ASTRA Otoparts

ARMA — AUDIT & RISK MANAGEMENT ADVISORY
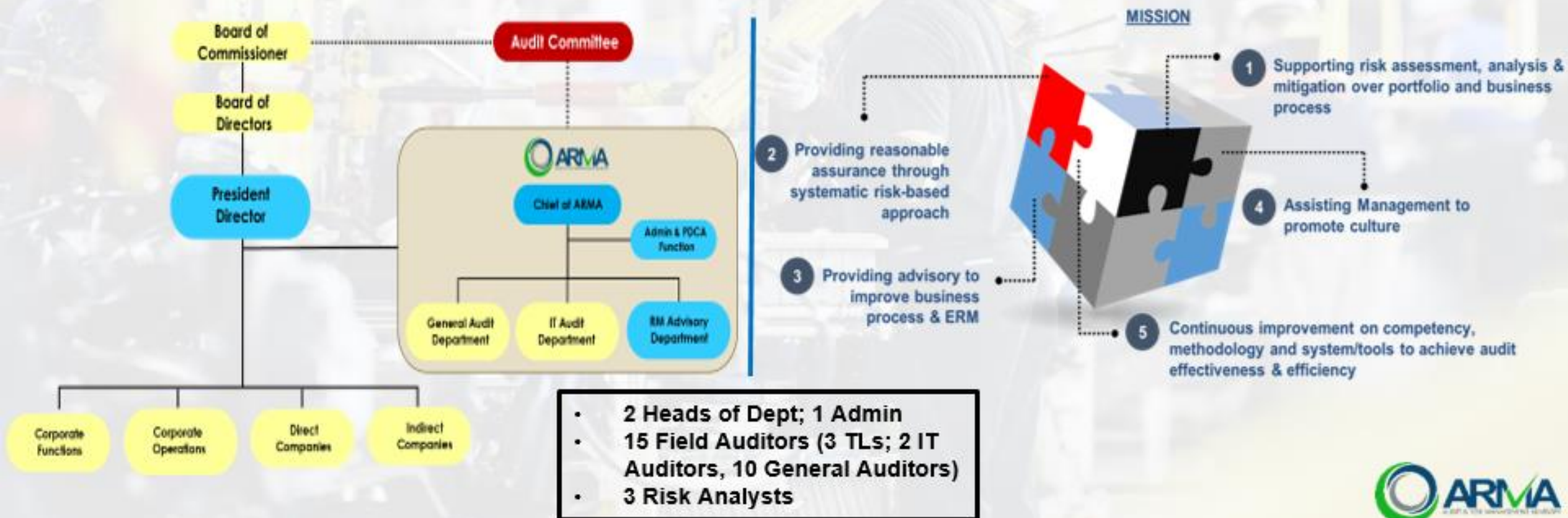
As a management's strategic partner in achieving company's objective related with governance, risk management & control, and assisting management in creating a good Enterprise Risk Management culture.

MISSION

1. Supporting risk assessment, analysis & mitigation over portfolio and business process

2. Providing reasonable assurance through systematic risk-based approach

3. Providing advisory to improve business process & ERM

4. Assisting Management to promote culture

5. Continuous improvement on competency, methodology and system/tools to achieve audit effectiveness & efficiency

Org chart:
- Board of Commissioner
- Audit Committee
- Board of Directors
- President Director
- ARMA
  - Chief of ARMA
  - Admin & PDCA Function
  - General Audit Department
  - IT Audit Department
  - RM Advisory Department
- Corporate Functions
- Corporate Operations
- Direct Companies
- Indirect Companies

- 2 Heads of Dept; 1 Admin
- 15 Field Auditors (3 TLs; 2 IT Auditors, 10 General Auditors)
- 3 Risk Analysts

Good Corporate Governance (GCG) is a structure and mechanism governing company management to produce sustainable long term economic value for both shareholders and stakeholders.

