

ANALYSIS OF THE IMPLEMENTATION OF INTERNAL AUDIT, RISK MANAGEMENT, AND CUSTOMER ELIGIBILITY IN MINIMIZING PROBLEMS IN FINANCING RISKS AT BANK SUMUT SYARIAH KCP KISARAN

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Abstract. This study aims to determine "Analysis of the Application of Internal Audit, Application of Manajemen Resiko and Analysis of Customer Feasibility in Minimizing the Risk of Problematic Financing at Bank Sumut Syariah KCP Range". This research was conducted at Bank Sumut Syariah KCP Kisaran. The method in this study uses qualitative methods in the form of data research (field research). The results of this study are that Bank Sumut Syariah KCP Kisaran has implemented risk management through internal audits, the implementation of risk management by Bank Sumut Syariah KCP Kisaran covers all activities in the bank and the feasibility analysis of customers used at Bank Sumut Syariah using the 5C principle.

Keywords: internal audit, manajemen resiko, customer eligibility, financing.

I. INTRODUCTION

Human needs for financial institutions in this modern era have significantly increased. The existence of financial institutions is very important to meet human needs, one of the financial institutions established to fulfill human needs is a bank. A bank is a financial intermediary institution that serves as a bridge between those who have excess funds and those who need funds. In today's economic activities, almost everything is related to financial institutions. In the field of Islamic finance, the institution that has developed the fastest is the Islamic bank. Islamic banks are financial institutions that collect funds from the community that has a surplus of funds to then be channeled back to those in need of financing in various forms, all of which are conducted based on Islamic principles guided by the Qur'an and Hadith. (Amalia Rahmawati, 2020).

In general, problematic financing is caused by internal and external factors. Internal factors are those that exist within the company itself, and the most dominant main factor is managerial factors. External factors are those that are beyond the control of the company's management. Efforts that can be made to address problematic financing are preventive in nature (prevention) as well as repressive/curative, which are efforts aimed at rescuing or resolving problematic financing. (AGUSTIN, C. R. 2022) Problematic financing, also known as NPF (Non-Performing Financing) at PT Bank Sumut Syariah, has seen an increase since 2022 and 2023, as can be seen in Table 1:

Table 1. Problematic Financing of PT. Bank Sumut Syariah Year 2019-2023

| Years | % NPF | Outs NPF | NOA NPF |
|-------|-------|---------------|---------|
| 2019 | 0.31% | 102.765.682 | 1 |
| 2020 | 1.63% | 510.591.716 | 5 |
| 2021 | 1.18% | 357.756.926 | 4 |
| 2022 | 3.46% | 1.137.248.211 | 12 |
| 2023 | 5.10% | 1.848.832.163 | 20 |

Source: PT. Bank Sumut Syariah 2019-2023

Based on Table 1, it can be seen that the number of Non-Performing Financing (NPF) at PT. Bank Sumut Syariah in 2022 increased to 2.28% with an Outstanding NPF value of Rp. 1,137,248,211, compared to Rp. 357,756,926 in 2021. Then, in 2023, the NPF value increased again from the previous year to 5.10%, with an Outstanding NPF value of Rp. 1,848,832,163, and the NPF NOA increased to 20. The above condition indicates that there are weaknesses in the implementation of risk management. With the various risks that can threaten the stability of the bank, these can actually be avoided through anticipatory measures in various ways, one of which is coordinating internal audits within a company/bank. Internal audits are aimed as a follow-up effort in financing supervision to ensure that financing is carried out correctly in accordance with financing policies and has met the principles of sound financing while complying with applicable regulations in

financing. Internal audits also support the organization in achieving its goals by taking a systematic and orderly approach to evaluating and advancing controls, effective risk management, and the management of the process itself. (Halim, 2022).

