

Audit Committee

The Audit Committee members are appointed and responsible to the Board of Commissioners to assist the implementation of the functions of the Board of Commissioners in carrying out their duties.

Legal Base

The establishment of the Company's Audit Committee is based on:

1. Regulation of the Financial Services Authority No. 55/POJK.04/2015 dated 23 December 2015 about the Establishment and Work Guidelines of the Audit Committee.
2. Regulation of the Financial Services Authority Number 13/POJK.03/2017 dated 27 March 2017 about the Use of Public Accountant Services and Public Accounting Firms in Financial Service Activities;
3. Financial Services Authority Circular Number 36/SEOJK.03/2017 dated 11 July 2017 about the Procedures for Using Public Accountant Services and Public Accounting Firms in Financial Service Activities;
4. Regulation of the Financial Services Authority Number 56/POJK.04/2015 dated 23 December 2015 about the Establishment and Guidelines for Preparation of the Internal Audit Unit Charter;
5. Financial Services Authority Regulation No.33/POJK.04/2014 dated 8 December 2014 about the Directors and Commissioners of Issuers or Public Companies.
6. Bank Indonesia Circular No. 15/15/DPNP dated 29 April 2013 concerning Implementation of Good Corporate Governance for Commercial Banks.
7. Bank Indonesia Regulation No. 8/4/PBI/2006 dated 30 January 2006 about the Implementation of Good Corporate Governance for Commercial Banks as amended by Bank Indonesia Regulation No. 8/14/PBI/2006 dated 5 October 2006.
8. Bank Indonesia Regulation No. 1/6/PBI/1999 dated 20 September 1999 about the Assignment of Compliance Director and Implementation of Commercial Bank Internal Audit Function Implementation Standards (SPFAIB).
9. Minister of BUMN Regulation Number PER-12/MBU/2012 dated 24 August 2012 about the Supporting Organs of the Board of Commissioners/Supervisory Board of State-Owned Business Entities.
10. Minister of BUMN Regulation Number PER-01/MBU/2011 dated 1 August 2011 concerning Implementation of Good Corporate Governance in BUMN as amended by Minister of BUMN Regulation Number PER-09/MBU/2012 July 6, 2012 concerning amendments to Minister of BUMN Regulation Number PER-01/MBU/2011 about the Implementation of Good Corporate Governance in BUMN.
11. Articles of Association of PT. Bank Rakyat Indonesia (Persero), Tbk. with the last change.
12. Joint Decree of the Board of Commissioners and Directors of PT. Bank Rakyat Indonesia (Persero) Tbk dated 16 December 2013 Number: 06-KOM/BRI/12/2013 or S.05-DIR/DKP/12/2013 concerning the Code of Conduct of PT. Bank Rakyat Indonesia (Persero) Tbk.

The Charter of Audit Committee

The BRI Audit Committee has a guide book and order Audit Committee (Audit Charter) that sets out the duties, authorities, obligations, responsibilities, division of labor, work hours, work ethics, meetings, organizational structure, and implementation of the duties of the Audit Committee. This Charter must be known and binding on each member of the Audit Committee. The Audit Committee Guidelines are ratified by the Board of Commissioners through a Board of Commissioners Decree No. 11-KOM/11/2018 concerning the Audit Committee Charter and Code of Conduct of PT Bank Rakyat Indonesia (Persero) Tbk.

Appointment and Dismissal

Audit Committee members from Independent Parties are selected by the Board of Commissioners through a recruitment and selection mechanism. The Audit Committee members are appointed and dismissed by the Board of Commissioners and be appointed through a Decree of the Board of Directors.

Audit Committee Membership and Structures

Committee Structures

1. The Audit Committee is coordinated under the BOC and is structurally responsible to the BOC
2. The Audit Committee is chaired by the Independent Commissioner.

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Committee Membership

1. A member of the Audit Committee shall consist of at least 3 (three) members:
 - a. an Independent Commissioner;
 - b. an Independent Party having expertise in accounting and finance; and
 - c. an Independent Party with expertise in law or banking.
2. Members of the Board of Directors are prohibited from become members of the Audit Committee.
3. Members of the Audit Committee from Independent Party are elected by the BOC through recruitment and selection mechanisms.
4. Members of the Audit Committee are appointed and terminated by the BOC and stipulated through the Decree of the BOD.
5. The Company shall submit the information to the Financial Services Authority on the appointment and termination of members of the Audit Committee at least 2 (two) working days following the appointment and termination and shall be published in the Stock Exchange Website and/or the Company Website.

