

PRESS RELEASE**OJK PROMOTES STRENGTHENING OF AUDIT INTERNAL FUNCTIONS IN
FINANCIAL SERVICES SECTOR AMID DIGITALIZATION ERA**

Jakarta, October 12, 2023. Indonesia Financial Services Authority (OJK) continuously encourages integrated governance, risk management, and compliance (GRC) implementation in the Financial Services Sector (SJK) as an effort to create stability, growth, and strengthens financial services industry that benefited the national economy and people's welfare.

This effort is channelled in the strengthening of Audit Internal in the Insurance, Guarantee, and Pension Fund Sector, as well as Financing Institutions, Capital Venture Companies, Micro Financial Institutions and Other Financial Services Sector Forum, which discusses "Audit Internal Functions Strengthening of Financial Services Sector Amidst Digitalization Era". The forum was held in Jakarta on Thursday.

"Various measures taken by OJK won't be effective without support from all related stakeholders, including everyone in the company's Internal Auditor function. There is no need for competition in the internal audit profession, instead, they should collaborate and work hand in hand to create a sound financial sector services with integrity," Chairman of the Audit Board of OJK Sophia Wattimena said in her opening remark.

Sophia hopes the Internal Audit human resources can uphold professionalism and integrity and become the catalyst of GRC development and implementation within companies.

Chief Executive of the Insurance, Guarantee Institutions, and Pension Fund Supervision of OJK Ogi Prastomiyono emphasized the internal audit functions' roles as an independent party in evaluating and increasing risk management, control, and corporate governance effectiveness in his speech.

"We hope that efforts to strengthen and develop the financial services sector will be aligned with the strengthening of internal audit functions to support good governance implementation. Amid this digitalization era, the internal audit function is expected to be able to optimize information technology utilization such as data analytics and artificial intelligence to push the check and balances mechanism improvement within the financial services institutions," Ogi explained.

Meanwhile, Chief Executive of Financing Institutions, Venture Capital Companies, Microfinance Institutions, and Other Financial Service Companies Supervision of OJK Agusman stated that in implementing governance, Internal Auditors will face several challenges such as window dressing indication in financial reporting, sustainability aspects implementation, to the vast ever-developing digitalization.

"Technological development has opened many innovation opportunities in business, but it can also become another challenge. With the various existing challenges, the Internal Auditor functions are demanded to continuously develop to stay relevant and provide added values for their organization," Agusman said.

The forum invites spokespeople both from and outside of OJK, namely Deputy Supervising Commissioner of Financial Institutions, Capital Venture Companies, Micro Financial Institutions and Other Financial Services Institutions of OJK Bambang W. Budiawan, Head of Anti-Corruption Study Centre of Universitas Gadjah Mada Totok Dwi Diantoro, President of The Institute Internal Auditors Indonesia (IIA) Angela Simatupang, Secretary General of National Committee for Governance Policy (KNKG) Sidharta Utama, Chairman of Bank Internal Auditors Association (IAIB) Antonius Gunardi, Head of Professional Code of Conduct of Indonesian Institute of Certified Public Accountants (IAPI) Djohan Pinnarwan, Head of Internal Audit PT Asuransi Allianz Life Indonesia Carolina Iskandar, Compliance Director of PT BCA Finance Lim Handoyo.

This activity was held in hybrid manner and was attended by more than 1,000 participants from LJK Management and internal audit functions representatives in the Insurance, Guarantee, and Pension Fund sectors, and Financing Institution, Capital Ventures Companies, Micro Financial Institutions, and Other Financial Services Institutions sector, as well as representatives of Profession Institution/Associations Management in governance.

OJK hopes the forum will become the momentum to improve synergy and cooperation between OJK and Financial Services Business Actors and stakeholders in strengthening internal audit functions to support continuous SJK governance strengthening and integrity enforcement.

For more information:

Head of Literacy, Financial Inclusion and Communication Department - Aman Santosa;

Tel. (021) 29600000; E-mail: humas@ojk.go.id