

## The Function of the Internal Audit Division

The internal audit functions as a strategic business partner for the management in optimizing the implementation of the Company's Good Corporate Governance, risk management, and providing assurance and recommendation independently and objectively on the Company's internal control. The internal audit function is carried out by the Internal Audit Division (IAD) through an evaluation process based on the objective risk-based audits and consulting services, especially those concerning the improvement and refinement of risk management, control, and governance processes. This function is carried out through proactive, enthusiastic, and dynamic approach by conducting effective communications, and focusing on business and stakeholder's orientation, understanding the root of the problem about areas with high-risk, emphasizing findings on quality, and recommending practical and workable solutions.

## The Position of the Internal Audit Function in the Organizational Structure

The position of the Internal Audit Division (IAD) as executor of the internal audit function is under the supervision of the President Director as determined based on Technical Instructions No.PT.3-A.6 dated 14 September 2023 concerning the Organizational Structure of the Head Office, Regional Offices and Branch Offices. In addition, the position of the internal audit function is also explained in the Internal Audit Charter which is regulated in Special Policy No.KK.7-A dated 27 April 2023 as last amended on 31 October 2023, in Chapter II Structure and Position of the IAD, namely:

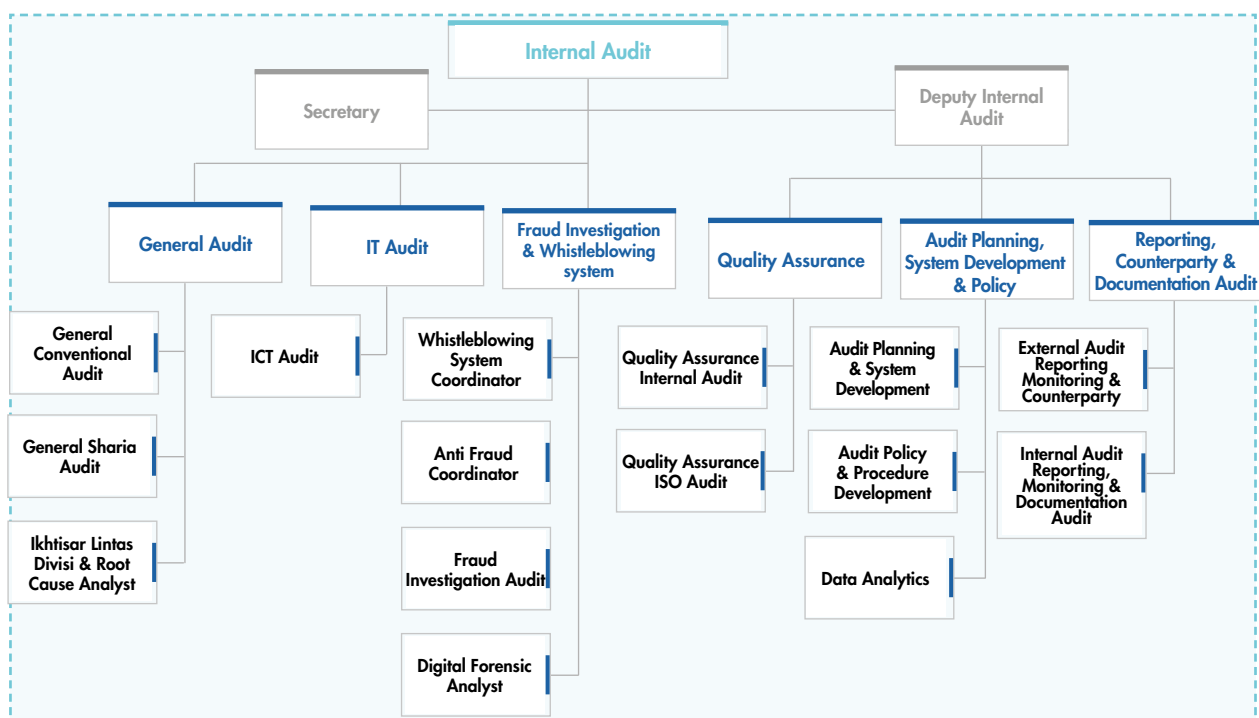
1. Point 1 states that the Internal Audit Division (IAD) is an Internal Audit Work Unit (SKAI) in the Bank organization whose position is directly under the President Director.
2. Point 2 states that the IAD as referred to in point 1 is led by a Division Head who is directly responsible to the Main Director.
3. Point 3 states that the Head of IAD as referred to in point 2 is appointed and dismissed by the President Director after obtaining approval from the Board of Commissioners by considering the recommendations of the Audit Committee and reporting to the Financial Services Authority.

## The Parties Entitled to Appoint and Terminate the Head of Internal Audit Vision

Parties involved in the process of appointing or dismissing the Head of the Internal Audit Division are the President Director, the Board of Commissioners, and the Financial Services Authority as regulators. The process of appointing or dismissing which describes the involvement of the several parties referred to is as follows:

1. The Director conducts a fit and proper test on candidates for the Head of the Internal Audit Division.
2. The President Director submits a request for approval for the appointment/dismissal of the Head of the Internal Audit Division to the Board of Commissioners.
3. The Board of Commissioners approves or disapproves of the appointment/dismissal of the Head of the Internal Audit Division.
4. The Board of Commissioners and the Board of Directors submit reports on the appointment/dismissal of the head of the Internal Audit Division to the Financial Services Authority as the regulator.

