

ABSTRACT

This research carried out in order to analyzed effectiveness influence of intern controlling system by using structure measurement tool that parted functional liability, authority system, healthy practice, and qialified employee to credit quality which measured by using NPL (non performing loan) value within BPR in Pati that already publicate on Bank Indonesia on 2008 – 2009 periods.

Sample used were about 12 BPR. Variable used within this research was structure that parted functional liability, authority system, healthy practice and qualified employee as the dependent and NPL (non performing loan) as independent variable. Data obtained from pubication of Bank Indonesia on 2008-2009 periods. Analysis technique used was double regression and hypothesis by using t test in order to analyzed partial regression coefficient and F-statistic to examine influence collectively by reliance level about 5%.

Result of hypphotesis examination within this research showed that effectiveness of Intern Controlling System were have negative and significant ifluence to both credit quality and NPL (non performing loan). Hypothesis effort given by:

H1a: Structure that parted functional liability have negative influence to NPL (non performing loan) means that when structure that parted functional liability more increasing therefore problem credit level will descending.

H1d: Qualified employee have negative influence to NPL (non performing loan) means that when qualified employee were increasing therefore problem credit or NPL (non performing loan) will descending.

Keywords: Intern Controlling System, Credit Quality