



## Internal Audit Unit

Maybank Indonesia implements the internal audit function fully through its Internal Audit Unit (SKAI). SKAI plays an active role in forming and enhancing the Company's control environment while simultaneously supporting business growth quality. SKAI reviews the effectiveness of the internal control performed by the work units in accordance with audit's framework.

### INTERNAL AUDIT CHARTER

The Bank has an Internal Audit Charter which is reviewed and updated regularly. The Charter is a formal statement that emphasizes the Bank's mission and framework, standing and independency, accountability, authority, responsibility, qualification, and SKAI's internal auditor ethics code.

This Charter is a form of compliance with OJK Regulation No.01/POJK.03/2019 dated January 29 2019 on the Implementation of Internal Audit Function for Commercial Banks, OJK Regulation No.56/POJK.04/2015 on the Establishment and Guidelines for the Drafting of the Internal Audit Unit Charter.

The Internal Audit Charter has recently been approved by the Board of Commissioners with recommendation from the Audit Committee and was later ratified by President Director in May 2019 and published on the Bank's website.

### APPOINTMENT AND DISMISSAL OF HEAD OF SKAI

Head of SKAI (Chief Audit Executive) reports to President Director and communicate with the Board of Commissioners through the Audit Committee. Head of SKAI is appointed and dismissed by President Director after approval from the Board of Commissioners by considering the recommendations of the Audit Committee and reported to the regulators pursuant to applicable regulation.

## PROFILE OF HEAD OF INTERNAL AUDIT UNIT

### Head of Internal Audit Unit

Hariseno Acharyama

### Occupational Background

#### Legal Basis of Appointment:

Appointed on May 1, 2019 pursuant to Decision Letter No. No.SK.PERS.2019.0857/ DIR HC on the Appointment of Head of Internal Audit Unit (SKAI) as reported to the Financial Services Authority (OJK).

#### Working Experience and Term of Office:

Joined Maybank Indonesia in November 2015 with around 17 years experience in banking and finance consulting industries. Prior to his appointment on May 2019, he served as the Head of Credit & Treasury Audit.

His past experience includes assuming function heads position such as Group Head of Enterprise Risk Management at Bank Sahabat Sampoerna, Head of Compliance Risk Advisory at ANZ Indonesia Bank, Head of SKAI Quality Assurance at Commonwealth Bank Indonesia, and project leader at KPMG Risk Advisory Services.

### EDUCATION AND TRAINING OF THE 2019 SKAI HEAD

Head of SKAI is a holder of Bachelor of Science in Maths, a graduate of ITB, holder of Bachelor Degree in Civil Engineering from Unpar, holder of Masters Degree in Financial Management from Unkris, and holder of international certificate in the fields of audit and credit.

During 2019, the Head of Internal Audit Unit participated in education and/or trainings to continuously improve his competencies, as listed below:

No	Education and or Training
1	Level 4 Risk Management Certification - Banking Professional Certification Institute (LSPP)
2	Executive Development Program - Future Leader International (FLI)

### HEADCOUNT AND PROFESSIONAL CERTIFICATION IN SKAI

As of December 31, 2019, SKAI had 83 auditors. Internal Audit is supported by adequate human resources who collectively have competence in auditing. SKAI auditors hold professional competency certifications such as Certification in Risk Management Assurance (CRMA), Certified Information System Auditor (CISA), Qualified Internal Auditor (QIA), Risk Management Certification, Islamic Finance Qualification, and Certified Credit Skill Accreditation from OMEGA Performance. The table below lists the professional certifications held by SKAI auditors:

No	Certification	No of Auditors
1	Risk Management 1	46
2	Risk Management 2	24
3	Risk Management 3	2
4	Risk Management 4	1
5	Certification in Risk Management Assurance	1
6	Certified Bank Internal Auditor	2
7	Qualified Internal Auditor	16
8	Certified Information Systems Auditor	3
9	Certified Information Security Manager	1
10	Certified in Risk and Information Systems	1
11	Certified Ethical Hacker	1
12	Credit Skills Accreditation - OMEGA	10
13	Islamic Finance Qualification	1

Meanwhile, in relation to internal auditor qualifications in SKAI, the details are as follows:

No	Educational Background	Total Auditors
1	Post Graduate	9
2	Bachelor Degree	59
3	Diploma	5

The Internal Audit Unit continuously develops the competence of its auditors (HR) to broaden their horizons and enhance expertise that can support internal audit activities. SKAI staff participate in external, internal (in-house) and e-learning training programs. In addition, auditor competency development is also carried out through sharing sessions with Maybank Internal Audit Group.