## Internal Audit Division Organizational Structure



## The Profile of The Head of Internal Audit



### Hendratno Tri Wibowo

#### Internal Audit Division Head

Indonesian citizen, 49 years old, domiciled in South Tangerang City



#### ■ Educational background

- Diploma (D3) of Accounting from State College of Accountancy (1995)
- Bachelor degree (S1) of Accounting from Indonesia University (1998)
- Master (S2) of Accounting from The University of Queensland, Australia (2003)



#### ■ Work experience

- Auditor/Investigator of the Indonesian Financial Audit Agency (1995-2010)
- Fraud Risk Management Division Head, Bank Permata Tbk (2011-2020)
- Post Mortem & Forensic Audit (Special Audit) Division Head, Bank Exim Indonesia (2020-2021)
- Internal Audit Division Head, Bank BTN (2021- present)



#### ■ Certification

- Certified Internal Audit Executive (CIAE)
- Risk Management Competency Level 4 – Banking Professional Certification Institute



#### ■ Legal Basis for Appointment

- Board of Directors Decree No.642/DIR/2021 July 26, 2021 concerning the Head of the Internal Audit Work Unit of PT Bank Tabungan Negara (Persero) Tbk.
- Letter of the Board of Commissioners of PT Bank Tabungan Negara No.60/KOM/ BTN/V/2021 dated May 05, 2021 regarding Approval of the Proposed Appointment of the Head of the Internal Audit Division/Head of the Internal Audit Work Unit (IAWU).

## Internal Audit Charter

The Internal Audit Division has been equipped with a Work Guide called the Internal Audit Charter which has been prepared since 2002 and then updated and finalized based on Special Policy No.KK.7-A dated 27 April 2023 as last amended on 31 October 2023 regarding the Internal Audit Charter. The Internal Audit Charter is also the basis for the existence and the implementation of supervisory duties and responsibilities for IAD. Therefore, the Internal Audit Charter is disseminated to all employees and other related parties to encourage the effectiveness of the implementation of the internal audit function. The contents of the Internal Audit Charter are as follows:

1. Internal Audit Division Mission
2. Structure and Position of the Internal Audit Division
3. Scope
4. Duties, Responsibilities, and Authorities
5. Independence, Objectivity and Prohibition of Duplication of Duties and Positions of Internal Auditors
6. Code of Ethics and Requirements for Internal Auditors
7. Use of External Party Services in Carrying Out Internal Audits
8. Relationship between the Internal Audit Division and External Auditors or Legal Experts
9. Others

## Duties and Responsibilities of the Internal Audit Division

The Internal Audit Division assists the duties of the President Director and the Board of Commissioners as well as all levels of management in ensuring the adequacy of the Company's internal control system and providing strategic and constructive suggestions for the management of the Company within the framework of implementing good and healthy corporate governance with the following tasks:

1. To assist the duties of the President Director and the Board of Commissioners in carrying out supervision by elaborating operationally in planning, implementing, and monitoring audit results.
2. To make analysis and assessments in the terms of finance, accounting, operations, and other activities through on-site audits and off-site monitoring, including conducting management audits of all Bank's work units;
3. To identify all possibilities to improve and increase the efficiency of the use of resources and funds.
4. Provide suggestions for improvement and objective information about the activities examined at all levels of management.

5. Prepare and implement the Annual Internal Audit plan and budget allocation for implementing the internal audit function
6. Test and evaluate the effectiveness of the implementation of the internal control system, risk management and corporate governance processes in accordance with statutory regulations and Bank policies.
7. To carry out inspections and assessments on the efficiency and effectiveness in the fields of finance, accounting, operations, human resources, marketing, information technology, and other activities;
8. To compile an audit report and submit the report to the President Director and the Board of Commissioners;
9. To control, analyze, and report the implementation of follow-up improvements that have been suggested;
10. To cooperate with the Audit Committee;
11. To develop a program to evaluate the quality of the internal audit activities;
12. To carry out special inspections (audits) if necessary.

### The Authorities of the Internal Audit Division

To be able to carry out audit missions, functions and tasks, the IAD has at least the following authorities:

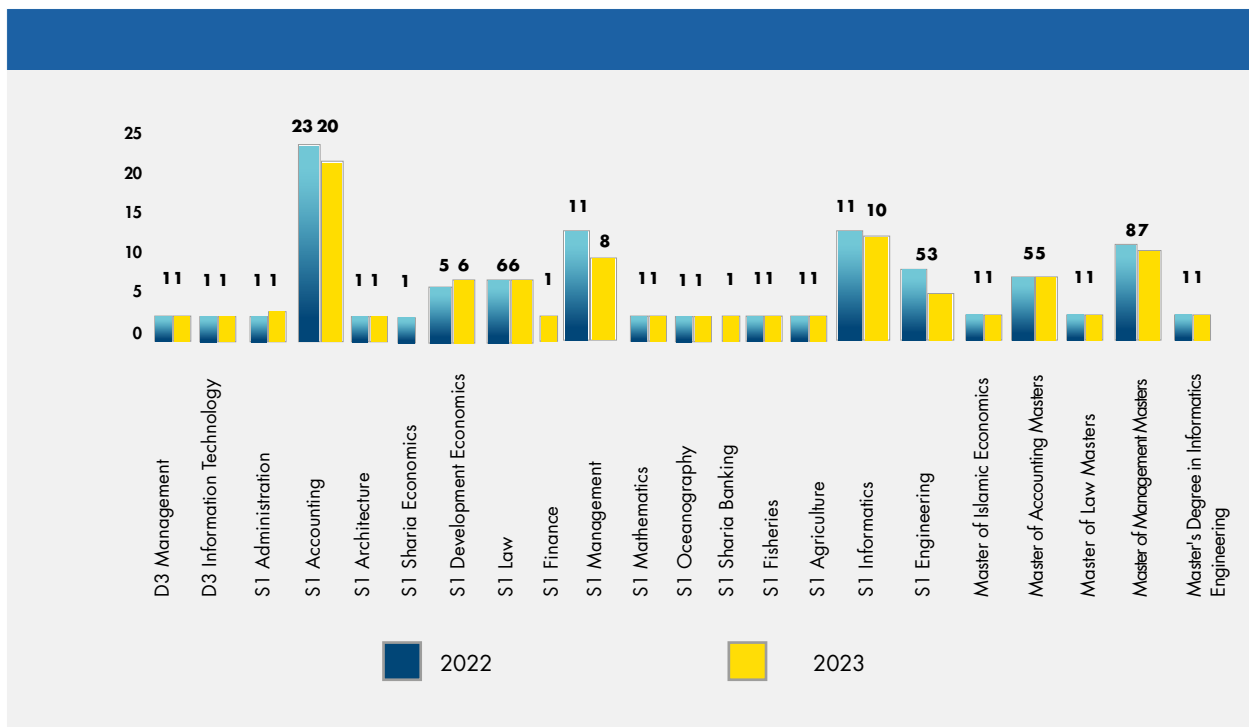
1. Access all information, data including but not limited to employee data and resources as well as other matters deemed necessary related to their duties and functions.