As of 31 December 2018, membership of Audit Committee are as follows:

Name	Title	Profession	Terms of Office
A. Fuad Rahmany	Chairman	Independent Commissioner	June 2015 – present
A. Sonny Keraf	Member	Independent Commissioner	June 2015 – present
Rofikoh Rokhim	Member	Independent Commissioner	October 2017 – present
Pamuji Gesang Raharjo	Member	Independent Party	February 2016 – present
I Gde Yadnya Kusuma	Member	Independent Party	February 2016 – present
Sunuaji Noor Widiyanto	Member	Independent Party	December 2016 – present

Committee Profile

A. Fuad Rahmany	Chairman of Audit Committee /Independent Commissioner Period: June 2015 – present Profile is available at section Profile of BOC
A. Sonny Keraf	Member of Audit Committee /Independent Commissioner Period: June 2015 – present Profile is available at section Profile of BOC
Rofikoh Rokhim	Member of Audit Committee /Independent Commissioner Period: October 2017 – present Profile is available at section Profile of BOC
I Gde Yadnya Kusuma	Member of Audit Committee /Independent Party Period: February 2016 – present Born in Singaraja Bali, 19 May 1954. Serves as member of the Audit Committee of PT BRI (Persero) Tbk since July 2010. Previously has a career in Bank Indonesia served in several posts and at the Financial Transaction Reporting and Analysis Center (PPATK) as Research and Analyst Director. Obtained Bachelor degree in Economics from Swadaya Economics Science Academy, Jakarta (1993) and Master degree in Economics from University of Indonesia, Jakarta (2006).

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Pamuji Gesang Raharjo

Member of Audit Committee /Independent Party
Period: February 2016 – present

Born in Jakarta, 10 April 1968. Serves as member of the Audit Committee of PT BRI (Persero) Tbk since 1 February 2016. Previously served as member of the Risk Management Monitoring Committee of PT BRI (Persero) Tbk. Has a career in several posts with PT BRI (Persero) Tbk, PT Bank Internasional Indonesia Tbk; PT Bank Danahutama; PT Pegadaian (Persero); and served as Executive Director of Risk Management Center Indonesia (RMCI). Obtained Bachelor Degree in Economics from University of Prof. Dr. Moestopo (Beragama) Jakarta (1996), Master degree in Management, risk management specialist from Master Management Program, Economics Faculty, University of Indonesia (2003), and obtained Doctoral degree from Institute of Agriculture Bogor (IPB) in 2014. Has Risk Management Certification Level 4 from Risk Management Certification Agency (BSMR) and obtained Certified of Financial Consultant (CFC) from Institute of Financial Consultant, Canada (2013).

Sunuaji noor Widiyanto

Member of Audit Committee /Independent Party
Period: December 2016 – present

Born in Yogyakarta, 1 January 1960, Serves as member of the Audit Committee of PT BRI (Persero) Tbk since 1 December 2016. Previously has a career with PT BRI (Persero) Tbk, served as Inspector in Inspection Office of BRI Yogyakarta (2014-2016) and previously served as Division Head of Procurement of BRI Head Office (2012-2014). He also had served as Chairman of BRI National Worker Union for 2 (two) periods (2006-2012). Obtained Bachelor degree in Economics from University of Islam Indonesia, Yogyakarta (1996) and obtained Qualified Internal Auditor (QIA) certification from Internal Audit Educational Foundation (YPIA) in 2015.

Terms of Office

The terms of office of the Audit Committee members shall be the same with the terms of office of the BOC as stipulated in the Articles of Association and may be reelected for only one (1) subsequent period.

Qualifications and Experience

- As member of the Audit Committee professional organization, has the knowledge on auditing concept and has the background and knowledge on financial reporting or audit for at least 10 years (at least one member).
- Has adequate knowledge on banking industry including banking rules and regulations as well as prevailing laws and regulations.
- Has adequate knowledge on Good Corporate Governance (GCG) principles.
- Has adequate knowledge on risk concept and control in business activities as well as internal control

Independency of Committee Members

All members of the Audit Committee do not have an affirmation with the Directors, Commissioners or controlling shareholders of BRI as evidenced by the signing of an independent statement by the Audit Committee Members. The Audit Committee members are also not shareholders, Commissioners, Directors or employees of companies that have affiliations or business with BRI.

Before taking office, members of the Audit Committee did not have the authority to design, lead or control BRI and were not former leaders or employees of the Public Accountant Office who checked BRI's books.