The research by Agustin (2022) concludes that in reducing problematic financing at Bank Syariah Indonesia, the role of internal audit is essential. Furthermore, the research conducted by Amalia Yunia Rahmawati (2020) concluded that the steps taken to prevent problematic financing are present in every action, starting from before the financing occurs until the financing is completed. The prevention of problematic financing begins even before customers take on financing, applying the principle of prudence in every action, especially in the disbursement of financing, due to the risks that are often encountered in these financing transactions. Furthermore, the research conducted by Jalaludin (2021) concluded that the Bina Usaha Cooperative in Kota Negara Lahat has implemented several measures to address or prevent the occurrence of problematic financing customers. Furthermore, the research conducted by Sari (2020) concluded that Bank Negara Indonesia KCP Sibuhuan has implemented several methods to assess the creditworthiness of customers in order to mitigate or prevent the occurrence of problematic financing customers. Based on the introduction above, the purpose of this research is to analyze the implementation of internal audits, the application of risk management, and customer eligibility in minimizing the risk of problematic financing at Bank Sumut Syariah KCP Kisaran.

II. RESEARCH METHODS

This research uses a qualitative method conducted by delving into phenomena in a natural setting. (Sutan Remy Sjahdeini, 2014). The object of this research is PT Bank Sumut Syariah KCP Kisaran. The data for this study was obtained from PT Bank Sumut Syariah KCP Kisaran. The data source was through interviews with the leadership of PT Bank Sumut Syariah KCP Kisaran. The data analysis technique used in this research is qualitative data analysis, which is divided into three stages: data reduction, data presentation, and conclusion drawing. (Halim, 2022).

III. RESULT AND DISCUSSION

Analysis of the Implementation of Internal Audit in Minimizing Problematic Financing Risks at Bank Sumut Syariah KCP Kisaran According to Arens and Loebbecke (2019), auditing is a process of collecting and evaluating evidence regarding measurable information about an economic entity, conducted by a competent and independent person to determine and report the conformity of the information with established criteria. Auditing should be carried out by someone who is independent and competent.

The assessment and evaluation by the internal audit are aimed at managing the risk of problematic financing by Bank Sumut Syariah. The risks at Bank Sumut Syariah KCP Kisaran are analyzed for their causes. Supervision and evaluation of compliance audits are included in the compliance audit conducted by the Internal Audit Team at Bank Sumut Syariah KCP Kisaran. (Syofyan, 2024). As part of the internal audit's responsibility as the executor of the Internal Control System, it involves examining and evaluating the adequacy and effectiveness of the execution of tasks that fall under the responsibility of the audited bank's management. Initially, internal audit was more focused on examining the level of compliance of the implementers with existing regulations. There are two conditions that pressure internal audit from two different sides. The first condition is that business activities require accelerated and sustainable growth. On the other hand, there is constant pressure for businesses to manage existing costs and ensure that limited resources (Human Resources, Money) are used as efficiently as possible.

As stated by Mr. Syofyan (2024), the Head of the Audit Team of Bank Sumut Syariah KCP Kisaran: "The mechanism for conducting the audit activities of Bank Sumut Syariah KCP Kisaran is in accordance with the Standard Operating Procedures established by OJK and SKAI, and each bank has the same Internal Audit SOP, with the only difference being in their products." "In addition to following the established SOPs set by the company, employees must also understand the risks involved and then conduct sharing sessions to enhance risk management." "Operations that have the distinctive characteristic of being both profitable on one side and carrying a high risk of loss on the other side are financing." Maka Bank Sumut Syariah needs to manage the risks associated with financing based on the compliance audit function as an internal control. The party that will directly carry out this role at the branch office of the bank is the Internal Audit Unit. The Internal Audit Unit conducts audit activities for banking financing and then reports the results to the Board of Directors and the Audit Committee. The Internal Audit Unit is part of the company's internal control system, which plays a crucial role in protecting and enhancing the operational business of Bank Sumut Syariah.

