



BANK PEMBANGUNAN DAERAH KALIMANTAN BARAT - BPD KALBAR

TRANSFORMING INTERNAL AUDIT
AND COMPLIANCE



**“ Improved Governance and
Compliance Quality ”**

COMPANY PROFILE

BPD Kalbar is a regional development bank established under local government regulation in the 1960s and incorporated as a limited liability company (PT) in 1999. It's head office is located in the provincial capital, supported by a broad branch network across both urban and rural areas. As a financial institution dedicated to regional economic growth, the bank offers retail and corporate banking services, including savings, deposits, consumer and business loans and digital solutions. It operates under the supervision of the Indonesia Financial Services Authority (OJK) and participates in the Indonesia Deposit Insurance Corporate (LPS) scheme.

CHALLENGE

As a regional bank, the organization faces several key challenges that are also experienced by the banking industry in general:

- Regulatory and governance changes: Increasing regulatory demands for stronger internal controls, establishment of specialized units, and enhanced IT and cybersecurity oversight.
- Competition with large national banks: Especially with major players in the micro and retail segments, where resource disparities significantly increase the cost of funds.
- Market climate: Public and government expectations for low lending rates to stimulate the real sector often conflict with high funding-cost conditions.
- Geographical conditions and customer characteristics: Wide service coverage across remote areas requires a labor-intensive model, although the organization is gradually transitioning toward digital and technology-based efficiency.

SOLUTION

BPD Kalbar implemented Arbutus software for data analysis work within the Internal Audit and Compliance Divisions. Arbutus software operates on-premise directly from user devices, adding an essential layer of data security and privacy within the banking environment. Arbutus software is applied in the internal audit and investigative analysis, including:

- Transaction Monitoring: Detecting anomalies or unusual patterns in large-scale transaction data.
- Loan and Credit Analysis: Assessing borrower profiles and payment patterns based on risk.
- Customer Due Diligence (CDD) & KYC: Ensuring consistency and validity of customer data.
- Compliance Testing: Automating the testing of AML thresholds, interest calculations, and fees.
- Revenue Assurance: Verifying the accuracy of income and commission calculations.
- General Ledger Reconciliation: Detecting duplication or discrepancies in accounting data.

The flexibility of Arbutus allows its use in both routine audits and ad-hoc investigations, making it a key tool for internal auditors and compliance teams.

RESULTS

The implementation of Arbutus has provided several tangible benefits, including:

- Increased time efficiency in data analysis through automation of large-scale transaction processing.
- Improved anomaly detection accuracy, strengthening supervision of high-risk activities.
- Enhanced auditor productivity, with focus shifting from data extraction to analytical review.
- Reduced audit operational costs, without the need for additional infrastructure.
- Improved governance and compliance quality, through early detection of potential violations or miscalculations.

Overall, Arbutus has helped enhance the effectiveness, efficiency, and accountability of internal-audit processes. Its successful use in audit and compliance serves as a strong foundation for potential future expansion should cross-department analytical needs increase.

BACKGROUND

Until 2018, BPD Kalbar had used another specialized data analysis software, but recognized the need for better technology, with expanded technical capabilities and improved functionality.

The selection of Arbutus Analytics was based on its efficiency and strong capability in analyzing large-scale data. The platform provides comprehensive and flexible functions, enabling BPD Kalbar's auditors to perform complex analyses with highly dynamic criteria without overloading user devices.

Its key advantage lies in high performance with minimal system resource usage, ensuring stable operation even on standard computers.

Efficiency, reliability, and Arbutus's strong reputation in the audit field were the main factors for its adoption to support data-driven auditing in the banking sector.