

SISTEM PENGENDALIAN INTERNAL INTERNAL CONTROL SYSTEMS

Pada prinsipnya, sistem pengendalian internal terkandung dalam seluruh aktivitas dan diseluruh unit kerja. Dewan Komisaris dan Direksi bertanggung jawab penuh untuk mengawasi dan melaksanakan kerangka kerja sistem pengendalian internal yang diterapkan di Bank, dan untuk mengusulkan perubahan jika diperlukan. Bank telah membentuk tiga lapis *assurance* guna memastikan sistem pengendalian internal berjalan sesuai fungsinya.

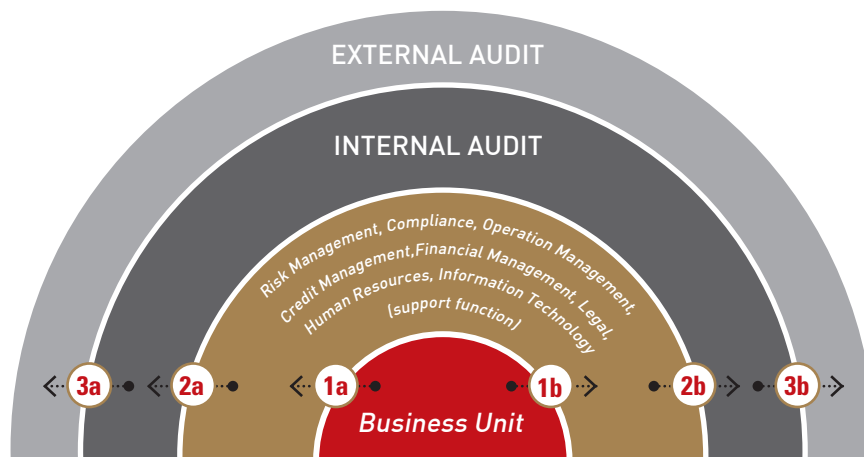
Unit bisnis/ pendukung/ operasional yang ada di cabang dan kantor pusat adalah lapis pertama *assurance*. Lapis kedua *assurance* adalah fungsi pendukung seperti manajemen risiko, kepatuhan, legal, sumber daya manusia, keuangan, operasional, dan teknologi.

Lapisan ketiga *assurance* adalah fungsi internal audit yang secara independen menilai efektivitas proses yang diciptakan di lapisan pertama dan kedua, serta memberikan *assurance* yang memadai atas seluruh aktivitas dan unit kerja.

In principle, the internal control system is contained in all activities and in all work units. The Board of Commissioners and the Board of Directors are fully responsible for overseeing and implementing the internal control system framework implemented at the Bank, and to propose changes where appropriate. The Bank has established three layers of assurance to ensure that the internal control system is functioning.

Business/support/operational units in the branches and head office make up the first layer of assurance. The second layer of assurance is a support function such as risk management, compliance, legal affairs, human resources, finance, operations and technology.

The third layer of assurance is an internal audit function that independently assesses the effectiveness of processes created in the first and second layers, and provides adequate assurance of all activities and all work units.



1a. Diskusi/ Pelatihan Kebijakan dan Prosedur Kepatuhan | Compliance Opinion, Sharing/ Training, Policy and Procedure

2a. Laporan Hasil Audit Internal, Penilaian terhadap Kualitas Penerapan Manajemen Risiko, Laporan Kejadian Fraud, Laporan Hasil Audit Eksternal | Internal Audit Report, Assessment on the QRMI, Fraud Event/ Investigation, Guest Auditor

3a. Ruang Lingkup | Sharing Audit Scope

1b. Laporan Hasil Audit Internal | Internal Audit Report, Sharing the Scope of Audit

2b. Laporan Hasil Audit Bank Indonesia/ Otoritas Jasa Keuangan, Laporan RCSA/ Laporan Kejadian Risiko, Laporan Risk Officer, Off-Site Data | BI/ OJK Audit Report, RCSA/ RER/ Risk Officer Report, ICU Report, Other Off-site Data

3b. Laporan Kejadian Risk Control Self Assessment (RCSA) | Incident Reporting, RCSA

SISTEM PENGENDALIAN KEUANGAN DAN OPERASIONAL

Sistem Pengendalian Internal ditetapkan oleh Direksi dengan persetujuan Dewan Komisaris. Penerapan sistem pengendalian yang efektif dilakukan secara berkesinambungan dengan tujuan sebagai berikut:

FINANCIAL AND OPERATIONAL CONTROL SYSTEMS

The Internal Control System is established by the Board of Directors with the approval of the Board of Commissioners. Implementation of effective control systems is carried out continuously with the following objectives:

- Menjaga dan mengamankan harta kekayaan Bank;
- Menjamin tersedianya laporan yang lebih akurat;
- Meningkatkan kepatuhan terhadap ketentuan yang berlaku;
- Mengurangi dampak keuangan/ kerugian, penyimpangan termasuk kecurangan/ *fraud*, dan pelanggaran terhadap prinsip kehati-hatian; dan
- Meningkatkan efektivitas organisasi dan efisiensi biaya.

PENILAIAN TERHADAP EFEKTIVITAS PENGENDALIAN INTERNAL

Manajemen bertanggung jawab atas terselenggaranya sistem pengendalian internal yang handal dan efektif serta berkewajiban untuk meningkatkan budaya risiko (*risk culture*) yang efektif, dan wajib memastikan bahwa hal tersebut telah melekat di setiap jenjang organisasi. Departemen *Internal Audit* (DIA) bertanggung jawab mengevaluasi dan berperan aktif dalam meningkatkan efektivitas sistem pengendalian internal secara berkesinambungan berkaitan dengan pelaksanaan operasional Bank dalam mencapai sasaran yang telah ditetapkan Bank. Departemen *Internal Audit* melakukan audit secara periodik terhadap seluruh aktivitas di unit kerja. Hasil audit disampaikan kepada Manajemen untuk ditindaklanjuti dan dimonitor pelaksanaannya. Hal ini dilakukan untuk memastikan sistem pengendalian internal berjalan secara efektif.

