing loans allocation.

The procedure of housing loans allocation aims to give easiness in credit application process for prospective debtors, as well as to give clear guide on credit application requirements; therefore, it is necessary to have credit allocation system, whose procedures and requirements used to apply the credit are easy to comprehend. Accounting system of housing loans allocation is an accounting system which is used by bank employees as an operational guide in serving prospective debtors' credit applications.

The accounting system of housing loan procedures consists of five procedures, which is credit application procedure, procedure of prospective debtor investigation, credit analysis procedure, decision-making procedure on credit application approval, and credit disbursement procedure. The aim of housing loans allocation is to ensure the credit worthiness, so bank can

approve or dismiss credit application. Thus, in every step, bank always evaluates deeply to cut down risks of credit arrears. Accounting system of credit allocation is run by several functions like Account Officer, Credit administrator, Credit analysis, Credit committee, Cashier, and Accountancy.

To support the housing loan procedures it needed a well adequate internal control system of a good organization structure to separate the responsibilities accurately, system of accounting procedure for doing enough accountancy evaluation on company assets, debts, incomes, and costs as well as healthy practices that have to be run in every part of an organization and employees' capability level which fits their responsibilities. Employees' capability can be considered as the most important factor, because the organization structure, authority system, accounting procedure, as well as the healthy practice that is run highly depend on the person who runs it.

PT. Bank Tabungan Negara (Persero) Tbk. Sub-branch Sawojajar Malang which is one of banks that meet merits in giving services for society. One of services that the bank does is allocating housing loans to clients in need. The bank is one of banks that give wide opportunity for every client who wants to apply for credit. This can be observed from the success of the bank which has already had many clients in allocating credit that reflects people's trust on the services which are given by the banks. Therefore, the bank sets a procedure in allocating the housing loan.

Based on the description above, the writers interested to know more about procedures of housing loans allocation in PT. Bank tabungan Negara (Persero), Tbk. Therefore, the writers propose the title "*Analysis of Housing Loan (KPR) Allocation Procedures to Support Internal Control*".

1.2 Formulation of Problem

Based on the background that described above, the formulation of the problem in this research are:

- a. How is the implementation of housing loans allocation procedures by PT. Bank Tabungan Negara (Persero), Tbk Sub-branch Sawojajar Malang?
- b. How is the contribution of housing loans allocation procedures to support internal control in PT. Bank Tabungan Negara (Persero), Tbk Sub-branch Sawojajar Malang?

2. THEORETICAL REVIEW

2.1 Definition of Credit

Credit is an individual's reputation, which allows it to obtain money, goods or labor / workers, trade them with the promise to pay in the future.

Housing loans is mortgages from Bank for purchasing homes from developers or non developers, whether for new or second home purchases, home purchase has not finished (indent) and take over loans from other banks.

1. Elements, function, and goals of credit

As explained by Kasmir (2003:103), in the credit word, there are many elements that become the base of lending.

- a. Elements of credit
 - 1) Trust
 - 2) Deal
 - 3) Term
 - 4) Risk
 - 5) Fringe Benefit
- b. Goal of credit
 - 1) To seek profit
 - 2) To help customers' business
 - 3) To help the government
- c. Function of credit
 - 1) To improve the usability of money
 - 2) To improve the circulation and traffic of money
 - 3) To improve usability of goods
 - 4) To increase the circulation of goods
 - 5) As a tool of economic stability
 - 6) To heighten the excitement of business
 - 7) To improve the distribution of income
 - 8) To improve international relations

2. Procedure of credit provision

According to Kashmir (2006:123) in general lending procedures by legal entities are as follows:

- a. Filing papers
- b. Investigation of loan files
- c. Initial interview
- d. A review of the location (On The Spot)
- e. The second interview
- f. Credit decision
- g. Signing of loan agreement / other agreement
- h. Loan disbursement
- i. Distribution / withdrawal of funds

2.2 Definition Procedure and Accounting System

1. Definition of procedure

According to Mulyadi (2001:5)

“the procedure is a sequence of clerical activity, usually involving several people in a department or more which is made to ensure uniform handling of enterprise transactions that occur over and over.”

