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ANALYSIS OF SHARIA AUDIT IN REDUCING THE RISK OF NON-PERFORMING FINANCING AT BANK SYARIAH INDONESIA SUDIRMAN ATAS PEKANBARU

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Abstract

The development of Islamic banking in Indonesia has shown significant growth in recent years. However, this growth is still accompanied by challenges, particularly in managing financing risks that may lead to non-performing financing. This study discusses the role of sharia audit in reducing the risk of non-performing financing at Bank Syariah Indonesia KCP Sudirman Atas Pekanbaru, focusing on how sharia audit is implemented in the bank's operational activities and how it contributes to controlling financing risks. The research questions are aimed at understanding the implementation of sharia audit, the factors influencing non-performing financing, and the contribution of sharia audit in minimizing these risks.
This study employs a descriptive qualitative method supported by a literature review and field information to provide a deeper understanding of the issues examined. Data analysis was conducted systematically by interpreting various literature sources and the bank's operational conditions. The findings reveal that sharia audit plays an important role in ensuring compliance with sharia principles, strengthening internal control systems, and helping detect potential risks at an early stage. In addition, non-performing financing is influenced by internal factors such as the accuracy of financing analysis and external factors such as customers' economic conditions. Therefore, sharia audit makes a significant contribution to improving risk management quality and maintaining the operational stability of Islamic banks. Overall, sharia audit serves as an essential instrument in supporting the effectiveness of financing risk management.
Keywords: sharia audit, financing risk, Islamic banking, risk management, non-performing financing

INTRODUCTION

The development of Islamic banking in Indonesia has demonstrated significant growth in recent years. This growth is marked by the increasing public interest in financial services that comply with sharia principles. Bank Syariah Indonesia (BSI), as one of the largest Islamic financial institutions, plays an important role in the national banking system. However, in practice, financing activities carried out by the bank are inseparable from various risks. One of the most common risks is non-performing financing. This condition presents a challenge that requires serious attention from the bank. Non-performing financing can directly affect the financial health of Islamic banks. If not properly managed, such risks may disrupt the operational stability of financial institutions (Nasution, 2021). Therefore, an effective supervisory system is required to minimize potential losses. One mechanism that can be utilized is sharia audit. Sharia audit not only evaluates financial aspects but also ensures compliance with sharia principles. Thus, sharia audit has a strategic role in maintaining the integrity of Islamic banks (Taufik Ismail et al., 2024).

Bank Syariah Indonesia KCP Sudirman Atas Pekanbaru is one of the branches actively distributing financing to the public. High financing activities certainly involve proportional risk potential. Under these circumstances, internal supervision becomes highly important in maintaining financing quality. Sharia audit serves as a control instrument that can help identify potential problems at an early stage. The existence of this audit is expected to increase prudence in the financing process. In addition, sharia audit also functions as a form of accountability to the implemented sharia principles. The risk of non-performing financing is often caused by various factors, both internal and external to customers (Vera, 2021). Internal factors may include the lack of in-depth financing analysis conducted by the bank. Meanwhile, external factors may arise from unstable customer economic conditions. In such situations, banks need to establish a strong risk control system. Sharia audit can become one of the instruments supporting such control. Through structured audits, the potential for non-performing financing can be minimized (Dwi & Nurnasrina, 2024).

Sharia audit plays an important role in ensuring that all financing activities comply with Islamic principles. Furthermore, this audit helps ensure that the bank's operational procedures are properly implemented. The supervision conducted is not merely administrative but also encompasses aspects of sharia compliance. This distinguishes sharia audit from conventional audits in general. In the context of Islamic banking, compliance aspects are highly crucial (Nasution, 2021). Therefore, sharia audit becomes an inseparable part of the Islamic banking system. Research on sharia audit and non-performing financing risks continues to develop. However, studies focusing on implementation at specific branch levels remain relatively limited. This provides an opportunity to conduct more in-depth research on operational units such as KCP Sudirman Atas Pekanbaru. This study is expected to provide a more concrete overview of the implementation of sharia audit. In addition, the research may contribute to the development of Islamic banking supervision systems. The findings are expected to serve as evaluation material for relevant parties (ILMA, 2022).

The primary objective of this research is to analyze the role of sharia audit in reducing the risk of non-performing financing. The analysis is conducted by examining how audit mechanisms are implemented in the bank's operational activities. In addition, this study seeks to identify factors affecting the effectiveness of sharia audit. Therefore, the research findings are expected to provide a more comprehensive understanding. This study is also expected to become a reference for the development of Islamic banking knowledge, particularly in the field of financing risk management. This research has both theoretical and practical benefits. Theoretically, it can enrich studies related to sharia audit within the banking context (Nengsih & Meidani, 2021). Practically, the findings may be used as consideration for banks in improving supervision quality. Furthermore, this study can serve as a reference for future research. Through this study, it is hoped that the financing risk management system in Islamic banks can continue to improve. Ultimately, this will support the establishment of a healthy and sustainable Islamic banking system (ILMA, 2022).

