

The Critical Role of The 3rd Line of Defense in Our Organisation

Suryaningrum

(Audit Division Head, PT Astra International Tbk)



Otonom



Jasa Keuangan



Alat Berat & Pertambangan



Agribisnis



Infrastruktur & Logistik



Teknologi Informasi

Astra International



"Astra had a total of 227.099 employees working in 191 subsidiaries"

Corporate Philoshopy

- 1 To be An Asset to The Nation
- 2 To Provide The Best Service to Our Customer
- 3 To respect Individuals and Promote teamwork
- 4 To Continually Strive for Excellence

Vision

- 1 To be one of the best managed corporation in Asia Pacific with emphasis on sustainable growth by building competence thruh people development, solid financial structure, customer satisfaction and efficiency.
- 2 To be a socially responsible corporation and to be environmentally friendly.

Mission

To prosper with the nation by providing the best value to our stakeholders

Business

AUTOMOTIVE

TOYOTA *moving forward* **AUTO 2000**
 Urusan Toyota jadi mudah!

Innovation for Tomorrow
DAIHATSU ISUZU

UD TRUCKS **PEUGEOT**

AHM PT Astra Honda Motor **KYB** HONDA

GS **DENSO**
 ASTRA Otoparts

astraWORLD my driving partner **SHOP & DRIVE**
 BERKUALITAS BERKUALITAS

SHOWA

FINANCIAL SERVICES

ACC **Finance**
 PT TOYOTA ASTRA FINANCIAL SERVICES

FIF **SANF**
 Member of Astra Financial Services

PT Komatsu Astra Finance

ASIRANSI ASTRA **GASA GID**
 Don't worry. Be happy!

PermatBank

MINING & HEAVY EQUIPMENT

UNITED TRACTORS **PAMA**

KOMATSU **BOMAG**

SCANIA **TADANO**

PT TRAKTOR NUSANTARA **KPP**
 Partner in Progress

AGRIBUSINESS

ASTRA AGRO LESTARI

INFORMATION TECHNOLOGY

FUJI xerox

astragraphia

agit

INFRASTRUCTURE & LOGISTIC

ASTRATel **MMS**

MITSUBISHI **GONDOLA** **SERA**
 LOCAL BUSINESS PARTNER LOCAL BUSINESS PARTNER

TRAC **Mobil88** **ibid**
 ASTRA RENT A CAR

O-RENZ **TFSI**

SELOG **HARMONI LOGISTICS**

FOUNDATION

YAYASAN AMALIAH ASTRA

YAYASAN PENDIDIKAN ASTRA
 Michael D. Ruslim

YAYASAN ASTRA HONDA MOTOR **ASTRA SCHOOL**

Financial Highlight (Consolidation)

	As of June 2015	As of June 2014	As of Dec 2014
Revenue	~ IDR 92,505 Bio	~ IDR 101,528 Bio	~ IDR 201,701 Bio
Net Profit	~ IDR 8,052 Bio	~ IDR 9,820 Bio	~ IDR 19,181 Bio