GCG's Basic Principles :

- Transparency
- Accountability
- Responsibility
- Independency
- Fairness & Equality

Internal auditing is an independent, objective **assurance and consulting activity** designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach **to evaluate and improve the effectiveness of risk management, control, and governance processes**.

How we play the role

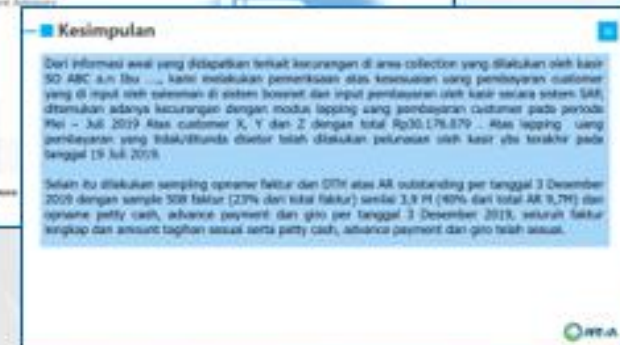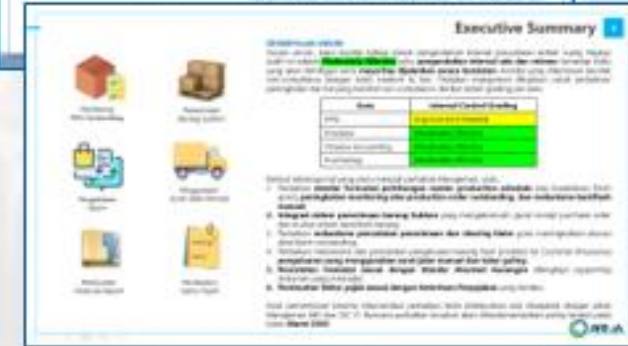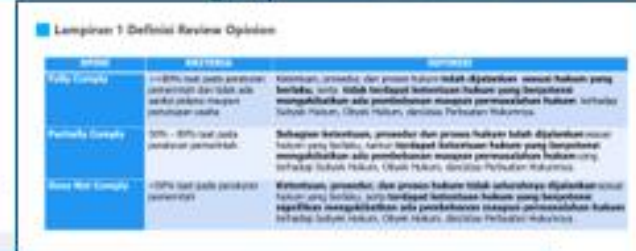to improve GCG Implementation ?

☐ **PORTFOLIO**

☐ **PROCESS & TOOLS**

☐ **PEOPLE**

Audit Coverage & Scope

Direct Company | **Indirect Company**

- **Direct Audit** : RBIA; Compliance; IT; CACM for Trading; CA for Manuf.

- **Advisory / Consulting Project**

7 Unit Business

383 Trading S&D/S&B; 24 SO

13 Subsidiaries/ Consolidated Companies

14 companies

Self-assessment (compliance or control effectiveness) through **PiC Controller** in Direct Companies

Advisory Project based on request and Compliance / Control Effectiveness Review through **Self-assessment**