FUNGSI KEPATUHAN

Untuk memenuhi ketentuan dalam Peraturan Bank Indonesia No. 13/2/PBI/2011 tentang Pelaksanaan Fungsi *Compliance* Bank Umum, Bank ICBC Indonesia telah menetapkan serangkaian Pedoman *Compliance* yang antara lain berupa:

- Piagam *Compliance*
Piagam *Compliance* merupakan standar formal yang berisi prinsip-prinsip dasar, kewenangan, tugas dan tanggung jawab Fungsi *Compliance* dalam organisasi, dan jalur pelaporan antara Direksi, Dewan Komisaris dan Otoritas Jasa Keuangan (OJK) selaku pengawas Bank.
- Pernyataan *Compliance*
Pernyataan *Compliance* berisi kesanggupan setiap karyawan Bank untuk bertanggung jawab dan patuh pada Kode Etik Perilaku; kebijakan, prosedur, dan pedoman internal; Peraturan Bank Indonesia dan OJK; serta peraturan dan perundang-undangan yang berlaku sesuai dengan lingkuppekerjaan karyawan yang bersangkutan.
- Kebijakan *Compliance*
Kebijakan *Compliance* merupakan ketentuan yang mendefinisikan peran *Compliance* didalam Bank. Kebijakan ini diterbitkan dalam rangka memitigasi risiko pada aktifitas bisnis Bank (tindakan preventif [*ex-ante*]).

KESESUAIAN DENGAN COSO

Sistem Pengendalian internal Bank ICBC Indonesia disusun sesuai secara terintegrasi dan telah dilakukan dengan metode yang diterbitkan oleh *Committee of Sponsoring Organization of the Treadway Commission* (COSO) dan kepatuhan terhadap regulasi yang berlaku.

- Maintaining and securing the Bank's assets;
- Ensuring that more accurate reports are available;
- Improving compliance with applicable regulations;
- Reducing financial/disadvantageous impacts, irregularities such as fraud, and violation of prudential principles; and
- Improving organizational effectiveness and cost efficiency.

ASSESSING THE EFFECTIVENESS OF INTERNAL CONTROLS

The Management is responsible for the implementation of a reliable and effective internal control system and is obligated to promote an effective risk culture. It must ensure that this culture is inherent at every level of the organization. The Internal Audit Department (DIA) is responsible for evaluating and taking an active role in improving the effectiveness of the internal control system on an ongoing basis in relation to the Bank's operational implementation in achieving the objectives set by the Bank. The DIA conducts periodic audits of all activities within the level of the work unit. Audit results are submitted to the Management for follow-up and monitored for implementation. This is done to ensure that the internal control system runs effectively.

COMPLIANCE FUNCTION

To comply with the provisions in Bank Indonesia Regulation No. 13/2/PBI/2011 on the Implementation of the Compliance Function of Commercial Banks, Bank ICBC Indonesia has established a series of Compliance Guidelines namely:

- Compliance Charter
The Compliance Charter is a formal standard containing basic principles, authorities, duties and responsibilities of the Compliance Function within the organization. It details the reporting line between the Board of Directors, the Board of Commissioners and the OJK as the Bank's supervisor.
- Compliance Statement
The Compliance Statement details the necessity for every employee of the Bank to be responsible and adhere to the Code of Conduct; internal policies, procedures and guidelines; Bank Indonesia and OJK regulations; as well as applicable laws and regulations in accordance with the scope of the employee's work.
- Compliance Policy
The Compliance Policy is a provision that defines the role of Compliance within the Bank. This policy is published in order to mitigate the risks to the Bank's business activities (*ex-ante*).

COSO COMPATIBILITY

Bank ICBC Indonesia's internal control system is structured in an integrated manner and has been carried out with methods issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and with compliance to applicable regulations.

DEPARTEMEN INTERNAL AUDIT INTERNAL AUDIT DEPARTMENT

FUNGSI DEPARTEMEN INTERNAL AUDIT

Fungsi Departemen *Internal Audit* (DIA) Bank ICBC Indonesia bersifat independen dan bertanggung jawab langsung kepada Presiden Direktur, serta memiliki jalur komunikasi langsung kepada Dewan Komisaris melalui Komite Audit.

Departemen *Internal Audit* memeriksa efektivitas sistem pengendalian internal, termasuk kepatuhan terhadap hukum dan peraturan yang berlaku, kecukupan proses tata kelola, manajemen risiko, dan sistem pengendalian internal Bank, serta memberikan rekomendasi untuk perbaikan.

Dalam pelaksanaan tugas, Departemen *Internal Audit* berpedoman pada Piagam *Internal Audit* dan mengacu kepada Standar Pelaksanaan Fungsi Audit Intern Bank (SPFAIB) sesuai dengan peraturan Bank Indonesia. Rencana kerja Departemen *Internal Audit* 2016 disetujui oleh Presiden Direktur dan Komite Audit. Rencana tersebut dikaji ulang setiap tahun untuk memastikan relevansinya dengan kondisi dan risiko bisnis Bank.