2. Communicate directly with the Board of Directors, Board of Commissioners, Audit Committee and/or Sharia Supervisory Board as well as members of the Board of Directors, Board of Commissioners, Audit Committee and/or Sharia Supervisory Board.
3. Hold regular and incidental meetings with the Board of Directors, Board of Commissioners, Audit Committee and/or Sharia Supervisory Board in connection with the implementation of their duties and functions.
4. Coordinate its activities with the activities of the external auditors.
5. Participate in strategic meetings.

### Personnel Composition of the Internal Audit Division

The Company is very concerned about the adequacy of the composition of Internal Audit Division personnel in supporting the implementation of their duties both in terms of qualifications and competency. Up to December 2023, the number of Internal Audit Division personnel is 79 (seventy nine) people led by 1 (one) Division Head and assisted by 1 (one) Secretary, 1 (one) Deputy Division Head, 39 (thirty nine) ) people in the General Audit Department, 7 (seven) people in the IT Audit Department, 9 (nine) people in the Fraud Investigation & Whistleblowing System Department, 8 (eight) people in the Quality Assurance Department, 6 (six) people in Audit Planning, Systems Development & Policy Department, and 7 (seven) people in the Reporting, Counterparty & Documentation Audit Department.

The following is the composition of Internal Audit Division personnel based on the education:



## Competency Development Program for the Internal Audit Division

Each IAD member is facilitated and encouraged to develop their competence in supporting the implementation of the internal audit function. Competency development is carried out by means of knowledge sharing between the Head of IAD, Directors, and auditors on Internal Policies and Procedures, certification programs, education and training, workshops and seminars. During 2023, competency development that has been carried out in the form of both internal and external training includes the following:

### Internal Audit Division Personnel Competency Development Table

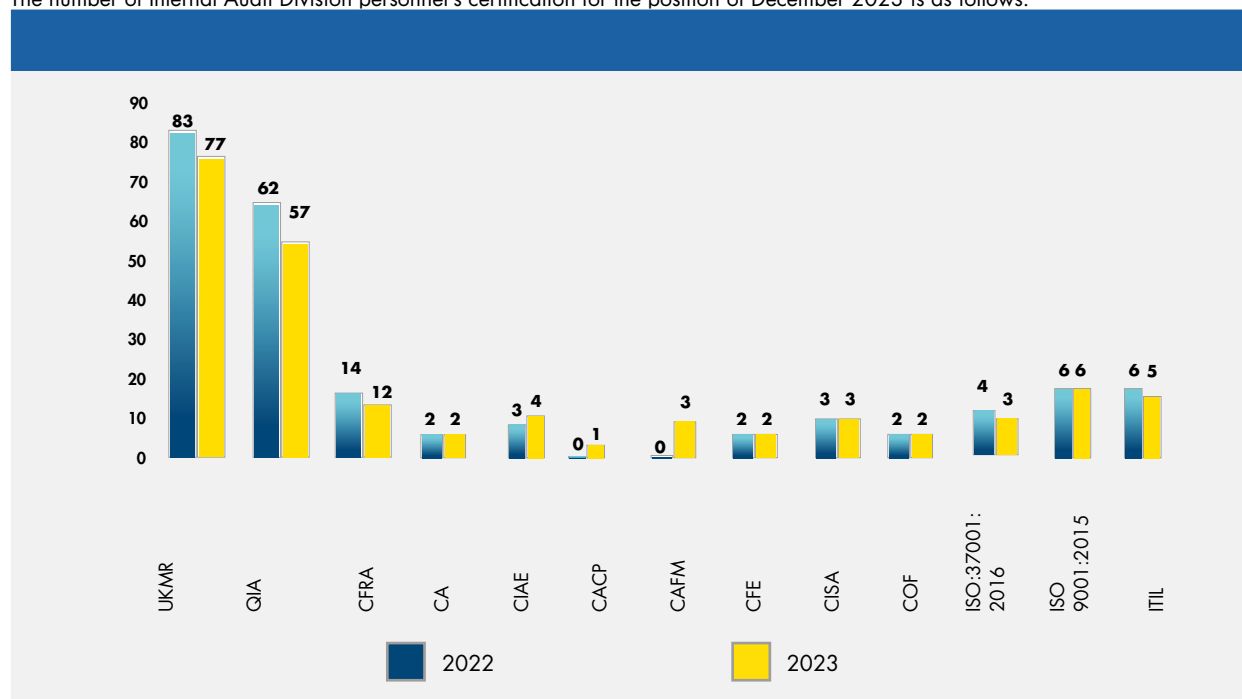
No	Name of Education/Training	Organizer	Implementation date	Number of participants
<b>Certification</b>				
1	Provision and Examination for Level 1 Risk Management Certification	PT Garda Multi Talenta	February 15 - 16, 2023	1
2.	Refreshment Certification in Banking Risk Management	PT Garda Multi Talenta	July 13, 2023 (batch 1)	3
			July 18, 2023 (batch 2)	10
			July 20, 2023 (batch 3)	8
			August 02, 2023 (batch 4)	8
			August 09, 2023 (batch 6)	1
			August 10, 2023 (batch 7)	7
			August 19, 2023 (batch 8)	1
3.	Certified Fraud Examiner (CFE) Certification Training	Association of Certified Fraud Examiners (ACFE)	August 7-11, 2023	1
4.	Certification Training on Certification in Audit Committee Practices (CACP)	Indonesian Audit Committee Association (IKAI)	August 22 – 24, 2023, August 28, 2023	1
5.	Qualified Internal Auditor (QIA) Certification Training - Pre-Managerial	Internal Audit Education Foundation (YPIA)	August 21 - 26, 2023	2
6.	Qualified Internal Auditor (QIA) Certification Training – Managerial	Internal Audit Education Foundation (YPIA)	September 11 - 20, 2023	1
			October 23 - November 01, 2023	1
7.	Certified Anti-Fraud Manager (CAFM) Certification Training	Asia Anti Fraud Management (AAFM)	September 4 - 6, 2023	3
8.	Certified Internal Auditor (CIA) Certification Training	The Institute of Internal Auditors (IIA)	October 02 - 5, 2023 (part 1) October 9 - 11, 2023 (part 2) October 16 - 18, 2023 (part 3)	1
9.	ISO 9001:2015 Lead Auditor Certification Training	PT BSI Group Indonesia	09 - 13 Oktober 2023	2
<b>Training and Workshops</b>				
1.	Bank BTN Business Process Refreshment Training 2023	Bank BTN	January 05 to 17, 2023	39
2.	BTN IT Planning and Management Training	Bank BTN (Internal ITPD with 3rd party partners)	January 5 and 12, 2023	8
3.	BTN IT Network Infrastructure Training	Bank BTN	January 06, 2023	8
4.	BTN IT Security Training	Bank BTN	January 27 to 31, 2023	8
5.	Classical Education 1 of Bank BTN Talent Development Program 2023	BTN & LPPI Bank	January 16 to 20, 2023 (Batch 1). January 20 to 24, 2023 (Batch 3).	4
6.	Payment Card Industry Data Security Standard Training	PT Systech Global Information	January 9 to 11, 2023	8
7.	OPICS Application Training	PT Abhimata Persada	January 13, 2023	8
8.	Training on Fundamentals of Trade Finance from Audit Perspective	Alta Perfecto Training & Consulting	January 20 to 21, 2023	8
9.	Training on Fundamentals of Treasury Operations from Audit Perspective	Alta Perfecto Training & Consulting	January 24 to 25, 2023	13
10.	Training on Fundamentals of Treasury Operations from Audit Perspective	Alta Perfecto Training & Consulting	January 24 to 25, 2023	13
11.	Human Capital Overview Training for Auditors	Indonesian Banking Development Institute (LPPI)	January 26 to 27, 2023	13
12.	Impactful Presentation Skill Education Batch 1	PT SGS Indonesia	February 2 - 04, 2023	2