Based on its duties, the internal audit at Bank Sumut Syariah KCP Kisaran implements audits as stipulated by the Internal Audit Function Implementation Standards (SPFAIB) from Bank Indonesia. The internal audit mechanism includes the stages of audit preparation, audit program development, audit assignment execution, audit result reporting, follow-up on audit results, and documentation. As stated by Mr. Syofyan (2024), the Head of the Audit Team of Bank Sumut Syariah KCP Kisaran: "In general, the implementation and execution of internal audits at Bank Sumut Syariah consists of five stages: the audit preparation stage, the audit program development stage, the audit assignment execution stage, and the audit results reporting stage. These stages are outlined in the Standards for the Implementation of Internal Audit Functions in Banks (SPFAIB)" (Sofyan, 2024). The audit preparation stage involves data collection based on the risk profile to determine the customers/auditees to be audited. The risk profile is an assessment of the risk profile factors as referred to, which

evaluates the inherent risks and the quality of risk management implementation in the bank's operations, conducted across eight (8) types of risks: Credit Risk, Market Risk, Liquidity Risk, Operational Risk, Legal Risk, Strategic Risk, Compliance Risk, and Reputation Risk. The stage of preparing the audit program involves analyzing the issues faced based on the data obtained. The preparation of the audit program conducted by the auditors of Bank Sumut Syariah KCP Kisaran is carried out by each auditor, without any standard provisions from the Head Office. Here, the auditor is only preparing personal notes about the audit program that will be implemented. Next is the implementation stage of the audit, which is characterized by the activity of examining the accuracy of data through direct visits to clients/auditees, resulting in findings.

In this implementation stage, the audit findings are compiled into an audit report in the form of Audit Examination Working Papers (AEWP) and the Audit Results Report (ARR). The AEWP and ARR contain the conditions of procedural weaknesses/errors, the criteria/rules that were violated, the causes, impacts, recommendations for evaluation from the auditor to the auditee (bank), as well as comments from the auditee for improvement. The auditor's evaluation recommendations to the auditee are communicated in writing in their report. After being reviewed and signed by the Head of the Audit Team and the entire audit team, the Audit Results Report is submitted to the IHD Head at the headquarters of Bank Sumut Syariah, the President Director of Bank Sumut Syariah. The reports received by the head office are analyzed to identify violations or errors that will later be reviewed for improvements (Sofyan, 2024). In following up on the audit results, according to the Indonesian Banking Association, all parties involved in banking operations have a significant interest in knowing, understanding, and ensuring that all findings along with the issues and losses that arise, as outlined in the audit findings, are promptly addressed within the specified timeframe. Thus, Bank Sumut Syariah's headquarters has dispatched a Fact-Finding Team (TPF) as a follow-up to the audit results to inform the audit findings and clarify the audit report with the auditee, Bank Sumut Syariah KCP Kisaran, for improvements. To obtain an effective, independent, and objective review of the assessment procedures for bank operational activities, it is necessary to conduct a review of the quarterly risk profile prepared by the risk management unit (Sofyan, 2024). The final stage involves thoroughly documenting and scanning the scope, operational procedures, audit findings, and the bank management's responses based on the reported audit results. It can be concluded that the implementation of internal audits to minimize the risk of problematic financing at Bank Sumut Syariah KCP Kisaran is in accordance with applicable regulations. The implementation and execution of internal audits at Bank Sumut Syariah consist of five stages: the audit preparation stage, the audit program development, the execution of the audit assignment, and the reporting of audit results.

Bank Sumut Syariah, like other Islamic banks, has several strategies to minimize problematic financing. (Non-Performing Financing atau NPF). Problematic financing can occur when a customer is unable to meet payment obligations according to

the agreement. Here are some common ways used by Bank Sumut Syariah KCP Kisaran to minimize problematic financing:

1. Strict Financing Analysis

1) Before providing financing, Bank Sumut Syariah conducts a comprehensive feasibility assessment of potential customers. This includes: analysis of payment capacity, business feasibility analysis, and credit or previous financing history. By applying strict analysis standards, banks can minimize the risk of providing financing to customers who may default.

2. Diversification of Financing Portfolio Bank Sumut Syariah diversifies its financing portfolio to reduce the risk of concentration in a single economic sector or specific type of business. By distributing financing across various sectors, the bank mitigates the impact if one sector faces economic difficulties.