KEDUDUKAN DEPARTEMEN INTERNAL AUDIT DALAM STRUKTUR ORGANISASI

Kepala Departemen *Internal Audit* melapor langsung kepada Presiden Direktur dan dapat berkomunikasi langsung dengan Dewan Komisaris melalui Komite Audit untuk menginformasikan hal-hal signifikan yang berhubungan dengan aktivitas internal audit. Struktur organisasi Departemen *Internal Audit* dapat dilihat pada diagram di bawah ini:

INTERNAL AUDIT DEPARTMENT FUNCTION

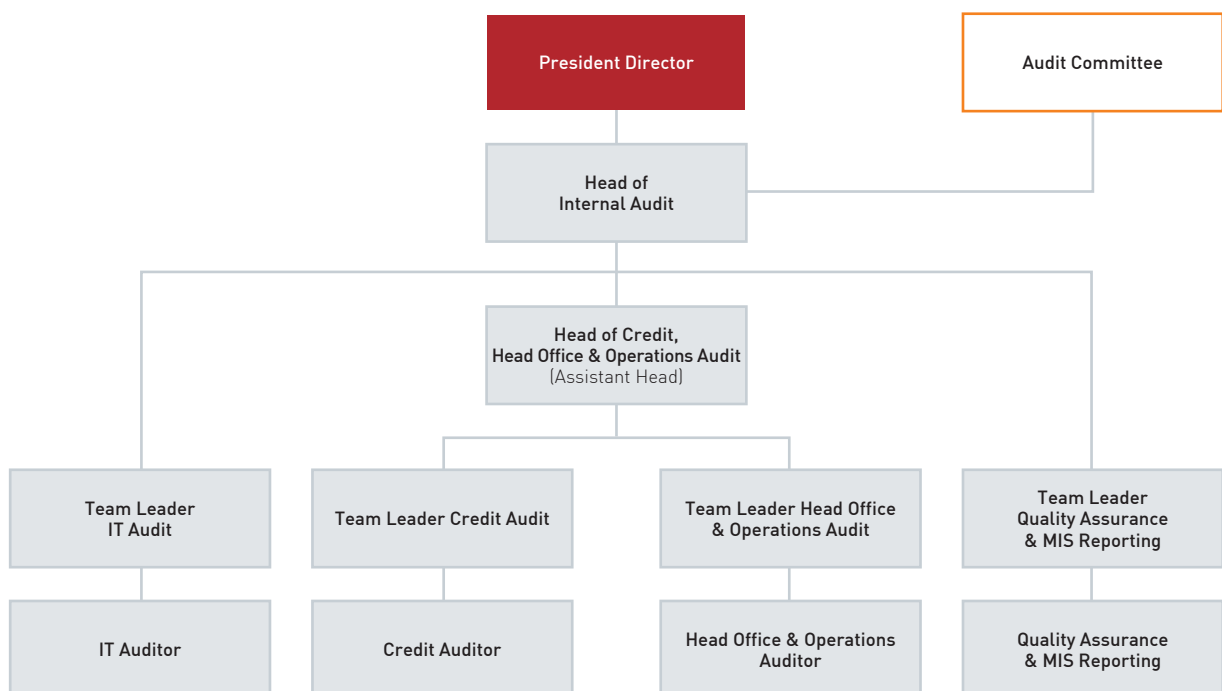
The function of the Internal Audit Department (IAD) of Bank ICBC Indonesia is independent, is directly responsible to the President Director, and has direct communication channels to the Board of Commissioners through the Audit Committee.

The IAD examines the effectiveness of the internal control system, including compliance with applicable laws and regulations, adequacy of governance processes, risk management, and the Bank's internal control system, and provides recommendations for improvement.

In performing its duties, the Internal Audit Department is guided by the Internal Audit Charter and refers to the Bank's Internal Audit Function Implementation Standards (SPFAIB) in accordance with BI regulations. The Internal Audit Department's 2016 work plan is approved by the President Director and the Audit Committee. The plan is reviewed annually to ensure its relevance to the Bank's business conditions and risks.

INTERNAL AUDIT DEPARTMENT'S POSITION WITHIN ORGANIZATIONAL STRUCTURE

The Head of Internal Audit Department reports directly to the President Director and can communicate directly with the Board of Commissioners through the Audit Committee to inform significant matters relating to internal audit activities. The organizational structure of the Internal Audit Department can be seen in the diagram below:



Profil Kepala Departemen Internal Audit

Indra Widjaja

Beliau adalah warga Negara Indonesia dan bergabung dengan Bank ICBC Indonesia sebagai Kepala Departemen *Internal Audit* sejak September 2015. Memiliki banyak pengalaman kerja dalam bidang auditing di banyak perusahaan, seperti Bank Permata, Rabobank, CIMB Niaga, Maybank, BCA, serta Pricewaterhouse Coopers baik di Indonesia maupun di Indochina. Memperoleh gelar sarjana di bidang akuntansi dari Universitas Trisakti pada 1991, mengikuti *Executive Development Program* dari INSEAD, serta memperoleh berbagai sertifikasi profesi yang terkait dengan bidang auditing, investigasi, teknologi sistem informasi, dan manajemen risiko, yaitu *Certified Internal Auditor* (CIA), *Qualified Internal Auditor* (QIA), *Certified Fraud Examiner* (CFE), *Certified Information Systems Auditor* (CISA), *Certified Information Security Manager* (CISM), *Certified Manajemen Risiko Professional* (CRMP), dan Sertifikasi Manajemen Risiko Level 5. Aktif di organisasi profesi seperti Ikatan Auditor Intern Bank (IAIB), Association of Certified Fraud Examiners (ACFE) - Indonesia Chapter, dan ISACA.

Pengangkatan dan Pemberhentian Kepala Departemen Internal Audit

Kepala Departemen *Internal Audit* diangkat dan diberhentikan serta bertanggung jawab langsung kepada Presiden Direktur atas persetujuan Dewan Komisaris, dan selanjutnya dilaporkan kepada Otoritas Jasa Keuangan (OJK).