The education and/or training participated by SKAI team in 2019 are as follows:

No	Training Topic	Total Participants	Hours/Participants	Total
<b>Soft Skill – Motivation</b>				
1	Audit Boot Camp	1	24	24
2	Problem Solving and Decision Making	2	8	16
3	Creativity & Innovation	2	8	16
4	Executive Development Program	1	40	40
5	Strengthening Interpersonal Skill	2	8	16
6	Tiger Camp	76	24	1.824
7	Train The Trainer	1	16	16
<b>Technical Skill</b>				
1	Certified Internal Audit (CIA)	6	48	288
2	Cash Flow Lending	4	16	64
3	Treasury	27	16	432
4	Persiapan Sertifikasi Manajemen Risiko	10	8 sd. 24	152
5	Risk & Governance Program	1	8	8
6	Operational Risk Methodology	1	8	8
7	TeamMate	46	8	368
8	Querying Data with Transact SQL	1	40	40
9	Managing Applied Software Process	1	32	32
10	How to Manage Your IT Assets	1	16	16
11	Training Audit Report Writing	15	8	120
12	Transferred Knowledge From Internal Audit Maybank Group On The Implementation Of IFRS 9	2	192	384
<b>Workshop</b>				
1	Seminar <i>Economic Outlook</i> 2019	1	8	8
2	Strategic Operational Excellent Workshop	2	8	16
3	Sustainability Finance Workshop	1	8	8
4	Sosialisasi Laporan LLD dan RTE	1	8	8
5	Penggunaan Sistem Penilaian Profil Risiko	2	8	16
6	Sharing Session – Internal Audit Analytics - Deloitte	14	8	112
7	Enterprise Crisis Simulation Exercise	9	8	72
8	The Guru Series	7	8	56
<b>Grand Total</b>				<b>4.160</b>

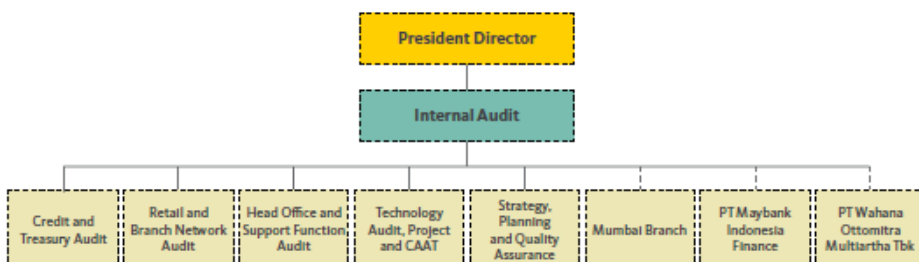


### STRUCTURE AND POSITION OF SKAI

Pursuant to Circular Letter No. SE.2018.003/PRESDIR concerning the Organization Structure of the Internal Audit Unit (SKAI), there was an alignment focusing on accountability related to technology project development audits and consultation as well as data analysis on Audit Technology, Project and CAAT Working Unit, which previously was incorporated under the Technology, Operations and Support Audit Working Unit. Therefore, accountability relating to audits on the process/function within the Head Office will be performed by the Head Office Working Unit and Support Audit Function, which previously was incorporated under Technology, Operations and Support Audit Working Unit. Moreover, SKAI also aligned the name of the Retail and Shariah Audit Working Unit to become the Retail and Branch Network Audit to represent the accountability and main activity which was performed by these working units.