Another definition according to Cole in Baridwan (1998:3)

“the procedure is a sequence of clerical jobs (clerical), usually involves several people in one or more sections, designed to ensure uniform treatment of the corporate transactions that occur frequently”.

From some definitions, it can be concluded that procedure is clerical activities performed by a part or more within an organization or company to treat transactions that occur from the company's operations uniformly.

2. Definition of Accounting System

According to Settler's opinion cited in Baridwan (1998:4), definition of accounting system is

"accounting systems are forms, records, procedures, and tools that are used to process the data on the economic unity of business in order to produce feedback in the form of the reports required by management to oversee its business, and for the other parties concerned such as shareholders, creditors, and government institutions to assess operating results ".

Meanwhile, according to Mulyadi (2001:3)

"The accounting system is the organizational forms, records, and reports that coordinated in such a way to provide the financial information needed by management in order to ease the management of the company".

2.4 Definition Of Internal Control

According to Baridwan (2002:13)

”the internal auditing include organizational structure and all the ways and tools that are used in the company's coordinated with the purpose to maintain the security of the property of the company, checking the accuracy and correctness of accounting data, promote efficiency in

operations, and help keep the obeyed the management discretion that has determined management first.”

While according to COSO in Beyond COSO “Internal Control to enhance corporate governance” by Steven J. Root (1998) are as follows

“internal control is a process, affected by an entity’s board of directors, management and other personnel, design to provide reasonable assurance regarding the achievement of objectives in the following categories: effectiveness and efficiency of operations; reliability of financial reporting, and compliance with laws and regulations”.

Based on the above understanding it can be concluded that internal control is a system of creation of organizational structure that can minimize all forms of cheating-cheating is authorized to one or several parts, and the selection of competent human resources, used by management of the company with the aim of keeping the wealth of the company.

1. Objectives of Internal Control System

Internal control that was created in an company must have some purpose. The objectives of internal control (Zaki, 1999) namely:

- a. Maintaining the security of the property of the company.
- b. Checking the accuracy and correctness of accounting data.
- c. Advancing the efficiency of operations of the company.
- d. Ensuring the management wisdom obeyed.

2. Guidelines on internal control systems of banking

Control systems in the process of granting credit is essentially wants the credit target achieved for both banks and customers, as well as to avoid the occurrence of bad credit. According to SE No.05/22/DPNP Bank Indonesia, The implementation of internal control in banking is covering:

- a. Supervision by the management and control culture
- b. Identification and risk assessment
- c. Control activities and segregation of duties
- d. Accounting System, Information and Communication

- e. Monitoring and corrective action on deviations

3. RESEARCH METHOD

Referring to the background, formulation of the problem and the theories that have been described previously, so the type of this research is qualitative research; descriptive research methods with case study approach, descriptive research include survey and fact finding enquiries of different kinds. The major purpose of descriptive research is to understand the phenomenon that would be experienced by the subjects of the research e.g. behavior, perceptions, motivations or actions continuously descriptive manner in the form of words and language, in a natural context by utilizing a variety of natural methods. The main characteristic of this method is that the author has no control over the variable, the author can only report what has happened or what is happening. With research focus: 1. Organization Structure, 2. Procedure of Housing Loan, 3. Internal Control Over Housing Loan Procedures.

4. RESULT AND DISCUSSION

4.1 General Overview of Company

1. History of PT. Bank Tabungan Negara

History of BTN Bank began on October 18, 1897 according to the koninklijkBersluit No. 1V, it was stated that in Netherlands East Indies was established postpaarbank based in Batavia. Postpaarbank has opened a branch office between 1928 to 1934, first four branch offices were established in Indonesia, among others in Makassar in 1928, Surabaya in 1931, Jakarta and Medan in 1934. In 1934 became known also as accounting machines and the introduction of Current Account Certificate. In 1945 the Dutch East Indies colonial powers taken over by the Japanese and it was devastating for the banking industry at that time because postpaarbank is stopped and replaced by TyokinKyoku precisely on April 1, 1942.