GAnRA

Vision

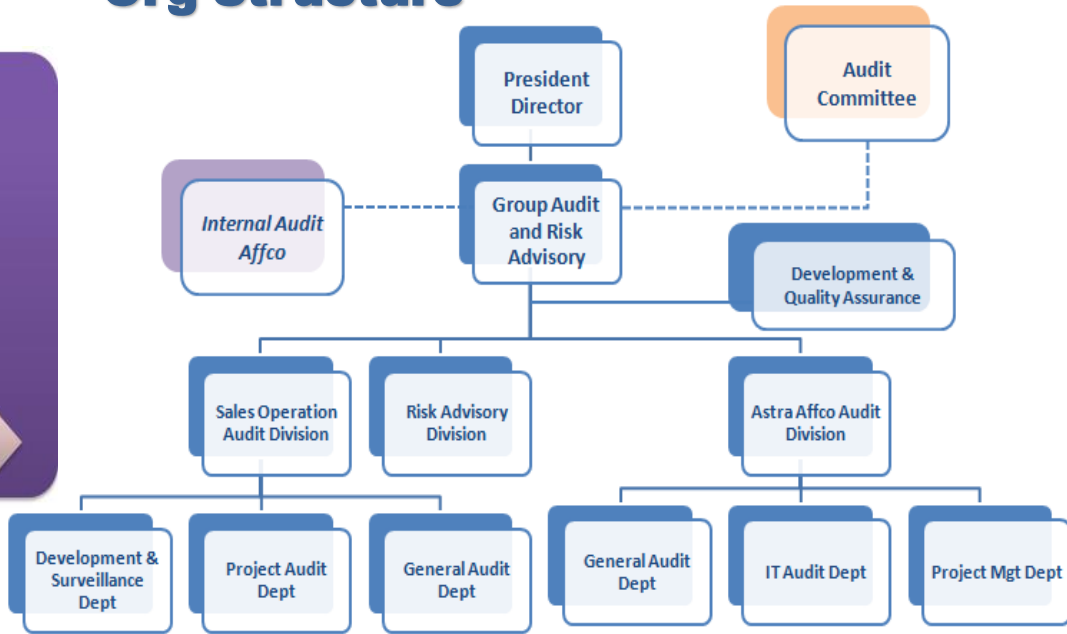
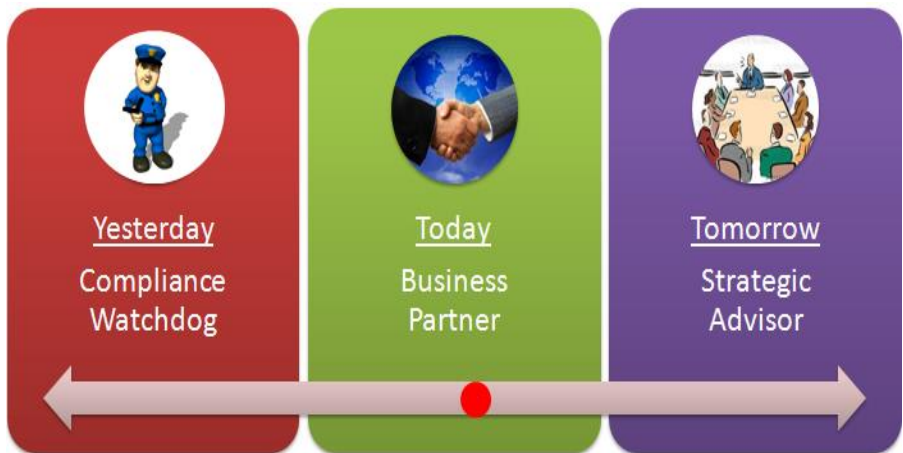
Mission

To ensure PT Astra International Tbk and its major affiliated companies (the Group)'s is recognized as world class in internal audit, risk management, and corporate governance standards

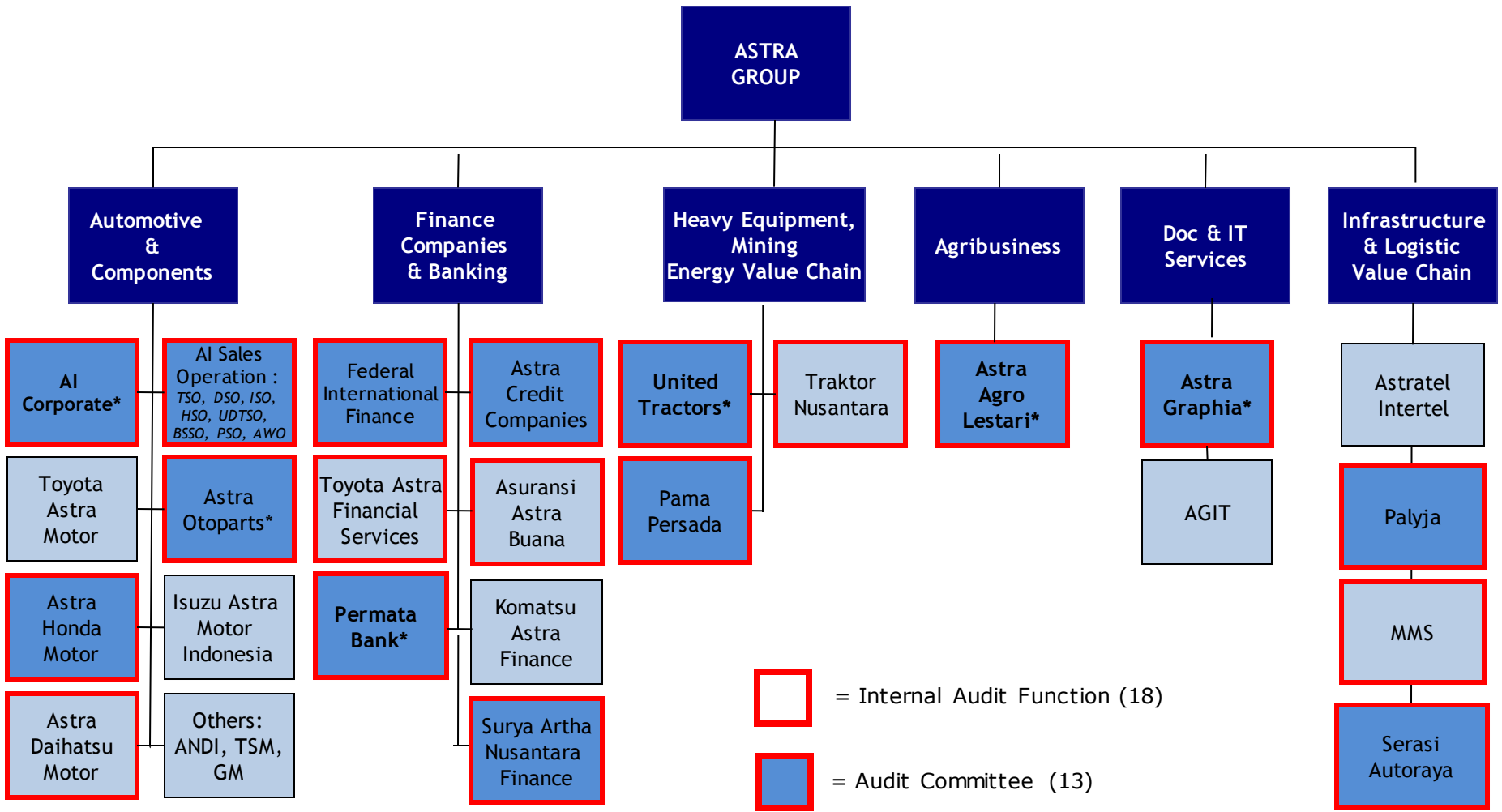
- To facilitate achievement of the Group's objectives; and safeguard the Group's value and reputation through effective provision of quality assurance and consulting services.
- To operate independently, effectively and efficiently using risk based Internal Audit methodology that is in accordance with international standards.

