

Internal Audit Charter
PT Bank Syariah Indonesia Tbk

Internal Audit is an independent and objective assurance and consulting activity designed to add value and improve the Bank's operations. This is achieved through a systematic approach aimed at evaluating and enhancing the effectiveness of risk management, internal controls, and the Bank's governance processes.

The Internal Audit Charter is a written document that serves as a guide for:

- a. Conducting Internal Audit Functions: Outlining the framework for the execution of the internal audit function and the audit process.
- b. Initiating Communication: Establishing protocols for communication within the organization and with stakeholders.
- c. Reviewing Activities: Overseeing and examining the activities of PT Bank Syariah Indonesia Tbk.
- d. Authority to Access Information: Granting the authority to access records, documents, data, and physical assets, including information management systems and Management meeting minutes.

1. Vision, Mission, and Functions of Internal Audit

a. Vision

To be an international standard Strategic Business Partner based on Sharia principles, providing added value for the company, and becoming a benchmark for internal audit in Islamic banking in Indonesia.

b. Mission

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- 1) Supporting Organizational Goals: To help the organization achieve its objectives by providing reasonable assurance and independent, objective consulting.
- 2) Evaluating Effectiveness: To assess the effectiveness of internal controls, risk management, and governance processes through the application of Risk-Based Audit.
- 3) Enhancing Synergy: To enhance the synergy of the internal audit function with stakeholders.
- 4) Ensuring Sharia Compliance: To ensure the application of Sharia principles through continuous internal audit activities.
- 5) Managing Internal Audit Effectively: To manage internal audit activities in an effective and efficient manner.
- 6) Developing Competencies: To develop Internal Auditors' competencies in accordance with best practices in the audit profession.

c. Functions

The function of internal audit is adapted to the size, characteristics, and complexity of the Bank's operations by providing assurance and consulting services. The execution of the internal audit function is supported by adequate resources, methodologies, tools, and audit techniques.

2. Position in the Organization

a. Reporting Line

The Internal Audit Unit (IAU) reports directly to the President Director.

b. Reporting Responsibilities

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In carrying out its duties, the IAU reports to the President Director and/or the Board of Commissioners, with copies sent to the Audit Committee and the Director in charge of the Compliance function.

c. Communication Rights

The IAU has the right to communicate directly with the Board of Directors, the Board of Commissioners, the Audit Committee, and the Sharia Supervisory Board.

d. Appointment and Dismissal of the Head of IAU

The Head of the IAU is appointed and dismissed by the President Director with the approval of the Board of Commissioners, considering the recommendations of the Audit Committee.

e. Collaboration with Other Units

The IAU cooperates with other units performing control functions in the Bank, focusing on the effectiveness of control functions.

f. Functional Relationships

The IAU has functional relationships and can communicate directly with the Board of Commissioners, the Board of Directors, the Audit Committee, and the Sharia Supervisory Board (DPS).

g. Coordination with the Integrated Internal Audit Unit of the Parent Bank

The IAU coordinates with the Integrated Internal Audit Unit (IAU-I) of the Parent Bank.

h. Responsibilities of the Head of IAU

The Head of the IAU is responsible for:

- 1) Leadership Competency: Ensuring they have adequate competence and capability to lead an independent and objective internal audit function.
- 2) Compliance with Standards: Ensuring that the internal audit function is performed in accordance with Professional Standards for Internal Auditing and the Internal Audit Code of Ethics.

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- 3) Human Resources: Selecting competent human resources according to the needs of the IAU's tasks.
- 4) Professional Development: Ensuring that IAU members participate in ongoing professional development and training related to the Bank's evolving complexity and business activities.
- 5) Periodic Review: Preparing and periodically reviewing the Internal Audit Charter.
- 6) Annual Audit Plan: Developing the annual audit plan and budget allocation for the internal audit function.
- 7) Audit Implementation: Ensuring that internal audits are conducted in accordance with the internal audit plan.
- 8) Reporting Significant Findings: Reporting significant findings to the Board of Directors for prompt corrective action.
- 9) Monitoring Corrective Actions: Monitoring corrective actions on significant findings.
- 10) Follow-Up Reporting: Reporting the results of follow-up on corrective actions for significant findings to the Board of Directors and the Board of Commissioners, with copies sent to the Audit Committee and the Director responsible for the Compliance function.
- 11) Ensure the use of external services for internal audit activities:
 - a) The knowledge transfer between external parties to members of the Internal Audit Unit (SKAI) is organized, and the use of external expert services is temporary.
 - b) The use of external services does not affect the independence and

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objectivity of the SKAI function.