With the independence of Indonesia in 1945, TyokinKyoku eventually taken over by Indonesia and renamed as Postal Savings Office (KTP), on the initiative of Mr. S.

Darmosoetanto, which also served as the first director of the post office savings. This bank was instrumental in currency exchange transactions of Japan currency with "Oeang Republic of Indonesia '(ORI). However, the Dutch military aggression II on December 19, 1948 postal savings office and branches can not operate (off).

On December 27, 1949 Mr. S. Darmosoetanto was appointed as the first indigenous served as director of the BTN Bank and is one of the new point rise of indigenous groups in banking sector in Indonesia. Appraisal basis that inspires February 9, 1950 as the day of birth of BTN Bank by decree of Directors No. 05/DIR/BIDIR/1993 dated on September 27 1993. In 1974, government established a policy for the development of the middle class of society. To support the success of the policy, BTN Bank appointed as House Financing Credit (KPR) based on the Decree of the Minister of Finance No. B/49/MK/IV / 1974 dated on January 29, 1974. Since 1950 until now, BTN Bank has been in bank sector for 48 years.

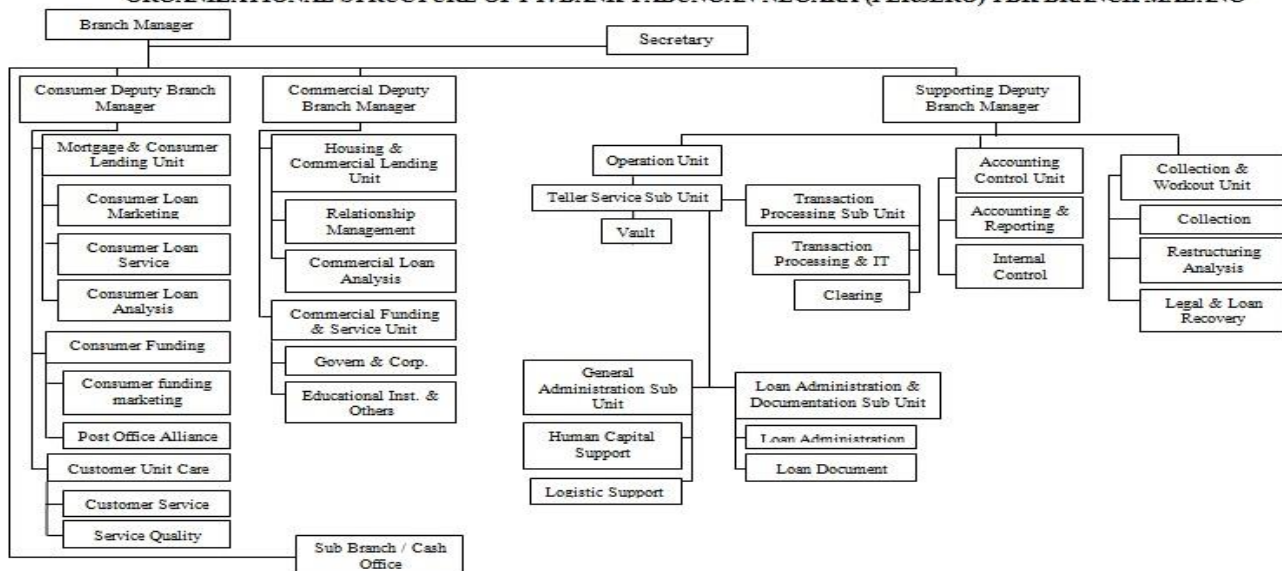
As a barrage of enactment of Law no. 7 of 1992 on Banking, BTN law changed to an individual company better known as PT. Bank Tabungan Negara (Persero). Establishment of PT. BTN (Persero) based on the deed No. 136 on July 31, 1992 made by Muhani Salam, SH, Notary in Jakarta. This change makes PT. BTN (Persero) freely. Previously, it emphasized as the Savings Bank and payment institutions change, since August 11, 1992 the field of activities expanded into commercial banks.