Roadmap

Org Structure



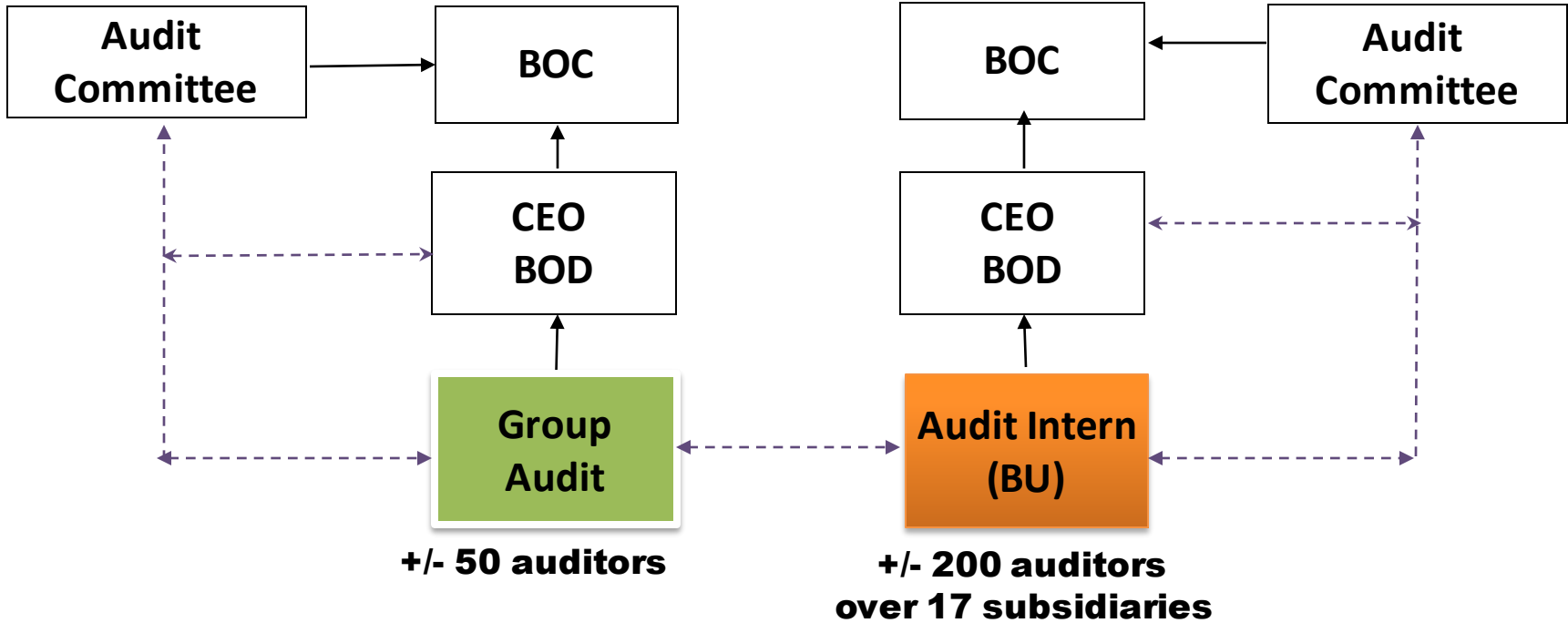
Astra Group



GAnRA – IA Subsidiaries Collaboration

PT Astra International Tbk

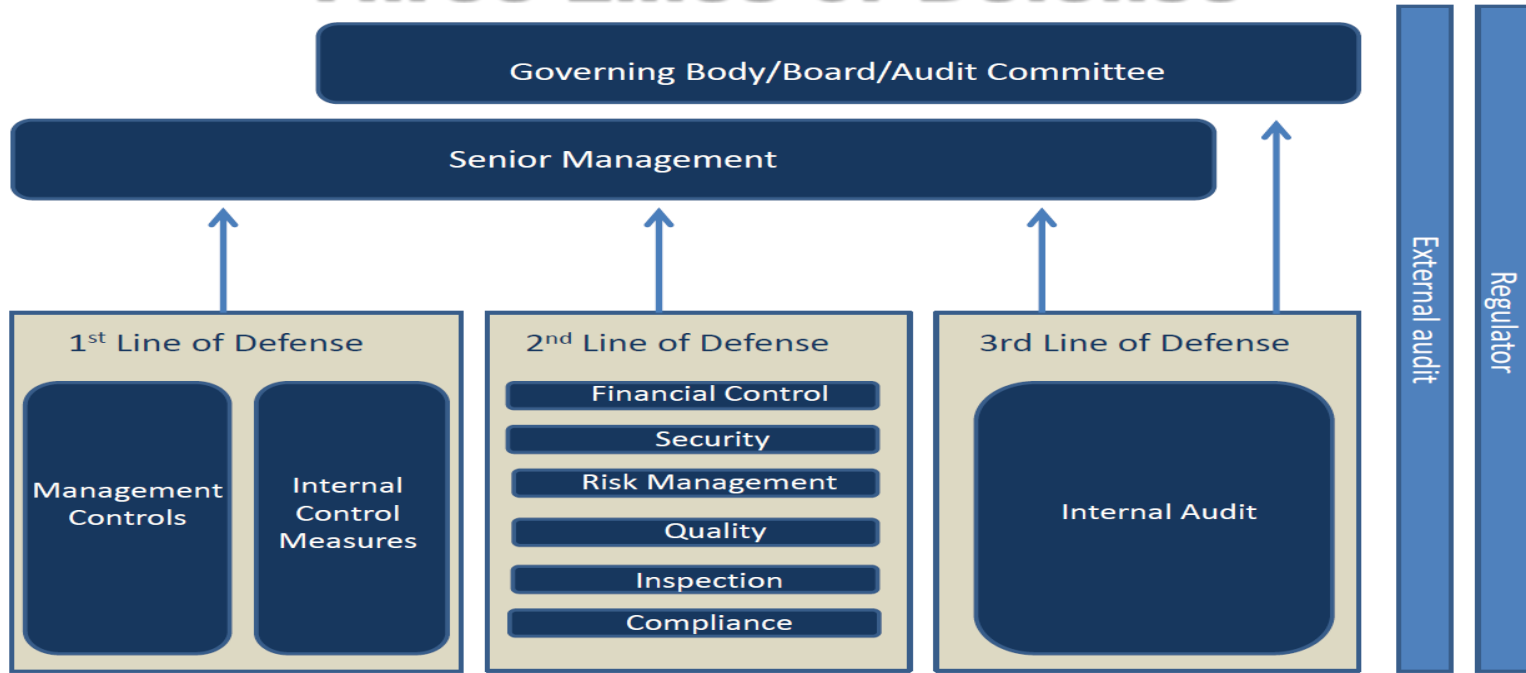
SUBSIDIARIES



- **Planning & Quarterly Reporting**
- **Join Audit, Auditor Assignment/Exchange, Advisory & Consultation/Facilitating Program**
- **Competency Matrix, Training/Certification Coordination and Man Power Fulfillment from Auditor MT**

- **Periodic Forum & Annual Conference (Risk, Audit and Business)**
- **Audit Guidelines, Audit Tools and Quality Assurance**

Three Lines of Defense



Adapted from ECIIA/FERMA Guidance on the 8th EU Company Law Directive, article 41

- 1st line** : **Operational Management** (*owned & manage risks*)
Identifies, assesses, controls, mitigates risks – developing policies & procedure and supervising mechanism
- 2nd line** : **Risk-Control and Compliance Oversight Functions** (*oversee risks – facilitator & monitoring function*)
Ensuring the 1st line of defense is properly designed, in place, and operation as intended
- 3rd line** : **Independence Assurance** (*provide independence assurance*)
Providing assurance on effectiveness of governance, risk management & internal controls, including the effectiveness of 1st & 2nd lines of defense.

