ABSTRACT

HC ROYKE SINGGIH. Study on Credit Risk Control System for Risk-Based Audit Implementation. Under direction of ERIYATNO, HENY K DARYANTO, and DEDI BUDIMAN HAKIM.

The purpose of this study was to evaluate a credit risk control system to implement risk-based audit (RBA). The case was conducted in three stages using system approach. The first stage was to identify the key factors influencing the effectiveness of RBA implementation. Identification process was conducted through observation and exploration to determine key factors derived through gap analysis comparing the empirical outcome of the effectiveness credit management process from the expectation outcome. The second stage was using Exponential Comparison Method (ECM) which produces the ranking and the priority of the key factors through experts with in-depth interview which is the paramount importance steps to evaluate. The third stage was using Analytical Hierarchy Process (AHP) techniques, involving the experts with questionnaire and in-depth interview to decide the best, suitable alternative strategies to cope with the negative gap, to reach the goals expected which is to minimize the gap. The last stage was used through the Rule-based Method to evaluate a credit risk control system applied in the credit management process. There are four components mentioned to complete and to detect the gap, which is, first, performance monitoring, human resource knowledge, organization, and supporting system. The output of this study is a credit risk control system for the bank. The study has a limitation, due to the scope of the region of the bank, and the risk mapping only for credit risk, which is only one kind of the other risks of a bank operation, such as market risk, reputation risk, liquidity risk, compliance risk, operation risk and legal risk. The preposition of the study, that the application of the system will enhance the implementation of risk-based audit system.

Keywords: Credit Risk Control, ECM, AHP, Rule-based Method, Study, Risk-based Audit/RBA.