



## Accountability of indosurya savings and loan cooperative in dealing with cases that harm investors

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### ABSTRACT

This research aims to find out how the accountability of Indosurya savings and loan cooperative in handling fraud cases against its investors. This research uses descriptive method. The results of this study can be seen that the Indosurya savings and loan cooperative is not accountable in facing and resolving this case In terms of GCG Principles including accountability, it can be said that the Indosurya case does not meet the expected standards. As an investor, it is important to always check the company's reputation before making an investment. This can be done by checking the company's financial statements, checking the company's track record, and checking the experience of other investors who have invested in the company.

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## INTRODUCTION

In this era of globalization, Good Corporate Governance (GCG) has been implemented by many Indonesian companies. Good Corporate Governance by definition is a system that regulates and controls companies that create value added for all stakeholders (Monks, R. A. G., & Minow, 2003) According to (Hajawiyah et al., 2020), the main elements of efforts to realize good governance are transparency, fairness, responsibility and accountability. Corporate Governance arises as a result of the separation between business ownership and control in response to the system by which companies are directed and controlled according to Cadbury in (Rodriguez-Fernandez, 2016). Companies that have implemented corporate governance, should have fulfilled the principles of good corporate governance that have provided appropriate information. timely, adequate, clear, accurate and comparable and easily accessible to the public. stakeholders in accordance with their rights. Klapper and Love 2002, in (Alpi, 2019).

Some concepts about corporate governance (CG), among others, are put forward by Shleifer and Vishny 1997, in (Prasetyo et al., 2020) which states that corporate governance is related to the way or mechanism to ensure the owners of capital in obtaining a return that is in accordance with the investment that has been invested. According to (Ristifani, 2009) good corporate governance is defined as the structure, system, and process used by the company's organs to provide sustainable added value to the company in the long term.

GCG principles are needed in order to achieve cooperative sustainability while still paying attention to the welfare of members. GCG principles make cooperatives accountable, transparent, professionally managed, efficient and effective. By applying GCG principles, cooperatives can have a comparative advantage that can outperform other business units. Thus, it is expected that cooperatives can maintain their role as the pillar of the Indonesian economy. The implementation of Good Corporate Governance is intended to create information disclosure, leadership accountability, fair treatment for each employee in carrying out their obligations, and the involvement of all employees in developing the organization for the better. (Mila Yanti et al., 2022). Cooperatives are business entities formed from individuals and legal entities whose activities are carried out on cooperative principles based on family principles. In its establishment, the cooperative has a function in an effort to build, and develop the economy of its members in particular and help improve the welfare of the community from a social and economic aspect in general (Julianita Koto, 2021). Which in its work activities cannot be separated from the principles of GCG, especially Accountability (Worokinasih & Zaini, 2020).

Accountability can be defined as clarity of function, implementation, and accountability organ so that management the company is carried out effectively. OECD states in (Iriyadi et al., 2020) that this principle relates to the availability of a system that controls the relationship between organs in the company. Furthermore, the principle of accountability can be applied by encouraging all company organs to realize their respective responsibilities, authorities, rights and obligations. Corporate governance must ensure protection for shareholders, especially minority and foreign shareholders, as well as clear restrictions on power in the board of directors (Agustin Wulandari, 2019). According to (Budi gautama Siregar, 2021). Accountability is that the company must have and be brave in taking responsibility for the results of work openly and reasonably so that everything in the company must be done in a measured manner and adjusted to the interests of the company and still see the interests of stake holder (Njatrijani et al., 2019).

According to the World Bank or World Bank in (Nisa, 2022), Accountability is the responsibility of management through effective supervision based on the balance of power between managers, shareholders, boards of commissioners, and auditors, a form of management accountability to the company and shareholders. Accountability is the clarity of functions, structures, systems and accountability of company elements. One of the requirements for achieving sustainable performance is to be accountable for its performance in a true, measurable accountability, and still take into account the interests of managers and stakeholders will be an added value to improve company performance. (Ariani et al., 2020).

