



PENABULU FOUNDATION
CIVIL SOCIETY RESOURCE ORGANIZATION

ANTI CORRUPTION AND MITIGATION FRAUD POLICY

JULY 2020



PENABULU
FOUNDATION

Document Number	011-Doc/LP/PB/VI/2020
Document Name	Anti Corruption and Mitigation Fraud Policy
Approval Date	June 8, 2020
Effective Date	July 1, 2020

Submitted by:

Checked by:

Approved by:



PENABULU FOUNDATION
CIVIL SOCIETY RESOURCE ORGANIZATION

Eko Kurniawan Komara
Executive Director

Ahmad Supiyani
Chairperson of Supervisory Board



Dyah Ekawati
Chairperson of Governing Board

I. Profile and Organizational Structure

I.1. Organization Profile

Penabulu Foundation, herein after referred as The Foundation, established in Jakarta since 2002, and ratified by notary Riana Hutapea, notary in Jakarta through Deed no.1 dated October 22, 2003, and confirmed through the Decree of the Minister of Law and Human Rights of the Republic of Indonesia No.C-435HT.01.02.TH2004. Since its establishment, Penabulu has put its vision on the power of Indonesian civil society organizations.

Partners In Sustainability

The direction and size of future sustainable development success will be determined by how much synergy slices can be built collectively by three development actors: government, business sector, and civil society. Due to changes in each partnership and increased dependence between parties, therefore the role of partnerships in development has become our primary concern today. In these changes scheme, the civil society sector is our strategic partner. The role of civil society in sustainable development will continue to increase significantly. Meaningful development, long-term, and sustainable development require the full involvement of the civil society sector. The need for a vital role from the civil society sector is a new perspective in the constellation of partnerships for sustainable development. Strengthening the pillars of civil society in long-term development sustainability will require full support from the public and private sectors. The balance of position, role, and strength of each sector will enlarge the synergy wedge between the three development partners; and determine how far successful sustainable development efforts can be achieved collectively.

Vision

Indonesia's empowered civil society

Mission

To promote the power and sustainability of civil society organizations' position and role in Indonesia through efforts to strengthen the organization's capacity and capabilities; mobilization, management, and distribution of resources; development of equal partnerships between development sectors and the broadest possible public participation and engagement.

Isu Strategis

A. Inclusive Development

Now, development is using an exclusive development model, focusing solely on economic growth, regardless of poverty and growth inequality, and environmental support degradation. Many groups are marginalized from development because of gender, ethnicity, age, sexual orientation, disability, or poverty. Development inequality is the effect of such marginality. Penabulu believes that economic development should be implemented in a sustainable and inclusive manner. Economic development and growth should be able to make a significant contribution to poverty alleviation and development equalization.. Inclusive development can only be manifested if all parties contribute to creating equal opportunities, sharing development benefits, and providing the most participation space in decision making; based entirely on respect for the values and principles of human rights, participatory, non-discriminatory, and accountable.

B. Sustainable Markets

The value chain approach has so far focused on interventions in structures and systems and relationship patterns or relationships within the value chain that are expected to enable small

and medium-sized businesses to contribute more and benefit more from a production chain.. Penabulu believes that besides improving and the improvement of the value chain of a particular commodity/sector, comprehensive market intervention: namely in the core market chain, supporting functions and formal/informal rules that affect how a market system works now need to be done. Interventions in the market system to work for the poor are executed to find solutions to systemic constraints, encourage the large-scale improvement of the market system and ensure that changes are permanent and sustainable.

C. Government Partnership – Private Sector - Community

The fact suggests that it was impossible for everything listed in the local development plan to be realized by the government unilaterally; development model involving other stakeholders ranging from the stages of development, design, and management is needed. Penabulu believes that the government-private-community partnership approach is the best synergistic operational model for achieving inclusive and sustainable development goals. Within that framework, the private sector will benefit in the long term with balanced inclusiveness between producer and consumer chains, and the public sector will benefit with additional resources and investment value as well as the guarantee of participation and ownership of the parties; In contrast, society will benefit by acquiring new skills, knowledge, and technology.

