

# *Internal Consultancy Services by IA organization*

*Mukhlis Ibnu Rusdi*

*Group Audit and Risk Advisory – PT Astra Int'l Tbk*



# INTRODUCTION



**MUKHLIS IBNU RUSDI**

CISA CISM ISO27001 LA

Division Head of Group Audit & Risk Advisory  
PT Astra International Tbk

*14 Years in Governance, Risk and Control Advisory*

# ASTRA at A glance

## ASTRA GROUP

Astra 2013	
Employee	190.000 from 190 companies
Revenue	190 Triliun Rupiah
Net Profit	19 Triliun Rupiah



**Head Office (HO)**

**Sales Operations (SO)**  
+ 400 SO

**Affiliated Companies (AFFCO)**  
+ 190 Affco

**Corporate Function**

- Group Audit & Risk Advisory*
- Information Technology
- Human Resource
- Finance Accounting
- Legal
- Others (Astra's Foundations)

**Vehicle Distributor**

Mobil & Motor :



**Other**



**PT Astra International Tbk**

**6 Business Line**

- AUTOMOTIVE**
- FINANCIAL SERVICE**
- HEAVY EQUIPMENT MINING & ENERGY**
- AGRIBUSINESS**
- INFORMATION TECHNOLOGY**
- INFRASTRUCTURE & LOGISTIC VALUE CHAIN**



# ASTRA at A glance



## 6 Lini Bisnis

6 (enam) Lini Bisnis, dengan konsolidasi dari 158 Perusahaan Afiliasi Astra

### OTOMOTIF

TOYOTA moving forward  
 DAIHATSU  
 ISUZU  
 UD TRUCKS  
 HONDA  
 KYB  
 DENSO  
 SHOWA  
 ASTRA WORLD my driving partner  
 SHOP & DRIVE

### JASA KEUANGAN

Finance  
 FIF  
 SBNF  
 PT Komatsu Astra Finance  
 PERMATABANK

### ALAT BERAT & PERTAMBANGAN

UNITED TRACTORS  
 PAMA  
 KOMATSU  
 BOMAG  
 SCANIA  
 TADANO  
 PT TRAKTOR NUSANTARA

### AGRIBISNIS

ASTRA AGRO SEJAHTERA

### TEKNOLOGI INFORMASI

FUJI XEROX  
 astragraphia  
 agit

### YAYASAN

YAYASAN AMALIAT ASTRA  
 YAYASAN PENDIDIKAN ASTRA Michael D. Ruslim  
 YAYASAN ASTRA HONDA MOTOR  
 SCHOOL

### INFRASTRUKTUR & LOGISTIK

ASTRA PELAYARAN  
 PALYJA  
 WMS  
 MITRA  
 GENDORA  
 SERA  
 TRAC  
 MOBIL88  
 IBID  
 Q-RENZ  
 TFSI  
 SELOG  
 HARMONI LOGISTICS



# ASTRA at A glance

## ASTRA BASIC PHILOSOPHY

### CATUR DHARMA

1. To be asset to the Nation
2. Best Service to Customer
3. Respect Individual & Promote Teamwork
4. Strive for Excellence