Accountability is also considered in efforts to improve cooperative performance. Accountability is a form of accountability from the company, especially in this study, the cooperative to its members, proving that their performance is good so that a system of mutual supervision is formed between members and the cooperative (Ni Komang, 2020)

According to Law No. 17 of 2012 on Indonesian Cooperatives article 1, a cooperative is defined as "a legal entity established by individuals or cooperative legal entities, with the acquisition of capital to run a business based on the separation of the wealth of its members". Based on Law No. 17 of 2012 concerning Indonesian Cooperatives Article 5 "Cooperatives have values that underlie cooperative activities, namely: kinship, self-help, responsibility, democracy, equality, justice, and independence.

Cooperative performance is a benchmark for achieving a goal that has been set by the cooperative. Performance is taken from the word Job Performance which is likened to the achievement of the work that has been done. Seeing this, measuring cooperative performance can be interpreted as an effort made by interested parties in assessing the work carried out by the cooperative in achieving a vision and mission or company target.

Shareholders in a cooperative are members, while cooperative managers are administrators assisted by management. The cooperative management is appointed by the cooperative members at the

Annual Members Meeting (RAT). In accordance with agency theory, the management acts as an agent while the members are the owners (Manurung et al., 2019). In the implementation of cooperative activities, information asymmetry between the management and cooperative members may arise (Britney Azzahra Wiguna & Yeti Sumiyati, 2022).

Cases that occur in cooperatives are caused by weak implementation of corporate governance. Therefore, the implementation of governance in cooperatives is important to note. The definition of corporate governance is "a set of rules that regulate the relationship between shareholders, company managers, creditors, government, employees and other internal and external stakeholders relating to the rights and obligations of these stakeholders." corporate governance It is expected to provide value added for all parties involved. (FCGI, 2003).

The performance of the cooperative, which had been looking good, began to be tarnished when a case of default by the Indosurya Savings and Loan Cooperative emerged. This case was caused by a member who had a large enough fund to withdraw his money. In the disbursement effort, KSP Indosurya experienced a mismatch. Until the final step was taken, this case had to be submitted to the court. Of the total 933 customers, many have not received compensation and some have even stopped getting their funds until now (Yusuf, 2021) Excellent governance is needed in cooperatives. Increasing professionalism and accountability in cooperatives aims not to harm any party. Professionalism and accountability can be implemented by utilizing audit services for financial statements. The audit aims to provide a statement on fairness, in all material respects, and in accordance with the auditing standards framework (IAPI, 2013).

## RESEARCH METHOD

This research uses a qualitative approach. Qualitative research is research that is used to investigate, discover, describe, and explain the quality or features of social influences that cannot be explained, measured or described through quantitative approaches. (Sugiyono, 2012) The research specification used is descriptive analytical. Analytical descriptive research specification is a specification that describes the applicable laws and regulations associated with legal theories and implementation practices (Sugiyono, 2017).

To obtain data in the preparation of this study using secondary data as the main data source, and primary data as data support. Secondary data is obtained by conducting research through library materials.

## RESULTS AND DISCUSSIONS

Indosurya Saving and Loan Cooperative (KSP) was first established in Jakarta on September 27, 2012, located at Jl. Thamrin No. 03 Gambir District, Central Jakarta. Referring to the website of the Ministry of Cooperatives and Small and Medium Enterprises of the Republic of Indonesia, Indosurya Saving and Loan Cooperative (KSP) is registered under the official name Indosurya Cipta Saving and Loan Cooperative. Indosurya Savings and Loan Cooperative (KSP) has an establishment legal entity number 430/BH/XII.1/-1.829.31/XI/2012 with Cooperative Identification Number (NIK) 3173080020001. The NIK of Indosurya Saving and Loan Cooperative (KSP) has expired since November 5, 2022.

While still in operation, Indosurya Savings and Loan Cooperative (KSP) is ideally a loan provider to help members who need capital in business development. Funding is collected from members' funds, which will be distributed back to members. The set is also known as savings.