2. Organization Structure

The organizational structure of PT. Bank Tabungan Negara (Persero), Tbk Malang is very simple because existing human resources has very high professionalism, resulting in a number of human resources in accordance with the needs of the high performance results.

The following is a flowchart of the organizational structure at PT. Bank Tabungan Negara (Persero), Tbk Malang, can be seen in Figure as follows:

FIGURE 1
ORGANIZATIONAL STRUCTURE OF PT. BANK TABUNGAN NEGARA (PERSERO) TBK BRANCH MALANG



Source: PT. Bank Tabungan Negara (Persero) Tbk Branch Malang

4.2 Data Presentation

1. The Implementation of Housing Loan Application Procedures

a. Submission of letter of loan application by debtors

Things that complement the requirement of applying credit are:

- 1) Loan application form which consists of:
 - a. Photograph of applicant and wife or applicant (3x4 cm)
 - b. Applicant's identity has to be filled completely
 - c. Autograph of applicant and wife or husband at the statement column
- 2) A copy of the identity card of applicant and husband or wife (3 copies), a copy of family card, a copy of marriage or divorce letter (for those who are married or divorced), a copy of nationality evidence (for WNI Non indigenous), a copy of personal NPWP or SPT article 21 (the loan up to 50 millions/more), a copy of certificate, IMB, and SPT PBB and The copy of Batara Savings.
- 3) Letter of Approval from partner, (for unmarried is required to make statement letter of un-marriage from village and parents/godparents approval.)
- 4) Submit legality of business

5) Other data in form of: Notary costs, the first installment, fire and life insurance, and assessment costs.

b. Collection of data and information by debtor which have to be done by creditor

Data collection and information was conducted by the analysis credit. This party to perform verification of the data debtor according to the data provided in the check-list.

c. Interview

LS calls the applicant and his wife / her husband to do an interview. The result of that interview will be recorded by the staffin BTN Branch Malang to a form named Interview Result Sheet, then analyzed by the staff which later will be brought to Loan Committee Meeting (*Rapat Komite Kredit* or *RAKOMDIT*).

d. Loan analysis by creditor

Loan Analysis by creditor is done objectively, based on the completeness of data and information filled by debtor in credit application list, as well as the result of survey made in form of DUP (*Daftar Usulan Proyek*) by LA (*Loan Administration*) that located in BTN Branch Malang. DUP and the required document is submitted to Credit Approval Committee (*Branch Manager, Consumer DBM, Supporting DBM, Loan Analysis*).

e. Decision making by the creditors

Decision making is an official's act based on his authority which is the right of making decision like refusing, approving, or proposing loan facility application to the higher officials. This decision making is done through Loan Committee Meeting (*Rapat*

Komite Kredit or *RAKOMDIT*), which is led directly by Branch Manager of BTN Branch Malang and attended by the Head of Credit Section, The Head of Credit Analysis, and deputy head of the branch or Biro of main office of BTN (Persero) Tbk Branch Malang.

f. Reduction Lending Agreement Confirmation Letter (SP3K) by debtor

SP3K is given by creditor or the one who has been authorized by Branch Manager and directed to debtor as a sign that the credit application has been received and approved by the Bank.