## KEKUATAN ORGANISASI

### 3 W

- Winning Concept
- Winning System
- Winning team

### 3 P Roadmap

- Portfolio
- People
- Public Contribution

### 3 (Triple) Bottom Line

Profit People Planet

### BUDAYA INOVASI

## ULTIMATE GOAL Sejahtera Bersama Bangsa



**2020** : *Pride of the Nation*

**2014** : *Go to the Next level*

**2013** : *Strengthening the Core*

**2012** : *Public Contribution*

**2011** : *People roadmap*

**2010** : *Portfolio roadmap*

# ASTRA *at A glance*

## ASTRA TOWER SUDIRMAN

### Gedung PT Astra International Tbk – AMDI SUNTER

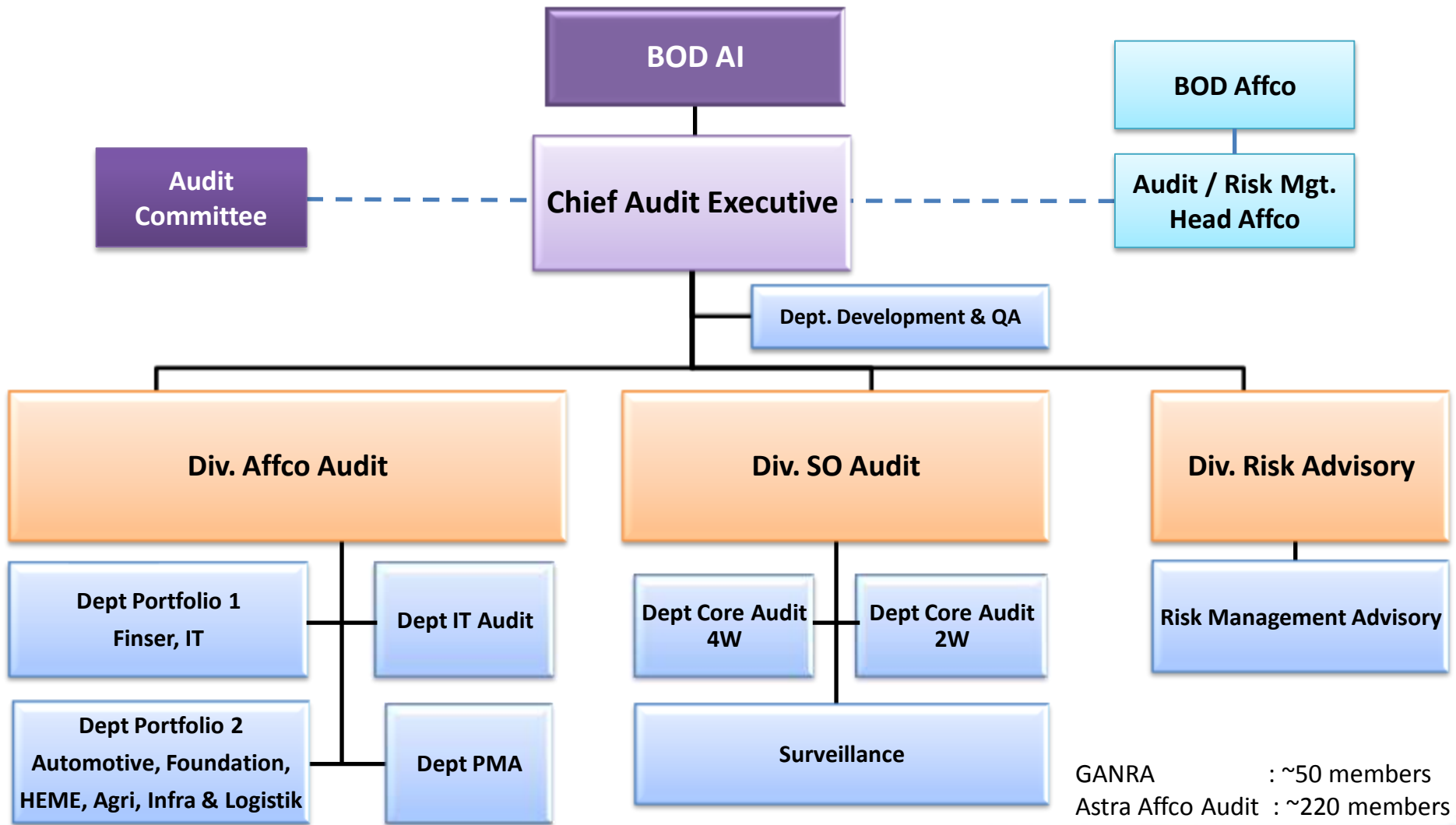






# Group Audit and Risk Advisory

# Group Audit and Risk Advisory (GANRA)



GANRA : ~50 members  
 Astra Affco Audit : ~220 members



# Guiding Principles



## *Ultimate Objective :*

Improvement of **Control Environment** in Astra Group

## *Key success factors :*

1. Strong **TONE** and management support from the top
2. Strong control **CULTURE** and awareness from Senior Management down to operational staffs
3. Strong Internal Audit **LEADERSHIP**
4. Sufficient number and appropriate usage of internal audit **RESOURCES**
5. Appropriate audit **PROCESS** / methodology and control process improvement initiatives

