

# THE INFORMATION SYSTEM CONTROL TO INCREASE REGIONAL INCOME IN BANDUNG CITY

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## ***Abstract***

*ASEAN Economic Community (AEC) 2015 era, has noticeably grown up recently. ASEAN global market increasingly more and more dominant and led to greater business competition. This may reduce the role of the industry which has no economics competitive advantages. To maintain the economic growth, each City in the country have to maintain their local income continuously, in this case each city need to maintain the infrastructure to manage the process of their local income.*

*Bandung City has many attractive area. The effort to preserve city development should be done continuously. Research result shows, SIMPATDA is information system of regional income, which is used in Bandung City to manage Income from all aspects. Regional Income system with sufficient control of SIMPATDA like recalculation of paid taxes procedures is needed so that Income especially from all area can be maximized.*

**Key words (Five words):** *Information System, Internal Control, Regional Income.*

## **RESEARCH BACKGROUND**

Regional Income of Bandung City is Own source Revenues of Bandung City (Pendapatan Asli Daerah/ PAD), it is very important for city development. If the local income of The city can be received and reported correctly and accurately, it means that the financing for development will be better, thus public facilities for the community will be so much better.

Nowadays, the management of income in specific City/region has been using "Sistem Informasi Pendapatan Daerah (SIMPATDA)". This system is able to provide accurate and transparent reporting about the income of the city. An accurate management control of Regional Income of the city can maximize revenues and can increase better public facilities. Therefore this research topic is entitled "The Information System Control to Increase Regional Income in Bandung City".

## **Research Questions**

1. How far the management of Information system of Regional Income (SIMPATDA) which was used in Bandung city
2. How the Information system control of SIMPATDA can be maximize regional income

### **Theoretical Review**

Regional/local Income of Bandung city (PAD) defines as own revenues source that was taken from certain correlated region, which is consist of local/regional tax, local distribution, management of local wealth that is separated, and other valid local revenues (PAD Law No. 28 Year of 2009) and must be complied with the principle of justice, proportional, democratic, transparency, responsibility, as well as considering local potency, conditions, and regional's need (PAD Law No. 32 in Year of 2004).

PAD as local revenues is consists of: (1) regional/local tax, Hotel tax, Restaurant Tax, Entertainment tax, and places that need ticket entry (example tourist places, advertisement tax, Tax on city light, Parking tax, Water soil tax, BPHTB tax, PBB tax, (2) Regional retribution income with specific permission; (3) Management of regional wealth income that is separated; (4) other valid local revenues that is appropriate with laws (PAD Law , January 1<sup>st</sup>, 2011) (Robyn et. Al: March 8, 2011) .

PAD of Bandung city is used to finance the needs of education, health, infrastructure, economic and suprastructure. The purpose of local expenditure is to implement government business in order to protect, serve, empower, and welfare of the society, and serving the public with independent expenditures. The more potential and business opportunities that can be developed, the greater the chance increase regional income.

Local revenue information system (SIMPATDA) is the system that serve to help local revenues management process. SIMPATDA commonly used software to support performance in terms of revenues and levies that can be neatly extend to which revenues can be achieved. SIMPATDA covers: (1) tax objects data collection; (2) Tax calculation process; (3) separate calculation of the amount of tax or thorough; (4) Tax reporting.

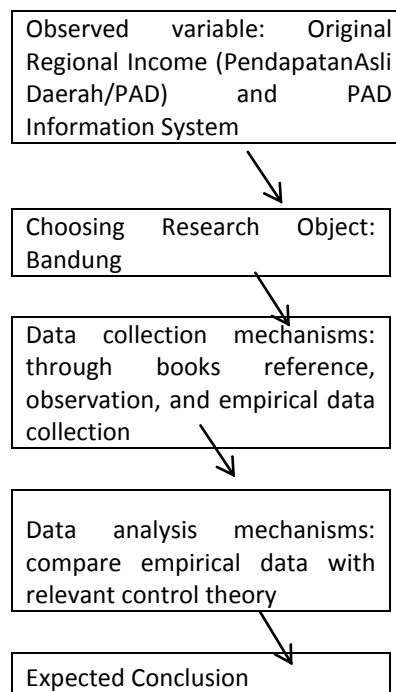
The purposes of SIMPATDA of Bandung city is to improve the delivery of information policy, simplify management processing. The apparatus of income department in Bandung city communicate information about the tax directly as well as through a network-based data driven, the information such as: (1) mandatory registration taxes/levies; (2) Taxation data processing; (3) Calculate the potential tax/charge; (4) Accounting and reporting processes Taxpayer; and (5) types of information requirements.