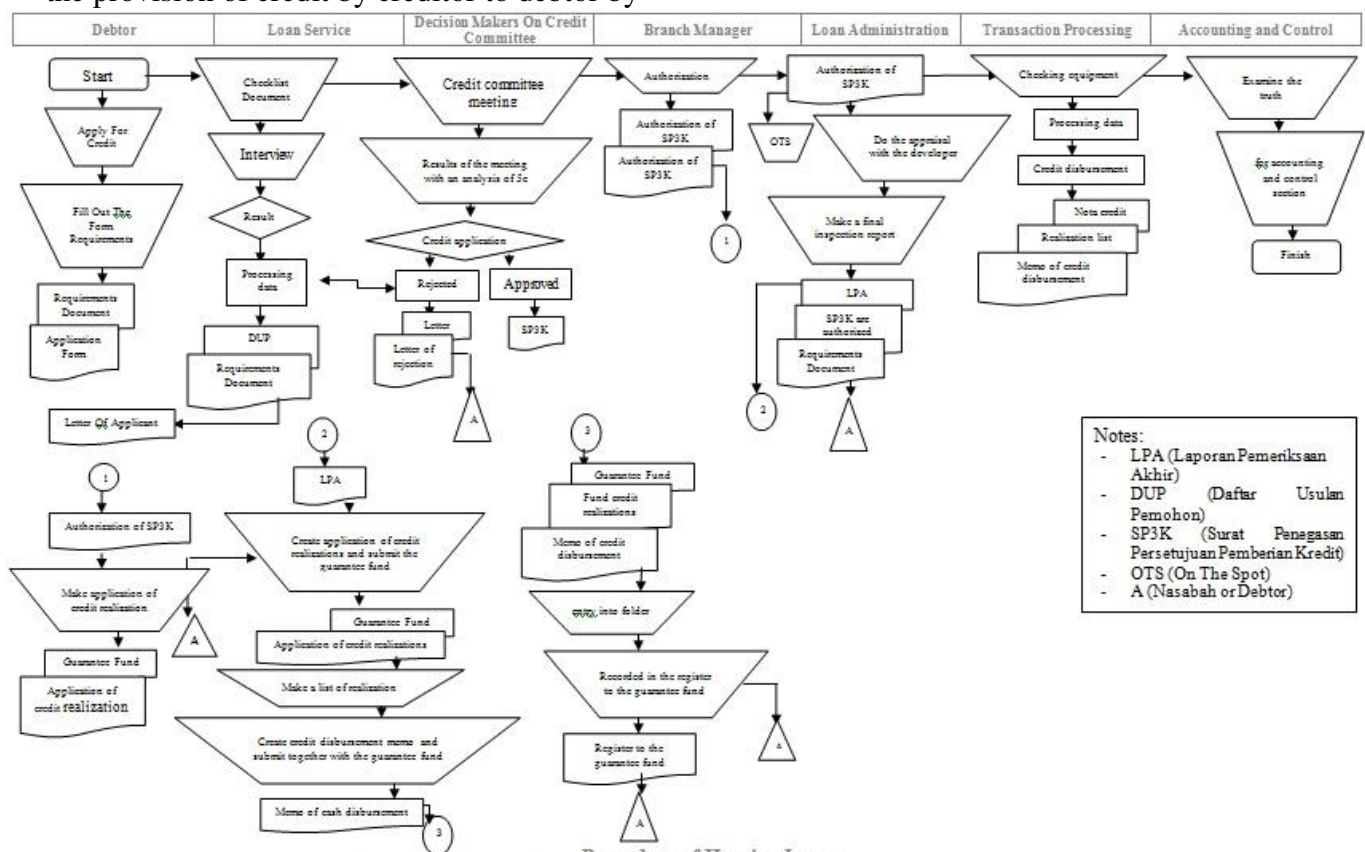
g. Credit agreement by the creditor and the debtor

After the credit application is approved, the credit agreement is held, where the two parties, creditor and debtor, sign to mark the commencement of cooperation in the provision of credit by creditor to debtor by

submitting the guarantee funds and loan disbursements.

h. Controlling or monitoring credit extension
The creditor continues to monitor the use of the credit given to the debtor. Credit management carried out by BTN Sub-branch Sawojajar Malang includes coaching process (conducted since pre-realization, realization to post-realization) and the credit salvation process (if the credit is problematic) performed at the branch. These processes must be managed properly, so it can achieve the ultimate goal of credit that is healthy credit.