# GANRA Vision



Yesterday  
Compliance  
Watchdog



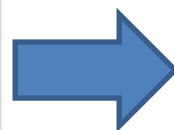
Today  
Business  
Partner



Tomorrow  
Strategic  
Advisor



To Stay Relevant.  
To Continuously Improve.  
To Grow With and Support the Business



Such that GAnRA becomes:  
A Creator of Business Value &  
A Source of Competitive Advantage

# INTRODUCTION

Risk - Control

# ASSURANCE AND CONSULTANCY



# KEY ORGANIZATIONAL SUCCESS

Performance are at **the core of business effectiveness and financial earning.**

Controls are at **the core of business integrity and efficiency.**

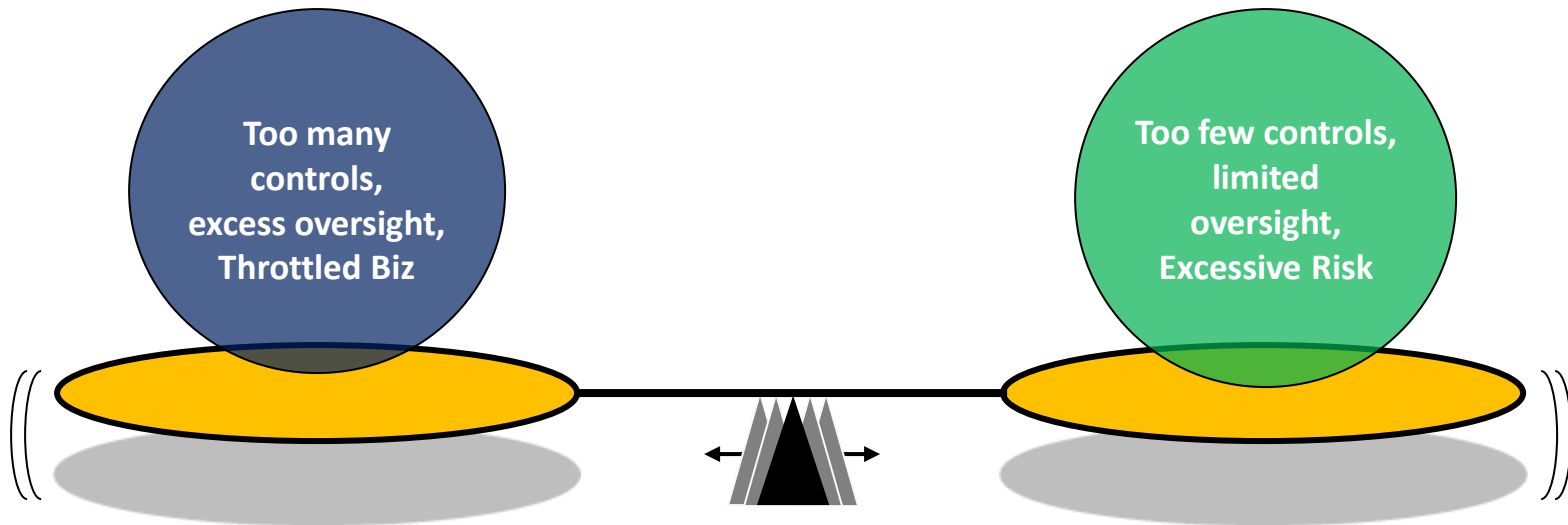
Yet absolute bullet-proof control systems are not realistic.

*The key is To Balancing Between*

Performance

vs.

Control



# Internal Audit Roles and Maturity Stages

‘Internal auditing is an independent, objective **assurance** and **consulting** activity designed to **add value** and **improve** an organisation’s operations. It helps an organisation accomplish its objectives by bringing a **systematic, disciplined approach** to evaluate and improve the effectiveness of **risk management, control and governance processes.**’ – IIA

## 1 Internal Audit Stage 1 - TRADITIONAL

- **Very detailed operational** inspection approach
- **Almost totally compliance** based with large volumes of transactions samples
- **Time consuming** approach
- **focusing on individual locations/ branches**

## 2 Internal Audit Stage 2 – SYSTEM BASED

- Move review **focus** from individual branches to **processes & systems used across organization**
- Focus on **controls adequacy** rather than reviewing large numbers of transactions

## 3 Internal Audit Stage 3 – DEVELOPMENTAL

- **Review all function** in the organization, not only profit center functions
- **Focus on organization activities that really matter**
- **Concentrating on the objectives & the objective achievement threats** rather than just control
- **Emphasizing on overall business framework** rather than individual systems

## 4 Internal Audit Stage 4 – FORWARD LOOKING

- **Looking for and getting request**, particularly for consulting engagements
- Being regarded **as a solution facilitator** rather than a function pointing out problem
- Operating as **business partner** or even an **advisor** and a **mentor**.

