Review Article

Bank Involvement in Customer's Department

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Abstract - This research is motivated by the bankruptcy of a company after receiving a credit facility from a bank. This research aims to reveal the involvement of a bank in the bankruptcy of a company domiciled in the city of Denpasar. The company is a customer of a bank that has a credit facility. The company went into bankruptcy a few months after the credit realization process.

Researchers use qualitative research methods with a case study approach and investigative audit theory to reveal the involvement of the bank in the bankruptcy case of the company which is its customer. Researchers collected data from various sources in the form of document data (evidence) and interview data (interrogation). After the researcher obtained the document data and bank records, the researcher inspected the documents and conducted interviews (interrogation) with the research informants to confirm the truth of the researchers' findings.

From the results of data processing, it can be concluded that the bank is involved in company bankruptcy by neglecting the process of closing the company's credit which causes the company to receive incorrect information about the payment of the company's receivables so that the company goes bankrupt.

Keywords - Audit, Investigative audit, Bankruptcy, Company bankruptcy.

I. INTRODUCTION

The number of cases of corporate bankruptcy has recently increased significantly. Small and medium companies are very vulnerable to the risk of bankruptcy compared to large companies or multinational companies. Bankruptcy is a condition in which a company cannot fulfill its financial obligations or make payments to its creditors (Jaksic, 2020). Bankruptcy occurs when the value of the company's assets is equal to the value of its liabilities, or the value of the company's assets is less than the value of its liabilities (Kuala, 2013) which results in the company being unable to settle its obligations (Jaksic, 2020). Company bankruptcy can be caused by general factors such as social problems, economy, technology and government policies. Other factors that can cause company bankruptcy are internal factors such as inefficient management, embezzlement of company assets, or bad credit, and external factors such as customers, clients, suppliers, creditors, or natural disasters *(force majeure).*

Company bankruptcy is inseparable from the company's management efforts in maintaining the continuity of the company's business activities or what is known as a *going concern*. Company management must be able to predict what will happen to the company and take strategic steps to avoid the company from going bankrupt (Kuala, 2013). Company bankruptcy can be predicted from the company's financial statements (Kou *et al.,* 2020)by using company bankruptcy prediction methods such as traditional statistical methods, Altman Z-Score method, and artificial intelligence methods (Kuala, 2013; Sanjaya, 2015; Uthayakumar, Vengattaraman, & Dhavachelvan, 2020). These methods have not been able to provide clear information about the causes of company bankruptcy and the parties involved in company bankruptcy.

A company goes bankrupt after getting a credit loan from a bank. The company management claimed that their company's bankruptcy was caused by the bank's negligence in managing the company's accounts and credit. This claim cannot be fully accepted without evidence. Evidence to prove the truth of the claim must go through an act of investigation. Investigation aims to collect information from various parties to obtain information about the causes of an event, incident, or case through interviews or interrogation (Oyedokun, 2018). Investigation is part of the investigative audit process. In the case of company bankruptcy, auditors carry out investigations through the application of the integration of specific accounting knowledge and a positive attitude (Accounting, Peloubet, Act, & Section, 2018) to find the real problems faced by the company.

Company bankruptcy is a case which is a special phenomenon, interrelated, occurring within a certain time, and in a certain place (Rebolj & Possibilities, 2017). A case study is a scientific research method that provides flexibility for researchers to place ongoing research into more than one paradigm, be it a positivist paradigm, an interpretive paradigm, a critical paradigm, or a postmodernist paradigm or a set of strategies (Kholifah and Suyadnya, 2018: 187- 189) to solve a case.

The data in this study are evidence that will be analyzed using investigative audit theory. Researchers analyzed the data using thetechnique *follow the monay* which is part of investigative audit theory. The *follow the money* technique is an audit technique that is based on a simple idea, but is very powerful in uncovering cases in the financial sector. The *follow the monay technique* allows forensic auditors to analyze the flow of money or the flow of funds in an action by following the traces left in a flow of money or flow of funds (Tuanakotta, 2010). Regarding the type of data used, researchers use more than one data source (*multiple data resource*). The use of more than one data source can provide very accurate information to researchers (Kholifah and Suyadnya, 2018: 195) to conclude whether or not a bank is involved in a customer bankruptcy case.