The following is a figure for procedures housing loan application at PT. Bank Tabungan Negara (Persero) Tbk Malang Branch:



Source: PT. Bank Tabungan Negara (Persero) Tbk Branch Malang

2. Contribution of housing loan procedures to support internal control

In performing its duties, all employees of PT Bank Tabungan Negara Sub Branch Sawojajar Malang have the ability, knowledge and master for their job description.

PT. Bank Tabungan Negara Branch Office in Malang does 2 (two) kinds of education and training, such as:

- Orientation Training
- In Service Training

Below is activities related to procedures aimed to support internal control in housing loan allocation:

Divisions involved in procedures credit application:

1. Loan Service (LS)

Duties and responsibilities of Loan Service are:

- 1) Conduct an initial interviews with the debtor after the data declared complete and accurate according to check-list.
- 2) Verifying data from interviews and data in the application that has been completed by debtor. In this case the loan service provides barcode printed on credit submission form, then do the scanning and entry data in accordance with the data provided by the debtor.
- 3) Conduct initial analysis associated with the amount of credits based on the debtor's income data.
- 4) Conducts the credit realization if that credit has been approved by the Credit Approval Committee.

2. Loan Administration (LA)

Loan Administration located in PT. Bank Tabungan Negara Branch Office in Malang has Duties and responsibilities are:

- 1) To review the business location directly to the debtor that does not have a fixed income and/or the data doubted.
- 2) To create Data applicant proposed (*Daftar Usulan Pemohon* or *DUP*).

3. Analyst Credit

Analyst credit located in PT. Bank Tabungan Negara Branch Office in Malang has Duties and responsibilities are:

- 1) Verifying the data presented Loan service is based on the completeness of the data and information that is filled by the debtor in the form of loan application, data and information on the results of interviews has done, and the results of the survey have been be created DUP by Loan Administration.
- 2) To calculate the ratio to support credit decision.
- 3) Giving credit recommendation such as principle of 5C yaitu *character, Capacity, Capital, Collateral, and Condition of Economy*.

4. Credit Approval Committee

Credit decision making is a measures taken by the division based on the authorities are entitled to take a decision in the form of rejected, approved or propose

the application for credit to higher officials. This decision making is done through Loan Committee Meeting (RAKOMDIT), which is led directly by Branch Manager of BTN Branch Malang and attended by the Head of Credit Section, The Head of Credit Analysis.

3. Effort of Non Performing Loans

Factors that can cause credit problems can be derived from the client as debtor, or it could also come from the bank as a creditor. Factors that could cause a delinquent credit from the debtor are:

- a) Debtor misuses the obtained credit
- b) Debtors who do not have a good faith
- c) The debtor divert his rights and obligations to another party without the knowledge of the bank as a creditor
- d) Breach of Agreement Debtor
- e) The debtor reassigned to another place
- f) Debtor loses his job or terminated from the institution where the he works

Factors that could cause a bad credit from the creditor is a distortion of the principles of banking by bank officials themselves like:

- a. Quality of bank officials
- b. Competition among banks
- c. Supervision

4. Controlling credit on implementation of housing loan procedures

Credit control on the implementation of housing loans procedures is carried out directly by PT. Bank Tabungan Negara Branch Malang. Implementation of credit supervision is carried out by Loan Service (LS) and the Loan Recovery (LR). During one first-year credit will be overseen by LS, after more than 1 year then the billing and credit supervision delegated on LR. Loan Service can credit oversee system just by looking at a List of Delinquent (*Daftar Debitur Menunggak* or *DRDM*).