19 Associates/ Joint Venture Companies

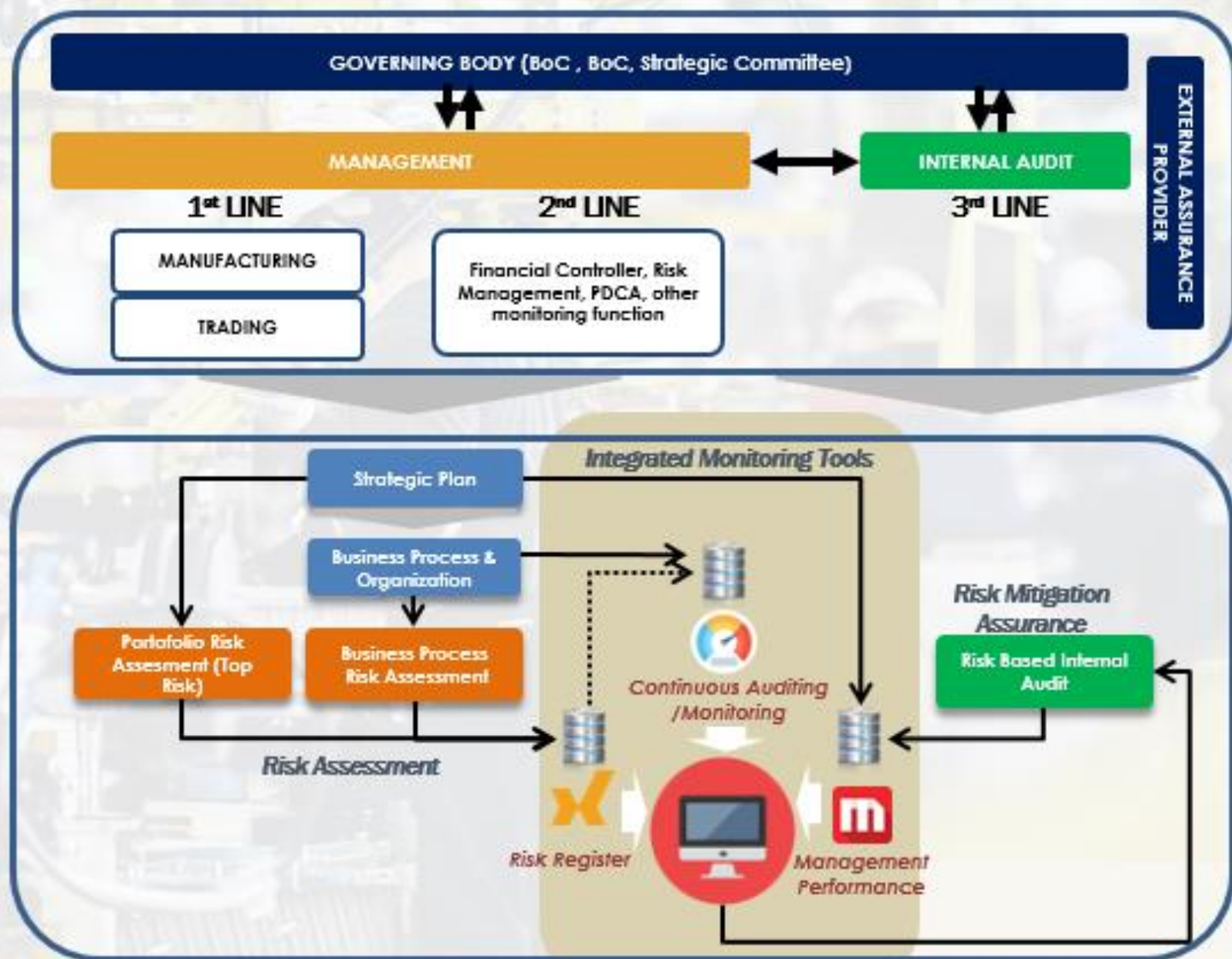### Coordination & Reporting Line for Controller