A. Research Focus

In order for this research not to expand and lead to bias, a research focus was set. The focus of research in this study is the involvement of banks in customer bankruptcies based on investigative audit theories.

B. Research Problem Formulation

Based on the description of the background and research focus that has been described, the formulation of the research problem is presented, namely:
1) Is there an element of bank involvement in a customer bankruptcy case?
2) Where is the bank's involvement in customer bankruptcy cases?

C. Research Objectives

Based on the background description, research focus, and problem formulation, the objectives of this study are as follows:
1) To reveal the elements of bank involvement in customer bankruptcy.
2) This is to determine the element of bank involvement in customer bankruptcy.

II. LITERATURE REVIEW

A. Forensic Audit Forensic

Audit consists of two words, namely audit and forensic. An audit is a systematic approach that follows a structured and documented plan that includes independent, objective examination and evaluation of evidence. Audit is said to be a form of evaluation of a person, organization, system, process, company, project or product. Audits are carried out to ensure the validity and reliability of information and also to provide an assessment of an entity. While forensic comes from Latin which means from or before. A forensic audit is the application of accounting principles and investigative techniques to disclose cases of crimes such as fraud and theft, through the act of examining evidence on an assertion in determining its correspondence to establish criteria carried out in a manner determined by the court. Forensic Audit is a scientific accounting method for uncovering, solving, analyzing and uncovering cases of financial crimes (G. Emmanuel, 2016) through the application of investigations, audits,

procedures and analytical skills for the purpose of solving financial problems scientifically and in a way that meets the required standards (OG Emmanuel, 2015).

A forensic audit requires a clear and detailed audit plan to obtain information about how, when and where the wrongdoing occurred and who committed the wrongdoing (Of et al., 2015). Forensic audits are used in the fact finding process for the resolution of commercial disputes or legal disputes (Imoniana, 2013). Forensic auditing is an aspect of forensic accounting that applies accounting, auditing, and investigative skills to situations that have legal consequences. A forensic audit is an activity that consists of collecting, verifying, processing, analyzing and reporting data to obtain facts and / or evidence (Oyedokun, 2015). The focus of a forensic audit is on economic transaction evidence and reporting contained in the accounting system, and the legal framework that allows such evidence to be in line with the purpose of building accountability and judgment (O & Andy, 2013).

In a forensic audit, there is an investigative action. Investigation is the collection of documentary evidence and structured testimony to resolve an alleged inappropriate activity. Investigations are used to elicit responses from victims, defendants and collaborative witnesses. In the investigative process, data collectors were carried out through interviews and interrogations. The types of investigation in a forensic audit include investigations of fraud, corruption, misuse of assets, and fraudulent financial statements (Oyedokun, 2018).

In the investigation there is a process of data matching or *data* matching. Data matching is an attempt to find records that refer to the same entity from a data source. In the data matching process, data anomaly detection can use Benford's Law which can detect administrative errors, or data manipulation directly. Benford's law or the law of the first digit is an explanation of the leading distribution in many data sets. Data matching in the investigation was carried out to identify a pattern (G. Emmanuel, 2016).

Audit techniques are methods used in auditing the fairness of the presentation of financial statements (Tuanakotta, 2010: 349). There are seven audit techniques that can be used by forensic auditors in conducting forensic audits (Tunakotta, 2010: 350-359). The seven audit techniques are:
1) Physical
   Checking Physical examination is generally defined as the counting of cash either in rupiah or in foreign currency, calculation of paper or securities, calculation of inventories, calculation of fixed assets, and calculation of tangible goods. other.
2) Requesting Confirmation
   In an investigative audit, requesting confirmation from the auditee can be in oral or written form. This is a procedure normally performed by an auditor. Similar to audits, in investigative audits, requests for confirmation must also be accompanied,

strengthened, or collaborated with information from other sources or substantiated in other ways. Requesting confirmation is asking another party to confirm the truth or untruth of an information. In investigative auditing, we must consider whether or not a third party has an interest.

3) Checking Documents

Examination in investigative audits is always done by examining documents. The definition of the document in this case becomes broad. Documents in this case include information that is processed, stored and transferred electronically (digitally).

4) Analytical reviews (analytical reviews)

Analytical reviews include comparisons between financial data according to records and what should or should occur. Or by comparing the financial records with what actually happened. The substance is deductive reasoning. The emphasis is on reasoning, and the process of thinking. In investigative auditing, the reasoning that will lead a forensic auditor to a picture that is obtained in a global, comprehensive, or aggregate manner.