# WHAT AND HOW IS CONSULTING

Consulting services is **advisory and related client service activities**, with the nature and scope of which are agreed with the client, are intended to **add value** and **improve** an organization's governance, risk management, and control processes without the internal auditor assuming management responsibility. Examples include counsel, advice, facilitation, and training. - IIA

## Consulting services may include :

- **Objective opinions** on governance, risk and control within an organization
- **Help in developing** sound governance, risk and controls arrangements
- **Training** support, and advice
- **Help on large projects** where the type of risks means **advice on controls**
- **Fraud prevention, detection, and investigation services**



# THE DIFFERENCE

## Assurance vs Consulting

ASSURANCE	CONSULTING
Assessment to provide Independent <b>opinion</b>	Advisory to provide <b>solution</b>
Involving three parties: auditor, process owner, activity management	Involving two parties: auditor and activity management
Nature of the engagement determined by internal auditor	Nature of the engagement determined by agreement with the client

# IA MINDSET SHIFTING

TRADITIONAL PERSPECTIVE	TODAY PERSPECTIVE
I am in Control	I <b>serve</b> others
I direct and command	I <b>facilitate</b>
People have to come to me	I <b>go to people</b>
I breed dependency	I <b>promote</b> independence
I think functionally	I <b>think processes/ Strategy</b>
Status and position are important	Status and position are less important than <b>contribution</b>

# GANRA - ASTRA on CONSULTANCY



# REQUIREMENT TO GIVE CONSULTANCY SERVICES

## CAPACITY AND PROFILING

- *Organization*
- *Personel*



## COMPETENCY

- Knowledge
- Skill
- Attitude

## CULTURE an MINDSET ADJUSTMENT

Both over our internal resouces & client



# KSF of CONSULTANTS

IA ORGANIZATION/ PERSONEL AS CONSULTANTS	CLIENT
<ul style="list-style-type: none"> <li>▪ <b>CULTIVATING CLIENT TRUST</b> <ul style="list-style-type: none"> <li><b>EXPOSSURE CHARACTER</b></li> <li>Be <b>Different</b> <i>Good Positioning and deliver unique services</i></li> <li>Be <b>Strong</b> <i>Ability to work under tough challenge and changing situation</i></li> <li>Be <b>Committed</b> <i>Committed on client satisfaction and continuous improvement</i></li> </ul> </li> <li>▪ <b>RESOURCEFUL</b></li> <li>▪ <b>EXAMPLES of PRACTICES</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ Client involvement and ownership</li> <li>▪ Aware the right culture &amp; business perspective of the organization</li> <li>▪ Change Management</li> <li>▪ Client and Team feedback</li> </ul>