- c) External parties comply with the Audit Charter of PT Bank Syariah Indonesia Tbk.

12) Report findings related to the implementation and fulfillment of Sharia principles to the Sharia Supervisory Board.

13) Develop written policies and procedures as guidelines for Auditors in performing their duties.

3. Scope of Internal Audit Activities

The scope of internal audit activities includes:

- a. Examination and evaluation of the Bank's activities, at a minimum, concerning:

- 1) The effectiveness, efficiency, and adequacy of the internal control system, risk management, and governance on an ongoing basis;
- 2) The reliability, effectiveness, and integrity of information management processes and systems, including the relevance, accuracy, completeness, availability, and confidentiality of data;
- 3) Compliance with laws and regulations, including adherence to Sharia principles;
- 4) The quality of organizational performance.
- 5) The protection of the Bank's assets.

- b. The above activities apply to the Bank as a whole, including affiliated parties, Head Office, Regions, Areas, Branches and their units, and Bank activities entrusted to external parties.

4. Authority, Responsibilities, and Communication of Internal Audit with Control Functions

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a. Authority of the Internal Audit Unit:

- 1) Perform internal audit activities for all units within the Bank's organization and affiliated parties according to applicable governance.
- 2) Communicate directly with the Board of Directors, Board of Commissioners, Audit Committee, and Sharia Supervisory Board.
- 3) Hold regular and incidental meetings with the Board of Directors, Board of Commissioners, Audit Committee, and Sharia Supervisory Board.
- 4) Access all relevant Bank data and information related to the duties and functions of Internal Audit, including printed and electronic data, records, employees, funds, assets, locations or areas, and other information related to the Bank's resources.
- 5) Conduct investigations into cases/issues of suspected fraud or violations of the Code of Conduct (CoC) in any aspect or element of activities.
- 6) Determine the schedule, audit objects, personnel, scope, methodology, techniques, tools, and approaches related to the execution of general audit activities and investigative activities.
- 7) Coordinate activities with External Auditors.
- 8) Engage external parties or non-Internal Audit professionals in the audit process, both within and outside the Bank, if deemed necessary.
- 9) Implement internal audit activities in accordance with the Internal Audit Code of Ethics.

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- 10) Perform verification, interviews, confirmations, and/or other audit techniques with internal and external parties related to the execution of Internal Audit duties and functions.
- 11) Attend strategic meetings (excluding meetings for financing approval discussions) without voting rights in decision-making processes.
- 12) Report internal audit summaries to the executive officer responsible for the internal audit function of the main entity for the Financial Conglomerate.

b. Responsibilities of the Internal Audit Unit:

- 1) Assist the President Director and the Board of Commissioners in overseeing by operationalizing the planning, execution, and monitoring of audit results.
- 2) Create analyses and evaluations in finance, accounting, operations, and other activities through ongoing audits and monitoring.
- 3) Identify opportunities for improving and enhancing the efficiency of resource and fund usage.
- 4) Provide improvement recommendations and objective information on audited activities to all management levels.
- 5) Develop written policies and procedures as guidelines for Auditors in performing their duties.
- 6) Coordinate SKAI activities with external audit activities and other assurance-providing units/functions.
- 7) SKAI must communicate with the Regulator at least once a year.
- 8) Report the internal audit summary to the officer responsible for the internal audit function at the parent company.

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c. SKAI's Relationship with Control Function Units and External Auditors

- 1) SKAI collaborates with other control function units within the Bank to enhance the effectiveness of the control functions.
- 2) SKAI works with External Auditors to support the delivery of External Audit services to the Bank.

d. SKAI's Communication with the Regulator

- 1) In carrying out its internal audit function, SKAI communicates with the Financial Services Authority (OJK) at least once a year.
- 2) Communications must cover at least the following topics:
 - a) Risk areas identified by OJK and SKAI;
 - b) Understanding of the Bank's risk mitigation actions;
 - c) Monitoring of the Bank's follow-up actions on identified weaknesses;
 - d) Findings and recommendations from SKAI's activities for the current year; and,
 - e) Annual Audit Plan.

e. SKAI's Communication with Integrated SKAI

- 1) SKAI at PT Bank Syariah Indonesia Tbk communicates with Integrated SKAI periodically, at least twice a year.
- 2) SKAI at PT Bank Syariah Indonesia Tbk and Integrated SKAI may communicate with the Board of Commissioners, Sharia Supervisory Board, and the Integrated Governance Committee in relation to the implementation of Integrated Governance oversight.