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No	Independencies Criterias	A. Fuad Rahmany	A. Sonny Keraf	Rofikoh Rokhim	Pamuji Gesang Rahardjo	Sunuaji Noor Widiyanto	I Gde Yadnya Kusuma
1.	Does not have relationships with shareholders with members of the Board of Commissioners, Directors and/or Controlling Shareholders or relations with the Bank, which can affect their ability to act independently.	√	√	√	√	√	√
2.	Does not have any financial relationships with shareholders with members of the Board of Commissioners, Directors and / or Controlling Shareholders or relations with the Bank, which can affect their ability to act independently.	√	√	√	√	√	√
3.	Does not have any management relationships with shareholders with members of the Board of Commissioners, Directors and / or Controlling Shareholders or relations with the Bank, which can affect their ability to act independently.	√	√	√	√	√	√
4.	Does not have any family relationships with shareholders with members of the Board of Commissioners, Directors and / or Controlling Shareholders or relations with the Bank, which can affect their ability to act independently.	√	√	√	√	√	√

Duties and Responsibilities

The Audit Committee independently conducts its duties and responsibilities to assist the Board of Commissioners in oversight duty in regards to the following:

1. Financial Statements
 - a. Reviewing the financial information that will be released by the Company to the public and/or authorities including financial reports, projections and other reports related to the Company's financial information.
 - b. Conducting reviews with the Management, Internal Audit Unit and Public Accountant, KAP or Audit Team from KAP on the audit results including the difficulties faced.
 - c. Provide independent opinion in the event of disagreements between management and the Public Accountant, KAP or Audit Team from KAP for the services they provide.
 - d. Reviewing annual reports to ensure the adequacy, consistency and accuracy of information.
2. Internal Control Monitoring

Reviewing, and discussing with the Management, Internal Auditor, and Public Accountant or Audit Team of Public Accountant Firm on the adequacy and effectiveness of internal control over financial statements including material weaknesses, both in design and operation, which may impair the Bank's ability to record, process, summarize, and report financial information.

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3. Internal Audit Unit (IAU)
 - a. Monitoring the effectiveness of IAU's work.
 - b. Providing opinions and advice to the Board of Commissioners for consideration in approving the appointment and dismissal of the Chairman of the Internal Audit Unit.
 - c. Reviewing the Company's Report to the Financial Services Authority on the Internal Audit function implementation.
 - d. Reviewing each IAU Report submitted to the Board of Commissioners c.q. Audit Committee, including any reports on irregularities submitted to the Board of Directors.
 - e. Reviewing the execution of the Audit by IAU, and overseeing the follow-up by the Board of Directors on the findings of the Internal Auditor.
4. Independent Auditor
 - a. Providing recommendation on the appointment of a Public Accountant and/or Firm that will provide audit services to the annual financial information, to the Board of Commissioners to be submitted to the GMS, taking into account the independence, scope of the assignment, and services fee.
 - b. Providing recommendation to the Board of Commissioners, to be proposed to the GMS, in the case of the Public Accountant and/or Public Accountant Firm decided by the GMS as referred to in point 1) cannot meet the audit services on annual financial information during the Professional Assignment Period, the appointment of a replacement of Public Accountant and/or Public Accountant Firm may be conducted by the Board of Commissioners with due regard to the Audit Committee's recommendation.
 - c. In the event that the Audit Committee cannot recommend Public Accountant and/or Public Accountant Firm that will provide audit services to annual financial information to the Board of Commissioners prior to the GMS as referred to in point 1), the Audit Committee shall recommend delegation of authority to appoint Public Accountant and/or Public Accountant Firm to the Board of Commissioners, with explanation about:
 - The reason for the delegation of authority; and
 - Criteria or limitations to the appointed Public Accountant/ Public Accountant Firm.
 - d. In preparing the recommendations as referred to in point 1), the Audit Committee shall consider:
 - 1) Independence of Public Accountant, Public Accountant Firm, and person in Public Accountant Firm;
 - 2) The scope of the audit;
 - 3) Audit services fee;
 - 4) Expertise and experience of Public Accountant, Public Accountant Firm, and Audit Team of the Public Accountant Firm;
 - 5) The methodology, techniques, and audit facilities used by the Firm;
 - 6) Benefits of fresh eye perspectives that will be obtained through the replacement of Public Accountant, Public Accountant Firm, and Audit Team of the Public Accountant Firm;
 - 7) Potential risks for the use of same audit services (Public Accountant Firm) continuously for a sufficient period of time; and/or
 - 8) Evaluation result on the implementation of audit services for annual financial information by Public Accountant and Public Accountant Firm in the previous period, if any.
 - e. Submit the recommendations of the Audit Committee in the appointment of Public Accountant and/or Public Accountant Firm to the Board of Directors of PT Bank Rakyat Indonesia (Persero) Tbk. and/or DPLK Executive Board to be used as appendix of Public Accountant and/or Public Accountant Firm Appointment Report to the Financial Services Authority.
 - f. Propose to terminate a Public Accountant, Public Accountant Firm, or Public Accountant Firm Audit Team, if in performing their duties, the Auditor does not meet the applicable standards and regulations.
 - g. Review candidates for Public Accountant, or Audit Team of Public Accountant Firm for consolidated subsidiaries. Public Accountant Firm for consolidated subsidiaries are designated and assigned by the subsidiary concerned, in accordance with the provisions in the articles of association, but shall be consulted with the Audit Committee to assess the independence aspect of the prospective Public Accountant, Public Accountant Firm, or Public Accountant Firm Audit Team and audit supervision carried out by the Audit Committee.