5. The efforts to overcome the credit installment arrears

- a) Credit Deliverance Division
- b) Early Warning System

- c) Credit Founding
- d) The Pattern Of Restructuring Credit
- e) Credit Settlement Pattern

4.3 Data Analysis and Interpretation

1. Organization Structure Analysis

From the observation result of organization structure of PT. Bank Tabungan Negara Branch Malang, there is a task distribution that is clearly seen due to the organization structure in form of line and staff. However, there was found some weaknesses of these procedures in credit distribution, especially in Loan Service and Loan Recovery department.

a. Loan Service (LS)

LS has some weaknesses in credit distribution procedure, such as:

- 1) The absence of bill of evidence received by customer after filing the application letter to LS.
- 2) Credit Agreement (PK) is not read completely, so the debtor does not understand enough about what should be his/her rights and obligations.

b. Loan Recovery (LR)

The weakness of task in LR is during the credit monitoring, LR is not accompanied by LS, LS will be brought to account if the debtor is proved to be problematic. It is advisable that in the credit monitoring LR is accompanied by LS since LS know more about debtor's character, so LS is able to offer the proper solution before problematic credit happened.

2. The Analysis of Housing Loan Distribution Procedures

a. Competent and reliable personal

At the time of the initial of processing credit application officers of the bank have a good knowledge about credit so that debtors obtain information about credit with clear and complete. This has been in accordance with the internal control is good because the employees have a good knowledge about credit.

In analysis process, LS have staff that is good, honest, objective, and they have good knowledge and skill. It has met good internal control since PT. Bank

Tabungan Negara Malang Branch has competent personal in the process of credit analysis.

During the process of credits disbursement is done by Loan Service that already has a binding juridical knowledge and mastery of credit guarantees. This has been in accordance with the internal control which is good.

Supervision process is conducted by Loan Service (LS) and Loan Recovery (LR). In this monitoring process, PT. Bank Tabungan Negara Branch Malang and Sub-Branch has matched with good internal control.

b. Proper Task Separation

1) During Credit Appraisal Process

Separation of responsibilities carried out since the beginning of the credit application process in addition is done by LS to analyze credit also performed the review to the location (on the spot) by the LA. After making taxation or on the spot report, LA gives the taxation to the LS. This indicates that the internal control has been performed well.

2) During credit analysis process

During of this process, internal control can already well because there is already a separation of duties. This is indicated by the data of debtors who has been on the analysis by the LS to created of credit recommendations by LA, which was made on the basis of initial analysis done by the LS and the data as well as the examination and appraisal of collateral was done LA. Then LA recommend to the branch manager.

3) During Loan Disbursement Process

During of this process was not done by LA located in branch office Malang but rather done by LS in PT. Bank Tabungan Negara Sub-branch Sawojajar Malang. In this case the internal control in the process of credit disbursement on the bank less well because it is still happening overlapping activities that done by LS.

4) During Monitoring Process

During of this process, there are 2 parts related which are LS and LR as the parties who monitor the customer. If the customer is not able to pay on time, LS will give a warning by calling and sending warning letter to the customer.

For the debtor who is in arrears for more than 1 year, the credit monitoring direct conducted by LR. This process of monitoring and paying off is not only done by only one parties or division, which has met good internal control.

c. Appropriate authorization procedure

1) During Credit Appraisal Process

During of this process, the parties who have authority are LS and LA. Assessed or guarantee checking process and BI checking are conducted by LA, then LA makes a report to LS for Usulan Permohonan (UP) proposal.

2) During Credit Analysis Process

During of this process viewed from the authorization procedure has worked well by the authorization done by Loan Service (LS). LA makes a customer visit report, and then LS analyzes the credit based on the completeness of the data and information filed by debtor.

3) During Credit Withdrawal Process

The authorized party of credit withdrawal is the head of branch, and in the performance is assisted by LS who coordinates with Teller. So the credit withdrawals have to through LS and the head of branch.

4) During Monitoring Process

During this process that have the right to authorize is the LS and LR. This indicates that the applied credit management control has been performed well.

d. Sufficient Document and Record

1) During Credit Appraisal Process

Internal control is performed against the credit documents and transaction records have been recorded in the forms. The forms that used is designed with simple and easily understood. However, many debtors who has yet to fill out the form-completed that which would later complicate the officer at the time will do a credit analysis.