5. Code of Ethics and Professional Standards

a. Internal Audit Code of Ethics

1) Integrity

The integrity of Internal Auditors builds trust and serves as the foundation for the credibility of their judgments.

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Code of Conduct:

- a) Perform duties with honesty, diligence, and responsibility;
- b) Comply with laws and make disclosures based on applicable laws and regulations in Indonesia according to their profession;
- c) Not knowingly/intentionally engage in unlawful activities, or activities that may damage the credibility of the internal audit profession or the reputation of PT Bank Syariah Indonesia Tbk; and
- d) Support and contribute to achieving the legitimate and proper objectives of PT Bank Syariah Indonesia Tbk.

2) Objectivity

Internal Auditors demonstrate the highest level of professional objectivity in obtaining, evaluating, and communicating information about the activities or processes under review. They should make balanced assessments of all relevant factors and not be influenced by personal interests or external parties in forming their judgments.

Code of Conduct:

- a) They must not participate in any activity or relationship that could, or reasonably could, be seen as impairing their ability to assess issues impartially, including operational and decision-making activities.
 - b) They are prohibited from accepting anything that could, or reasonably could, interfere with their professional judgment; and
 - c) They must disclose all relevant facts known to them that could potentially affect the findings in their audit reports.
 - d) Confidentiality
- 3) Internal Auditors respect the value and ownership of information received and do not disclose that information without proper authority, unless legally or professionally obligated to do so.

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Code of Conduct:

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- a) They must exercise care in using and safeguarding information obtained during the performance of their duties; and
- b) They are prohibited from using information for personal gain or in any way that contradicts the law or is detrimental to the legitimate and appropriate goals of PT Bank Syariah Indonesia Tbk.

4) Competency

Internal Auditors must apply the necessary knowledge, skills, and experience required for the effective performance of internal audit duties.

Code of Conduct:

- a) Only engage in tasks that require knowledge, skills, and experience commensurate with their qualifications.
- b) Perform assignments in accordance with the International Standards for the Professional Practice of Internal Auditing.
- c) Continuously improve their expertise, as well as the effectiveness and quality of their work.

b. Use of External Services to Support Internal Audit Duties

The use of external services in the performance of internal audit is governed by the following considerations:

- 1) If Internal Auditors lack specific knowledge, skills, or competencies required to perform some or all aspects of a general audit activity or investigation, the Head of SKAI must seek advice and assistance from competent external parties.
- 2) SKAI may utilize resources outside of SKAI, including internal Bank resources and/or external service providers with qualifications in specific disciplines necessary to fulfill internal audit responsibilities.
- 3) The use of external services must not affect the independence and objectivity of the SKAI function.

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- 4) For coordination purposes, SKAI may exchange relevant information related to assignments with legal experts or external auditors, provided that the terms, conditions, and limitations are clearly defined in the External Service
- 5) Provider Agreement.

c. Coordination with Other Assurance Providers and Legal Experts

The procedures for coordinating with legal experts or external auditors are as follows:

- 1) Coordination is required when specific legal expertise or other specialized knowledge is needed from legal experts or external auditors.
- 2) This pertains to investigative activities and case management.
- 3) Coordination can be performed periodically or on an ad hoc basis.
- 4) The results of the coordination are reported to the President Director, the Board of Commissioners, and the Audit Committee.

6. Requirements for Internal Auditors

a. Requirements for Internal Auditors

- 1) Must possess integrity and professional behavior, demonstrating independence and objectivity in the performance of their duties.
- 2) Must have knowledge and experience in audit techniques and other relevant disciplines related to their field of responsibility.
- 3) Must have knowledge of banking regulations and related legislation.
- 4) Must have the ability to interact and communicate effectively both verbally and in writing.
- 5) Must adhere to professional standards issued by internal audit associations.
- 6) Must comply with the Internal Audit Code of Ethics.
- 7) Must maintain confidentiality of company information and/or data related to the performance of internal audit duties, unless required by laws or judicial decisions.