D. Forestry and Environment

Indonesia is the number two mega-biodiversity country in the world after Brazil. Indonesia also has more than 90 types of ecosystems. Despite being only 1.3% of the world's land area, Indonesia has the second-largest tropical forest with an area that covers more than half of the tropical forests now owned by Asia.. However, traditional economic development patterns are sure to always have a severe impact on environmental sustainability and its support for human life now and in the future. Penabulu believes that sustainable development lies almost entirely in the right economic concept. Low-emission development or a green economy still requires a substantial boost from civil society organizations in Indonesia. Civil society organizations must continue to strive for improved human welfare and social justice, while significantly reducing environmental risks and ecological scarcity by encouraging low emissions and pollution investment, efficient use of energy and resources, and ensuring the sustainability of Indonesia's biodiversity and ecosystem services.

E. Village Empowerment

The Desa Lestari program is a comprehensive strategy for the empowerment of sustainable, balanced and sustainable; which emphasizes that village development must be done participatory, based on the strength and independence of the local villagers, and strive to meet the current needs without reducing the village's ability to meet its needs in the future. Penabulu believes that good village governance will be the main requirement for the implementation of sustainable villages. Only villages managed by sustainable development based planning consider balancing economic, social, and environmental aspects, which will be "Lestari." The development of the Lestari Village model combines three cycles simultaneously, namely the community organizing cycle that takes more than a year; the village governance cycle, and the village financial cycle, which are both based on the annual period.

F. Public Health

Public health plays a vital role in improving the quality of human resources, poverty reduction, and economic development. The Human Development Index laying out health is one of the main components of measurement other than education and income. Poor environmental

quality, risky behavior, and uneven quality and affordability of health services are still common health conditions of Indonesia. The state has recognized civil society organizations' critical role, especially for responding to infectious diseases whose spread rates are still relatively high in the community, such as tuberculosis, malaria, and HIV/AIDS. Penabulu believes that improving the health care budgeting system, improving health care governance, and strengthening civil society organizations in reaching key population communities and encouraging the effectiveness of changing public behavior are vital efforts to improve the quality of Indonesia's long-term public health.

G. Public Accountability

When the state is not (yet) truly present in its society, it is the private system that manifests all along: a complex system that behaves as simple as a system that can govern itself in such a way as per local agreements. That is, in such a scenario, society will never stay silent. Penabulu believe that understanding the private system becomes a fertile space for strengthening public accountability, starting with awareness of the public's right to obtain relevant information, which will improve the quality of public involvement in the public decision-making process (social participation, responsibility, support, control) and encourage the government to be more accountable. It is believed that the collaboration of the development of ICT-based interface platforms will encourage the government to be more open in presenting public information to citizens, bridging or building the model of information channels and dialogue itself, as well as increasing the critical understanding power and capacity of citizen analysis of public information offerings.

H. Institutional Strengthening

The program of strengthening public institutions and institutions which work for the public interest has been the focus of work since the establishment of Penabulu with the main press point given to the strengthening capacity of non-profit organizations / civil society organizations in Indonesia. Penabulu concluded and believed that transparency, accountability, and sustainability of civil society organizations in Indonesia could not only be built on the toughness of the pillars of financial management. Strengthening Indonesian civil society organizations' institutional capacity should also touch on the aspects of improving institutional management and program management (planning-monitoring-evaluation), human resource management, maximization of the utilization of information and communication technology, and data-information-knowledge management and resource-raising aspects and the development of social business models.

I. ICT and Knowledge Management

The rapid and visceral change of the external environment, the influence of the information technology revolution, has provided a strong message of growth for all civil society organizations in Indonesia. Penabulu believes that the mastery of information and communication technology (ICT) and knowledge management by Indonesian civil society organizations has now become a condition of the sustainability and sustainability of the organization. Both will be differentiating factors that determine the new contingency of future Indonesian civil society organizations. Knowledge management will ensure organizational growth, strengthen radar sensitivity, and strengthen the leverage of other organizations' resources. At the same time, the utilization of ICT will be a tool for expanding the organization's reach to networks, communities, and constituents; Effective communication tools with the government sector and business sector and will be the driver of the improvement of the organization's internal governance, as well as a multiplier of other organizational resource forces namely financial resources, human resources, as well as data, information, and knowledge.

I.2. Objective, Systems and Policy Revision

A. Policy Objectives

This policy is designed to be a source of reference for the system, both policies and procedures for grant distribution, which is capable of producing complete, accurate, timely and reliable financial and non-financial information. This policy is designed to meet the needs of management in the decision-making process. This policy is effective immediately after obtaining approval from the Governing Board.