2) During Credit Analysis Process

During of this process, LS uses data which is already assured of the accuracy, correctness, and completeness. Internal control conducted by PT Bank Tabungan Negara Sub-branch Sawojajar Malang on the credit analysis of documents and

records has supported of a good internal control.

3) During Credit Disbursement Processes

Internal control on the document when the processes of credit disbursement have been running well. Debtors can be doing credit disbursement after approving and signing SP3K, SPD 5, and SKMHT/APHT, as well as the Credit Agreement (PK) created by LS. Then examined and decided upon by Branch Manager.

4) During Monitoring

During of the credit monitoring or controlling credit has been accordance with the good of internal control, because the debtor's files already stored in a file cabinet is pretty neat. This makes it easy by LS to find the file if there is a problem, and also track it through the system a List of Delinquent Debtors (DRDM).

e. Physical Control Of Activa And Recorded

1) During Credit Appraisal Process

LA direct conducted examination such as comprehensive, i.e. LA survey to the location of the customer business areas or locations that serve as collateral.

2) During Credit Analysis Process

LS has conducted assessment of creditworthiness based on result of direct inspection (On The Spot) that is listed in the report of the Results of Debtor Visits, Prescreening and Scoring.

3) During Credit Withdrawal Process

During of this process LS gives the amount of credits to the debtor in accordance with debtors ' financial needs and pay attention to the stock and accounts receivable the debtor.

4) During Monitoring Process

During of this process direct inspection (On The Spot), conducted directly by the Branch Office Malang and conducted when the debtor is late in paying of installment credits and there are indications that a debtor's included in the category of substandard credits, doubtful and loss.

f. Independent performance checking

Inspection on PT. Bank Tabungan Negara, was carried out by Bank Indonesia, the Audit Board (Badan Pemeriksa Keuangan or BPK) and the

Independent Auditor. Inspection is also done by the bank that is to send financial statements to the headquarters in every year once and examination conducted by the Supervisor of Loan Service conducted routinely in every 2 or 3 months. In addition, regularly held a unannounced inspections.

5. CONCLUSION & RECOMMENDATIONS

5.1 Conclusion

Based on the research and discussion conducted regarding with the analysis of housing loan procedures to support internal control at PT. Bank Tabungan Negara Sub-branch Sawojajar Malang, it can be concluded as follows:

1. In the process of implementation of the system and procedure of granting credit on a PT. Bank Tabungan Negara Sub-branch Sawojajar Malang LS more dominant authority i.e. LS more operationalize the process of granting credit. Start checking the completeness of the data credits prospective debtor until the realization it is not in accordance with the credit control which has been said by Tawaf (1997, 270), in which a function cannot be given full responsibility to carry out all the stages of a transaction.
2. In the process of checking the form data when applying for credit officers less thorough, so many data of debtor is less or data has not yet completed. This can complicate the officers in analyzing data of debtors who can also cause the onset of bad debt.
3. In the credit control process, the delegation of tasks that lead to confusion regarding the liability of loan officers.

5.2 Recommendation

1. In order for the process of housing loan allocation easier the officers should first check the data that has been filled by the relevant debtor before leaving the place, so if there is less data asked directly.
2. Need the division of tasks and responsibilities which are elements of good internal control, where it will minimize the occurrence of fraud and self-dealing that can cause credit crunch. So the authors suggest LS parts

operationalize activities completeness checks up to the interview.

3. Preferably in a credit monitoring than or more than one that has been delegated to the Loan Recovery (LR) accompanied by Loan Service (LS) because LS is better know about the character of the debtor and the LS is responsible because LS is credit analysis.
4. The need for good cooperation and continuous with the developer it relates to the interests of the debtor that also affect the credit given by the PT. Bank Tabungan Negara Sub-branch Sawojajar Malang. This co-operation should not cease until the realization of loans, but also carried out continuously until the loan is paid off, and the necessary oversight of developers to seriously against the construction of housing projects that affect the willingness of the debtor to pay the loan installments.

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