No	Name of Education/Training	Organizer	Implementation date	Number of participants
13.	OJK Institute Webinar "Implementation of Artificial Intelligence in the Financial Services Industry"	Financial Services Authority (OJK)	February 02, 2023	1
14.	Data Analysis and Visualization Training Using Excel	DQ Lab Trainer	February 06 - 08, 2023	25
15.	PPDigital Training	Bank BTN	February 15, 2023	2
16.	Investigation Audit Training	Widyaiswara Education and Training Agency BPK RI	February 13, 2023	15
17.	Communication Skills Training for Internal Auditors	The Institute of Internal Auditors (IIA)	February 15 - 16, 2023	32
18.	Communication Skills Training for Senior Auditors	The Institute of Internal Auditors (IIA)	February 15 to 16, 2023	26
19.	Workshop on 2023 Audit Provision	IAD & Deloitte	February 17, 2023	27
20.	Training on Identifying Critical Points of Fraud in Procurement of Goods/Services and Supply Chain Financing	Fraud Auditing Development Institute	February 20 to 21, 2023	13
21.	Impactful Presentation Skill Education Batch 2	PT SGS Indonesia	February 23 - 25, 2023	1
22.	Expert Talk Session - "The Future of Competitive Strategy for Great Business Transformation" Bank BTN	Mr Ignasius Jonan	March 04, 2023	8
23.	OJK Institute Webinar "Utilizing Big Data Analysis in Improving Financial Services Industry Performance"	Financial Services Authority (OJK)	March 30, 2023	2
24.	Single Customer View (SCV) Reporting Training	Banking and Finance Development Center	April 12 to 13, 2023	1
25.	Webinar on APU and PPT 2023	Rafi Wisesa	April 12, 2023	2
26.	Classical Education 2 Bank BTN Talent Development Program 2023	Bank BTN	April 10 to 14, 2023 (Batch 1). May 08 - 12, 2023 (Batch 2) May '22 - 26, 2023 (Batch 3)	4
27.	Leadership Forum "Envisioning Culture For Leader"	PwC and McKinsey	May 11 - 14, 2023	2
28.	Webinar "How to Manage Climate Related Risk in Banking Industry"	Financial Services Authority (OJK)	June 15, 2023	1
29.	Webinar "Awareness of the Implementation of APU and PPT Programs Ahead of the General Election/ Pilkada"	Center for Financial Transaction Reports and Analysis (PPATK)	June 21, 2023	2
30.	Training on Digital Marketing Strategy	Patrick Rimba	July 04, 2023	1
31.	Internal Auditor Conference (KAI) 2023	Internal Audit Education Foundation (YPIA)	July 05 - 06, 2023	3
32.	Workshop on the Indonesian Institute for Corporate Governance (IICG)	The Indonesian Institute For Corporate Governance (IICG)	July 12 - 13, 2023	1
33.	Training on Identification of Suspicious Financial Transactions and Determining the Origin of Criminal Offenses	Banking Compliance Director Communication Forum	July 17 - 18, 2023 (Batch 4)	1
34.	Training on Oxygen Forensic Extraction in a Box	Bounga Informatics Solutions	July 26 - 28, 2023	2
35.	IAIB National Conference 2023	Bank Internal Audit Association (IAIB)	July 12 - 13, 2023	3
36.	Intro to Python for Data Science Training	PT Hacktivate Teknologi Indonesia	July 24 - September 18, 2023	2
37.	Training on the Use of eProcurement, Goods and/or Services Procurement Policy and Archives	Bank BTN	August 22, 2023	1
38.	Public Complaint Handling Training	Corruption Eradication Commission (KPK)	August 14 - 18, 2023	2
39.	August 22 - 24, 2023	The Institute of Internal Auditors (IIA)	30 Agustus - 01 September 2023	3
40.	IIA Indonesia National Conference	The Institute of Internal Auditors (IIA)	August 30 - September 01, 2023	1
41.	OJK Webinar "Leadership in Changing Atmosphere"	Financial Services Authority (OJK)	August 24, 2023	1
42.	Webinar "Effectiveness of Digital Maturity Assessment in Measuring Banking Digital Transformation Maturity"	Banking Compliance Director Communication Forum (FKDKP)	August 28, 2023	1
43.	Training on GRC Masterclass Program	BUMN Leadership & Management Institute (BLMI)	September 07, 2023	1

