

## TABLE OF CONTENT

SECTION I	INTRODUCTION .....	1
	Article 1 Definition .....	2
	Article 2 Purpose .....	2
SECTION II	VISION AND MISSION.....	2
	Article 3 Vision .....	2
	Article 4 Mission.....	2
SECTION III	POSITION, FUNCTION, DUTIES & RESPONSIBILITIES AND AUTHORITIES .....	3
	Article 5 Position .....	3
	Article 6 Function .....	3
	Article 7 Duties and Responsibilities .....	3
	Article 8 Authorities .....	4
SECTION IV	SCOPE .....	5
	Article 9 Scope of Internal Control .....	5
	Article 10 Scope of Corporate Governance .....	5
	Article 11 Scope of Risk Management .....	5
SECTION V	AUDIT POLICY.....	6
	Article 12 General Policy .....	6
	Article 13 Special Policy .....	6
	Article 14 Policy Based on Group Activity .....	6
SECTION VI	AUDIT STANDARD .....	7
	Article 15 General Standard .....	7
	Article 16 Internal Auditor Professionalism Standard .....	8
	Article 17 Standard of Audit Scope of Work .....	9
	Article 18 Audit Plan Standard .....	10
	Article 19 Audit Implementation Standard .....	11
	Article 20 Audit Reporting Standard .....	11
	Article 21 Standard of Audit Result Followup .....	12
SECTION VII	CODE OF CONDUCT .....	12
	Article 22 General .....	12
	Article 23 Standard of Conduct .....	12
	Article 24 Code of Conduct Infringement .....	13



SECTION VIII EVALUATION AND REFINEMENT ..... 14

    Article 25    Evaluation and Refinement ..... 14

    Article 26    Enactment and Renewal of Charter ..... 14

    Article 25    Closing ..... 14



## SECTION 1 INTRODUCTION

### Article 1 Definition

1. **Audit Compliance** means an audit process to ensure that the policies, regulations and procedures have been implemented in accordance with the provisions of the prevailing laws and regulations and other regulations established by the Company.
2. **Conflict of Interest** means conflict of interest which causes a person unable to make objective considerations and decisions.
3. **Financial Audit** means process to ensure the reliability, accuracy, authority, classification of a sufficed financial data, thus the financial statement shall be presented fairly and freely from any material misstatement, in accordance with the prevailing Financial Accounting Standard.
4. **Fraud** means an unlawful act which deceptive, hidden and abuse of trust conducted by parties and/or organization to generate profits for their personal or group interest.
5. **Good Corporate Governance (GCG)** means process and mechanism used by the Company in the framework of gaining the successful of business and organization accountability in order to embodied and build up the corporate value with due observance to the interest of the stakeholders pursuant to the prevailing laws and regulations, morale and ethics.
6. **Hard control** means facilities, the completeness of organization, arrangement of the authority as well as responsibility in the process of decision making and the implementation of the activities, in the form of policies and procedure, organization structure, authorities and documents.
7. **Operational Audit** means audit process to ensure the organization operational activities have been conducted effectively, efficiently and economically to achieve the determined targets and objectives.
8. **Company** means PT.Intermedia Capital, Tbk., domiciled in Jakarta.
9. **Audit Internal Charter** means a working guidance for Audit Internal Unit that contains purposes, vision , mission, structure and working relationship, function, duties and responsibilities, scope of work, policies, standard, code of ethics, evaluation and improvement.
10. **Soft Control** means skills, behaviors, values, ambience founded in individual and personal communication between individuals in the organization, such as competency, trust, the similarity of values, ethics and others.
11. **Internal Audit Unit** means working unit formed by the Company whose function to perform internal audit in accordance with the Audit Internal Charter.