# CONSULTING STEPS in PDCA PERSPECTIVE

## Co-Develop Expectations



**Understand**  
the Client

Assess Risk



Develop  
Consulting  
**Plan**

Execute  
the  
Consulting



**Communicate**  
**Results**

Follow-up

**Preparation**

**DO**

**Check & Act**

Understand the  
Clients Mandate,  
Strategies,  
Operations and  
Environment

Understand  
the Financial  
and Operating  
Processes and  
Performance

Assess  
Control  
Environment

Understand  
the Relevant  
Operational  
Processes

**Select**  
Desired  
Sections/ Area

**Review**  
Existing Section  
Guidelines

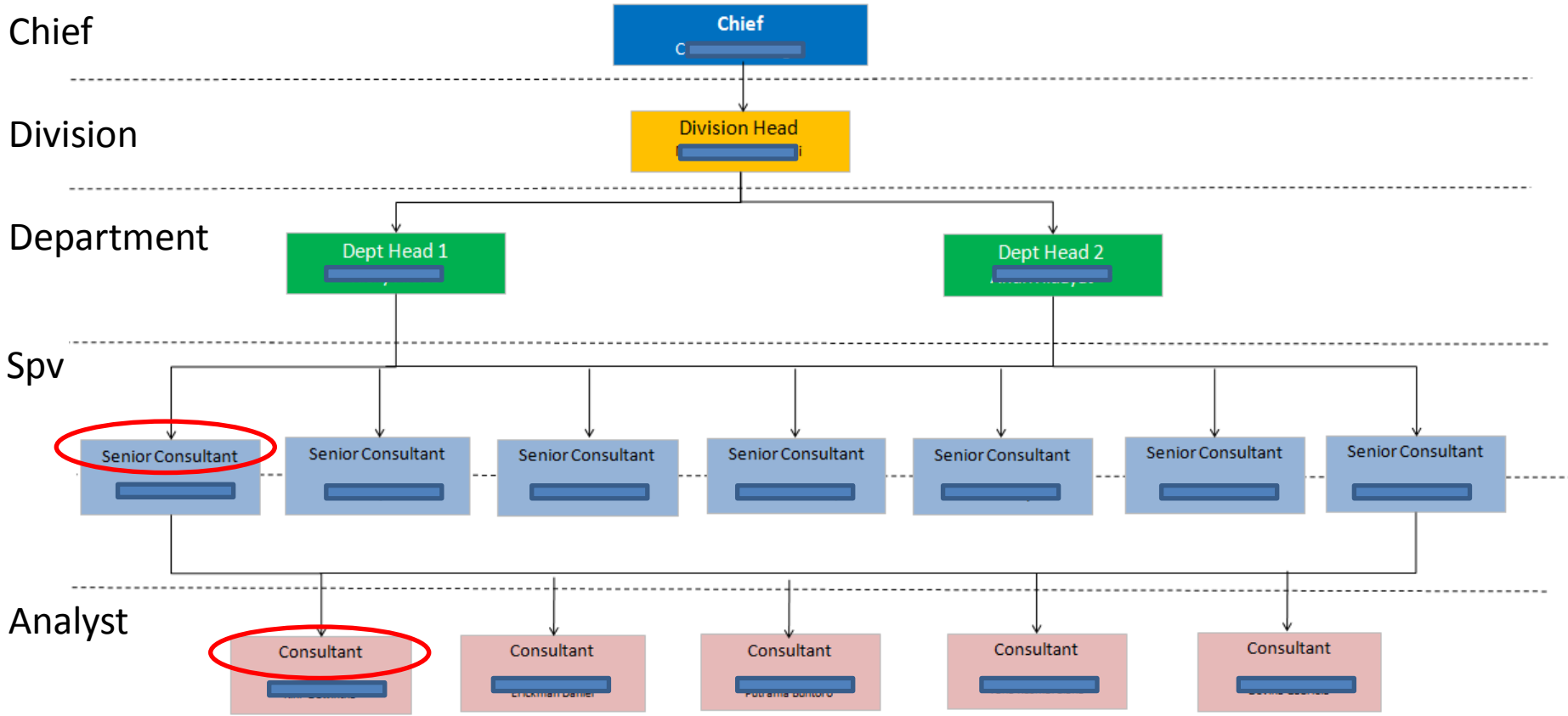
**Review**  
Tools and  
Techniques List

**Select**  
Appropriate  
Tools and  
Techniques

**Develop**  
Consulting  
Documentation



# ADJUSTMENT ON JOB TITLE



# GANRA PLAN and KPI

## GROUP AUDIT & RISK ADVISORY PT ASTRA INTERNATIONAL Tbk

Derived from Corporate function KPI

No	KPI	Weight (%)	Target Full Year
<b>IMPROVEMENT PROJECTS/NON ROUTINE (50%)</b>			
1	Financial Risk Analysis Dashboard (FRAD)		Completed review processes deployed in 2014 with 8 indicators.
2	Business Process Mapping		
3	Compliance Framework		
4	Competency Assessment and Development Framework (CADF)		
5	CSR Monitoring and KPI		
6	Astra Audit Management Implementation		
7	Surveillance 2.0		
8	SO Process and Control		
9	Risk Management (RM) 6		
10	Natural Disaster Mitigation		resource to improve the infrastructure of Sunter and mitigate flood risk.
<b>ROUTINE (50%)</b>			
11	Achievement of planned audit and risk management projects.	50%	Complete audit and risk management projects in accordance with the approved audit plan.