METHOD

This study uses a qualitative approach with a descriptive method to provide an in-depth explanation of the role of sharia audit in reducing the risk of non-performing financing. The qualitative approach was chosen because this research focuses on understanding phenomena occurring in the field rather than measuring statistical figures. The descriptive method is used to explain the actual conditions related to the implementation of sharia audit in the bank under study. The data used in this research are derived from literature studies relevant to the topic of sharia audit and financing risk. The literature review was conducted by examining books, scientific journals, and previous studies related to Islamic banking. This approach helps researchers build a comprehensive understanding of the issues being studied (RAMBE, 2024).

The research location is Bank Syariah Indonesia KCP Sudirman Atas Pekanbaru, which serves as the main object of the study. The selection of this location is based on the consideration that the branch is actively involved in financing activities for the community. In addition, this branch has financing risk potential that is relevant for analysis within the context of sharia audit (Dwiningsih, 2021). Supporting data were obtained through available documentation and literature sources that support the research analysis. The data analysis technique was carried out by collecting, reviewing, and drawing conclusions from information obtained from various sources. Through this method, the research is expected to provide a clear description of the implementation of sharia audit in reducing the risk of non-performing financing (Putra, 2022).

RESULTS AND DISCUSSION

1. Implementation of Sharia Audit at Bank Syariah Indonesia KCP Sudirman Atas Pekanbaru

The implementation of sharia audit within Bank Syariah Indonesia KCP Sudirman Atas Pekanbaru serves as an essential part of maintaining operational compliance with Islamic principles established in the Islamic banking system. Every financing activity conducted by the bank is subject to supervision aimed at ensuring that no deviations occur from sharia provisions. The supervisory process is carried out through mechanisms such as document examination, work procedure reviews, and verification of the appropriateness of contracts used in financing transactions. Sharia auditors play a significant role in assessing whether all operational activities comply with applicable standards. In practice, auditors also communicate directly with management to obtain a clearer understanding of financing conditions. Through this approach, supervision can be conducted more comprehensively and systematically (NASUTION, 2025).

Audit activities are not limited to administrative examinations alone but also include in-depth analysis of the substance of transactions occurring in the field. Every financing contract used by customers is reviewed to ensure compliance with sharia principles that prohibit elements of riba, gharar, and uncertainty. Auditors also pay attention to the financing process flow, starting from application to fund disbursement, to prevent procedural violations (BAHAR, 2021). In this process, accuracy becomes an important factor determining the quality of supervision conducted. Furthermore, the results of the examination are compiled into evaluative and recommendatory reports. These reports serve as the basis for the bank in improving its operational policies (Wati & Jer, 2023).

The sharia audit system implemented also refers to operational standards established by the head office of Bank Syariah Indonesia, ensuring that its implementation has a clear and structured direction. Every work unit is required to follow the established provisions to avoid inconsistencies in implementation in the field. Auditors are authorized to provide notes whenever discrepancies are found in ongoing financing processes. These notes are then followed up by the relevant divisions as part of improving the work system. This demonstrates that sharia audit functions not only as a supervisory tool but also as an internal guidance mechanism. Thus, the existence of sharia audit contributes to strengthening the bank's governance system (Riadhah, 2025).

In practice, the implementation of sharia audit also faces various challenges in the field, such as limited audit time and the complexity of financing data that must be analyzed in detail. These conditions require auditors to work more carefully and efficiently in processing available information. In addition, coordination among departments within the bank is an important factor that greatly influences the smoothness of the audit process. Without proper cooperation, the supervisory process may encounter obstacles that affect evaluation results. Therefore, effective internal communication becomes an inseparable part of sharia audit implementation. This situation illustrates that sharia audit is a dynamic process requiring the involvement of multiple parties (Merukh, 2025).

2. Risk of Non-Performing Financing at Bank Syariah Indonesia KCP Sudirman Atas Pekanbaru

The condition of non-performing financing at Bank Syariah Indonesia KCP Sudirman Atas Pekanbaru can be understood as a situation in which customers experience difficulties in fulfilling payment obligations according to the agreements specified in financing contracts. This condition appears in various forms, such as delayed installments, declining repayment ability, and customers' inability to fully settle financing obligations (Mildayeni, 2021). The factors underlying this condition originate not only from internal bank issues but are also influenced by unstable customer economic conditions. In some cases, changes in customers' business income become the main cause of disrupted payment performance. This situation requires stricter supervision in the financing distribution process. Therefore, financing risk analysis becomes an important part of maintaining the quality of the bank's portfolio (Merukh, 2025).