3. Proactive Approach through Supervision and Monitoring

The bank regularly conducts supervision and monitoring of customers receiving financing. This includes conducting direct visits, evaluating business performance, and monitoring installment payments. If potential problems are identified, the bank can promptly provide solutions or mitigations before the issues escalate further.

4. Persuasive Resolution Approach (Rescheduling or Restructuring)

2) If customers experience payment difficulties, Bank Sumut Syariah can offer financing restructuring options. This can involve rescheduling payments or changing financing terms to better suit the customer's conditions. This step can help customers continue to meet their obligations and prevent problematic financing.

5. Application of Sharia Principles

Financing at Islamic banks, including Bank Sumut Syariah, always adheres to Sharia principles. This includes risk-sharing, fairness in transactions, and transparency. This principle also helps minimize problematic financing because the relationship between the bank and the customer is more fairly structured.

6. Cooperation with Guarantee Institutions

3) Bank Sumut Syariah also collaborates with financing guarantee institutions, such as Jamkrindo Syariah, to reduce the risk of payment defaults. With the presence of a guarantor, the bank has an additional layer of protection if the customer fails to pay.

7. Education and Financial Literacy

1) Bank Sumut Syariah also plays an active role in providing education and financial literacy to its customers, particularly in terms of good financial management and business ethics. This step aims to ensure that customers have a better ability to manage their finances, thereby reducing the risk of default.

2) The frequency of internal audits at Bank Sumut Syariah KCP Kisaran, particularly in addressing problematic financing, typically follows a regular schedule set by the bank's policies and banking authority regulations. Generally, internal audits are conducted periodically, which can include:

1. Annual Audit: Typically conducted once a year as part of the overall evaluation of the bank's operations, including problematic financing.

2. Quarterly or Semi-Annual Audit: In some cases, internal audits related to financing are carried out every three or six months to ensure that the financing process is running smoothly.

3. Special Audit: Conducted if there is a significant increase in problematic financing or based on findings that require a more in-depth examination. However, more specific information regarding the frequency of internal audits at Bank Sumut Syariah KCP Kisaran needs to refer to the bank's internal reports or the audit policies implemented by management. Typically, internal audits are adjusted according to the risk conditions and the level of problematic financing currently being faced.

This research supports the theory of Ismatul Khayati (2020) which states that the implementation and execution of internal audits in banks consist of five stages, and these stages are the ones outlined in the Standards for the Implementation of Internal Audit Functions in Banks (SPFAIB). The results of this study align with previous research conducted by Agustin (2022), which concluded that in reducing problematic financing at Bank Syariah Indonesia, the role of internal audit is crucial, and this study also applies the five stages of internal audit execution. Analysis of the Implementation of Risk Management in Minimizing Problematic Financing Risks at Bank Sumut Syariah KCP Kisaran

In general, risk can be defined as the possibility of incurring losses that can be predicted, allowing for decisions to be made to prevent such losses from occurring. The risks that arise in the banking sector encompass many types of risks, but the most dominant one is financing risk. This financing risk is caused by the failure of customers to meet their obligations to the bank. Therefore, banks are required to implement risk management that can be used to prevent the occurrence of problematic financing. According to Mr. Zeky Syaputra, as the chairman of the board of commissioners and directors, the risk of problematic financing can be caused by several factors, namely internal and external factors as follows:

a. Internal factors, which are factors from within the bank. These factors include:

1. The lack of diligence from the Account Officer (marketing) in analyzing the 5C both before the financing is taken and after the financing is disbursed. In the distribution of financing, the AO is required to always be meticulous in carrying out the financing distribution procedures, one of which is conducting the 5C analysis. This analysis should not only be performed before the financing is taken but should continue to be conducted until the financing has been taken, as the bank must always be able to monitor all aspects to prevent potential financing problems in the future.