IT Audit Plan 2014	
<b>I. ASSURANCE Activities (50%)</b>	<b>II. ADVISORY &amp; SUPPORT Activities (45%)</b>
<ol style="list-style-type: none"> <li>Join Review AAA</li> <li>Join Review SOA</li> <li>Join with TPSC</li> </ol>	<ol style="list-style-type: none"> <li>Audit Tools:                     <ul style="list-style-type: none"> <li>CSA-AI 400: Reengineering development PSB services (TSD, ZSO, RW), operational support, Portal for Desktop Automation and Financial Analysis Report, mobile apps (inl, gromoting/COM)</li> <li>CSA-AI 200: Integration with CSA-400</li> <li>CSA-AI 300: Plan dev top 30 scenario in STRA &amp; BOM</li> <li>Astra Financial Analysis Dashboard (join with AAA)</li> <li>Auditor DC, Risk - Control Portal (join w/ DENA &amp; RA)</li> </ul> </li> <li>Audit Methodology Standardization                     <ul style="list-style-type: none"> <li>KIMS offline system, ISR, implementation in 3 way</li> </ul> </li> <li>Project Management Advisory                     <ul style="list-style-type: none"> <li>Project Management Framework Optimization</li> <li>IT Project Health Check join w/ Changeman in Astra</li> <li>Programs Portfolio Mgmt, Scenarios Initiation</li> <li>Integration with ADM/Initiation</li> </ul> </li> <li>Technology Update Control Advisory                     <ul style="list-style-type: none"> <li>Cyber Security</li> <li>Software Asset Management (SAM)</li> </ul> </li> <li>Asst/IT Audit Affco, AAA dan SOA</li> </ol>
<b>III. Internal Competency Development (1%)</b>	<b>IV. New product / Development (2%)</b>
<ol style="list-style-type: none"> <li>COBIT &amp; Enterprise Architecture</li> <li>Subsidiary Assessment</li> <li>Project Program/ Portfolio Management (PMA)</li> <li>PMO join with SO Register Audit</li> <li>Professional Certification (PMF &amp; CIMA)</li> </ol>	<ol style="list-style-type: none"> <li>IT General Control Trainings for Auditor</li> <li>IT Financial Metrics</li> <li>IT Outsourcing Awareness</li> <li>Assessment in professional association</li> <li>IS + OCC + BCP</li> </ol>

KPI Agreement  
Jakarta, 14 March 2014

Prijojo Sugianto  
Director in Charge  
PT. Astra International Tbk.

Daniel Phua  
Chief of Group Audit & Risk Advisory  
PT Astra International Tbk.

Consultancy,  
Advisory & Improvement Project  
50 % of KPI

Performance over Routine Audit/  
Assurance only 50 % of KPI

## *Clients Value Driven*

2003 - 2012

2013 - 2017

2018 - 2019

2020

### GANRA Centric

- Improvement on Group Audit Strategic Process
- Shared IT Audit Service – Astra Group
- Center of Excellence on IT Control (Trusted advisor)

### AUDITEE/ CLIENT Centric

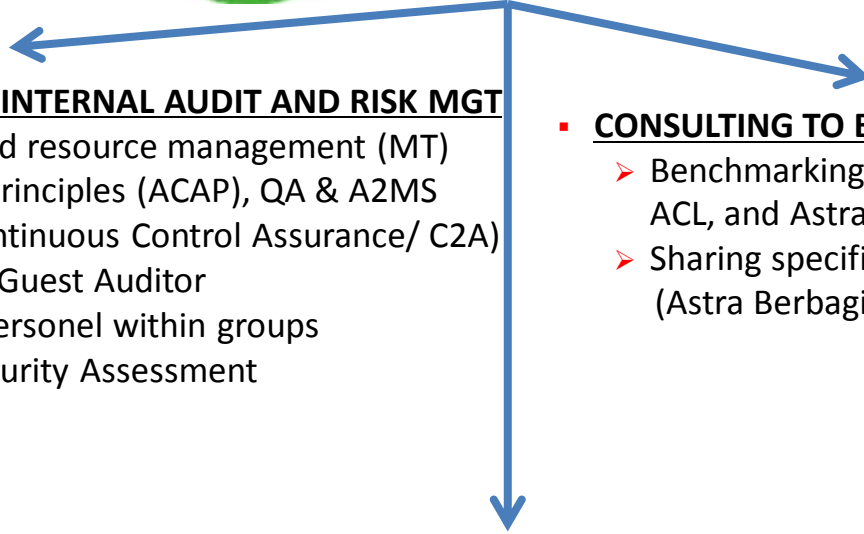
- Business Partner on IT Risk, Control & Governance
- Effective IT Control Environment
- Enabling Optimum IT Value Creation
- Business-Strategic Value Driven IT Function