## **Article 2**

### **Purpose**

1. As a guidelines for the Company in implementing the strategy in order to achieve the determined objectives, as well as to present values embedded by the Company, the level of compliances (adherence) , and contribution in the formation of Company's image.
2. To gain the integrated control function (integrated control system) in order to ensure that the operational activities have been executed well and may increase the value added of the Company through the effectiveness of the implementation of risk management and Good Corporate Governance principles.
3. To enhance the system quality and internal audit resource through the development of Soft Control and Hard Control sustainably thus it is expected that the improved control system may optimize the achievement of the established objective.

## **SECTION II**

### **VISION AND MISSION**

#### **Article 3**

##### **Vision**

Being an internal auditor with high dedication and professionalism, able to give value added to the Company assists the management towards the embodiment of Good Corporate Governance so that the Company become an efficient and effective institution as well as having a high competitiveness.

#### **Article 4**

##### **Mission**

1. To perform an internal audit towards the management control process, operation, finance and risk management in the purpose of the embodiment of Good Corporate Governance.
2. To enhance competency in order to become a professional internal auditor.
3. To assist the appraisal activities performance objectively and independently as well as to report the appraisal to the President Director in an accurate, reliable, timely, consistent and useful manner.
4. To add values either in quality as well as quantity, through a working pattern that focused to the business process and costumers, pro-active, enthusiastic and reliable, able to communicate effectively, able to fine the roots of the problem and able to optimally utilize the information technology system.

### **SECTION III**

#### **POSITION, FUNCTION, DUTIES & RESPONSIBILITIES AND AUTHORITES**

##### **Article 5**

##### **Position**

1. The Internal Audit Unit leads by the Head of Internal Audit Unit who is appointed by the President Director upon the approval of the Board of Commissioners.
2. The Head of Internal Audit Unit is responsible to the President Director. The auditor of the Internal Audit Unit shall responsible directly to the Head of Internal Audit Unit.
3. The Head of Internal Audit Unit functionally deliver the reports to the President Director and Board of Commissioners with a copy to the Audit Committee.
4. In performing its duties, the Board of Directors and Board of Commissioners gave full supports to the Internal Auditor in order to work freely and objectively without any intervention from any other Parties.

##### **Article 6**

##### **Function**

1. Being an independent appraiser who performs in assisting the President Director in securing the investment and assets of the organization effectively.
2. To analyze and evaluated the effectiveness of the system and procedure to all parts of Company's activities unit.
3. To accompany the audit implementation by the external auditor in order to achieved the smoothness of the audit process.

##### **Article 7**

##### **Duties and Responsibilities**

1. To set and implement the annual internal audit plan as well as the program for evaluation the quality of the implemented internal audit activity.
2. To examine and evaluate the execution of internal control system and management risk system towards the implementation of Good Corporate Governance in accordance with the prevailing provisions/ policy of Company Regulation.
3. To perform audit and appraisal toward the effeiciency and affectiveness in the sector of finance, accounting, operational, human resource, marketing, information technology and other activity in each unit of the Company.
4. To perform evaluation and validation towards the control system, management, monitoring the effectiveness and the efficiency of system, and the procedure for every Company's unit, either towards to the running systems or to the systems that shall be implemented.
5. To perform monitoring and evaluation over audit findings as well as to give advice and corrective suggestions that needed towards the implementation of Company's activities and

system/policies/ regulations in accordance with requirements, and the prevailing laws and regulations. Further the internal audit shall monitor, analyze and report the follow up of the suggested refinement.

6. To report and deliver the audit results to the President Director and Board of Commissioners with a copy to the Audit Committee.
7. To perform special duties in the scope of internal control assigned by the President Director.