5) Requesting oral or written information from the *auditee* (*inquiries of the auditee*).

In the process of conducting an investigative or forensic audit, requests for verbal or written information from the auditee are common practices for an auditor. Requests for information must be accompanied by information from other sources or reinforced by other means.

6) Recalculate *(reperformance)*

Perform recalculation or recalculate (reperform) is nothing but an activity to check or re-check the correctness of a calculation. In a forensic audit, this is a very common procedure company to perform and the calculations are very complex. In order to recalculate these measures must be supervised by an experienced investigator.

7) Observing (observation)

Obersvation is often defined as the use of our senses to know something.

B. Bankruptcy

The origin of bankruptcy stems from the laws of the Roman Empire which played an important role in the formation of British and American laws (Tavakolian, 1994). Company bankruptcy can be predicted by analyzing the company's financial statements (Kou et al., 2020) using corporate bankruptcy prediction methods such as traditional statistical methods, artificial intelligence, and the Altman Z-Score method (Kuala, 2013; Sanjaya, 2015; Uthayakumar et al., 2020). Altman Z-Score is a score that is determined from a standard time-calculated financial ratio that shows the likelihood of a company's bankruptcy rate (Sanjaya, 2015). Traditional statistical methods and Artificial Intelligence techniques in recent years are used predominantly to analyze company finances in predicting whether the company will experience bankruptcy in the future or not (Lin, Hu, & Tsai, 2012; Yu & Chen, 2012). These methods of predicting company bankruptcy only focus on analyzing the company's financial statements, but

not on all aspects of the company such as the implementation of the company's internal control system, corporate earnings management, and corporate planning in the face of uncertainty. To avoid the company from bankruptcy, company management must take strategic steps as a form of maintaining the continuity of company activities or going concern (Kuala, 2013), and implementing risk management to organize company activities into functional areas to obtain the right business decisions (González, Santomil, & Herrera, 2020).

The financial health of a company is very dependent on the competence of company management. When a company cannot maintain its financial sustainability, as a result, the company goes bankrupt (Mainardes, Mota, & Moreira, 2020). Incorrect financial planning can lead to financial failure which can lead to company bankruptcy, thus providing critical problems for companies, investors, creditors, borrowing companies and the government sector (Uthayakumar et al., 2020). Bankruptcy is one of the biggest threats to a company and arises as a result of the company's inability to honor its timely payments (Livia, Buzgurescu, & Elena, 2020). Company bankruptcy can be interpreted as an economic failure *(economic distress),* that is, the company loses money or its earnings so that it cannot cover the company's costs, and *financial distress is* a bankruptcy that distinguishes between cash flow bases which have two forms, namely insolvency in the sense of technical and bankruptcy in the sense of bankruptcy (Sanjaya, 2015).

A company can become bankrupt if the value of the company's assets is the same as the value of its liabilities. Company bankruptcy is a condition in which the company cannot fulfill its financial obligations or make payments to its creditors (Jaksic, 2020). Bankruptcy occurs when the value of the company's assets is equal to the value of its liabilities, or the value of the company's assets is less than the value of its liabilities (Kuala, 2013) which results in the company being unable to settle its obligations (Jaksic, 2020). Companies that experience bankruptcy can reorganize the company. Reorganization of corporate bankruptcy can be carried out as a form of restoration of the company's financial health, making financial recovery plans, contractual settlement of obligations with creditors, and supervision of the implementation of this plan which is under the supervision of the court (Mainardes et al., 2020).

III. RESEARCH METHODS

A. Research Paradigm

Idea of a research paradigm was first popularized by Khun in 1962. Khun defines a paradigm as a universally recognized scientific achievement in which the paradigm provides a model of problems and solutions for researchers for a time. Khun further explained his ideas about paradigm in the following statement. "Paradigms gain their status because they are more successful than their competitors in solving a few problems that the group of practitioners has come to recognize as acute" (Khun, 1966: 23).

Based on the statements presented above, Khun argues that a paradigm is comprehensive model of understanding with perspectives and rules about how to see problems in the field and how to solve them. The research paradigm is a set of values, beliefs, and assumptions that researchers have in common regarding the implementation and nature of research. The beliefs of this research are divided into five which include ontological, epistemological, axiological, aesthetic, and methodological beliefs (Onwuegbuzie, 2004). Paradigm is also a way of looking at research on reality or science through fundamental assumptions about God, humans and nature (Kamayanti, 2016: 13).