Brand



TSO, DSO, ISO,
HSO, UDSO,
BSO, PSO,
AWO

**7 SOs + 1
AWO**

Branches



**Aceh - Papua :
438 branches**

Biz Process



**Ditribution &
Retail- VSP**

Share & Profit Contribution



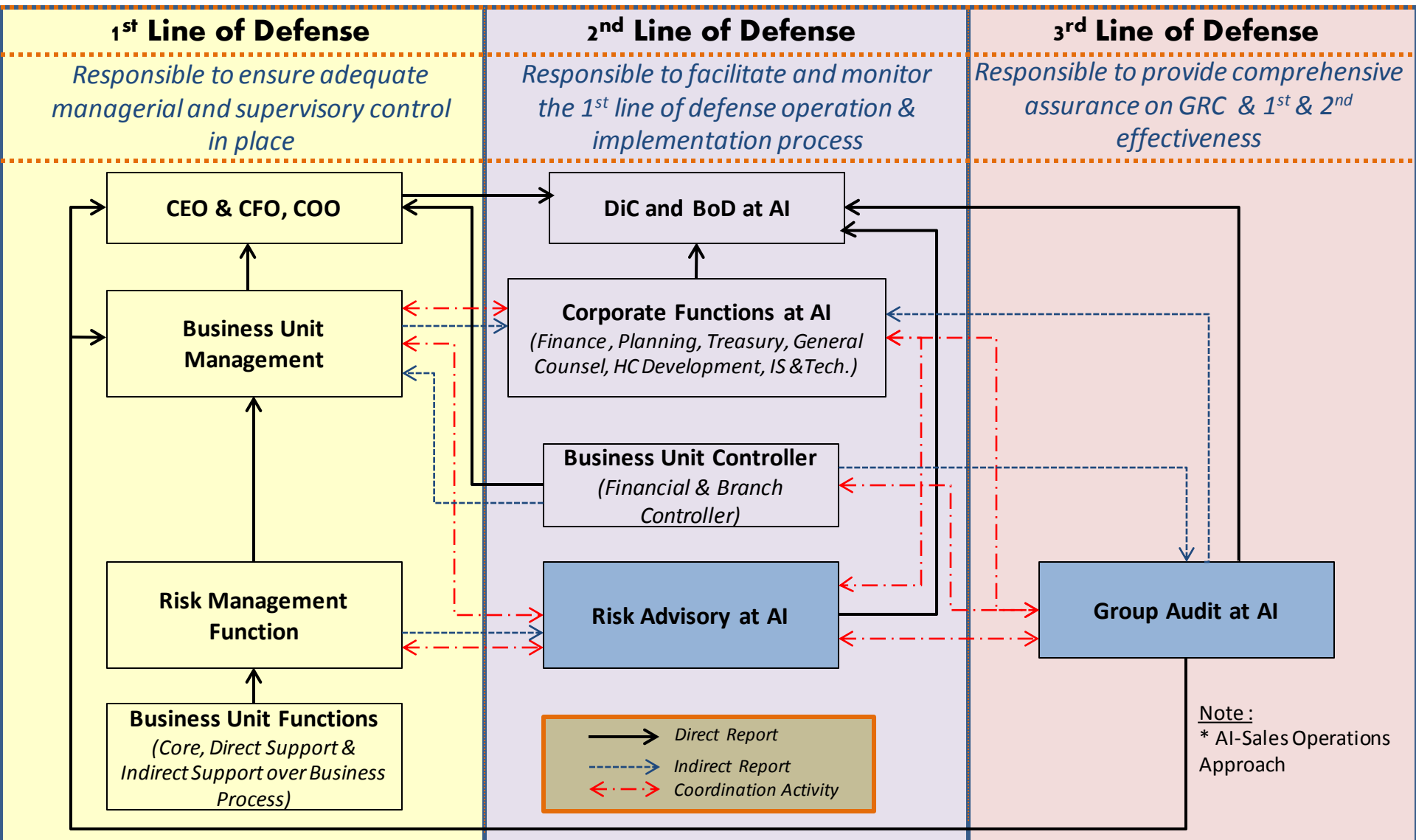
**100% AI & 25%
profit contribution**

Employee



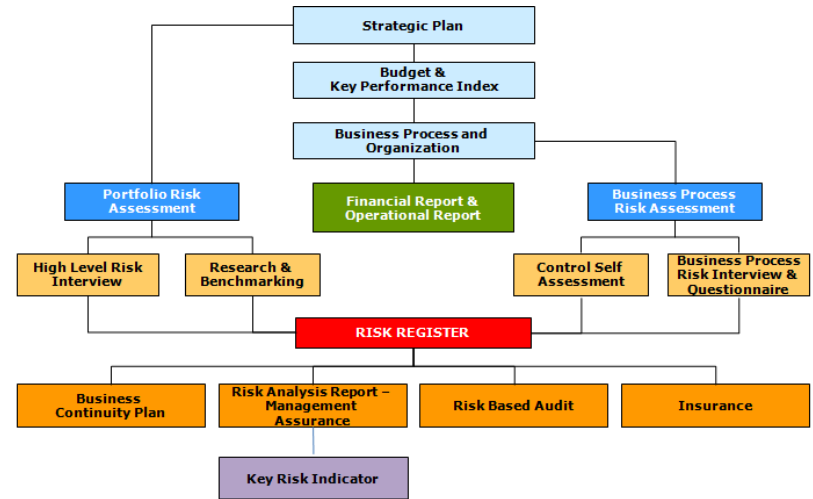
**~ 20,900 employees
(9% of Total
Group)**

3LoD Framework over Astra International*



Risk Advisory as a 2nd Line of Defense

- Providing risk management framework & policy
- Providing guidance & training on risk management process
- Assisting management on improving ERM Maturity Level
- Facilitating business unit/management in assessing risks and controls (*including natural disaster mitigation*)
- Helping Management on BCP testing
- Reviewing insurance & supporting to complex claims

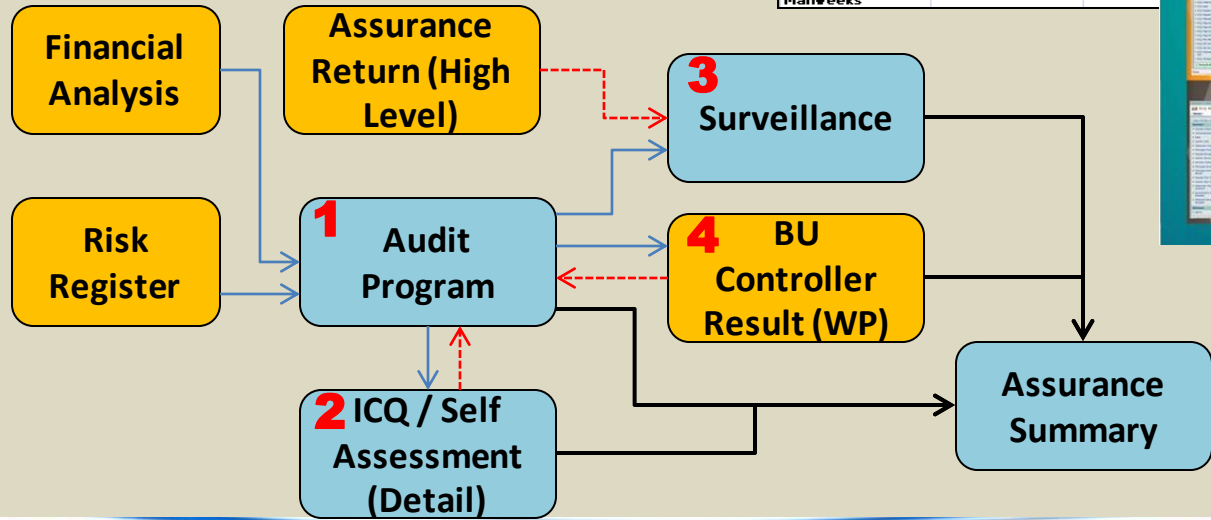


Group Audit as a 3rd Line of Defense (1)

- Providing assurance on internal control effectiveness of overall entity including business process and supporting functions.
- Making coordination with Risk Advisory to facilitate Risks-Control Self Assessment

Level	Process	Sub Process	Audit	2012	2013	2014	2015
Support Level	Human Resource**	Recruitment, People Development	Low	●			
		Payroll & Remuneration	Medium				Conducted by KIRKA