1. Credit and Treasury Audit
2. Retail & Branch Network Audit
3. Head Office & Support Function Audit
4. Technology Audit, Project and CAAT
5. Strategy, Planning and Quality Assurance

- e. When the services of an external party are used for internal audit activities:
  - Ensuring the transfer of knowledge between the appointed external party to SKAI members.
  - Ensuring that external services do not affect the independency and objectivity of the Internal Audit Unit's functions and adhering to the Bank's Internal Audit Charter
- f. Determine the strategy to do internal audits on subsidiaries and formulate the principles of internal audit that includes internal audit methodology and quality control.
- g. Deliver audit findings on the fulfillment of sharia principles fulfillment to the Sharia Supervisory Board.
- h. Prepare the following reports to the regulator:
  - Report on the Implementation and Principles of Audit Results (per semester) including highly confidential information on audit results. The reports shall be submitted to OJK no later than 1 (one) month after the end of each semester, on July 31 and January 31.
  - The report shall be signed by the President Director and an Independent Commissioners who is appointed as chairman of the Audit Committee.



### SKAI DUTIES AND RESPONSIBILITIES

The duties and responsibilities of Maybank Indonesia SKAI as outlined in the Internal Audit Charter are as follows:

- a. Prepare an annual audit plan based on a risk-based approach, including risk and control that should come to the attention of management and regulators. The annual audit plan shall obtain the approval from President Director and be reported to the Board of Commissioners through the Audit Committee.
  - b. Implement the approved annual audits plan, including implementing special tasks at the request of the President Director and Board of Commissioners through the Audit Committee.
  - c. Prepare reports on internal audit results and submit them to the President Director and Board of Commissioners with a copy to the Audit Committee, Compliance Director, Risk Management Director, relevant Directors, and relevant Unit Heads.
  - d. Monitor and evaluate the adequacy of follow-up on audit results by the auditee and submit reports to the President Director, Board of Commissioners, Audit Committee, and Compliance Director.
- Special Report on audit findings that may disrupt the Bank's business continuity. The reports shall be submitted to the Financial Services Authority no later than 3 (three) days after the audit findings are identified. The report shall be signed by the President Director and an Independent Commissioner who is appointed as chairman of the Audit Committee.
  - Report on the results of review conducted by independent external parties that contain opinions on the work of the Internal Audit Unit and its compliance with internal audit professional standards as well as recommendations for improvement for a better internal audit. Reviews by External party shall be conducted once in 3 (three) years from July to June the following third year. The reports shall be submitted to the Financial Services Authority no later than 2 (two) months after the date on which the assessment period ends. The report shall be signed by the President Director and the President Commissioner.
  - i. Can act as a consultant for the Bank, among others, by providing proper responses to proposed policies, systems and procedures to ensure the adequacy of internal control.

- j. Maintain the professionalism of internal auditors through continuous education programs such as one on certification to complement the knowledge and skills of internal auditors in accordance with the complexity and business activities of the Bank.
- k. Create a quality assurance program to evaluate and guarantee the quality of internal audit operational activities.
- l. Continuously develop an audit methodology to improve the efficiency and effectiveness of SKAI performance.
- m. Formulate and review Internal Audit Charter.

#### **SKAI ACTIVITIES IMPLEMENTATION REPORT IN 2019**

During 2019, SKAI did 354 audit assignments out of the total of 354 auditable areas in the 2019 Audit Plan, plus an observation on the Enterprise Crisis Simulation Exercise (ECSE). All audit assignments were completed and all audit reports were issued in December 2019.

#### **AUDIT FOCUS AND PLAN IN 2020**

The following are the areas that will be the focus of the Internal Audit work in 2020:

- Credit audit (corporate, commercial, retail small medium enterprise, mortgage and credit card segments) under both conventional and sharia portfolios.
- Funding & services audit in 79 KCI and 14 main sharia branches.
- Information technology (IT) audit i.e. on core banking system, credit system, SWIFT system, information system security and system development & procurement.
- Audit on anti-money laundering & assurance, Global Banking including the activities in treasury, Finance, Human Capital, Operations, Risk Management, Legal, Compliance & Corporate Secretary.
- Audit on a subsidiary, PT Wahana Ottomitra Multiartha, Tbk. and PT Maybank Indonesia Finance.

SKAI also gives advises and consulting through reviews on the adequacy of internal control in the project developments of several IT applications that are considered to be critical, and help to observe the selection process of IT vendor selection. In addition, SKAI also acts as an observer in the business continuity plan (BCP) and disaster recovery (DR) testing process. Periodically, the Internal Audit Unit also reviews the Bank's risk profile and financial statements.