Distinguishing paradigms is not to compare one paradigm to another but to gain a understanding deep so that the meaning of the paradigm in research is not blurred. The paradigm is divided into four quadrants using vertical lines and horizontal lines (Burrell and Morgan, 2005: 22). The vertical line is a line depicting the assumption of a changing society, the sociology of radical change, at the top point, which moves downward towards the assumption of a stable, orderly state of society, the sociology of regulation. Meanwhile, the horizontal line is the objective-subjective continuum line. Hopper and Powell (1985), and Chua (1986) map the paradigm into three parts where this metering differs from that of Burrell and Morgan (1979). Hopper and Powel (1985), map the paradigm into three parts, namely the positive paradigm, the interpretive paradigm, and the critical paradigm. Meanwhile, Chua (1986) mapped a paradigm similar to Hopper and Powel (1985) where Chua classified the paradigm into three parts, namely: The Funcionalist Paradigm, The Interpreive Paradigm, and The Critical Paradigm. In The Critical Paradigm proposed by Chua, there is a merger between Radical Structuralists and Radical Humanists proposed by Burrell and Morgan (1979) because they do not get strong support from sociology. The two paradigms are grouped into one mind mapping, namely The Critical Paradigm (Chua, 1986).

The positivist paradigm is broadly defined as an approach to the natural sciences that emphasizes the discovery of the law of cause and effect, careful empirical observation, and value-based research. The positivist approach defines certain scientific models as free-value and atomistic; discover the law of cause and effect. This model should be the hallmark of natural science which made it so successful and the assumption is that if social science can imitate natural science, then social science will achieve similar success (Collier, 205: 328). Thus it can be seen that the ultimate goal of a research with a positivist approach is to find the law of universal cause and effect.

The interpretive paradigm aims to interpret, not to explain or predict (Paranoan, 2015). The interpretive paradigm places more emphasis on a person's meaning of symbols (Craswell, 2007), views reality as something that is subjective, focuses on the role of language, interpretation and understanding (Chua, 1969), views that

science is not used to explain and predict as contained in the positivist paradigm, but to understand an event (Mulawarman, 2010; Rahayu, et al, 2007). The interpretive paradigm has several research method approaches consisting of ethnometodology, phenomenology, symbolic interactionism, and hermeneutics (Burrel and Morgan, 1979; Moleong, 2005; Saladien, 2006; Kuswarno, 2009).

The critical paradigm is one of the three paradigms in social research that aims to reveal hidden things. The critical paradigm emphasizes fighting distortion at the surface level, multi-level realities, and value-based activism for human empowerment (Neuman, 2015: 123). The critical paradigm sees social reality as being between subjective and objective. Subjective meanings according to the critical paradigm are relevant and important, however, objective relationships also cannot be denied (Chua, 1969).

B. Interpretive Paradigm
A researcher who uses a case study approach can place the research activities he is doing in one or more paradigms at once, be it a positivist, interpretive, critical or postmodernist paradigm (Kholifah and Suyadnya, 2018: 187). This research is a case study research that seeks to uncover the factors that caused the company's operations to stop in a short period of time, which led to the company's bankruptcy. To reveal these factors, an interpretive paradigm is used as an umbrella for the research. The interpretive paradigm emphasizes the role of language, interpretation of symbols, and understanding of social science and human thought (Darmayasa and Aeswari, 2015), which continuously creates social reality in order to interact with others (Burrel and Morgan, 1979: 240).

C. Case Study as Research Method
This research is a qualitative research using a case study approach. The focus of case study research is the specification of cases in an event, whether it includes individuals, cultural groups, or a portrait of life (Creswel, 1998). The case study suggests several characteristics, namely (1) identifying cases for a study, (2) the case is a system that is bound by time and place, (3) case studies use various sources of information in data collection to provide a detailed and in-depth description of response to an event and (4) using a case study approach, researchers spend time in describing the context of a setting for a case (Craswell, 2013: 97). The case study approach is also used to examine events or cases that have occurred in the past, but have had an effect until now (Creswell, 2013).