No	Name of Education/Training	Organizer	Implementation date	Number of participants
44.	Workshop on Professional Standards and Code of Ethics for Internal Auditors	Internal Audit Education Foundation (YPIA)	September 11 - 12, 2023	2
45.	Training on Integrated TPK Whistleblowing System Application	Corruption Eradication Commission (KPK)	September 12, 2023	4
46.	National Anti-Fraud Conference 2023	Association of Certified Fraud Examiners (ACFE)	September 13 - 14, 2023	12
47.	E-Learning for Increasing the Understanding of Gratifications - Corruption Eradication Commission (KPK) in 2023	Corruption Eradication Commission (KPK)	October 12 - 14, 2023	1
48.	National Conference on Audit Committees	Indonesian Audit Committee Association (IKAI)	October 19, 2023	1
49.	Training on Handling Virtual Assets in the Law Enforcement Process	Bank BTN	November 02 - 03, 2023	2
50.	Refreshment of LHPK Material on Payment Systems and Financial Market Instructure of BI and KPHDN in 2023	Bank Indonesia	November 03, 2023	1
51.	Training on Integrated End to End Procurement Application	Bank BTN	November 6 - 15, 2023	1
52.	Training on Identification of Suspicious Financial Transactions and Determining the Origin of Criminal Offenses	Banking Compliance Director Communication Forum	November 15 - 16, 2023 (Batch 6)	2
53.	Indonesian Human Capital Forum "Elevating Cybersecurity Awareness for SOEs: Empowering Digital Talents Readiness"	Indonesian Human Capital Forum (FHCI)	November 21, 2023	2
54.	National Seminar on Internal Audit (SNIA)	Internal Audit Education Foundation (YPIA)	December 6 - 7, 2023	2

### Professional Certification of the Internal Audit Division

The number of Internal Audit Division personnel's certification for the position of December 2023 is as follows:



Description:

UKMR (Risk Management Competency Test), GIA (Qualified Internal Auditor), CFrA (Certified Forensic Auditor), CA (Chartered Accountant), CIAE (Certified Internal Audit Executive), CACP (Certification in Audit Committee Practices), CAFM (Certified Anti Fraud Manager), CFE (Certified Fraud Examiner), CISA (Certified Information System Auditor), COF (Certified Oxygen Forensic), ISO 37001:2016 (Anti-Bribery Management System), ISO 9001:2015 (Quality management system), ITIL Foundation Certificate in IT Service Management.



## Participation of the Internal Audit In Professional Union

In order to broaden the insights and professional development of Internal Auditors, the Internal Audit Company Organization has participated by involving its auditors in various internal audit professional organizations, including as administrators, members, and participation in the activities of internal audit professional associations as follows:

### 1. **Organization of the Association of Bank Indonesia Internal Auditors (IAIB)**

In the context of developing and increasing insight, IAD Leaders and Auditors always participate in benchmarking discussion forums and best practice development workshops organized by the IAIB forum. The workshop and benchmarking materials in this IAIB forum include managerial level material on the management of the Internal Audit function for Chief Auditor Executive (CAE) leaders as well as for the Auditor level in the form of audit techniques, audit methodology and ICT audits which are held through discussion forums and workshops with Auditors of other banks who are members of the IAIB.

### 2. **The Institute of Internal Auditor (IIA) dan Association Certified Fraud Examiner (ACFE) – Indonesia Chapter**

Furthermore, internal audit members are also encouraged to become members of The Institute of Internal Auditors (IIA) and the Association Certified Fraud Examiner (ACFE)-Indonesia Chapter.

## Code of Conduct of the Auditors

The Internal Audit Code of Conduct is the norms and principles regarding decency and appropriateness that must be complied with and implemented by internal auditors, which at least includes the internal audit code of conduct as stipulated by the internal audit professional association, as follows:

1. Integrity
  - a. To perform their duties honestly, carefully, responsibly, and thoroughly
  - b. To comply with the law and make disclosures in accordance with statutory regulations and the profession.
  - c. To not intentionally/knowingly engage in prohibited/illegal activities, do not take actions that could undermine the credibility of the Internal Audit and the internal audit profession.
  - d. To respect and support the organization's legitimate and ethical goals.
2. Objectivity
  - a. Not involved in activities or have a relationship that will reasonably be expected to hinder the Internal

Auditor's fair assessment. This includes any activities or relationships that result in a conflict of interest.

- b. To not accept anything that has an impact or is suspected to have an impact on professional judgment.
  - c. Must disclose all material facts known to him, which if not disclosed could distort the report on the activities being reviewed.
3. Confidentiality
    - a. To be careful in using and maintaining the information obtained in the performance of duties.
    - b. To not use information for the benefit of anyone and/or in any way that would be against the laws and/or the Company's regulations.
  4. Competency
    - a. To carry out tasks in accordance with the knowledge, skills, and experience only.
    - b. To carry out audits in accordance with Internal Audit Professional Standards.
    - c. To improve expertise, effectiveness, and quality continuously.

## Brief Report on the Implementation of Internal Audit Activities In 2023

In 2023, the Internal Audit Division (IAD) has prepared an audit work plan or program and carried out audit activities in accordance with the plans that have been prepared. The work program plan includes the nature and scope of the audit, risk assessment, composition and number of the audit team personnel, standard effective of audit work days, length of standard audit days, required number of personnel and qualifications for IAD members, and IAD personnel development.