## Research Object

Object used is Revenues Offices (Dispenda) of Bandung city, in JalanWastuKencana No. 2 Bandung and per 1 April 2013 changed its name to Service Tax Department (Disyanjak) Bandung. The vision of this department is Professionals in revenue management, excellence in service to the city of dignified services (clean prosper, obey, friendly) by providing the best service to every taxpayer, so that the tax is not a burden, but as people realize that through the payment of taxes and levies, its regional development financing can be done. Dispenda Bandung owns 117 agents.

## Research Method

The method used is analytic descriptive, which is method that decompose the topic being researched to obtain understanding by deep analysis. Analytic descriptive method is done by collecting, processing, analyzing, and interpreting data, describe a circumstance and make a conclusion. The steps of the research are explained in the scheme below:



*Scheme1 Research procedure*

## Results/Implication

Comprehensions are arranged in a series of questions of the observation.

Financing source comes from original regional income (PAD) is more important than another source besides PAD, because PAD can be used according to regional government's initiative if it is compared to government fund (non-PAD) which is more tied in nature. Exploring and enhancing original regional income will increase regional government capability in organizing regional development. Managing Bandung's income uses a software called SIMPATDA.

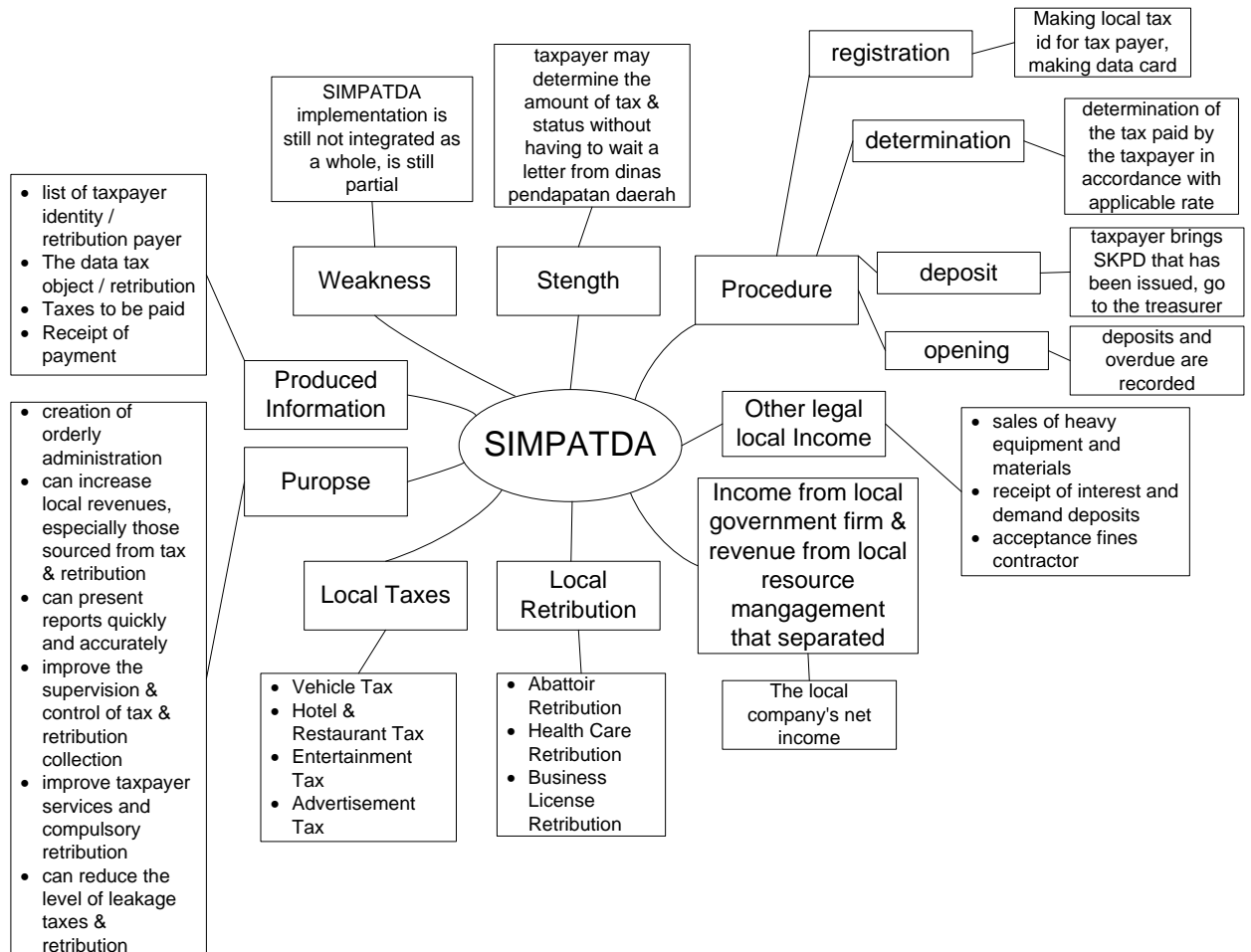
**Table 1**  
**Bandung Original Regional Income Growth Data 2007-2011**