2. Incorrect analysis before financing decisions, which generally involves misjudging the customer's ability to pay. Errors in assessing a customer's payment capacity can also lead to problematic financing because if this analytical mistake occurs, it can be said that the customer is not eligible for financing as they lack the ability to meet their obligations in the future. Therefore, banks are required to be more meticulous in this analysis to prevent future analytical errors.

3. Insufficient monitoring of financing customers. In monitoring financing customers, banks can utilize a special

application that shows the amounts that need to be paid by the customers. A lack of monitoring can result in customers failing to make their payments on time, and the amounts to be deposited each month may not meet the targets set initially, leading to problematic financing for those customers.

4. The daily pick-up for financing customers was not carried out. This factor can occur when bad weather prevents the marketing team from making daily visits to clients, resulting in a decrease in daily deposit targets, which in turn affects the overall targets at the end. In addition, this factor can also be caused by the different locations of the customers, making it difficult for marketing to allocate time to reach those customers. (Zeky Syaputra, 2024).

a. External Factors, which are factors from outside the bank. These factors include:

1. The customer already has one business and then opens a new one, so their ability to pay is not assessed. Customers who already have one business then try to open a new venture because they believe that the income from the first business will cover the financing they take. However, in reality, customers do not assess their ability to repay the financing, leading to delays or issues in the repayment process.

2. Moving business locations. A customer's business location affects income because it is not guaranteed that the business at the new location will generate profits like it did at the old one. Customers are likely more familiar with the old location compared to the new one, or the old business location may be more strategic than the new one.

3. Uncertain economic conditions that lead to a decrease in the customer's income. The current economic situation greatly affects the businesses of customers, especially if those businesses are not essential daily needs or are seasonal in nature. This can impact the income of customers, making it difficult for them to meet their obligations.

4. The customer is in poor health and unable to work. The customer's condition also affects the income they receive because if the customer is sick, they cannot work or there is no one to replace them in earning a living, which can lead to a decrease in income and result in delayed payments.

5. Poor character of the customer. A customer's poor character can also influence the occurrence of problematic financing. Here, a poor character refers to customers who have the ability to meet their obligations but deliberately neglect to fulfill them, or customers who intentionally use the financing they obtained for purposes different from what the bank is aware of, which can lead to the customer being unable to meet their obligations.

6. The repayment ability of customers who can no longer pay. Customers who have taken financing may no longer be able to pay their obligations due to a lack of income or having no assets except for what is necessary for survival.

7. Customers of financing who have passed away. A customer who was supposed to fulfill their obligations has passed away, leading to the transfer of those obligations to heirs who may not have any income, resulting in problematic financing (Zeky Syaputra, 2024).

Based on the factors that can lead to problematic financing mentioned above, it can be concluded that the causes of problematic financing do not solely stem from external factors

or those outside the bank, but can also arise from internal factors or those within the bank itself. Among these two factors, it can be observed that the factor that significantly influences the occurrence of problematic financing comes from external factors or those outside the bank, as the circumstances of the customers determine whether the financing experiences delays or becomes non-performing. As the factors causing problematic financing occur, banks are required to have prevention or mitigation measures to address the occurrence of such problematic financing. Therefore, banks are required to implement good risk management so that all issues causing problematic financing can be addressed, preventing these problems from harming the bank (Zeky Syaputra, 2024). The risk management practices that have been implemented by Bank Sumut Syariah KCP Kisaran encompass all activities within the bank. Starting from before the financing is taken until the financing is completed. The implementation of risk management applied is as follows:

1. Risk identification
2. Risk measurement
3. Risk monitoring
4. Risk control

Based on the risk management implementation that has been applied by Bank Sumut Syariah KCP Kisaran, it can be observed that the practices in place have been effective, particularly in reducing the number of problematic financing within the bank. This research supports the theory of Mastura (2021) which states that the application of risk management involves Risk Identification, Risk Measurement, Risk Monitoring, and Risk Control. The results of this study align with previous research conducted by Jalaludin (2021), which concluded that the Bina Usaha Cooperative in Kota Negara Lahat has implemented several measures to address or prevent the occurrence of problematic financing customers. Analysis of Customer Feasibility Application in Minimizing Problematic Financing Risks at Bank Sumut Syariah KCP Kisaran