### **Article 8 Authorities**

1. To construct, amend and perform the Internal Audit Charter including to determination the procedure and the scope of audit work.
2. To get access toward any documents, data, notes, personal and physical, information and audit object which performed for the implementation of duties.
3. To perform verification and reliability test with respect to the acquired information, that relates to the effectiveness of the audit system appraisal.
4. To allocate Internal Auditor resources, determine the focus, scope of work and audit schedule, the technical application which deemed necessary to achieved the audit objective, to clarify and discuss the audit result, request for responses either oral/written to the auditee, gives suggestion and recommendation.
5. To get suggestion from the professional sources in performing the auditing activities.
6. To communicate directly to the Board of Directors, Board of Commissioners and/or Audit Committee as well as members of the Board of directors, members of the Board Commissioners and/or Audit Committee
7. To hold meeting periodically as well as incidentally with the Board of Directors, Board of commissioners and/or Audit Committee.
8. To deliver reports and conduct consultation with the President Director, to coordinate with other leaders and if requested may give warning and admonition if the violations happened.
9. To coordinate concerning its activity with the external auditor.
10. To propose the internal audit staff for promotion, rotation, education, training, seminar and courses in relation to the fluidity of audit duties or to fulfill the staff/auditor competency in accordance with demands and career path as stipulated by the Company.

### **SECTION IV THE SCOPE**

#### **Article 9 The Scope of Internal Control**

1. To ensure that the managed and reported information or data, fulfilled the criteria of accurate, reliable, timely, consistent and useful.

2. To ensure all elements of the Company complied with policies, procedure, and the prevailing laws and regulations.
3. To ensure that the security and usage of assets of the organization are running properly.
4. To ensure that the usage of resources is running efficiently and effectively
5. To ensure the achievement of target is in accordance with the plan.
6. To perform audit, evaluation and consultation in relation to the capability, effectiveness, the compliances to the principles and the quality of the implementation of the operation management's duties such as the risk management, procurement, purchasing and others.

#### **Article 10**

##### **The Scope of Corporate Governance**

1. To Ensure that the Directors has established the values and objective of the Company and communicated to all of the Stakeholders.
2. To ensure that the Business Process in the Company fulfilled the accountability aspect.
3. To monitor the compliance towards the implementation of the Good Corporate Governance supporting policies (soft structure Good Corporate Governance) of the Company including the compliance towards the prevailing laws and regulation as well as other regulations applied to the Company.

#### **Article 11**

##### **The Scope of Risk Management**

1. To ensure that the risks managed by the Company are already identified, analyzed, evaluated, dealt, monitored and communicated properly.
2. To consider the aspects of the limited number of the auditors towards/proportionate the number of the audit object (auditee), therefore for the effectiveness of the audit performance, it shall be implemented based on the Risk Based Audit, which is an audit where the selection of auditee conducted with the stages of the risk management of the Company.

### **SECTION V**

#### **AUDIT POLICIES**

#### **Article 12**

##### **General Policies**

1. To construct annual audit plan with consideration to the time allocation and audit resources and the availability of the budget for the following one year period.
2. To make a scale of priority in the implementation of annual audit.

### **Article 13**

#### **Special Policies**

If the Board of Directors required an audit outside from the provisions of the general policies, thus it shall be determined based on the audit objects (auditee) specifically as well as based on the request, where the implementation can be conducted outside the normal provision (annual plan) pursuant to the approval of President Director.

### **Article 14**

#### **The Polices based of Activity Group**

##### **1. Audit Operational Policies**

###### **a. Objectives:**

- To ensure the running of the Company's operational activities on order to the achievement of economical, efficient and effective operational activities.
- The purpose of the operational activities is all activities in its relation to the Business Process which includes the operational sector of the Company.

###### **b. the Policies:**

- Depends on the risk categories, the internal auditor shall periodically conduct internal oversight/control to every Company's operational activities.
- The purpose of the said internal oversees/control are in a preventive nature in order to prevent errors either human error or irregularities in the operational activities of the Company so further shall not create material harm towards the Company.
- The finding results and recommendation given by the Internal Auditor shall be used as an input and consideration in the decision making in order to improve/gain the operational performance of the Company.

##### **2. Audit Compliance Policies**

###### **a. Objective:**

To ensure that the Company's operational activities is in accordance with the implemented policies, Company Regulation, activities plan and Standard Operating Procedure (SOP) and not conflicted with the prevailing laws and regulations.