Komposisi Departemen Internal Audit

Jumlah karyawan Departemen *Internal Audit* sebanyak 13 orang dengan komposisi sebagai berikut:

Jumlah Karyawan Departemen *Internal Audit* Number of Employees of Internal Audit Department

| Jabatan Position | Divisi Division | Jumlah Total |
|---|---|----------------|
| Kepala Departemen Internal Audit Head of Internal Audit Department | Departemen Internal Audit Departemen Internal Audit | 1 |
| Asisten Kepala DIA Assitant Head of DIA | Audit Kredit Credit Auditor Audit Kantor Pusat & Operasional Head Office & Operations Auditor | 1 |
| Ketua Tim Head of Team | Audit Kredit Credit Auditor Audit Kantor Pusat & Operasional Head Office & Operations Auditor Audit Teknologi Informasi Information Technology Auditor Quality Assurance & MIS Reporting Quality Assurance MIS Reporting | 3 |
| Auditor Internal Internal Auditor | Audit Kredit Credit Auditor Audit Kantor Pusat & Operasional Head Office & Operations Auditor Audit Teknologi Informasi Information Technology Auditor Quality Assurance & MIS Reporting Quality Assurance MIS Reporting | 8 |
| Total | | 13 |

Head of Internal Audit Department Profile

Indra Widjaja

An Indonesian citizen who has been at Bank ICBC Indonesia as Head of Internal Audit Department since September 2015. He has had an extensive work experience in auditing in many companies, such as Bank Permata, Rabobank, CIMB Niaga, Maybank, BCA and Pricewaterhouse Coopers both in Indonesia as well as in Indochina. He obtained his Bachelor's Degree in accounting from Trisakti University in 1991, participated in the Executive Development Program of INSEAD, and obtained various professional certifications related to auditing, investigation, information systems technology and risk management, namely, Certified Internal Auditor (CIA), Qualified Internal Auditor (QIA), Certified Fraud Examiner (CFE), Certified Information Systems Auditor (CISA), Certified Information Security Manager (CISM), Certified Risk Management Professional (CRMP), and Risk Management Certification Level 5. He is active in professional organizations such as the Association of Auditors Intern Bank (IAIB), Association of Certified Fraud Examiners (ACFE) - Indonesia Chapter, and ISACA.

Appointment and Dismissal of Head of Internal Audit Department

The Head of the Internal Audit Department is appointed and dismissed by and is directly responsible to the President Director upon approval of the Board of Commissioners, and is subsequently reported to the Financial Services Authority (OJK).

Composition of Internatl Audit Department

Number of employees at Internal Audit Department is 13 with the following composition:

Piagam Internal Audit

Departemen *Internal Audit* memiliki Piagam *Internal Audit* yang disahkan oleh Direktur Utama, Komisaris Utama, dan Komisaris Independen (Ketua Komite Audit) Bank ICBC Indonesia dengan revisi terakhir pada 1 Desember 2015. Piagam *Internal Audit* merupakan pedoman antara lain mengenai tujuan, ruang lingkup, visi, misi, kedudukan, wewenang, tugas dan tanggung jawab Departemen *Internal Audit*. Kedudukan, kewenangan dan tanggung jawab yang dinyatakan secara formal dalam Piagam *Internal Audit* telah sesuai dengan Peraturan Bank Indonesia mengenai penerapan Standar Pelaksanaan Fungsi Audit Intern Bank (SPFAIB) dan Peraturan Otoritas Jasa Keuangan (POJK) No. 56/POJK.04/2015 tentang Pembentukan dan Pedoman Penyusunan Piagam *Internal Audit* serta *best practice* yang mengacu pada *International Professional Practice Framework* (IPPF) oleh Institute of *Internal Auditor* (IIA).

Visi dan Misi

Visi

Menjadi Departemen *Internal Audit* yang profesional sesuai dengan PBI dan *best practice*, serta menjadi mitra Manajemen dalam pencapaian rencana bisnis Bank.

Misi

Untuk memberikan keyakinan yang memadai dan jasa konsultasi, melalui aktivitas internal audit yang independen dan objektif yang dirancang untuk memberikan nilai tambah dan meningkatkan proses tata kelola, manajemen risiko, dan sistem pengendalian internal Bank, dengan memastikan kepatuhan Bank terhadap regulasi serta kebijakan & prosedur yang berlaku.

Wewenang, Tugas dan Tanggung Jawab Departemen Internal Audit

Departemen *Internal Audit* memiliki wewenang sebagai berikut:

- Memperoleh akses yang tidak terbatas pada seluruh fungsi, catatan, pembukuan, personil, serta aset dan kewajiban Bank, baik di kantor pusat maupun cabang.
- Mempunyai akses penuh kepada Dewan Komisaris melalui Komite Audit apabila diperlukan.
- Mengalokasikan sumber daya, menetapkan jadwal, memilih subyek, menentukan cakupan tugas, dan menerapkan teknik yang dibutuhkan untuk memenuhi tujuan audit.
- Memperoleh bantuan yang dibutuhkan dari unit organisasi yang diaudit, serta layanan khusus lainnya, baik dari dalam maupun luar organisasi.

Departemen *Internal Audit* tidak berwenang untuk:

- Melaksanakan tugas operasional Bank.
- Melaksanakan, menginisiasi, atau menyetujui transaksi akuntansi/ operasional atau aktivitas non-operasional lainnya di luar audit yang dapat mempengaruhi independensi termasuk apabila aktivitas tersebut mensyaratkan persetujuan Departemen Internal Audit sebelum dijalankan baik sementara maupun permanen.
- Mengarahkan aktivitas dari karyawan bank yang tidak dipekerjakan oleh Departemen Internal Audit, kecuali karyawan tersebut telah ditugaskan sebagai tim pemeriksa atau diperbantukan di Departemen Internal Audit.