### Group Centric

- Unity in Diversity
- IT Astra Group as IT Control Framework Leader in Jardines Group

### NATIONAL Centric

- IT Astra Group as a Leader in IT Control Framework in Indonesia



▪ **CONSULTING TO GROUP INTERNAL AUDIT AND RISK MGT**

- Centralized training and resource management (MT)
- Astra Common Audit Principles (ACAP), QA & A2MS
- Continuous Audit ( Continuous Control Assurance/ C2A)
- Auditor Exchange and Guest Auditor
- Develop Audit org & personel within groups
- Risk Management Maturity Assessment

▪ **CONSULTING TO EXTERNAL**

- Benchmarking on our audit methodology, surveillance, ACL, and Astra Audit Mgt System
- Sharing specific GRC domain to other coy & Academic (Astra Berbagi Ilmu)

▪ **CONSULTING TO CLIENT AND MANAGEMENT - ASTRA GROUP**

- Advisory on Specific Governance risk and Control
- Horizontal Assesment & Advisory, e.g : VAL IT
- Project Management Assistance (PMA)
- Facilitator of Benchmarking over good practices within groups
- Sharing on specific topic in clients' forum
- Business and Control Awareness (BCA)
- Executive risk and Control forum





# Examples of Consulting on Objective opinions and giving solutions on governance, risk and control within an organization

ASTRA international

**MMIS PT MARGA MANDALASAN TI**

Laporan Observasi dan Rekomendasi  
**TATA KELOLA TI DALAM Mendukung BISNIS**

IT Audit - Group Internal Audit  
PT Astra International Tbk  
Maret 2010

ganra Group Audit and Risk Advisory PT ASTRA INTERNATIONAL Tbk

## VALUE MANAGEMENT for IT-Enabled Investment 2013

ASTRA international AHM TOYOTA INDRAMATI ASTRA Oligaris UR PISA Finance FINAGROUP ASTRA astragraphia sera

ASTRA international Group Audit and Risk Advisory

### HIGHLIGHTS – COY XX

Val IT Horizontal Advisory 2013

Penerapan value management atas investasi yang melibatkan IT masih perlu ditingkatkan. Proses scoring dan penentuan skala prioritas investasi/ project yang akan dijalankan sebaiknya dilakukan oleh sebuah committee yang terdiri dari perwakilan berbagai fungsi/ process owner.

Hal lainnya yang perlu mendapat perhatian manajemen adalah pengembangan business case yang komprehensif, serta monitoring atas pelaksanaan business benefit realization setelah implementasi project dilakukan.

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**Practice Level**

Overall Score - XX

3.15

Subdomain Score - XX

Domain Score - XX

Subdomain	Score
Value Governance	3.15
Portfolio Management	3.21
Investment Management	2.99

IT Spending Overview

Disclaimer: Data berasal dari indikator berikut: lama dan jumlah umum dalam hal ini dengan IT spending, secara umum yang di anggap sebagai data yang valid dari setiap data yang tersedia yang dapat diandalkan dan dengan Informasi Technology Research and Advisory.