###### **b. Policies:**

- To support the said objective, the Internal Auditor may conduct an improvement over any detected weaknesses as well as to conduct preventive action based on the analysis towards the roots of the problems.
- The control towards this compliance conducted through examination process and evaluated using the representative sampling



3. Financial Audit Policies

a. Objective:

To provide assurance towards the reliable data that include a suffice completeness of data, accuracy, clarification and authorization, so that the resulting financial statement shall be punctual, precise and free from any material misstatements.

b. Policies:

- To support the said objective the Internal Auditor can perform an audit investigation.
- If deemed necessary to further studies towards the evidences in fraudulent cases, the internal auditor may request assistance from the external auditor to conduct an independent investigation and appraisal.

**SECTION VI  
AUDIT STANDARD**

**Article 15  
General Standard**

1. The audit standard is a requirement that must be fulfilled in order to maintain the quality of the Internal Audit's performance and their audit results in implementing their duties.
2. The audit standard emphasizes not only to the professional quality of the internal auditor but also on how the Internal Auditor make a consideration and decision during the audit and reporting.
3. The audit standard is used in the implementation of tasks that referring to the various professional standard of Internal Audit among others, Standard of Internal Audit from the Institute of Internal Auditor, Code of Conduct from the Institute of Internal Auditor Inc. and other references.
4. The audit standard covers:
  - a. Professionalism of the internal auditor
  - b. Scope of work of the audit
  - c. Audit Plan
  - d. Audit implementation.
  - e. The reporting of the audit.
  - f. The follow up of the Audit result.

**Article 16  
Professionalism Standard of the Internal Auditor**

1. Independency Standard
  - a. Being independent is able to perform the audit duties freely, either organizationally or in personal towards the auditee and his/her organization.

- b. Being honest to themselves as well as having confidence that his/her work results are reliable and trusted.
  - c. Not using any obtained information for personal interest/benefits or other matters that presumably prone to be abused either to themselves or other parties who are not entitled.
2. An expertise standard shall be carried by the internal auditor either individually or collectively and have suffice professional proficiency and accuracy in his/her line of work.
- a. The responsibilities of the Internal Audit Unit in fulfilling the professionalism proficiency standard consist of:
    - The assignment of Internal Auditor meets the requirements of task demands, both in education and technical capability in accordance with the coverage area and complexity of the audit tasks.
    - Internal Audit Unit in performing its duties may utilize manpower from outside of the unit (if deemed necessary) through forming an internal auditor team.
  - b. The responsibilities of the Internal Audit in relation to the professionalism proficiency standard consist of:
    - The compliances towards the audit standard and the code of ethics of the internal audit.
    - The mastery over the knowledge (theory) and proficiency (Practice) towards specific disciplines in implementing its audit tasks.
    - To gain communication skills both oral and writing in order to be able to communicate effectively with the auditee and Board of Directors.
    - To maintain the audit technical capability through learning.
  - c. To maintain and upgrade the professional capability and accuracy with due observance to:
    - The Internal Audit's working framework which should be implemented in order to achieve the audit's objective.
    - The materiality and significance of the encountered issues.
    - Operational standard that acceptable/complied by the implementer.
    - The Audit cost compared with the obtained potential benefits.
  - d. To maintain the level of precisions and awareness towards the possibility of deviations, lavishness, ineffectiveness and weakness of the internal control, through a suffice examination and verification and accountable without performing it for the whole process or transactions.

## **Article 17**

### **The Standard Scope of Work of the Audit**

1. the scope of work of the internal audit includes the examination and appraisal in:
  - a. Financial sector and compliance towards the prevailing laws and regulations including the compliances over the Business Plan and budget of the Company.
  - b. The reliability and effectiveness of the Company's internal control system and operational activities including the risk management.
  - c. The quality performance of the activities implementation, especially the analysis towards the benefits and the expenses used in such activities.
  