The case study approach can be used to assess a variety of situations (Yin, 2009). And as explained by Simons (2009: 21) that the case study approach can be used to produce a deep understanding of a topic, program, policy, institution or system. The case study approach also allows researchers to obtain a complete explanation of a phenomenon through the use of various data collection methods (De Veus, 2001). This suggests that a case can be studied as an object of study (Stake, 1995) or consider it as a methodology (Merriam, 1988).

Case study research has certain limitations which include (1) time and space constraints, (2) 'contemporary' case boundaries, and (3) limitations related to data types. A case is a system (Creswell, 2013) or a unit (Yin, 2009) which is bounded by certain parameters such as space and time (Kholifah and Suyadnya, 2018: 190). Space constraints are more real than time constraints (Gerring, 2007). Time limit is related to the time dimension of social phenomena where the time limit becomes important when the phenomenon under study is based on a particular event. The second limitation that researchers must pay attention to is that this method is only used to assess contemporary or ongoing real-life contexts. In addition, case studies can also be used to examine a phenomenon or past event that has occurred if the impact on the social life of the actors can still be felt until the time the research was carried out (Kholifah and Suyadnya, 2018: 194). Research that uses a case study approach uses a variety of data sources to produce very accurate data (Hakim, 1987). This diverse data source is one of the strengths of the case study approach as well as a limitation or special feature of the case study approach, which provides a broad, comprehensive and in-depth description of a phenomenon (Yin, 2009; Creswell, 2013).

Case studies are divided into three types or types, namely intrinsic, instrumental, and collective or multiple case studies (Stake, 2005; Creswell, 2013). Researchers will select intrinsic case studies if researchers find cases that have unique or unusual situations. Intrinsic case studies do not present a case other than the main case (Stake, 2005). Researchers understand the condition of the case in terms of specificity, intricately, which aims to develop a theory (Berg, 2001: 229). The researcher will use a single instrumental case study when the focus is on a problem, and then select a case to illustrate or explain the problem (Creswell, 213). Collective case studies or multiple case studies are case studies that use more than one case to investigate a phenomenon (Stake, 2005). Researchers take several cases to study the patterns of similarity, regularity, and differences.

D. Data Collection Techniques Data

Collection in a study is something that must be done by researchers. In this study, researchers collected data in two ways. Data collection was carried out by conducting interviews and documentation.

a) Interview

Interview is a data collection technique that is extracted from direct data sources through conversations or questions (Komariah, 2017: 130). The interview is the main method used by researchers in the data collection process so that the interviews conducted are in-depth interviews (Wimpenny and Gass, 2000). Research questions can develop into the brackets that arise when conducting interviews.

b) Documentation

Documentation is an activity to record an event or an event that occurred either in the past or today in the form of writings, pictures, or monumental works of a person. Documentation can be in the form of photos, notes, sketches, etc. (Sugiyono, 2012: 326).

E. Data Methods and Techniques Data

Analysisanalysis in this study was carried out before entering the field, during the field, and after finishing in the field (Sugiyono, 2012: 333). Before entering the field, analysis was carried out on secondary data to determine the focus of the research (Sugiyono, 2012: 334). After entering the field, the researchers conducted data analysis using the Miles and Hubermen model. Miles and Hubermen (1984) argued that activities in qualitative data analysis were carried out interactively and continued continuously until the data was saturated. In data analysis activities, researchers carried out three activities. The three activities are *data reduction, display data, and conclusion drawing / verification* (Sugiyono, 2012: 334).

1) Data reduction (data reduction)
   Data reduction in this study aims to select data that is considered important, summarize and focus on things that are important and discard unnecessary. Data reduction in this study was carried out continuously during this research.

2) Presentation of data (*data display*)
   After the data reduction process, the next process is to present the data. Presentation of data in this study is carried out in the form of graphs and diagrams. The purpose of presenting the data in this study is to make it easier for researchers to describe an event / incident that provides the possibility of drawing conclusions.

3) Conclusion drawing / verification.
   The initial conclusions found in this study are only temporary, and will change if strong supporting data is found at the next data collection stage.

F. Presenting the Results of Data Analysis

This research is a qualitative research. The paradigm in this research is the critical paradigm, where the methodology used is the case study method. The presentation of data in this study is carried out in the form of a narrative in the form of direct quotations from key informants on certain phenomena (cases), analyzed in depth and reinterpreted by the researcher, which is presented in narrative form.