### WORK PLAN OF THE INTERNAL AUDIT DIVISION

The Internal Audit Division Work Plan is described in the Annual Audit Plan book with a working period of 1 (one) year. The Annual Audit Work Plan for the Internal Audit Division (IAD) for 2023 has been submitted to the President Director in accordance with the IAD memo IAD No.252/M/IAD/APSP/XII/2022 dated December 22, 2022, regarding the Proposed Annual Audit Plan for 2023 and has been approved and signed by the Director. In addition, according to Financial Services Authority Regulations (POJK) No.1/FSAR.03/2019 concerning the Implementation of the Internal Audit Function at Commercial Banks, the Annual Audit Plan has also obtained approval from the Board of Commissioners in accordance with the Board of Commissioners' letter No.25/KOM/BTN/II/2023 February 8, 2023. Work plans for general audits 2023 are as follows:

Table of the Internal Audit's Work Plan

Audit Object		Amount		Change		Information
		2023	2022	+/-	%	
A.	General Audit	69	91	-22	-24,18	
B.	Audit ICT	18	16	2	12,50	
C.	Special audit investigation	0	0	0	0,00	There is no scheduled plan for carrying out a special audit/ investigation for 2023, following assignments from stakeholders and the whistleblowing system.
D.	Internal Quality Audit (AMI) ISO Certification	27	23	4	17,39	
<b>Number of Audit Objects</b>		<b>114</b>	<b>130</b>			

#### IMPLEMENTATION OF THE INTERNAL AUDIT DIVISION WORK PROGRAM

During the period January to December 2023, the Internal Audit Division carried out audit activities with audit objects which include:

1. General audit which includes:
  - a. Operational audit of office networks (KC, Sharia KC and Regional Office).
  - b. Thematic audits carried out based on certain themes include Credit Management, Collection of Third-Party Funds, Human Capital, Procurement of Goods and/or Services, and Treasury.
  - c. Mandatory audits are based on provisions issued by the regulator.
2. Information and Communication Technology (ICT) audit which includes
  - a. Thematic audits carried out based on certain themes in the scope of ICT management include, among others, Mobile Banking, Card Payment Tools (APMK), Treasury Support Applications, as well as audits of Cyber Security with a focus on assessing the Bank's readiness to detect and respond to cyber incidents based on NIST Cybersecurity Framework.
  - b. Mandatory audits are based on provisions issued by the regulator.
3. Special Audits for suspected fraud or certain purposes.
4. Internal Quality Audit (AMI) ISO certification for work units that have been certified to ISO 9001:2015 (Quality Management Standards), ISO 37001:2016 (Anti-Bribery Management System, ISO 37301:2021 (Compliance Management System).

The following are details of the audit implementation during the period January to December 2023:

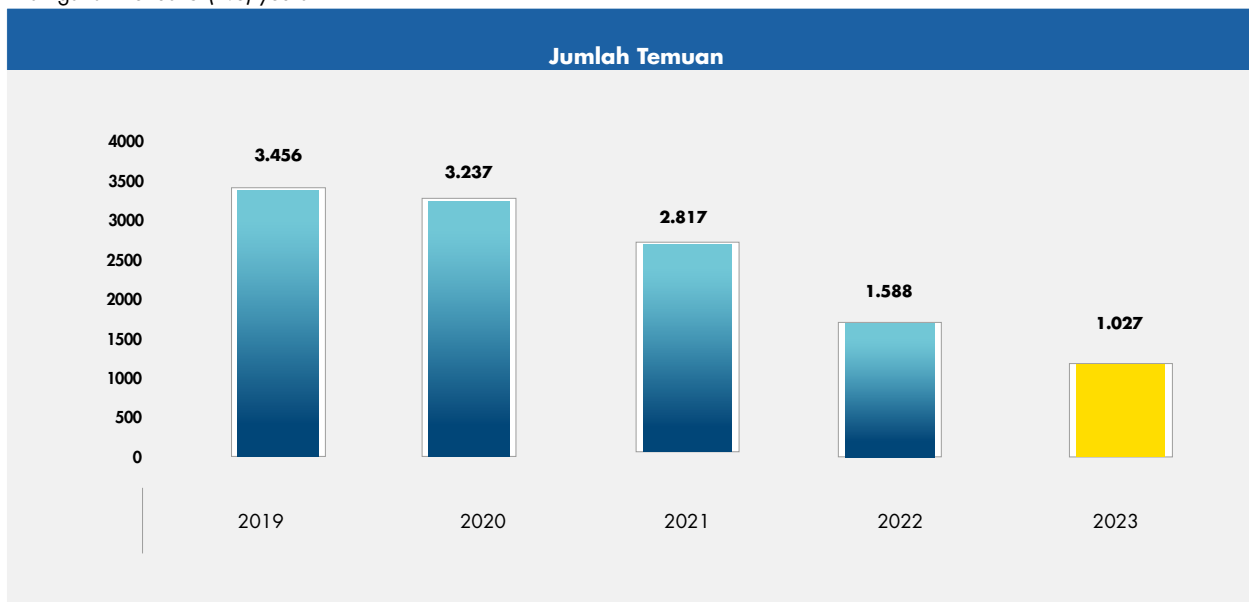
Table of Realization of the Internal Audit Work Program

No	Description	Target	Realization	% Penc.
A	General Audit	69	71	102,90%
B	Information & Communication Technology Audit	18	19	105,56%
C	Special Audit	0	14	100,00%
D	Internal Quality Audit (AMI) ISO Certification	27	38	140,74%
<b>TOTAL</b>		<b>114</b>	<b>142</b>	<b>124,56%</b>





Audit activities during the period of January to December 2023 resulted in 1,027 findings as presented in the following graph of audit findings for the last 5 (five) years



#### MONITORING THE AUDIT RESULTS FOLLOW-UP

Follow-up on audit findings is carried out by the auditee. The results of the follow-up implementation are reported to the Head of IAD and then evaluated to see whether the follow-up is in accordance with the intended purpose. Follow-up that has been completed will be declared "completely followed-up" and informed to the auditee and the Board of Directors. As for follow-ups that have not been completed and are still in "pending item" status, the auditee is asked to complete them with the necessary explanation and will be reported by the Head of IAD to the Board of Directors. Throughout 2023, follow-ups on audit findings have been carried out from the audit results for 2021, 2022 and 2023 with a resume of audit follow-ups presented in the following table:

**Table of Follow-Ups of the Audit Results Based on Due Date for Completion**

No	Audit results	Total findings	Completed		Not yet due		% The Completion of readiness of Findings
			Total	%	Not yet due	Due	
1	2	3	4	5=4/3	6	7	8=4/(4+7)
I	Internal Audit Division						
I.1	<b>Year 2023</b>						
	<b>General Audit of branch office</b>	<b>558</b>	<b>550</b>	<b>98,57%</b>	<b>7</b>	<b>1</b>	<b>99,82%</b>
	General Audit of Sharia branch office	169	110	65,09%	59	0	100,00%
	General Audit Division and Regional Office	162	84	51,85%	78	0	100,00%
	ICT Audit	138	82	59,42%	49	7	92,13%
	Sub Total	1027	826	80,43%	193	8	99,04%
I.2	<b>Year 2022</b>						
	General Audit of branch office	908	908	100,00%	0	0	100,00%
	General Audit of Sharia branch office	217	217	100,00%	0	0	100,00%
	General Audit Division and Regional Office	337	337	100,00%	0	0	100,00%
	ICT Audit	134	130	97,01%	0	4	97,01%
	Sub Total	1596	1592	99,75%	0	4	99,75%
I.3	<b>Year 2021</b>						
	General Audit of branch office	1674	1674	100,00%	0	0	100,00%
	General Audit of Sharia branch office	452	452	100,00%	0	0	100,00%
	General Audit Division and Regional Office	266	266	100,00%	0	0	100,00%
	ICT Audit	425	425	100,00%	0	0	100,00%

No	Audit results	Total findings	Completed		Not yet due		% The Completion of readiness of Findings
			Total	%	Not yet due	Due	
	Sub Total	2817	2817	100,00%	0	0	100,00%
	Total Internal Findings	5440	5235	96,23%	193	12	99,77%
<b>II External findings</b>							
<b>II.1</b>	<b>Financial Services Authority</b>						
	Inspection report IT of Financial Services Authority (OJK) Examination 2021	148	148	100,00%	0	0	100,00%
	2021 FSA's general inspection report	147	147	100,00%	0	0	100,00%
	2022 FSA's general inspection report	203	203	100,00%	0	0	100,00%
	Total of FSA's findings	498	498	100,00%	0	0	100,00%
<b>II.2</b>	<b>Bank Indonesia</b>						
	IT and Non IT general inspection of BI 2021	40	40	100,00%	0	0	100,00%
	2022 LBUT Thematic KHP	52	52	100,00%	0	0	100,00%
	Total of BI findings	92	92	100,00%	0	0	100,00%
<b>II.3</b>	<b>The Supreme Audit Agency of the Republic of Indonesia</b>						
	Management of special fee standards (SBK) and subsidies for advance payments (SBUM) in 2020	20	20	100,00%	0	0	100,00%
	Management of special fee standards (SBK) and subsidies for advance payments (SBUM) in 2021	52	42	80,77%	0	10	80,77%
	Total findings of the Financial Audit Agency (BPK) of the Republic of Indonesia	72	62	86,11%	0	10	86,11%
<b>II.4</b>	<b>Republic of Indonesia Financial and Development Supervisory Agency</b>						
	Placement of Funds for the 2022 national economic recovery program	3	3	100,00%	0	0	100,00%
	Review of the social assistance program for the family of hope, the Staple Food Program and direct cash assistance in 2022	3	3	100,00%	0	0	100,00%
	Review of the program to Increase the Use of Domestic Products (P3DN) in the Context of the Proud Movement Made in Indonesia in 2022	16	16	100,00%	0	0	100,00%
	Total Findings of the Republic of Indonesia's Financial and Development Supervisory Agency	22	22	100,00%	0	0	100,00%
<b>II.5</b>	<b>Public Accounting Firm</b>						
	Management Letter for the financial statements for the position of December 31, 2021	46	46	100,00%	0	0	100,00%
	Management Letter for the financial statements for the position of June 30, 2022	26	26	100,00%	0	0	100,00%
	Management Letter for the financial statements for the position of December 31, 2022	35	35	100,00%	0	0	100,00%
	Total findings of Public Accounting Firm	107	107	100,00%	0	0	100,00%
<b>II.6</b>	<b>PWC</b>						
	Internal Audit Function Review Services in 2023	17	13	76,47%	4	0	100,00%
	Total findings of PWC	17	13	76,47%	4	0	100,00%
	Total of external findings	808	794	98,27%	4	10	
	Total Internal and External Audit Findings	6248	6029	96,49%	197	22	

**THE IMPLEMENTATION OF MEETINGS OF THE INTERNAL AUDIT DIVISION WITH THE BOARD OF DIRECTORS AND THE AUDIT COMMITTEE**

Referring to the Internal Audit Charter, the Internal Audit Division regularly holds meetings with the Board of Directors and attends invitations to meetings with the Board of Commissioners and/or the Audit Committee in order to report on the implementation of the duties of the Internal Audit Division. Throughout 2023, the Internal Audit Division has held meetings with the Board of Directors, the Board of Commissioners and the Audit Committee as follows:

**Implementation of Internal Audit Division Meetings with the Board of Directors**

No	Date	Meeting Agenda
1.	January 26-27, 2023	Director Session and Bank BTN Work Meeting 2023
2.	May 12, 2023	Leadership Forum 2023 "Envisioning Culture for Leader"
3.	March 17, 2023	Town Hall Meeting - Directors' Direction
4.	March 20, 2023	Meeting on Handling Customer Complaints
5.	May 03, 2023	Town Hall Meeting - Direction on Achieving Company Performance Targets in 2023
6.	June 05, 2023	Town Hall Meeting - Direction on Achieving Company Performance Targets in 2023
7.	June 27, 2023	Risk Management Committee Meeting (Komar)
8.	August 14, 2023	Meeting on Case/Problem Discussion
9.	August 14, 2023	Meeting on Customer Complaint Resolution Discussion
10.	August 21, 2023	Meeting on Case/Problem Discussion
11.	September 11, 2023	Meeting on 2023 Semester 1 Audit Implementation Reporting
12.	October 27, 2023	Kick Off Pilot Initial State Strategic Business Unit
13.	October 31, 2023	Meeting on 2023 IAD Audit Results Discussion
14.	November 01, 2023	Meeting on 2023 IAD Audit Results Discussion
15.	November 10, 2023	Meeting on 2023 IAD Audit Results Discussion
16.	November 14, 2023	Meeting on 2023 IAD Audit Results Discussion
17.	December 06, 2023	Town Hall Meeting
18.	December 12, 2023	Meeting on Performance Review Discussion
19.	December 14, 2023	Meeting on 2023 IAD Audit Results Discussion
20.	December 18, 2023	Discussion on National Working Meeting Agenda

**Implementation of Internal Audit Division Meetings with the Audit Committee**

No	Date	Meeting Agenda
1.	February 27, 2023	Meeting on the discussion of audit principles and audit follow-up
2.	March 20, 2023	Meeting on Evaluation Discussion of Supporting Services Performance
3.	May 08, 2023	Meeting on the discussion of audit realization, audit follow-up and IAD activities
4.	June 05, 2023	Meeting on the discussion of the Employee Disciplinary Sanctions Decision Process
5.	July 17, 2023	Meeting on the Discussion of Root Cause and Audit Follow-up
6.	August 07, 2023	Meeting on the Discussion of the Review Results of the Internal Audit Function by External Parties
7.	September 11, 2023	Meeting on the Discussion of Audit Realization
8.	October 09, 2023	Meeting on the Discussion of Internal Audit Charter Update
9.	October 17, 2023	Audit Committee Direction on Improving Internal Control at Branch Offices
10.	November 02, 2023	The 2023 Internal Audit Division Working Meeting
11.	November 13, 2023	Meeting on the Discussion of Developments in Accrued Interest and Audits related to Accrued Interest
12.	November 13, 2023	Meeting on the Discussion of BTN QRIS
13.	December 04, 2023	Meeting on the Discussion of Problem Follow-up
14.	December 13, 2023	Meeting on the Discussion of Fraud Risk Management and ESG Roadmap

### ASSURANCE REVIEW OF INTERNAL AUDIT

Since December 2017, the Internal Audit Division of Bank BTN has succeeded in upgrading the ISO 9001:2008 quality standard to ISO 9001:2015. Periodically, surveillance audits have been carried out by external auditors to assess the Internal Audit Division's compliance with the ISO 9001: 2015 quality standard.

**Table of Surveillance Audit Implementation for ISO 9001:2008 and ISO 9001:2015 Certification**

No	External Audit	Year	Information
1.	PT SGS	2021	Implementation of surveillance audits for ISO 9001:2015 certification by PT SGS External Audit
2.	PT SGS	2022	Implementation of surveillance audits for ISO 9001:2015 certification by PT SGS External Audit
3.	PT SGS	2023	Implementation of surveillance audits for ISO 9001:2015 certification by PT SGS External Audit

The review of the implementation of the bank's internal audit function as regulated in OJK Regulation No.01/POJK.03/2019 in assessing the conformity of the internal function with regulations, standards and codes of ethics, as well as efficiency and effectiveness has been carried out by a minimum of 3 (three) independent assessors. ) once a year with the following description:

**Table of Independent Assessors Regarding Assessment of Audit Implementation**

No	External Audit	Year	Information
1.	PT Deloitte Touche Tohmatsu	2018	Implementation of the policy, procedure and methodology gap analysis review process as well as implementation of audits of SPFAIB best practices every 3 years by the External Auditor
2.	PT KPMG Sidharta Advisory	2020	Implementation of the policy, procedure and methodology gap analysis review process as well as implementation of audits of SPFAIB best practices every 3 years by the External Auditor
3.	PT PricewaterhouseCoopers (PWC)	2023	Implementation of the gap analysis review process for policies, procedures and methodologies as well as implementation of audits of best practices. Standards for the Implementation of the Internal Audit Function in Commercial Banks every 3 years by an External Auditor

### Risk Management Work Unit

The Risk Management Work Unit is a work unit that is directly responsible to the Director who oversees the Risk Management function and is independent of the Operational Work Unit which is a risk-taking unit, the Internal Audit Work Unit and the Compliance Work Unit. The company's risk governance which is based on GCG principles is realized from the involvement of all Company organs in managing risk management. This can be seen from the composition of the Company's risk management organization.

The Board of Commissioners through Risk Monitoring Committee meetings and the Board of Directors through Risk Management Committee meetings are responsible for ensuring that the implementation of Risk Management is adequate in accordance with the characteristics, complexity and risk profile of the company. The Board of Commissioners and Directors play an active role in the risk management process in order to mitigate the company's risks through the Quality of Risk Management Implementation including risk governance, risk management framework, risk management process and the adequacy of the management information system as well as the adequacy of the internal control system.

The Company's risk governance which is based on the principles of Good Corporate Governance is realized from the involvement of all Company organs in managing risk management. This can be seen from the composition of the company's risk management organization. The Board of Commissioners and Directors are responsible for ensuring that the implementation of Risk Management is adequate in accordance with the characteristics, complexity and risk profile of the company. The Board of Commissioners and Directors play an active role in the risk management process in order to mitigate the company's risks through the Quality of Risk Management Implementation which includes risk governance, risk management framework, risk management process, adequacy of human resources, and the adequacy of the risk management information system, as well as the adequacy of the control system risk.

### Risk Management Work Unit Structure

The Enterprise Risk Management Division (ERMD) is a Risk Management Work Unit (SKMR) at the Company, led by a Division Head who reports directly to the Director of Enterprise Risk Management & Transformation. The Enterprise Risk Management Division