Internal Audit Charter

The Internal Audit Department has an Internal Audit Charter authorized by the President Director, President Commissioner and Independent Commissioner (Chairman of the Audit Committee) of Bank ICBC Indonesia with its latest revision taking place on 1 December 2015. The Charter is a guideline, among others, concerning the purpose, scope, mission, position, authority, duties and responsibilities of the Department. The status, authority and responsibilities expressed formally in the Charter are in conformity with Bank Indonesia regulations concerning the application of the Bank Internal Audit Function Standard and the Financial Services Authority Regulation No. 56/POJK.04/2015 on the Establishment and Guidelines for the Formulation of the Internal Audit Charter. The charter is also in conformity with best practices that refer to the International Professional Practice Framework (IPPF) by the Institute of Internal Auditors (IIA).

Vision and Mission

Vision

To be a professional Internal Audit Department in accordance with Bank Indonesia regulations and best practices, and to be a Management partner in achieving the Bank's business plan.

Mission

To provide sufficient confidence and consultancy services, through an independent, objective internal audit activity designed to add value and improve the Bank's governance, risk management and control processes, by ensuring compliance with regulations and prevailing policies and procedures.

Internal Audit Department's Authorities, Duties and Responsibilities

The Internal Audit Department has the following authorities:

- Gaining unrestricted access to all functions, records, bookkeeping, personnel, and assets and liabilities of the Bank, either at the head office or branch levels.
- Having full access to the Board of Commissioners through the Audit Committee if necessary.
- Allocating resources, setting schedules, selecting subjects, determining the scope of tasks, and applying the techniques required to meet audit objectives.
- Obtaining the required assistance from the organizational units to be audited, as well as other specialized services, both within and outside the organization.

The Internal Audit Department is not authorized to:

- Carry out the operational tasks of the Bank.
- Carry out, initiate, or approve an accounting/operational transactions or other non-operating activities outside the audit that may affect independence, including where such activities require the approval of the Internal Audit Department prior to its temporary or permanent execution.
- Direct the activities of bank employees not employed by the Internal Audit Department, unless the employee has been assigned as a review team or seconded in the Internal Audit Department.

Departemen *Internal Audit* memiliki tugas antara lain:

- Membantu Presiden Direktur dan Dewan Komisaris dalam melakukan tugas pengawasan dengan cara menjabarkan perencanaan, pelaksanaan maupun pemantauan hasil audit.
- Membuat analisis dan penilaian di bidang keuangan, akuntansi, operasional dan kegiatan lainnya melalui pemeriksaan langsung dan pengawasan secara tidak langsung.
- Mengidentifikasi segala kemungkinan untuk memperbaiki dan meningkatkan efisiensi penggunaan sumber daya dan dana.
- Memberikan saran perbaikan dan informasi yang objektif tentang kegiatan yang diperiksa pada semua tingkatan manajemen.
- Menyampaikan laporan audit kepada Presiden Direktur dan Dewan Komisaris melalui Komite Audit dengan tembusan kepada Direktur Kepatuhan.
- Memantau pelaksanaan tindak lanjut yang dilakukan oleh pihak yang di audit atas usulan langkah perbaikan yang telah disetujui.
- Membuat laporan pelaksanaan dan pokok-pokok hasil audit, termasuk informasi rahasia dari hasil audit. Laporan tersebut ditandatangani oleh Presiden Direktur dan Dewan Komisaris. Laporan harus dibuat untuk periode yang masing-masing berakhir pada 30 Juni dan 31 Desember, dan disampaikan kepada OJK paling lambat dua bulan sejak berakhirnya periode pelaporan.
- Segera membuat laporan khusus atas setiap temuan audit internal yang diperkirakan dapat membahayakan kelangsungan usaha Bank. Laporan tersebut harus ditandatangani oleh Presiden Direktur dan Dewan Komisaris. Laporan harus disampaikan segera ke OJK paling lambat tujuh hari setelah adanya informasi temuan audit tersebut.

Tanggung Jawab Departemen *Internal Audit* adalah sebagai berikut:

- Membuat rencana audit yang fleksibel dengan menggunakan metodologi audit berbasis risiko, termasuk seluruh risiko dan masalah pengendalian yang teridentifikasi oleh manajemen dan menyampaikan rencana tersebut kepada Presiden Direktur dan Dewan Komisaris melalui Komite Audit untuk dikaji ulang dan disetujui, demikian pula dengan pengkiniannya secara periodik.
- Memberikan saran kepada Presiden Direktur langkah-langkah perbaikan yang perlu diambil oleh pihak yang diaudit, termasuk mengusulkan langkah korektif dan/atau usul penerapan sanksi apabila perlu atas pelanggaran/penyimpangan yang dilakukan oleh pihak yang di audit.
- Memastikan kesesuaian fungsi dan aktivitas Departemen *Internal Audit* dengan Standar Pelaksanaan Fungsi Audit Intern Bank (SPFAIB).

The Internal Audit Department has the following tasks:

- Assisting the President Director and the Board of Commissioners in conducting supervisory duties by way of outlining the planning, implementation and monitoring of audit results.
- Making analysis and assessments in finance, accounting, operations and other activities through direct inspection and indirect supervision.
- Identifying all possibilities to improve and increase the efficient usage of resources and funds.
- Providing objective advice and improvements on activities examined at all levels of management.
- Submitting an audit report to the President Director and the Board of Commissioners through the Audit Committee with a copy to the Compliance Director.
- Monitoring the implementation of follow-ups conducted by the party in the audit on the proposed remedial steps that have been approved.
- Producing implementation reports and audit results, including confidential information from the audit results. The report signed by the President Director and the Board of Commissioners. Reports must be made for the periods that end 30 June and 31 December, respectively, and are to be submitted to the OJK no later than two months after the end of the reporting period.
- Immediately preparing a special report on any internal audit findings that are expected to jeopardize the Bank's business continuity. The report must be signed by the President Director and the Board of Commissioners. Reports must be submitted immediately to OJK no later than seven days after the audit findings are disclosed.