The distribution of funds through a mudharabah contract carries greater risks compared to using other contracts, as the amount of returns based on profit sharing is not always the same each month. In addition, there is also a risk of loss due to the lack of smooth operations carried out by the customers. Due to the numerous risks that may arise, Islamic banks are required to always exercise caution when conducting financing analyses. According to Mr. Jose Dwijaksono (2024), an analyst of financing at Bank Sumut Syariah KCP Kisaran, the risks that often arise from mudharabah financing and the analysis of financing at Bank Sumut Syariah KCP Kisaran are "The main issue that frequently arises from mudharabah financing is the occurrence of non-performing loans." Usually, the financing provided is not truly used to run a business; customers use it for other purposes, such as consumer needs and funding their children's education. To anticipate such matters, we typically look for evidence on the ground. "Here lies the importance of conducting an analysis using the 5C framework, as the businesses run by customers are not developed with additional capital from the bank, making it difficult for them to repay the loans." Bank Sumut Syariah KCP Kisaran only applies the 6C analysis in financing assessments because the other principles

are considered to have no significant impact on the smooth operation of the customers' businesses. The application of the 5C principles is already sufficient to measure the customers' ability to repay the loans. (Jose Dwijaksono, 2024).

Non-performing financing is one of the issues that often arises from mudharabah financing. When a financing default occurs, Bank Sumut Syariah KCP Kisaran will take a persuasive approach, meaning: "We will first engage in discussions to see if the customer can still pay their profit-sharing financing. If they can no longer do so, the bank will sell the customer's collateral. The proceeds from the sale of the collateral will be used to settle the outstanding defaulted financing, and if there are any remaining proceeds, they will be returned to the customer" (Jose Dwijaksono, 2024).

In the event of a financing default, Bank Sumut Syariah KCP Kisaran does not immediately sell the customer's collateral; instead, they first hold discussions between the bank and the customer. This is hoped to lead to a mutual agreement to resolve the problematic financing. The role of financing analysis in minimizing problematic financing at Bank Sumut Syariah KCP Kisaran, according to Mr. Jose Dwijaksono as a financing analyst, is: "Financing analysis plays a very significant role, especially because the 5C is the foundation that must be used as a guideline in providing financing to customers and can be utilized to minimize the financing risks that may arise." "The conditions on the ground can sometimes be very different from the information provided by the customers during the survey, so the bank must conduct a thorough analysis to minimize the risks that may arise in the future." (Jose Dwijaksono, 2024).

Problematic financing, or Non-Performing Financing (NPF), is one of the biggest risks for banking, including Islamic banks like Bank Sumut Syariah. The application of appropriate customer feasibility analysis is the key to minimizing this risk. Here is an analysis of the application of customer eligibility that focuses on the main aspects used by Bank Sumut Syariah in assessing prospective customers before providing financing.

1. Customer Character Evaluation

One important principle in feasibility analysis is the evaluation of customer character, which involves assessing the intentions and honesty of potential customers. In this process, Bank Sumut Syariah pays attention to: financing history: Conducting checks on the financing or credit history of customers, including the track record of installment payments with other financial institutions and the reputation of the customers. Conducting checks on the financing or credit history of customers, including the record of installment payments with other financial institutions and the reputation of the customer. Banks often also consider information from third parties, such as business partners or the local community, to gain an understanding of the character of potential customers. This character evaluation is important to ensure that customers have a good commitment to their financial obligations, which helps minimize the risk of problematic financing.

2. Financial Capacity Analysis

Bank Sumut Syariah conducts an in-depth analysis of the financial capabilities of its customers, which involves assessing income, cash flow, and liquidity. Some steps that have been

taken include: Calculating the Debt to Income Ratio: This is to ensure that the customer has sufficient income to cover financing installments, without burdening them with obligations that exceed their capacity. Assessing Business Cash Flow: For customers running a business, banks analyze financial statements and business cash flow to ensure that the customer's business is stable enough to support loan repayments. Through this capacity analysis, Bank Sumut Syariah can ensure that customers receiving financing have sufficient financial capability to repay the financing without incurring the risk of default.