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- h. Pre-approval of non-insurance services to be assigned to Public Accountant Firm.
 - i. Evaluate the implementation of audit services for annual financial information by Public Accountant, Public Accountant Firm, or Public Accountant Firm Audit Team, at least through:
 - 1) Compliance with audit conducted by Public Accountant, Public Accountant Firm, or Public Accountant Firm Audit Team with applicable audit standards;
 - 2) Adequacy of fieldwork time;
 - 3) Assessment of the scope of services provided and the adequacy of the quotation;
 - 4) Recommendations for improvements provided by the Public Accountant and/or Public Accountant Firm; and
 - 5) Others.
 - j. Submit the Audit Committee's Evaluation Report as referred to in number 9) to the Board of Directors of PT Bank Rakyat Indonesia (Persero) Tbk. and/or BRI DPLK Board, in accordance with Attachment 2.
5. Compliance
- a. Monitoring the effectiveness of policies and implementation of fraudulent financial reporting risks that have been prepared and implemented by the Board of Directors.
 - b. Reviewing adherence to laws and regulations related to the activities of the Bank.
6. Complaint Reviewing complaints both related to the Bank's accounting and reporting process, as well as other complaints.
7. Others
- a. Reviewing and providing advice to the Board of Commissioners related to potential conflicts of interest of the Bank.
 - b. Maintaining confidentiality of documents, data, and information of the Bank.
 - c. Carrying out the assignment as requested by the Commissioner.
- c. Involve independent parties outside the members of the Audit Committee as required to assist in the execution of their duties (if necessary); and
 - d. To exercise other authorities granted by the BOC.

KPI and Achievement in 2018

Audit performance indicators or criteria are measured from the achievement of work programs/work plan and budget (RKA) that have been prepared at the beginning of each year, and the attendance of the Audit Committee members in each meeting. The work program of the Audit Committee not IKTT is prepared to support the Key Success Factors of the Board of Commissioners' duties in ensuring the adequacy of internal controls, including the adequacy of the financial reporting process.

Generally, all KPI of Audit Committee has been achieved by the implementation of all Work Plan and Budget (RKA) of Audit Committee in 2018, which are in line with the target. The attendance level of Audit Committee's members also fulfilled the quorum requirement in every decision made.

THE IMPLEMENTATIONS OF THE 2018 AUDIT COMMITTEE ACTIVITIES

I. Audit Committee with SKAI BRI

1. Annual Audit Planning (PAT) of BRI SKAI in 2018.
 - a. The Audit Committee has reviewed and examined the draft Annual Audit Planning (PAT) of the 2018 BRI SKAI submitted by SKAI BRI byletter no. B.3-SKA/PSA/04/2018 dated 23 April 2018 concerning Application for Approval of Annual Audit Planning (PAT) in 2018;
 - b. In preparation for the forming of the] SKAI BRI Annual Audit Planning in 2018, the Audit Committee has conducted technical discussions with the Internal Audit Unit in the Audit Committee Meeting held on Friday, 19 December 2017 as outlined in the Minutes of Meeting Audit Committee No. 18-KA/12/2017 dated 19 December 2017 and

Authorities

- a. Access the Bank's documents, data and information concerning employees, funds, assets, and corporate resources;
- b. Communicate directly with employees, including the BOD and parties performing internal audit, risk management, and accountant functions related to the Audit Committee's duties and responsibilities;