	Finance & Adm**	Accounting & Mgt Report	Medium				
		Finance & Treasury (inc. Insurance)	Medium				Embodil in Brancha Operation
	Purchasing & Asset Mgt	Vendor Mgt (Selection & Evaluation)	High				
		Pembelian, penghapusan dan mutasi asset (inc. CAPEX)	Medium	●	●	●	
	IT, ESR & Security	General Control including Security & Application System	High	●	●	●	20
		ESR	Low				Conducted by end div
	Legal & Corp. Secretary**	License & Permit; External Reporting	Medium				
	Customer	Planning, Executing, Reporting	Low				
Planning & Business Process Development	Planning & Development; Risk Management & BCP	Medium					
	Dealer Support	Astra World	Low	●			4
Business Process Level (Core Business)	Vehicle*	Marketing Planning	Medium		●		16
		Sales Program & Promotion	High	●		●	
		Logistik & Distribution : Forecasting, Handling & Distribution (inc. FDC, Depo)	High		●	●	-
	Service*	Direct Sales: Order Management; Inventory Management; Billing; AR management; AP management; BPR; Mgt	High	●	●	●	48
		Indirect Sales Order Manag					
		Order Manag management					
Parts (Ino. Aocs)*	Claim & Warr						
	Sales Program						
Indirect Sales Order Manag management							
Branches	Sales Office	2014 : 4W = 2 2015 : 4W = 2					
Manweeks							

Comprehensive Assurance Framework



Internal Control Questionnaire (ICQ)?