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- 8) Must understand the principles of good corporate governance and risk management.
- 9) Must be willing to continuously improve their knowledge, skills, and professional competence.

b. Conditions for Maintaining Independence in Providing Consulting or Special Assignments

When providing consulting services or undertaking special assignments, SKAI must ensure independence and objectivity as follows:

- 1) There must be a separation between the Internal Auditor providing consulting services on a policy/procedure and the Internal Auditor auditing the same policy/procedure.
- 2) There must be a disclosure that consulting outcomes do not affect the objectivity of SKAI.
- 3) The purpose and rationale for requesting consulting services must be clearly understood to:
a) Determine the appropriate scope of the consulting engagement to meet the assignment objectives.
b) Address the needs of the requesting party in terms of activities, timing, format, and delivery of results or reports.

c. Requirements for Adhering to Professional Internal Audit Standards

- 1) All Internal Auditors are responsible for complying with Professional Internal Audit Standards concerning individual responsibilities for objectivity, proficiency (competence), professional care, and performance and responsibility standards.

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- 2) Internal Auditors must continuously improve their knowledge, skills, and competencies through ongoing development programs.
- 3) The knowledge, skills, and competencies required for the comprehensive execution of internal audits must be possessed by the Head and Members of SKAI, either individually or collectively, in accordance with the evolving business activities and complexity of the Bank.

7. Restrictions on Assignments

To ensure that the SKAI function operates in accordance with Professional Internal Audit Standards and the Internal Audit Code of Ethics, the following assignment restrictions are established:

- a. The Leader, Employees, and Internal Auditors are prohibited from:
 - 1) Holding any authority, responsibilities, or performing operational activities except those within SKAI's scope of operations.
 - 2) Holding dual roles or responsibilities related to the Bank's operational activities.
 - 3) Participating in decision-making for any Bank operational activities.
- b. Internal Auditors recruited from other Units within BSI may be assigned to audit their originating Unit only after conducting at least one audit of that Unit and/or after a one-year audit period has passed.
- c. Internal Auditors are not allowed to be assigned as Team Leaders for the same Auditee consecutively for two audits.
- d. SKAI will implement periodic assignment restrictions and an adequate cooling-off period of at least one year for Internal Auditors, including a cooling-off period for the

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previous assignment area and for new Internal Auditor recruits from other Units outside SKAI.

- e. SKAI will apply restrictions and an adequate cooling-off period for external services of at least one year for areas previously assigned, whether performed jointly with SKAI or independently.

8. Miscellaneous

- a. With the issuance of the 2022 Internal Audit Charter, the 2021 Internal Audit Charter is hereby revoked and no longer valid.
- b. This Internal Audit Charter will be reviewed at least once every three years for approval by the Board of Commissioners and ratification by the President Director, taking into account the recommendations of the Audit Committee.
- c. This Internal Audit Charter is effective from the date of issuance, and any errors or omissions in this Charter will be adjusted as necessary in the future.

JAKARTA,..... 2022

PT BANK SYARIAH INDONESIA TBK

[signed]

Adiwarman Azwar Karim

President Commissioner

[signed]

Hery Gunardi

President Director

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PERNYATAAN PENERJEMAH TERSUMPAH

Saya, **DICKY PRIYANA, S.Hum**, Penerjemah Tersumpah di Republik Indonesia berdasarkan peraturan perundang-undangan yang berlaku di Republik Indonesia, dengan ini menerangkan dan menyatakan, sesuai dengan sumpah jabatan saya, bahwa dokumen ini merupakan terjemahan yang benar, setia dan lengkap dari dokumen sumber yang diberikan kepada saya.

*I, **DICKY PRIYANA, S.Hum**, a Sworn Translator in the Republic of Indonesia by virtue of the applicable laws and regulations in the Republic of Indonesia, hereby state and declare, under my oath of office, that the foregoing document is a true, faithful and correct translation of the source document presented to me.*

Jakarta, 5 Juli 2024



DICKY PRIYANA

Penerjemah Tersumpah [Bahasa Indonesia ke Bahasa Inggris]

Surat Keputusan Menteri Hukum dan Hak Asasi Manusia Republik Indonesia

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