Internal factors influencing non-performing financing may arise from a lack of accuracy in the initial analysis process before financing approval. When analysis is not conducted thoroughly, the potential risks that emerge in the future become greater. This indicates that the quality of financing analysis greatly affects the success rate of fund repayment. In addition, limited information regarding customer conditions can also become an obstacle in assessing financing feasibility (Vera, 2021). Under certain circumstances, banks need to conduct additional verification to ensure that the data provided by customers are accurate and reliable. This process is important so that financing decisions do not create future problems (Cahyaningrum et al., 2023).

External factors also have a considerable influence on the emergence of non-performing financing within the Islamic banking environment. Uncertain economic conditions may reduce people's purchasing power and weaken customers' business activities. This directly impacts customers' ability to fulfill agreed payment obligations (MAYOLI, 2021). In addition, factors such as economic crises, changes in government policies, and market fluctuations also affect customers' financial stability. Under such conditions, banks cannot fully control circumstances occurring outside their internal systems. Therefore, more adaptive and responsive risk mitigation strategies are required (Rahmadani, 2022).

Customers' lack of understanding regarding financing contracts also contributes to payment-related problems. Some customers do not fully understand the obligations that must be fulfilled according to the agreed contracts. This condition may create misunderstandings leading to delayed or irregular payments. In this context, the educational role of the bank becomes highly important in improving public Islamic financial literacy. With better understanding, customers are expected to become more disciplined in fulfilling their obligations. This can also help reduce the potential occurrence of non-performing financing (WIDYANTI, 2023).

3. The Role of Sharia Audit in Reducing the Risk of Non-Performing Financing

The role of sharia audit within Bank Syariah Indonesia KCP Sudirman Atas Pekanbaru can be understood as a supervisory mechanism aimed at ensuring that all financing activities remain within the framework of established sharia principles. The existence of this audit provides a clear direction in the bank's internal control process so that every operational activity can be systematically monitored. Sharia audit also helps ensure that every financing contract used does not contain elements contrary to Islamic provisions (Halimatusa'diah, 2021). Through such supervision, potential errors in financing processes can be minimized from the initial stages. This indicates that sharia audit makes an important contribution to maintaining the bank's operational quality. Furthermore, the audit function is not merely supervisory but also serves as a tool for improving work systems (SAHURI, 2024).

In practice, sharia audit has a direct impact on increasing prudence in the financing distribution process. Every work unit becomes more careful in carrying out procedures due to regular and continuous supervision. Sharia auditors also play a role in evaluating financing policies implemented by the bank (Rahayu, 2021). These evaluations then become considerations for improving operational systems to make them more effective and aligned with sharia principles. In addition, the existence of audits encourages the creation of a more disciplined work culture within the bank. Under these conditions, the risk of errors in financing management can gradually be reduced (Laela, 2022).

Sharia audit also functions as an early detection tool for potential non-performing financing that may occur in the future. Through structured examination processes, auditors can identify discrepancies in financing procedures before they develop into larger problems. This enables the bank to take corrective actions more quickly and accurately. In addition, audit supervision results become the basis for managerial decision-making related to financing risk management. Therefore, sharia audit has a strategic role in maintaining the bank's financial stability. Its existence helps create a more directed and measurable risk management system (Cahyaningrum et al., 2023).

Besides the supervisory aspect, sharia audit also contributes to improving employees' understanding of the importance of compliance with sharia principles. Through routine audit processes, employees become more aware of the operational standards that must be followed in every financing transaction. This indirectly improves the quality of human resources within the bank. Such awareness also impacts increased responsibility in carrying out daily operational duties. Therefore, sharia audit functions not only as a control mechanism but also as a means of internal education. This condition strengthens a work system based on prudence and sharia compliance principles (Hidayatullah et al., 2025).

CONCLUSION

The role of sharia audit in financing risk management at Bank Syariah Indonesia KCP Sudirman Atas Pekanbaru demonstrates that sharia audit has an important function in maintaining the bank's operational compliance with sharia principles, which form the primary foundation of Islamic banking activities. In addition, the existence of sharia audit also helps strengthen the internal supervision system that operates continuously within the financial institution. In practice, sharia audit is capable of providing corrective guidance regarding various weaknesses identified in financing processes. This indicates that sharia audit is not merely an inspection mechanism but also plays a role in improving the quality of the bank's work systems. Thus, the existence of sharia audit contributes significantly to the management of non-performing financing risks.

On the other hand, the implementation of this research is not free from limitations, and therefore further development is necessary so that studies on sharia audit may become deeper and broader in the future. One recommendation that can be provided is for the bank to continue improving the quality of human resources in the areas of financing analysis and sharia supervision so that emerging risks can be minimized from the beginning. Furthermore, future research is expected to expand the scope of research

objects in order to obtain a more comprehensive understanding of the implementation of sharia audit across various Islamic banking branches. Appreciation should also be extended to all parties who contributed to the process of information collection and provided support throughout the research activities. Such support was highly valuable in facilitating the preparation of the overall discussion. Through the cooperation and contributions of various parties, this research was successfully completed in accordance with the planned objectives.

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