Dokter perteman yang diujikan kepada setiap kmpang pemegang kontrol di Sales Operation SO terkait pelaksanaan aktivitas terkait di perteman sehubungan terkait internal control yang telah dijalankan. Diharapkan Gabung melakukan pengisian diwujudkan dengan bentuk yang sederhana tapi dapat mencakup area yang sekiranya membutuhkan peningkatan.

Objective:
Reg SO untuk dapat menggap salah satu terencana Reg SO terhadap proses, resiko dan kontrol yang dijalankan Reg Ter Audit - AI SO. Menggap salah satu alat untuk memastikan tingkat efektifitas kontrol yang telah dilakukan oleh SO.

Langkah Pengisian ICQ

- 01 Terima email dimulainya pengisian ICQ dan link web
- 02 Forwardkan ke seluruh PIC terkait yang diperlukan untuk mengisi ICQ
- 03 Buka Panduan pengisian ICQ online (terlampir dalam email)
- 04 Masing-masing PIC mengisi
- 05 Selesai

1-4 : Assurance

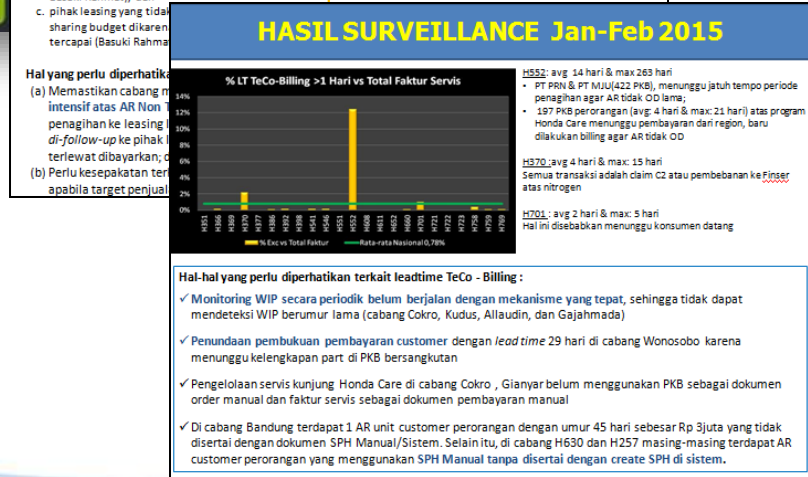
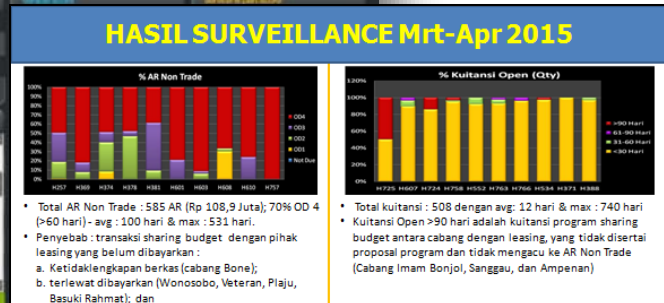
- - - - -> Indirect Input

