

# WORK IMPLEMENTATION GUIDELINES OF INTERNAL AUDIT UNIT CHARTER



## PT ITSEC Asia Tbk

**Applicable Since 2023**

Scope: PT ITSEC Asia Tbk and its Subsidiary Entities

**Internal Audit Unit** Work Guidelines is one of manifestation of implementation guidelines of Good Corporate Governance (“GCG”) and is prepared for the work reference of the Internal Audit Unit in order to work professionally in accordance with its assignment purposes and as a means of communication so the work of Internal Audit Unit can be accepted and supported by other work units.

# CHAPTER I INTRODUCTION

## 1.1. Background

PT ITSEC Asia Tbk, hereafter referred to as ITSEC, is a Limited Liability Company having domicile in Indonesia and listed as the Issuer on *Bursa Efek Indonesia*/the Indonesia Stock Exchange (“**BEI**”). As the company listed on BEI, in performing its business activities, ITSEC shall comply with all laws and regulations in which ITSEC is listed.

Therefore, according to the Article 3 of the Regulation of the Financial Services Authority No. 56/POJK.04/2015 on the Establishment and the Guidelines of Preparation of the Internal Audit Unit Charter, ITSEC must have the internal audit function, and in accordance with the Article 9 of the equivalent regulation thus ITSEC must have the Internal Audit Charter.

In implementing of its function, the Internal Audit Unit applies the guidelines and framework of the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors.

This Internal Audit Charter is one of manifestation of implementation guidelines of the GCG and is prepared for the work reference of the Internal Audit Unit (IAU) in order to work professionally in accordance with its assignment purposes and as a means of communication so the work of Internal Audit Unit (IAU) can be accepted and supported by other work units.

## 1.2 Vision and Mission

### Vision

To become an independent, objective, professional, reliable work unit partner and responsive to support the duties of the Board of Directors and Management in order to achieve the Company’s goal.

### Mission

1. Assist the company’s management to achieve best performance by enhancing the efficiency and effectivity of the company’s operation through reliable consulting activities.
2. Perform the assurance function in matter of the risk management, internal control for achieving the good corporate governance.

## 1.3 Purpose and Objective

This work guidelines are prepared as guidance for the Audit Committee in implementing its duties and responsibilities effectively, efficiently, transparently, with competently, independently and accountable in compliance with the applicable laws and regulations.

## CHAPTER II

# INTERNAL AUDIT UNIT

### 2.1. Structure and Position of Internal Audit Unit

1. Internal Audit Unit chaired by a Head of Internal Audit Unit;
2. Head of Internal Audit Unit is appointed and dismissed by the President Director with prior consent of the Board of Commissioners;
3. President Director may dismiss the Internal Audit Unit, upon approval of the Board of Commissioners, if it does not meet requirements as the auditor of Internal Audit Unit as described in this regulation and or fails or incapable of performing his/her duties;
4. Head of Internal Audit Unit is administratively responsible to the President Director; and
5. Auditor who hold office in the Internal Audit Unit is directly responsible to the Head of Internal Audit Unit.

### 2.2. Internal Auditor Requirements

1. Shall have integrity and professional behaviour, independent, honest and objective in performing his/her duties;
2. Shall have the knowledge and experience in technical audit and other disciplines relevant to his/her duties;
3. Shall have knowledge on the laws and regulations of the capital market and other relevant regulations;
4. Shall have ability to interact and communicate, both verbally and in writing, effectively;
5. Shall obey the profession standard and code of ethic issued by the internal audit association;
6. Shall keep the confidentiality of information and/or data of the company associated with his/her internal audit duties and responsibilities unless obliged otherwise by the laws and regulations or stipulation or court verdict;
7. Shall understand the good corporate governance and risk management; and
8. Shall have willingness to enhance the knowledge, skill and his/her professional ability persistently.

### 2.3. Duties and Responsibilities of the Internal Audit Unit

Scope of duties of the Internal Audit Unit, according to its functions as the internal examiner, is to compose and perform the annual examination plan by conducting assessment on:

1. Fairness and accuracy on financial accountability;
2. Efficiency, economically, and effectiveness use of resources;
3. Adequacy and effectivity of internal control structure and system;
4. Effectivity of risk management system; and
5. Improvement on the quality of GCG implementation.

Further description of scope of duties of such Internal Audit Unit is to perform the test and assessment on the following matters:

**a. Field of Finance**

Financial information and other relevant information, which have been presented accurately, reliable, timely and contain the useful information according to the Generally Accepted Accounting Principles.

**b. Legal Compliance**

Assessment on the relevant compliance test according to the laws and regulations or the provisions as ground of transactions/activities which have impact to the financial report as well as the compliance with the Work Plan and Company's Articles of Association as determined.

**c. Field of Company's Operation**

The use of economic resources of the company, whether well managed, efficiently and beneficially. Besides, to evaluate the real achievement compared with the determined target, including the compliance test of relevant part toward the applicable standard associated with the economic, efficiency and benefit use.

**d. Field of Internal Control Structure and System**

Adequacy, reliability and effectivity as the internal control system.

**e. Field of Good Corporate Governance Implementation**

Good Corporate Governance implementation by the business actors in the company, including the assessment on the policy of GCG implementation as stipulated by the Company.

**f. Field of Risk Management**

Risk management system applied by the company in order to assist the management to minimize impact and probability of risk occurrence.