<b>Year</b>	<b>Total Income (Rp)</b>
2007	307.607.510.090
2008	318.268.187.238
2009	385.765.623.764
2010	440.332.559.083
2011	571.953.546.853

*Source: Dispenda Bandung*

Table 1 above shows the amount of PAD in Bandung 2007-2011. PAD is expected to be increased by developing infrastructure SIMPATDA. Dispenda tries to develop web-based SIMPATDA software to improve various reporting menus and provide more transparent information to tax payers. Nowadays SIMPATDA Bandung still uses desktop applications and according to rules, only certain people could access it, thus could result in better controlling, especially to relevant and reliable reporting. Furthermore, transparency of reporting to stakeholders is becoming better and users' decision making is becoming more precise because tax payers could acknowledge their tax information from Dispenda. On other control, not only there are more administrators who could access and process data, but also data access by careless employees could be avoided. The control that arises from this web-based system is simplicity for system access both by Dispenda and tax payers.

Managing process of PAD if stated in schemes can be seen below:



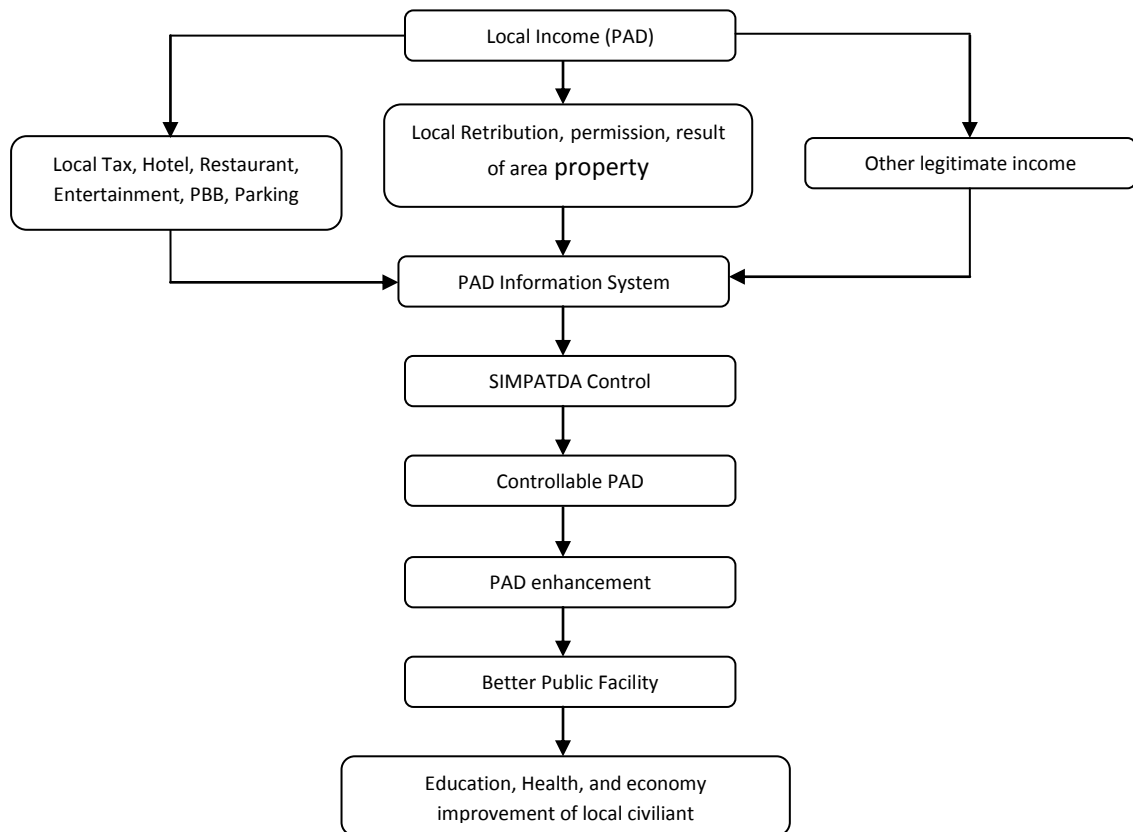
Source :Dispenda Kota Bandung, reprocessed by theauthor.

Scheme 2 Management of Local Revenue using SIMPATDA Software

The use of SIMPATDA software which can adequately controlled, when associated with maximizing revenue earned in Bandung city, can be explained as follows: Local income Management process in Bandung City Area using SIMPATDA Software, which have met principle of justice (reach the whole tax object), proportional (using progressive rate), democratic (self assessment), transparent (accessible), be responsible (taxpayer responsible for the assessment that have been done). The purpose of using local revenue in Bandung, is for public education fund (through scholarships), health, infrastructure, economy, and superstructure, to protect, serve, and provide better facility. Good control is especially provided for relevancy and reliability reporting, so transparency reporting to stakeholders' become much better and user decision making become more accurate because assessable and can know

their tax from Dispenda information. Another control that produced is more administrator that can access and process data. Besides, accessing data with unauthorized employee can be avoided because data is limited. This web – based system simplify the system access by local government and assessable. This control resulted complete control of the income received and recorded.

Relationship description between SIMPATDA with maximum local revenues can be seen in the following scheme :



Source : processed by researchers.  
*Schema 3 Role in maximizing control in PAD.*

## CONCLUSION

Local income management process for Bandung is using SIMPATDA software, which fulfill justice principles, proportional, democracy, transparency, responsible. Purpose of using PAD is for civiliant education, health, infrasturcture, economy, and suprastructures, to protect, serve, and giving better facility. PAD which has been produced by Bandung aproximately Rp 302.607.510.090 (2007) and Rp 571.953.546.853 (2011).

Good control in SIMPATDA, especially on relevant and reliable reporting, so transparent reporting to stakeholders will be better and better, and user decision making is more accurate. Another control that produced is more administrator that

can access and processing data. Besides, accessing data with unauthorized employee can be avoided because data is limited. This web-based system also simplify the system access either by Dispenda also assessable. This control resulted that complete of the local income can be received and recorded accurately and completely from all area in Bandung, and as missing a part of income can be avoided then local income will be received increasingly.

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