There is no audit function in almost all affiliated companies, therefore appointed 1 person in affiliated companies (Dept. Head Level) as a **Controller who is the liaison of AOP Internal Audit**
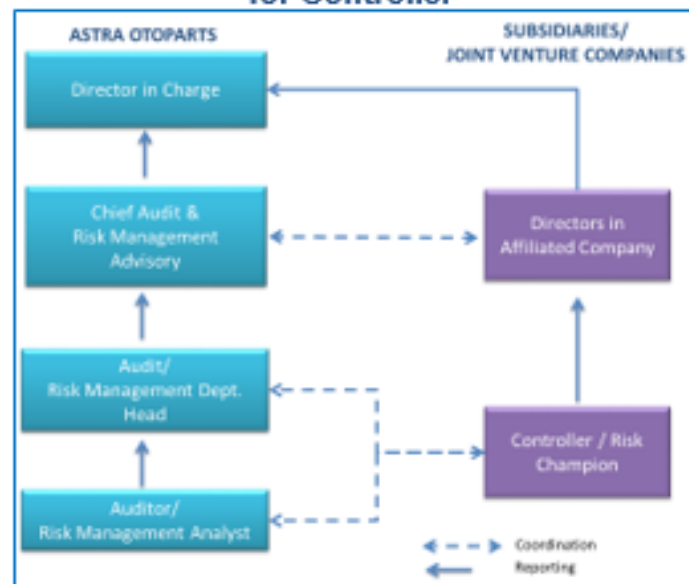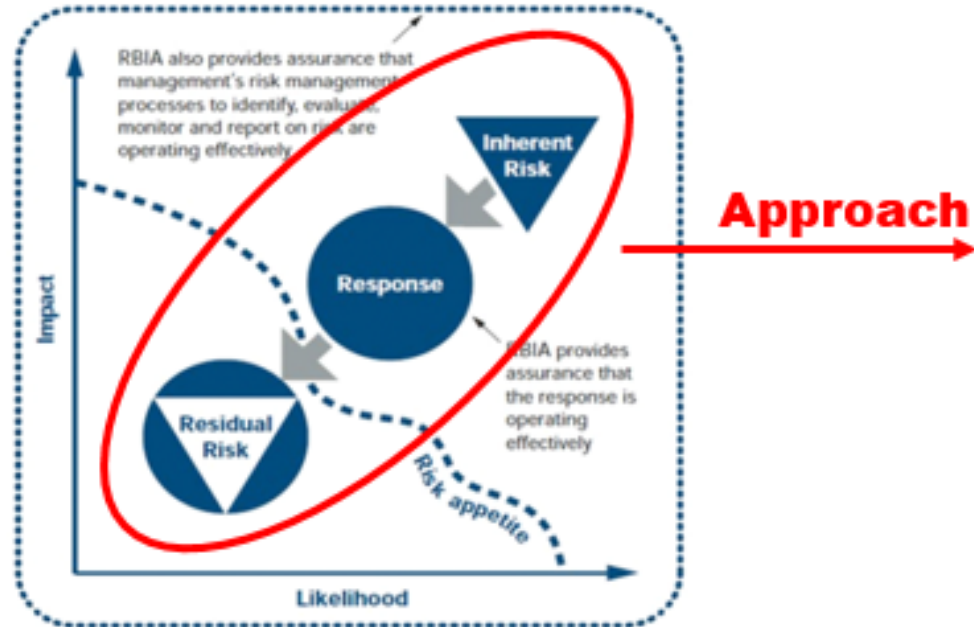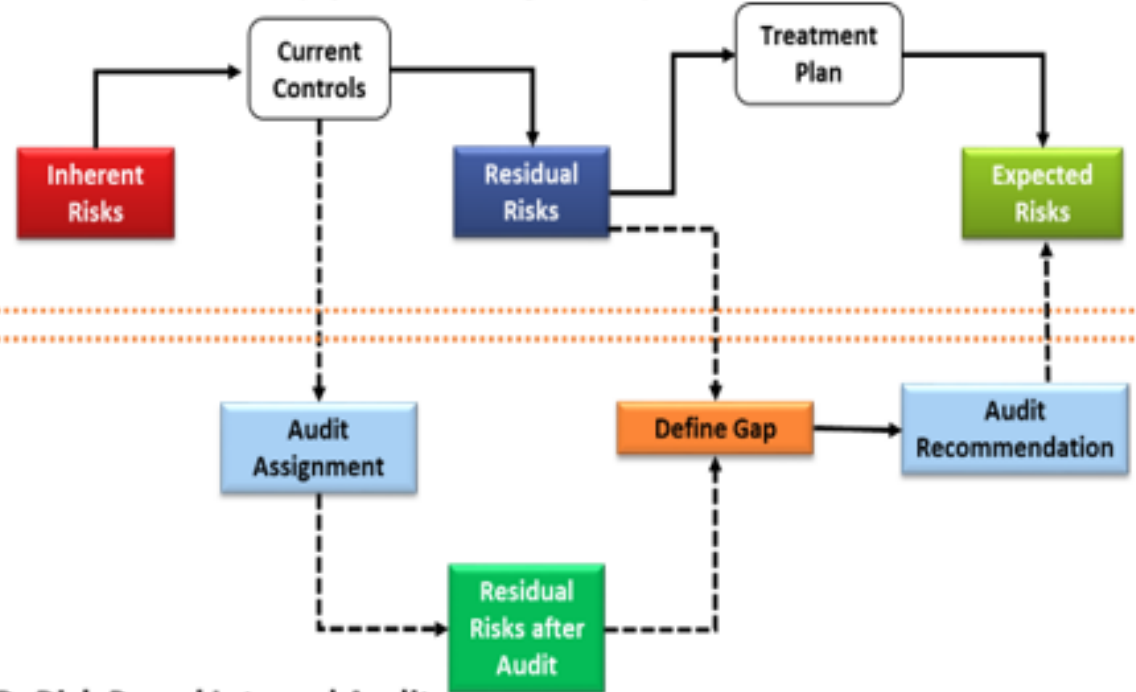
Integrated System