2. The Scope of work of the audit system has these following objectives:
  - a. The reliability audit of the internal control system aimed to ensure that the used system is capable in achieving the Company's objective efficiently and economically.
  - b. The audit affectivity of the internal control system aimed to ensure that the system is capable to run properly, so that the material errors, irregularities as well as unlawful acts can be prevented and detected and improved early.
  - c. The audit towards the performance quality over the implementation of the internal control tasks aimed to ensure that the target and objective of the Company optimally achieved.

## **Article 18**

### **The Standard of Audit Planning**

1. To perform its audit duties and responsibilities, it is necessary to construct a plan of activities that consistent and compatible with the program and the determined Company's objective.
2. The construction of Company's Annual Audit Business Plan shall give full attention to these following points:
  - a. Objective, type and coverage of the tasks, implementation schedule, reporting as well as audit location.
  - b. The provisions that set the measurement of the performance's accomplishment and performance's indicator which contained in each activity and audit program.
  - c. The availability of the budget, time, number and the internal auditor's capability as well as other audit tools.
  - d. Information and background of the audit object.
  - e. The determination of procedure and audit technics that shall be used to ensure the achievement of the audit's target.

## Article 19 Audit Implementation Standard

1. In performing the audit, the internal auditor shall use the suffice procedure and technics in the framework of collecting, investigate, evaluate and analyze the information as well as documented his/her work result in such manner in the purpose of:
  - a. All information related with the objective and scope of the audit along with the obtained factual evidences has fulfilled the audit requirements.
  - b. Certainty that the implemented audit procedure and technics are in accordance with audit's objective.
  - c. The stages of collecting the information up till the conclusion decision towards the findings shall be implemented in an objective manner.
  - d. the paper work and reporting format of the findings shall be communicative enough for the audit team.
  
2. The implementation of the audit must ensure the existence of:
  - a. The Reliability and validity of the financial and operational information of the Company.
  - b. The compliance towards policies, business and budgeting plan, procedure and the prevailing laws and regulations.
  - c. The security of the Company's assets, including examine the location of the assets in accordance with the right procedure.
  - d. The efficiency of the Company's resources usages covering:
    - The existence of Standard Operation Procedure which enable to measure the achieved efficiency and savings.
    - The existence of Standard Operation Procedure that can be easily comprehended and implemented effectively.
  - e. The outcomes of the activities or operation are in accordance with the expected targets and objective. In this matter the Internal Auditor's examination covering:
    - The program or operational are implemented according to plan.
    - The criteria used to measure the obtained result is suffice and in accordance with the objective.
    - Information and data in relation to the obtained result could be compared with the constructed criteria and in accordance with the objective.
    - Audit findings in integrated manner (Holistic) have been communicated to the relevant unit head.

## **Article 20**

### **Standard of Audit Reporting**

The internal auditor shall report their audit work result to the auditee and assignor, with due observance to:

1. The draft of audit result report shall be reviewed and discussed together with the leaders and staff of the auditee in order to avoid any misunderstanding.
2. The report of findings, among others shall be objective, clear, concise and constructive.
3. If there are contradictions between the auditee and the internal auditor then such event shall be included in the audit result report.
4. Head of the Internal Audit Unit shall review and approve the audit result report prior to the published and distribution of the said report.
5. The distribution of the report shall be conveyed to the President Director and the copies shall be delivered to the Board of Directors and Board of Commissioners.

## **Article 21**

### **The Standard of Audit Report Follow up**

The Internal Audit shall follow up the implemented audit result in order to acquire certainty that the findings/recommendation of the Internal Auditor has been carried by the work unit. If on the basis on certain consideration that the work unit leaders do not follow the internal audit suggestion/recommendation, thus the Head of Internal Audit Unit must reports such matter to the President Director.