Indosurya is a company engaged in investment. In 2020, the company was involved in several cases that shocked the public and caused losses to investors. Many people were tempted to invest their money in KSP Indosurya because they were promised high interest rates of 9 percent to 12 percent per year. The interest rate was even higher than conventional bank deposits, which ranged from 5 percent to 7 percent. The signs of crime in the management of KSP Indosurya actually

surfaced in 2018. At that time, the Ministry of Cooperatives and SMEs (Kemenkop UKM) had imposed administrative sanctions because there were indications of irregularities in KSP Indosurya. One of the irregularities that occurred was that KSP Indosurya did not submit a financial report at the Annual Members Meeting in 2019. The report should have been submitted in the first quarter of 2020. Then on February 10, 2020 there was a default experienced by a number of customers. Then on February 24, 2020, a number of customers received a letter from KSP Indosurya stating that their money in deposits could not be withdrawn. After that, customers began complaining that they could not withdraw their principal deposits and returns promised by KSP Indosurya. At that time KSP Indosurya gave the condition that customers could only withdraw money within a period of 6 months to 4 years depending on the value of assets under management (AUM) (Fithri et al., 2022). In March 2020, KSP Indosurya customers were notified via WhatsApp message that they could withdraw their savings with a limit of Rp 1,000,000 per customer. Since then, customers have been restless. Some customers then began to make reports to the police independently or collectively regarding the alleged KSP Indosurya fraud. Some customers then began to expose the game at KSP Indosurya. It turns out that to become a member of KSP Indosurya, participants must deposit a mandatory deposit of Rp 20,000,000 and a principal deposit of Rp 20,000,000.

500,000 every month. In addition, KSP Indosurya is also suspected of manipulating investment product information made to look like deposits to participants in order to attract customers. Even though they are a cooperative. A number of customers who could not withdraw their funds eventually reported KSP Indosurya to the National Police Criminal Investigation Agency (Bareskrim). Police Criminal Investigation Unit then arrested Henry Surya and Cipta June Indria at the end of February 2022. The losses suffered by a number of individuals in the KSP Indosurya case are quite large, even reaching hundreds of billions. According to reports, there were even KSP Indosurya customers who were depressed and committed suicide because their money disappeared in the case.

Some things that show that KSP Indosurya is not accountable and also make the attorney general conclude that Indosurya does not have legal standing as a cooperative are as follows (Maryani, 2018):

1. KSP Indosurya is known to have never held a member meeting.
2. KSP Indosurya members who serve as directors do not have membership cards and are never involved in the decision-making of dividend distribution each year.
3. When Indosurya expanded to various regions in Indonesia to have 2 head offices and 191 branch offices, it was not known to KSP Indosurya members and was not reported to the Ministry of Cooperatives and SMEs.
4. KSP Indosurya funds were managed by being channeled to 26 shell companies owned by Henry Surya, bought a number of assets in his personal name, and in the name of PT Sun International Kapital.

In Good Corporate Governance (GCG), a company is expected to have good corporate governance, so as to provide trust and certainty to stakeholders. However, in the Indosurya case, it appears that the company did not effectively implement the GCG principles, including Accountability.

Indosurya is not responsible for its actions. The company used investor funds for personal interests, such as buying luxury assets and property without investor permission. This shows that the company does not have good accountability to its stakeholders. Sanctions imposed by competent authorities, such as the Financial Services Authority (OJK), cannot recover the losses suffered by investors.

In terms of GCG principles, it can be said that the Indosurya case does not meet the expected standards. As an investor, it is important to always check the company's reputation before making an investment. This can be done by checking the company's financial statements, checking the company's track record, and checking the experience of other investors who have invested in the company.

The Indosurya case is also a lesson for other companies to always implement GCG principles properly. A company that carries out GCG principles well will gain the trust and support of its stakeholders, so that it can develop sustainably.

## CONCLUSION

In terms of GCG principles including accountability, it can be said that the Indosurya case does not meet the expected standards. As an investor, it is important to always check the company's reputation before making an investment. This can be done by checking the company's financial statements, checking the company's track record, and checking the experience of other investors who have invested in the company. The Indosurya case is also a lesson for other companies to always implement GCG principles properly. A company that carries out GCG principles well will gain the trust and support of its stakeholders, so that it can develop sustainably, and for investors, it is important to always check the company's reputation before making an investment. This can be done by checking the company's financial statements, checking the company's track record, and checking the experience of other investors who have invested in the company.

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