IT Spending (Miliar Rupiah) - XX

Ratio IT Spending per Revenue (%) - XX



# Examples of Consulting on Training, Support and advisory

AUDIT MANAGEMENT TRAINEE for ASTRA GROUP



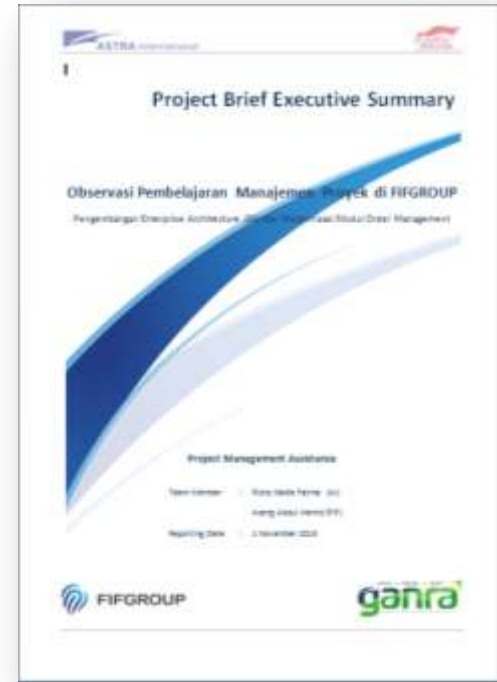
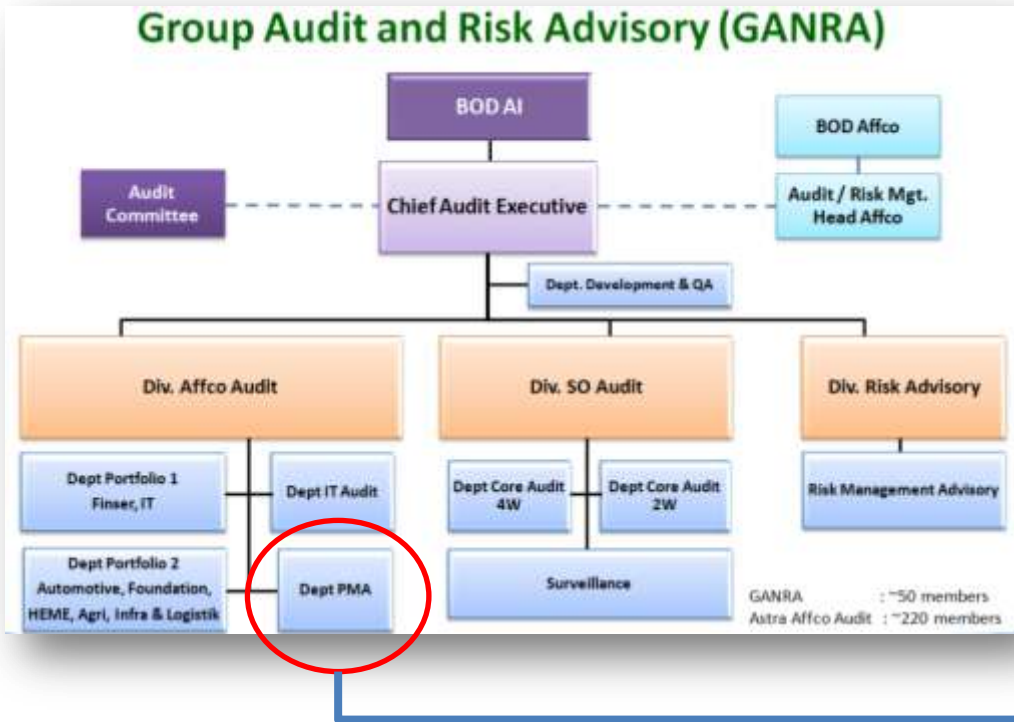
Astra berbagi Ilmu at Astra & University



Basic Training for Clients & IA – Astra Group



# Examples of Consulting on Helping on large projects where the type of risks means advice on controls



# Examples of Consulting on Fraud prevention, detection, and investigation services

Developing Continuous Audit & Continuous monitoring through Joint Development & Consulting  
 Illustration of Continuous Audit in several companies in Astra group:



▪ **VALUE CHAIN CONTINUOUS AUDITING (CA) – Data interchange**  
 (Sales Distribution – Financing/ Leasing – Insurance)



▪ **CONTINUOUS AUDITING → CONTINUOUS MONITORING (Used by management)**  
 Currently already implemented in Toyota Sales Operation, FIF and Astra Otoparts







# Thank You

*If you don't like change, you're going to like irrelevance even less*

- General Erik Shinseki, Chief of Staff, US Army