IV. RESULTS AND DISCUSSION

A. Research Results

This study aims to investigate the involvement of banks in customer bankruptcy cases. The data collection technique used in the investigation process is through document inspection (Oyedokun, 2015). From the hesil of inspecting customer banking records documents, the following research results were obtained:
1) Research Findings I The

Bank closed RC credit number 2253-01-000050-15-5 on January 28, 2016 and carried out the process of realizing people's business credit (KUR) with number 2253-01-000072-15-7 on the same day.

2) Results of Research Findings II
The new bank closed RC credit number 2253-01-000050-15-5 in the banking system on February 12, 2016.

3) Results of Research Findings III
The bank conducted a debit of funds in customer savings accounts of Rp. 63,423,756.00 (sixty three million four hundred twenty three thousand seven hundred and fifty six rupiah) and confirm with the customer regarding the debit on 29 February 2016.

B. Discussion of Research Results

From the results of investigations using the technique *follow the monay* on the flow of funds in customer savings accounts, it is known that this saving account is an account used forfinancial transactionscustomer. Financial transactions involving this savings account are transactions of receiving cash sales revenue, both sales of goods or services, receipt of payment of receivables from clients, payments to vendors or suppliers, and payments of customer obligations to banks.

The bank has a policy that every customer who gets a credit facility must have a savings account that is linked to active credit at the bank.
"... Because customers apply for credit to us, we require customers to also have a savings account at our bank ..." (MW-DMP1.07)

The aim of this policy is to make it easier for banks to make credit realization transactions and make it easier for customers to make transactions. payment of obligations to the bank. The DMP informant explained that in this way, when the credit application is approved, the bank only needs to transfer the funds, and when the customer makes payment of the obligations, the bank only needs to debit the customer's account because the bank has the authority to take this action. The following is the information from the DMP informant regarding bank policy, he explained.
"… We just need to transfer the funds from the credit account to the savings account. Likewise with the payment of obligations. We just need to debit the nasbah's savings fund because we already have the authority ... "(MW-DMP1.28)

In 2015, customers need additional working capital to support their business activities. The customer applies for credit to the bank and the application is approved. The bank agrees to provide working capital credit in the form of RC credit. RC credit is one of the working capital loan products from banks where customers are not required to pay off the principal of the loan, but are only charged to pay the loan interest each month.

"... we do not charge customers to repay the loan principal, but only pay the loan interest every month ..." (MW-DMP1.08) The

Bank provides a ceiling of Rp. 250,000,000 (two hundred and fifty million rupiahs to customer) with a maturity of one year. When the RC credit is due, the bank gives the customer the option to extend the RC credit or close it. If the customer extends the credit, then the customer only needs to continue to pay interest for the current month. But if the customer does not extend the credit, the customer is required to pay off the loan principal and the interest that has been charged to the customer.

In January 2016, the customer proposed an increase in the RC credit ceiling from the bank to Rp. 500,000,000.00 (five hundred million rupiah). The bank rejected the application for an increase in the ceiling, however, the bank provided an alternative to change the RC credit into people's business credit (KUR) with a ceiling of Rp.450,000,000 with a maturity of four years. Based on informant Y's information, the customer agrees to the alternatives provided by the bank. The following is the statement of informant Y:

"... because it is a recommendation from the bank, I agree. Because at that time I was thinking about how to get a loan from a bank for additional working capital to be allocated to USB flash disk products ... "

Informant Y's statement was also confirmed by the DMP informant's statement that customers still proposed to increase the RC credit ceiling to Rp. 500,000,000.00 (five hundred million rupiah) but the bank only agrees in the amount of Rp. 450,000,000.00 (four hundred and fifty million rupiah) by converting RC credit to people's business credit on the grounds that the collateral submitted by the customer is not sufficient. The following is the statement of the DMP informant:

"... our leadership at that time only approved Rp.450,000,000. Yes, because the collateral submitted is only able to *cover that* much ... "(MW-DMP1.17)

After both parties reached an agreement to convert RC credit into people's business credit with a ceiling of IDR 450,000,000.00 (four hundred and fifty thousand rupiah), the bank stipulates that the people's business credit realization process will be carried out on January 28, 2016. People's business credit has a stipulation that customers who receive people's business credit facilities are not allowed to have other credit in any form at any bank. This provision was conveyed by the DMP informant with the following statement:

"... one condition to get KUR, you are not allowed to have credit facilities in any form either with us or at other banks ..." (MW-DMP1.16).