The responsibilities of the Internal Audit Department are as follows:

- Establish a flexible audit plan using a risk-based audit methodology, including all risks and control issues identified by management and submit the plan to the President Director and Board of Commissioners through the Audit Committee for review and approval, as well as doing periodic updating.
- Advise the President Director of corrective actions that need to be taken by the auditee, including suggesting corrective action and/or proposed sanctions if necessary for violations/ irregularities committed by the party in the audit.
- Ensure the conformity of functions and activities of the Internal Audit Department with the Bank Internal Audit Function Implementation Standard (SPFAIB).

KODE ETIK

Dalam menjalankan tugasnya Auditor Internal memiliki Kode Etik yang harus dipatuhi, yaitu:

- Integritas
 - Harus bekerja dengan jujur, sungguh-sungguh dan bertanggung jawab.
 - Harus mematuhi hukum dan membuat pengungkapan sesuai hukum dan profesi.
 - Tidak terlibat secara sadar dalam kegiatan ilegal, atau tindakan yang dapat mendiskreditkan profesi audit internal atau organisasi.
 - Harus menghormati dan berkontribusi pada tujuan yang etis dan telah ditetapkan oleh organisasi.
- Obyektivitas
 - Tidak terlibat di dalam aktivitas atau hubungan yang dapat merusak atau mengganggu penilaian yang obyektif. Hal ini mencakup aktivitas atau hubungan yang bertentangan dengan kepentingan organisasi.
 - Tidak boleh menerima sesuatu dalam bentuk apapun yang dapat atau patut diduga mempengaruhi pertimbangan profesionalnya.
 - Harus mengungkapkan semua fakta-fakta penting yang diketahuinya, jika tidak dilakukan pengungkapan dapat mendistorsi laporan atas aktivitas yang dikaji.
- Kerahasiaan
 - Berhati-hati dalam penggunaan dan selalu menjaga informasi yang diperoleh selama menjalankan tugasnya.
 - Tidak menggunakan informasi untuk kepentingan pribadi atau kepentingan lain yang bertentangan dengan hukum atau yang dapat merugikan tujuan yang telah ditetapkan organisasi.
- Kompetensi
 - Hanya menjalankan penugasan yang sesuai dengan pengetahuan, keterampilan, dan pengalaman.
 - Memberikan jasa audit internal sesuai dengan *Standards for the Professional Practice of Internal Auditing*.
 - Harus meningkatkan kemampuan dan efektivitas serta kualitas jasa audit yang diberikan.

PELAKSANAAN TUGAS DEPARTEMEN INTERNAL AUDIT

Ruang lingkup pekerjaan Departemen *Internal Audit* mencakup pemeriksaan atas seluruh aspek operasional Bank yang secara langsung ataupun tidak langsung dapat membahayakan kepentingan Bank dan masyarakat.

Ruang lingkup audit meliputi hal-hal sebagai berikut:

- Melakukan kajian dan penilaian atas kecukupan sistem pengendalian internal yang telah ditetapkan untuk memberikan keyakinan yang memadai bahwa tujuan dan sasaran Bank ICBC Indonesia dapat dicapai secara efisien dan efektif.
- Melakukan kajian dan penilaian atas efektifitas sistem manajemen risiko Bank yang meliputi aspek risiko operasional, risiko kredit, risiko pasar, risiko likuiditas, risiko hukum, risiko kepatuhan, risiko reputasi, dan risiko strategik. Cakupan kerja juga mencakup pengkajian atas risiko pada bidang Teknologi Informasi.

CODE OF CONDUCT

In carrying out its duties, the Internal Auditor has a Code of Conduct that must be complied with, namely:

- Integrity
 - Must work honestly, sincerely and responsibly.
 - Must obey the law and make disclosures according to law and profession.
 - Not engage consciously in illegal activities, or actions that discredit the profession's internal or organizational audit data.
 - Must respect and contribute to the ethical goals set by the organization.
- Objectivity
 - Must not be involved in activities or relationships that could damage or disrupt objective judgments. This includes activities or relationships that conflict with the interests of the organization.
 - Must not accept anything in any form which can or should be reasonably suspected to affect the Internal Auditor's professional judgment.
 - The Internal Auditor must disclose all the important facts it knows, otherwise disclosure may distort the report on the activity under study.
- Confidentiality
 - Be cautious in use and always securing information obtained while carrying out their duties.
 - Not use information for personal or other interests that are contrary to law or that may harm the organization's intended purpose.
- Competency
 - Only run assignments that match your knowledge, skills, and experience.
 - Provide internal audit services in accordance with *Standards for the Professional Practice of Internal Auditing*.
 - Must improve on their abilities and effectiveness and quality of audit services they have provided.

INTERNAL AUDIT DEPARTMENT IMPLEMENTATION OF DUTIES

The scope of work of the Internal Audit Department covers the examination of all aspects of the Bank's operations which may directly or indirectly compromise the interests of the Bank and the public. The scope of the audit includes the following:

- Reviewing and assessing the adequacy of the established internal control system to provide reasonable assurance that the goals and objectives of Bank ICBC Indonesia can be achieved efficiently and effectively.
- Reviewing and assessing the effectiveness of the Bank's risk management system including operational risk, credit risk, market risk, liquidity risk, legal risk, compliance risk, reputation risk, and strategic risk. The scope of work also includes an assessment of risks in the field of Information Technology.

- Melakukan kajian dan penilaian atas efektivitas penerapan prinsip dan praktik tata kelola yang baik (GCG) di semua tingkatan manajemen serta untuk meyakinkan kepatuhan terhadap regulasi yang terkait dengan GCG.
- Melakukan kajian dan penilaian atas pencapaian strategi bisnis yang ditetapkan.

Ruang lingkup Departemen *Internal Audit* mencakup seluruh area di Kantor Pusat, Kantor Cabang, dan Teknologi Informasi. Prioritas penugasan audit internal dilaksanakan dengan pendekatan audit berbasis risiko. Selain itu, pelaksanaan audit insidental dilaksanakan sesuai kebutuhan Bank.