3. Collateral Assessment

collateral assessment is still conducted as a risk mitigation measure. Bank Sumut Syariah conducts an evaluation of the assets pledged as collateral by customers to: Assess the Market Value of the Collateral: So that in the event of problematic financing, the assets can be liquidated to cover the defaulted financing, and Ensure Legality and Validity: The collateral provided must have valid legal documents and be free from disputes, to avoid legal issues in the future. This guarantee provides additional protection for the bank and ensures that if payment issues arise, the bank can minimize losses.

4. Evaluation of Economic Conditions and Business Sectors

In addition to focusing on customers, Bank Sumut Syariah also conducts an analysis of the economic conditions and business sectors operated by potential customers. Several factors that are considered are: Macroeconomic Conditions: An assessment of how the overall economic conditions can affect the customers' ability to repay financing. For example, sectors that are vulnerable to economic crises may receive extra attention, and the Stability and Potential of Business Sectors: Sectors with brighter prospects and higher stability tend to obtain financing more easily compared to sectors that are susceptible to fluctuations. This analysis aims to avoid providing financing to sectors that are at high risk of losses or business failures.

5. Document Verification Process

One of the final steps in the eligibility assessment is the verification of customer documents. Bank Sumut Syariah ensures that all documents submitted by customers, whether personal identification, financial statements, or collateral documents, are legitimate and valid. This is to avoid cases of fraud or incorrect information that could lead to problematic financing in the future.

6. Monitoring After Financing Provision

After the financing is approved and granted, Bank Sumut Syariah conducts regular monitoring of the customers and their businesses. The bank monitors whether customers make payments on time, as well as tracks the progress of businesses for customers who use financing for working capital. This monitoring is important so that the bank can promptly detect potential issues before they become more serious. If there are signs that customers are having difficulty making payments, Bank Sumut Syariah can take steps such as restructuring financing or renegotiating.

7. Risk-Based Financing Approach

Bank Sumut Syariah also employs a risk-based financing approach, where the bank assesses the risk level of each financing provided and adjusts its financing policies according

to that risk. For example, customers with a high-risk profile may be granted financing with stricter conditions or more intensive oversight. It can be concluded that the implementation of customer feasibility analysis at Bank Sumut Syariah KCP Kisaran is an important step in minimizing the risk of problematic financing. Through character evaluation, financial capacity, guarantees, economic conditions, and ongoing monitoring, Bank Sumut Syariah KCP Kisaran strives to ensure that financing is provided only to customers who have a strong potential to meet their obligations. Thus, the risk of problematic financing can be significantly reduced, maintaining the health of the bank's financing portfolio.

This research supports the theory of Setiawan (2020), which states that aspects in Customer Feasibility Analysis are essential for assessing the feasibility of customers in working capital financing, and therefore, it is first analyzed using the 5C principles. The results of this study align with previous research conducted by Sari (2020), which concluded that Bank Negara Indonesia KCP Sibuhuan has implemented several methods to evaluate customer feasibility in order to mitigate or prevent problematic financing customers.

IV. CONCLUSION

Based on the results and discussion, it can be concluded that: Bank Sumut Syariah KCP Kisaran has implemented risk management through internal audits. The application of risk management by Bank Sumut Syariah KCP Kisaran encompasses all activities within the bank, and the customer feasibility analysis used at Bank Sumut Syariah employs the 5C principles. The implementation of customer feasibility analysis at Bank Sumut Syariah KCP Kisaran is an important step in minimizing the risk of problematic financing. Through character evaluation, financial capacity, guarantees, economic conditions, and ongoing monitoring, Bank Sumut Syariah KCP Kisaran strives to ensure that financing is provided only to customers who have a strong potential to meet their obligations.

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