## **SECTION VII**

### **CODE OF CONDUCT**

## **Article 22**

### **General**

1. The audit result is very useful for the work unit's leaders of the auditee and other work unit, in relation to build up of Company's performance in general. For that reasons it is required, enacted and abided the auditor's standard of conduct in accordance with the provisions of the Code of Conduct.
2. Code of Conduct set the basic principle of behavior where in its implementation requires a careful consideration from each of the auditor. The violation towards the Code of Ethics may result on the imposing of sanction towards the auditors, in the form of warnings; dismissed from the audit duties and/or; dismissed from the Company.

## **Article 23**

### **Standard of Conduct**

#### **1. Integrity**

Internal Auditor integrity shall produce trust and provide the basic of assessment reliability. Therefore the Internal Auditor:

- a. shall be honest, objective, thorough, serious as well as responsible with his/her tasks.
- b. shall have loyalty toward the profession, Audit Internal unit and the Company.
- c. shall comply to the laws and regulations and avoid any activities or unlawful acts that damage or presumably may damage the Internal Auditor profession or the Company.
- d. shall maintain the honor of the Company's good reputation both in legal and ethics.

#### **2. Objectivity**

The Internal Auditor is obliged to behave objectively in collecting, evaluating and communicating the information regarding the activities and the audited process. Internal auditor in conducting the appraisal shall not be influenced by his own interests or other parties. Therefore the Internal Auditor:

- a. Not involved in any activities or certain relationships that may create conflict of interest with the Company and presumed shall affect his/her objectivity.
- b. To report every audit result by reviling the validity of facts and not conceal any matters that may harm the Company and/or may result in breaking the law.

#### **3. Confidentiality**

Internal auditor, in any event shall honor the value and the proprietary of the obtained information and shall not disclose the information without authority unless there is a legal or professional obligation which requires them to conduct such act. Therefore the Internal Auditor:

- a. Obligated to maintain the obtained information during the implementation of its duties; and
- b. shall not exploit the obtained information for personal interest or benefits or other matter that may reasonably presumed in causing damages to the Company for whatever reasons.

#### **4. Competency**

Knowledge, skills and experiences are required by the Internal Auditor in performing their duties, therefore the Internal Auditor shall enhance sustainably his/her capability, affectivity and service quality in accordance with the professional standard of Internal Auditor, Company's policies and the prevailing laws and regulations.

## **Article 24**

### **Code of Conduct Infringement**

The violations over the code of ethics shall be followed up by the following mechanism:

1. The violations are classified by the degree of severity of the violation, which are light, medium and heavy.
2. The sanction shall be given in accordance with his/her level of violation.
3. Head of the Internal Audit Unit reported to the President Director in relation to level of violations and sanction that will be given.

## **SECTION VIII**

### **EVALUATION AND REFINEMENT**

#### **Article 25**

##### **Evaluation and Refinement**

1. The Head of Audit Internal Unit requires to carry out an good quality program that may evaluate the performance and obtain a suffice confidence that the Internal Audit Unit's performance is in accordance with the Internal Audit Charter and Company's objective. Therefore the Head of Internal Audit Unit shall:
  - a. Perform a supervision and sustaining empowerment commencing from the planning stage, implementation, reporting evaluation, up till the monitoring continues.
  - b. To perform internal review periodically with the leaders and staff or other teams who are independent in assessing the level of audit effectiveness, auditor compliance towards the audit standard, code of ethics as well as other provisions and policies.
2. Head of the Internal Audit shall evaluate, review and improve this Internal Audit Charter periodically in accordance with the growth and demands of the Company.

#### **Article 26**

##### **Enactment and Renewal of the Charter**

This Internal Audit Charter including its amendments and renewal shall be enacted by the Board of Directors upon approval from the Board of Commissioners. If deemed necessary, the Board of Commissioners, based on the recommendation from the Audit Committee, shall revisit and re-measure the objective, function and the scope of this Charter.

## **Article 27**

### **Closing Provisions**

Herewith this Internal Audit Charter constructed and shall be implemented by every Internal Auditor with full sense of responsibility.



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