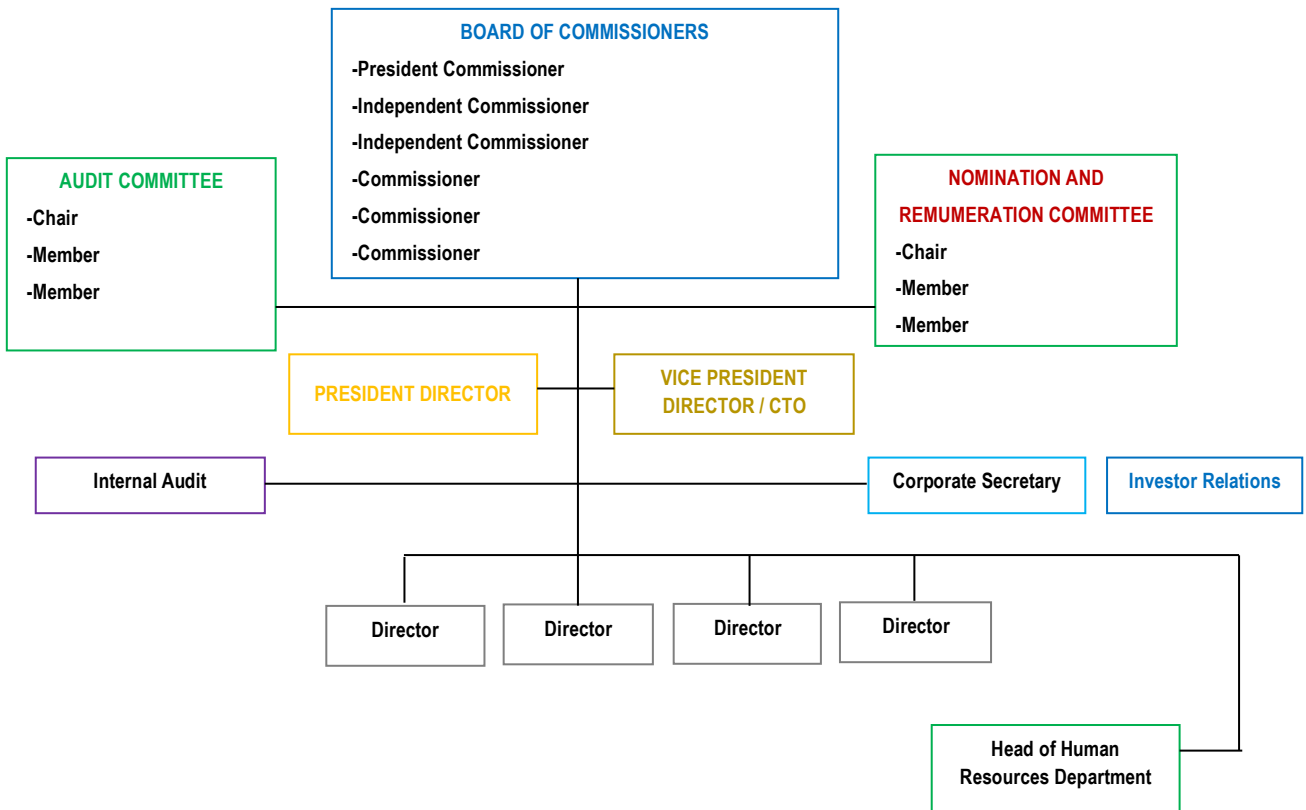
**g. Field of Investigation**

Company's activities which are suspected as fraud or misappropriation may cause the Company loss.

**h. Other Duty**

Consulting in other fields related to the Company according to its assignment or upon the request of the President Director.

## 2.4. Position in Organization



## CHAPTER III CODE OF ETHICS

### 3.1. General

Work Result of Internal Audit Unit is largely determined by the work result of internal auditor. This work result is very useful especially for the company, if the users or customers of the Internal Audit Unit belief, know, and feel that the Internal Audit implementation is actually giving the additional value for the Company. For such purpose, it is required a code of ethics to regulate the behaviour and observance of the internal auditor more than just regulations demand. This code of ethics regulates the principles of basic behaviour in its implementation requiring an in-depth consideration from each internal auditor. Violations on the Code of Ethics may lead to a warning even dismissed from his/her audit duties and/or the Company.

### 3.2 Standard of Internal Auditor Behaviour

Internal Auditor shall hold fast and obey the Code of Ethics as follows:

1. Having a high integrity, able to keep the objectivity and confidentiality of information and having a good competency.
2. Avoiding activities or acts that will cause any loss or indicate will harm the Internal Auditor profession or the company.
3. Avoiding activities contrary with the company's objective or will cause the internal auditor cannot perform his/her duties objectively.
4. Not accept any compensation or bribery from any party whatsoever associated with findings.
5. Obeying all company's policies and laws and regulations.
6. No use acquired information for personal interest and gain or other matters causing or may indicate will cause any loss to the company, for any reason whatsoever.
7. Reporting all result of material audit findings in manner of disclosing the truth according to the fact and do not conceal any matter which will cause any loss and or violation of the law.

## CHAPTER IV CLOSING

### Term and Assessment

- a. This Audit Committee Work Guidelines shall come into effect as of March 15, 2023.
- b. This Audit Committee Work Guidelines shall be evaluated periodically to be refined;

In witness whereof, this Internal Audit implementation guidelines is prepared and shall be conducted by the Internal Audit Unit and all of its auditors by taking full responsibility.

Stipulated on March 09, 2023

Approved by,  
The Board of Commissioners

Stipulated by,  
The Board of Directors