Apart from the fact that the collateral submitted by the customer is not sufficient to increase the RC credit ceiling to Rp. 500,000,000.00 (five hundred million rupiah), this provision becomes the basis for banks to convert RC loans into people's business loans. Thus, the customer's RC account credit must be closed first so that the bank can realize the people's business credit that has been approved.

"... So the checking account credit previously owned by the customer must be closed or paid off first, then we can process it until the credit is realized ..." (MW-DMP1.16).

The RC credit closing process was carried out on January 28, 2016 in conjunction with the process of realizing people's business loans. The RC credit closing process was carried out and witnessed by a KD informant. The following is the statement of KD informasn testimony regarding the closure and repayment of the customer's RC credit.

"... Here, sir, that's right. Nika's credit has been paid off according to the date stated in the statement letter of Nika ... "(MW-KD1.3)

The first finding, second finding, and third finding in this study are related to each other. These three findings are the key to the case in this study. In the process of closing RC credit accounts which was carried out on January 28, 2016 the bank did not close it in the banking system but only closed it administratively. It is known that during the RC credit closing process, the customer is not asked to deposit funds amounting to the RC credit limit. DMP informants said that the funds to cover RC credits would be obtained by deducting people's business loans. The following is the statement of the DMP informant.

"... because previously the customer already had an obligation of Rp. 250,000,000, so we only transferred another Rp. 200,000,000 to the customer's deposit account. All the processes took place in one day, right… so that was on January 28, 2016… "(MW-DMP1.19)

This action caused confusion in the bank system to carry out the process for closing customer's RC credit. Based on the provisions of RC credit closure where the customer must pay off the loan principal along with the interest, then under the RC credit bank system the customer is not closed or is still in an active status. From this it is known that as of January 28, 2016 the customer has two active credits, namely RC credit and people's business credit (KUR).

In the second research findings, it is known that the bank did not close RC credit until February 12, 2016. In the certificate number B.423-KC-XI / ADK / 12/2016 the bank acknowledged negligence so that the credit was not closed until February 12, 2016, which resulting in the customer having two active credits linked to a savings account. This negligence was also confirmed by the DMP informant with the following statement:

"... We do admit that there was negligence during the credit account opening and closing process ..." (MW-DMP1.20)

"... we did not close the overdraft credit account on the date January 28, 2016 was right at the time of the realization process. However, we closed it only on February 12, 2016… "(MW-DMP1.21) The

informant also added that negligence committed by banks is normal and humane. The following is the explanation:

"... Other negligence is natural ... And that is human ..." (MW-DMP1.22)

This incident changes the flow of funds scheme in Figure 5.1, where in Figure 5.1 it is illustrated that the customer's deposit account is only connected to one credit account. Meanwhile, since January 28, 2016.

In the third findings of this study, it is known that the bank has just confirmed to the customer the negligence of the RC credit closure and debited the funds in the customer's savings account on February 29, 2016.In this case, it is known that there is a time lag between the events in the first finding, the second finding and the third finding. . The bank is late in closing credit accounts for 15 days starting January 28, 2016 and delays in confirming customers for 31 days starting January 28, 2016. An illustration of this incident can be seen in Figure 4.3.

Negligence and delays in the RC credit closing process and late confirmation to customers indicate that the bank does not have an adequate control system for loans with a ceiling of below two billion. This is known from the statement of the NI informant as follows:
"... for credit under two billion it can still be decided without a credit committee. So the account officer instilahnya *one man show* sir. He who is looking for customers, he takes care of the files, he evaluates the collateral, until later it is decided by the head of the branch ... "

In February 2016, a flow of credit transactions to the customer's deposit account was found with the transaction code NAS: RELOAD of Rp. 62,521. 347.00 (sixty-two million five hundred twenty-one thousand three hundred and forty-seven rupiah).