- **The culture, process, and structures** that are directed towards the effective management of potential opportunities and threats

- **Systematic activities** to manage risk, by: identifying, assessing, treating, monitoring, and communicating risk

- **Integrated process** improve coordination & collaboration amongst functions

- **Tools/Technology** (Dashboard) help internal stakeholder to be informed/ alert/ updated timely with the same language

GOVERNING BODY (BoC , BoC, Strategic Committee)

MANAGEMENT

INTERNAL AUDIT

EXTERNAL ASSURANCE PROVIDER

1st LINE

2nd LINE

3rd LINE

MANUFACTURING

TRADING

Financial Controller, Risk Management, PDCA, other monitoring function

Integrated Monitoring Tools

Strategic Plan

Business Process & Organization

Risk Mitigation Assurance

Portofolio Risk Assesment (Top Risk)

Business Process Risk Assessment

Continuous Auditing /Monitoring

Risk Based Internal Audit

Risk Assessment

Risk Register

Management Performance

Strengthen Collaboration & Operational Excellence Through Consulting Activity

Facilitator
- Brainstorming risks and controls, and acting as a catalyst for change (Join Project with RM Advisory tim)
- Conduct Self Assessment Project (Soft Floor Management, IT Security, dll)
- Survey & Insight

Trainer
- Induction presentation to Management Trainee (Risk, Audit, Finance/ Accounting)
- Training for PiC IT in subsidiaries (Penetration Testing)
- Training for Controller in subsidiaries related specific control (compliance) & self audit

Educator
- Supporting management in imparting appropriate risk and control skills and techniques by way of : regular workshop for Controller ; Risk & Control Forum for Executive Level
- Sharing knowledge to Group regarding emerging risk & control (article, poster)
- On the Job Training

Advisor
- Giving advisory for new business process in term of GRC
- Provide applicable recommendation in every assurance activities
- Giving feedback on policy / procedure is being prepared

Improve Auditor Capability

PEOPLE

Redefine Auditor Capabilities

Lead IT Auditor	Advance IT Generic	IT Security & Forensic	Data Analytics & Audit/ Risk Tools	Communication, Persuasion & Collaboration/ Relationship -Building, Continuous Learning, Critical & Creative Thinking
Lead Auditor	Advance Auditing Tools & Technique; Fraud Risk Assessment; Fraud Investigation	Advance Finance, Accounting & Tax; Cost Management	Basic IT General & Application Control	
Junior Auditor	Basic Auditing Tools & Technique; Risk Assessment; Compliance	Basic Finance, Accounting & Tax; Shop Floor Management	Basic IT General & Application Control	

Periodic Competency Assessment based on Matrix Competency, Coaching & Counselling, On The Job Training/Job Assignment/Rotation, Job Enrichment, Improvement / Innovation Project, Periodic Sharing, Cross/Peer Review, Technical/Leadership Training, Mentoring, Career Plan

Suryaningrum

Chief Audit & Risk Management Advisory
PT Astra Otoparts, Tbk