Departemen *Internal Audit* memantau tindak lanjut yang dilakukan oleh manajemen dan auditee atas temuan hasil audit secara bulanan. Rangkuman kegiatan Departemen *Internal Audit* dan ringkasan hasil pemeriksaan telah disampaikan kepada Otoritas Jasa Keuangan pada setiap semester.

REALISASI RENCANA KERJA TAHUNAN

Per posisi 31 Desember 2016, Departemen *Internal Audit* telah mencapai 110% dari total Rencana Kerja Tahunan. Departemen *Internal Audit* mencapai lebih dari 100% dari Rencana Kerja Tahunan karena melaksanakan serangkaian penugasan *ad-hoc* dalam tahun berjalan seiring dengan pertumbuhan bisnis dan profil risiko Bank.

Departemen *Internal Audit* melakukan penilaian terhadap kecukupan sistem pengendalian internal dan berpartisipasi dalam meningkatkan efektivitas sistem pengendalian internal berkaitan dengan aktivitas operasional Bank. Proses penilaian dilakukan dengan metode yang diterbitkan oleh *Committee of Sponsoring Organizations of the Treadway Commission* (COSO) dan kepatuhan terhadap regulasi yang berlaku. COSO terdiri dari lima pilar yaitu lingkungan pengendalian, penilaian risiko, aktivitas pengendalian, informasi & komunikasi, dan *monitoring*.

Selain itu, Departemen *Internal Audit* secara berkelanjutan mengembangkan dan memaksimalkan metodologi serta alat bantu audit sehingga pelaksanaan audit lebih efektif dan efisien, yaitu:

- Mengimplementasikan *audit management system* untuk memastikan standar kualitas audit dan mendukung proses audit tanpa kertas.
- Mengimplementasikan teknik audit berbantuan komputer (*Computer-Assisted Audit Technique* CAAT) untuk mengekstrak data, menganalisa data, dan menghasilkan *exception report*.
- Mengkaji ulang, mengkonsolidasikan, dan mengkinikan kebijakan dan prosedur internal audit. Hal ini bertujuan agar laporan hasil audit diselesaikan secara tepat waktu, dan proses penyelesaian temuan dilakukan lebih efektif.

Bank ICBC Indonesia telah menunjuk Kantor Akuntan Publik Siddharta Widjaja & Rekan (KPMG) untuk melakukan *profiling* atas kesesuaian fungsi Departemen *Internal Audit* dengan SPFAIB dan *Information Technology* Manajemen Risiko (ITRM) untuk periode 1 Januari 2014 - 31 Desember 2016.

- Reviewing and assessing the effectiveness of the application of Good Corporate Governance principles (GCG) at all levels of management and ensuring compliance with GCG-related regulations.
- Conducting assessments and evaluations on the achievement of established business strategies.

The scope of the Internal Audit Department covers all areas of the Head Office, Branch Offices, and Information Technology. The priority of internal audit assignments is carried out with a risk-based audit approach. In addition, the implementation of incidental audits is carried out according to the needs of the Bank.

The Internal Audit Department monitors the follow-ups by management and auditees through monthly audit findings. A summary of the activities of the Internal Audit Department and summary of inspection results have been submitted to the Financial Services Authority (OJK) each semester.

REALIZATION OF WORK PLAN

As of 31 December 2016, the Internal Audit Department has reached 110% of the total Annual Work Plan. The Internal Audit Department achieved more than 100% of the Annual Work Plan. It carried out a series of *ad-hoc* assignments in the current year in line with the Bank's business growth and risk profile.

The Internal Audit Department reviewed the adequacy of the internal control system and participated in improving the effectiveness of the internal control system in relation to the Bank's operational activities. The assessment process was conducted by a method published by the *Committee of Sponsoring Organizations of the Treadway Commission* (COSO) and one that was in compliance with applicable regulations. COSO consists of five pillars, namely, the control environment, risk assessment, control activities, information and communication.

In addition, the Internal Audit Department continuously develops and maximizes its methodology and audit tools so that the audit implementation process is more effective and efficient. These efforts include:

- Implementing an audit management system to ensure quality audit standards and support paperless auditing process.
- Implementing *Computer-Assisted Audit Technique* (CAAT), techniques to extract data, analyze data, and generate exception reports.
- Reviewing, consolidating, and updating internal audit policies and procedures. It is done so that the audit report is completed in a timely manner, and so that the process of completion of the findings is more effective.

Bank ICBC Indonesia has appointed a Public Accounting Firm, Siddharta Widjaja & Rekan (KPMG) to perform *profiling* on the function of Internal Audit Department with SPFAIB and *Information Technology* Risk Management (ITRM) for the period spanning 1 January 2014 to 31 December 2016.

Dari hasil *profiling* dapat disimpulkan bahwa “secara umum Bank telah memenuhi ketentuan-ketentuan dalam SPFAIB berdasarkan skala yang disetujui dengan Bank”. Laporan hasil *profiling* telah disampaikan kepada regulator pada 31 Januari 2017.

SERTIFIKASI DAN PELATIHAN

Departemen *Internal Audit* memberikan pelatihan dan ujian sertifikasi manajemen risiko kepada para Auditor Internal agar mematuhi regulasi yang berlaku. Untuk mendukung pertumbuhan bisnis, Departemen *Internal Audit* juga memberikan pelatihan kepada para Auditor Internal untuk meningkatkan pemahaman terhadap bidang usaha yang menjadi target Bank (seperti infrastruktur, energi, transportasi, dan lain-lain). Selain itu, Departemen *Internal Audit* juga memberikan pelatihan yang bersifat *soft-skills* maupun pelatihan untuk memperoleh sertifikasi profesi bagi para Auditor Internal.