————> Direct Input

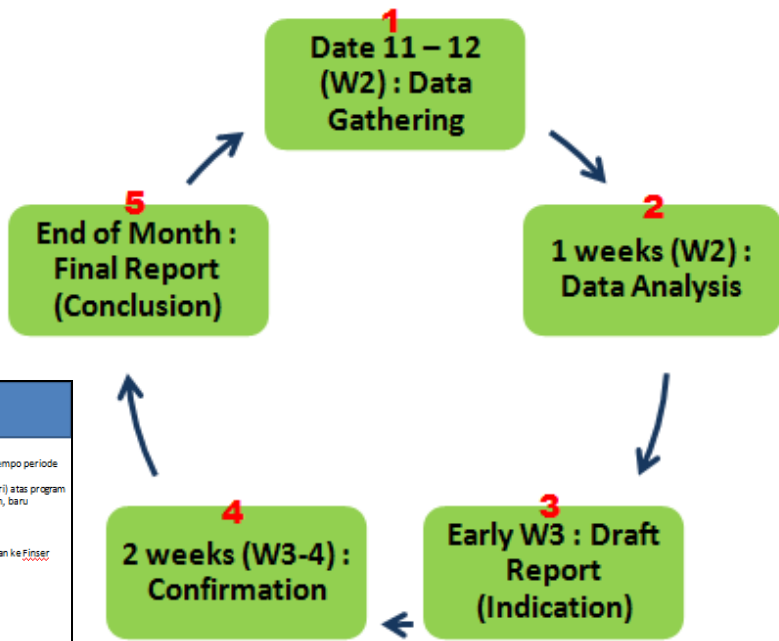
————> Assurance Process

Group Audit as a 3rd Line of Defense (2)

- Alerting operational management over irregularities transactions detected by surveillance tool (Continuous Auditing)



Alert / Notification / Monitoring Cycle



Group Audit as a 3rd Line of Defense (3)

- Assisting management to improve efficiency and effectiveness of operation



PROJECT HIGHLIGHT	AS-IS	OTHER RECOMMENDATION
4. Organization Chart	24. Vehicle Process License	71. SPK Distribusi
5. Project Information	25. Car Div. Structure	74. BPKD Box
EXECUTIVE SUMMARY		
26. Update Sales Forecasting	75. Delivery Special Event	
8. Executive Summary	29. Update Data Stock Nasional	76. HRD & CRM
COMPANY PROFILE		
33. Test Drive Management		
13. Business Structure	36. Booking Stock Management	
14. Organization Structure	43. Dashboard Monitoring System	
15. Comp. Net & Exp. Factor	44. E-Receipt Distribution	
16. ZP Factor	46. Unit Delivery Disposition Letter	
17. Dealer Bonus & Margin System	48. SPK Fulfillment	
18. Financial Figure	55. Distribution	
19. Strategic View	65. Action Plan	
20. Employee Productivity		
21. Top Audit Finding Issue		

Laporan Hasil SOP & Policy Review
Honda Sales Operation
11 Agustus 2014

Ringkasan Hasil

42%	17%	65%	64%	79%	63%	42%	41%	68%
5%	8%	37%	34%	25%	37%	34%	3%	12%

Rekomendasi Tujuan Pertama
Meningkatkan tingkat pemahaman SOP & Audit di level operasional

Daftar Isi

Ringkasan Hasil	13	Metodologi	16	Rincian Hasil	23
Pendahuluan	4	Objektif Sampling - SOP	17	Daftar Gambar	25
Objektif Distribusi	14	Objektif Sampling & Seleksi - Sales Office	20		
Visi	15	Metode Pengumpulan	21		

KONTROL & MONITORING SERVICE KUNJUNGAN

Suaramu, Senyumnya
Menginformasikan penerimaan uang pembayaran dan terkait pesanan ke konsumen dapat memberikan rasa aman dan nyaman bagi konsumen

TERGANTUNG YANG DEPAN
Budaya Organisasi yang baik akan tergantung bagaimana komitmen seorang pemimpin dalam membangun budaya tersebut

2015 BEAUTY OF CONTROL

“Dengan surprise cash operation, saya dapat merasa lebih senang jika terdapat sebuah surat yang dapat selamatkan surat saya”

- Assisting management to improve awareness of risk & control by training (in class & as a training ground), promoting key controls through various media on-line/printing

SIKLUS SPK MANUAL

Group Audit as a 3rd Line of Defense (3)

SALES OPERATION AUDIT Product

VISITREVIEW

 **Desk Review**

Project
Non Regular


mysurveillance
Continuous Auditing System

SOA
Workshop

icq *Internal Control Questioner*

SMES
SOA MEET & SHARE

SOA
alert

COMING SOON

 **SOA WEBSITE**

To Be Concerned

- **Maintaining Independence, Adequacy and Competence of Internal Auditor**
- **Strengthening coordination with Business Unit Management, Risk Management/Advisory & Other oversee functions**
- **Optimizing various audit tools utilization**
- **Giving added value**

GAnRA Next Initiatives

- **To Assist management on developing E-Learning to improve risks-control knowledge & awareness**
- **To Facilitate management to embed all key controls into system application (automatic controls – minimizing manual controls)**
- **To Develop CSA Online and a more practical & automatic audit tools**
- **To Facilitate Business Process Improvement more specifically**
- **To Initiate Integrated Dashboard Management (continuous auditing enhancement)**
- **To Initiate Combined Assurance Concept**
- **To Initiate Value Based / Driven Audit (focused on opportunity)**



Thank You

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Otonom



Jasa Keuangan



Alat Berat & Pertambangan



Agribisnis



Infrastruktur & Logistik



Teknologi Informasi