Table 4.1 Details of the credit transaction can be seen

Transaction Code	Date (DD-MM-YY)	Amount (Rp.)
NAS: RELOAD	04-02-16	15,124,847.00
NAS: RELOAD	05-02-16	12,900,000.00
NAS: RELOAD	11-02-16	9,576,500.00
NAS: RELOAD	12-02-16	24,920,000.00

The customer, through Y's statement, claims that the money comes from the client's receivables payment. The following is a customer statement regarding the claim:

"... I am very sure that the transaction originated from the payment of debts of my company's clients. Our source of funds is only from sales revenue and also KUR ... "(MW-Y1.09)

From the results of fund tracking using the follow the monay technique, inspection of customer banking documents, and information from banks, this study shows that the flow of funds claimed the customer originates from the RC credit account.

The RC credit provisions that apply at the bank require that all funds in the RC credit account must be transferred to the customer's deposit account when the credit is realized. This means that RC credit has a total balance of Rp. 0.00 (zero rupiah) after the credit realization process. The DMP informant also explained something in line with the following statement:
> "... on a checking account credit, our system does not allow any funds to be stored in a credit account ..." (MW-DMP1.26)

Because RC credit is not closed on time by bank, this causes any funds that enter the RC credit account to automatically return to the deposit account. This automatic system also demonstrates the weakness of control that applies to the banking system where the transaction can run without authorization from the bank system user. In principle, a computer system can carry out the functions in it when it gets orders from system users.

Bank delays in closing RC loans make customers experience unclear information about the amount of money in their savings accounts. This lack of clarity causes customers to make mistakes in financial planning. Mistakes in financial planning make customers unable to maintain their financial sustainability. Financial sustainability is an important aspect in maintaining the sustainability of the company's business activities. With the wrong financial planning, confining customers cannot make strategic steps to fulfill their obligations, causing bankruptcy. Bankruptcy experienced by customers is a condition where customers cannot fulfill their obligations properly (Livia et al., 2020).

Good financial planning depends on the ability of management to analyze the conditions that will occur in the company in order to maintain the sustainability of the company (Kuala, 2013). This study found weaknesses in the internal control system established by the customer, particularly in the receivables acceptance system. In the process of receiving receivables, the customer confirms three days before the client's receivable is due and reconfirms when it is due. After this confirmation is done, the customer only checks based on the incoming money without further confirming the source of the incoming money. Informant Y gave the process of receiving the receivables with the following statement:

> "... the financial staff confirmed it to the client on D-3 yes ... Then on the day it was confirmed again. After that we just need to check on our account mutations. If money comes in, we match it with the number of bills that are due. If it is suitable, just pay the receivables due that day ... "(MW-Y1.14).

This statement illustrates the weakness in receiving receivables made by customers. This weakness results in the customer being unable to properly identify credit transactions that enter the customer's deposit account.

V. CONCLUSION AND RECOMMENDATION

A. Conclusion

Based on the analysis and discussion, it can be concluded that the company's bankruptcy was caused by two factors, namely internal factors and external factors. The first factor is the internal factor that comes from management. The company's management did not design and establish an adequate internal control system in the receivables receipt system which resulted in weak identification of credit transactions that entered into customer savings accounts.

The second factor is the external factor where the bank carries out oversight in closing RC loans so that customers get unclear information about the amount of funds in the savings account. The unclear information has an impact on the customer where it causes the customer to make mistakes in financial planning. In the case of litigation, it can be concluded that legally, the bank has committed a violation in article:

a) Article 1365

Every act of violating the law, which brings loss to another person, obliges another person who due to his fault has issued the loss, to compensate the loss. Article 1366. Everyone is responsible not only for losses caused by their actions, but also for losses caused by negligence or carelessness.

b) Article 1367

A person is not only responsible for losses caused by his own actions, but also for losses caused by the actions of the people who are responsible for them or caused by goods under his control.

B. Suggestions

The suggestions that can be conveyed based on the discussion, analysis and conclusions in this study are as follows:

1) Suggestions to customers

Customers must improve their internal control system to make it more adequate. Improvements to the internal control system that must be carried out by customers are on the receiving side of accounts so that customers can clearly identify each credit transaction that enters the customer's savings account. This identification aims to avoid mistakes in the realization of the company's revenue planning so as not to cause errors in the company's overall financial planning.

2) Suggestions to banks

Banks must apply good control to each credit application process and increase the flow of control in the credit acceptance process. The bank must separate the duties, powers and responsibilities of the account officer position, where the duties from marketing, collateral appraisal, to collector must be carried out by different people. Banks must be able to ensure that every transaction that occurs is carried out in *real time* on the bank system.

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