Berikut data sertifikasi profesi yang dimiliki oleh para Auditor Internal:

Sertifikasi Profesi Auditor Internal Certification of Internal Auditor Profession

| Sertifikasi Certification | Nama Name | Jabatan Position |
|--|-------------------|----------------------------------|
| Certified Ethical Hacker (CEH) | Herindra Nurbuana | Team Leader - IT Audit |
| | Nico Herman | Auditor - IT Audit |
| Certified Fraud Examiner (CFE) | Indra Widjaja | Ketua Chairperson |
| Certified Internal Auditor (CIA) | Indra Widjaja | Ketua Chairperson |
| Certified Information Security Manager (CISM) | Indra Widjaja | Ketua Chairperson |
| Certified Information System Auditor (CISA) | Indra Widjaja | Ketua Chairperson |
| | Herindra Nurbuana | Team Leader - IT Audit |
| | Toniati | Auditor - IT Audit |
| Certified Manajemen Risiko Professional (CRMP) | Indra Widjaja | Ketua Chairperson |
| | Riva Yan Abdillah | Assistant Head of Internal Audit |
| | Sylly | Auditor - Credit Audit |
| Certified Cobit 5 Foundation (Cobit5) | Herindra Nurbuana | Team Leader - IT Audit |
| IT Infrastructure Library Foundation (ITIL-F) | Nico Herman | Auditor - IT Audit |
| Information Security Management System (ISMS) | Nico Herman | Auditor - IT Audit |
| Credit Skills Assessment Certification (CSAC) | Riva Yan Abdillah | Assistant Head of Internal Audit |
| Qualified Internal Auditor (QIA) | Indra Widjaja | Ketua Chairperson |
| | Toniati | Auditor - IT Audit |

PENYIMPANGAN INTERNAL

Internal fraud adalah penyimpangan/ kecurangan yang dilakukan oleh pengurus, karyawan tetap dan tidak tetap (honorar dan *outsourcing*) terkait dengan proses kerja dan kegiatan operasional Bank yang mempengaruhi kondisi keuangan Bank secara signifikan.

Bank telah menerapkan fungsi audit internal yang efektif pada seluruh aspek dan unsur kegiatan. Apabila terdapat hal-hal yang berindikasi penyimpangan/ kecurangan (*fraud*) dilakukan audit khusus (investigasi). Jumlah penyimpangan internal yang terjadi pada 2015 dan 2016 dapat dilihat pada tabel berikut:

From the profiling results, it can be concluded that: “In general, the Bank has complied with the provisions of SPFAIB on a scale the Bank has agreed upon.” This profiling report was submitted to regulators on 31 January 2017.

CERTIFICATION AND TRAINING

The Internal Audit Department provides training and risk management certification examinations to Internal Auditors in order to comply with applicable regulations. To support business growth, the Internal Audit Department also provides training to Internal Auditors to improve understanding of the areas of business targeted by the Bank (such as infrastructure, energy, transportation, etc.). In addition, the Internal Audit Department also provides soft-skills training and training to obtain professional certification for Internal Auditors.

The following is data on profession certifications owned by Internal Auditors:

INTERNAL FRAUD

Internal Fraud refers to fraud committed by the management, permanent and non-permanent employees (honorary and outsourced) in relation to the Bank’s work processes and operational activities that affect the Bank’s financial condition significantly.

The Bank has implemented an effective internal audit function on all aspects and elements of its activities. If there are any indications of fraud, a special audit is conducted. The number of internal frauds that occurred in 2015 and 2016 can be seen in the following table:

Jumlah Penyimpangan Internal Number of Internal Fraud

| Penyimpangan Internal Internal Fraud | Jumlah kasus yang dilakukan oleh The Number of Cases is Done by | | | | | |
|---|---|--|--|--|--|--|
| | Pengurus Management | | Karyawan Tetap Permanent Employees | | Karyawan Tidak Tetap Non-Permanent Employees | |
| | Tahun Sebelum (2015) Previous Year (2015) | Tahun Berjalan (2016) Current Year (2016) | Tahun Sebelum (2015) Previous Year (2015) | Tahun Berjalan (2016) Current Year (2016) | Tahun Sebelum (2015) Previous Year (2015) | Tahun Berjalan (2016) Current Year (2016) |
| Telah diselesaikan Settled | Nihil None | Nihil None | Nihil None | Nihil None | Nihil None | Nihil None |
| Dalam proses penyelesaian di internal Internal Settlement in Progress | Nihil None | Nihil None | Nihil None | Nihil None | Nihil None | Nihil None |
| Belum diupayakan penyelesaiannya Unattempted Solution | Nihil None | Nihil None | Nihil None | Nihil None | Nihil None | Nihil None |
| Telah ditindaklanjuti melalui proses hukum Have been Followed Up through Legal Process | Nihil None | Nihil None | Nihil None | Nihil None | Nihil None | Nihil None |
| Jumlah Penyimpangan Internal Number of Internal Fraud | Nihil None | Nihil None | Nihil None | Nihil None | Nihil None | Nihil None |

PEMBERIAN SANKSI

Bank ICBC Indonesia Belum memberikan sanksi kepada karyawan Bank ICBC Indonesia karena berbagai pelanggaran indisipliner dan pelanggaran terhadap peraturan Perusahaan.

PROVISION OF SANCTIONS

Bank ICBC Indonesia has not yet sanctioned any employees of Bank ICBC Indonesia for various disciplinary violations and violation of Company regulations.

Jumlah Penerapan Sanksi Number of Implementation Sanctions

| Jenis Sanksi Penalty Type | 2016 | 2015 | 2014 | Keterangan Description |
|--|------|------|------|---------------------------|
| Jumlah Penerapan Sanksi Total Implementation of Sanctions | 19 | 7 | 22 | - |