B. Policy Structure

The structure of this Policy consists of the following sections:

List of contents

Chapter 1 on Preliminary. This chapter will explain about organizational profit and objectives, systematics and policy revisions.

Chapter 2 on Organizational Structure. This chapter will explain the organizational structure of the Penabulu Foundation comprehensively along with the main tasks and functions of each organ.

Chapter 3 on Anti-Corruption Procedures and Fraud Prevention. This chapter will explain the definition and scope, as well as policies and fraud prevention mechanisms according to the 4 (four) pillars of the Fraud Control System (CFS).

Chapter 4 on Whistleblowing Policy. This chapter will explain the definition and scope, as well as the mechanism for managing fraud reporting through Whistleblowers.

Chapter 5 on Justice Collaborator Policy. This chapter will explain the definition and scope, as well as the mechanism for disclosing fraud through the Justice Collaborator.

C. Policy Revision

The Anti-Corruption and Fraud Prevention Policy is structured in such a way as to facilitate further studies and changes. Each chapter and section is numbered separately, so changes can be made to one chapter or section, without having to change the page numbers of other chapters or sections.

For adding, changing or removing pages, the previous or modified page will be placed at the end of this Policy for two years before being destroyed.

This policy is an integral part of the overall Policies and Guidelines applicable at the Penabulu Foundation as part of the Penabulu Foundation's Internal Control System. The policies and guidelines that apply at the Penabulu Foundation consist of:

- a. Program Management SOP
- b. Grant Fund Management SOP
- c. Human Resources SOP
- d. Procurement and Supply Management SOP
- e. Administration SOP

- f. Financial Management SOP
- g. Accounting SOP
- h. Internal Audit SOP
- i. Program Monitoring and Evaluation SOP
- j. Anti Corruption And Mitigation Fraud Policy

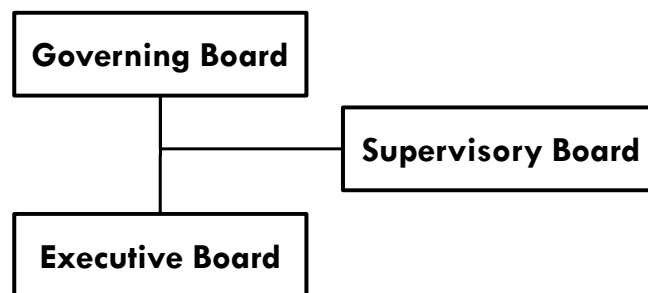
This policy will apply to employees of the Penabulu Foundation and Partners, unless otherwise stipulated as part of the cooperation agreement/agreement between the Penabulu Foundation and other parties.

I.3. Organizational Structure

Main Boards And Relationships Between Boards of Penabulu Foundation

The organizational structure is an organizational organ structure that is passed down in an interconnected way, coordinated and integrated work units. The organizational structure shows that the division of work and shows how the organization's functions are coordinated. Additionally, the organizational structure shows the range of control between functions within the organization and the range of responsibilities of each function within the organization.

Based on the UU Yayasan (UU No. 16 Year 2001 updated to UU No. 28 Year 2004), Yayasan (Foundations) is a legal entity consisting of segregated wealth and intended to achieve specific goals in the social, religious, and humanitarian fields, which have no members. The Foundation has no members because the Foundation does not consist of allies such as CV or shareholders in the Limited Liability Company. Based on the Foundation Law, The Foundation Organ consists of **Badan Pembina (Governing Board)**, **Badan Pengurus (Executive Board)**, and **Badan Pengawas (Supervisory Board)**.



Governing Board (Badan Pembina) Governing Board is an organ of the Foundation that has authority that is not handed over to the Executive Board or the Supervisory Board by law or the Articles of Association. The Governing Board is appointed from the individual founders of the Foundation and/or those who based on the decision of the meeting of members of the Governing Board are considered to have a high dedication to achieving the purpose and objectives of the Foundation. Members of the Governing Board may not concurrently be members of the Board of Executives and/or members of the Supervisory Board.

Authority of Governing Board (Badan Pembina) according to the Foundation Law and the Foundation's Articles of Association include:

- a. Decisions on changes to the Articles of Association;
- b. Appointment and dismissal of members of the Executive Board and members of the Supervisory Board;
- c. The Establishment's general policy determination based on the Foundation's Articles of Association;
- d. Ratification of the Foundation's work program and annual budget plan;
- e. Decision on the merger or dissolution of the Foundation;
- f. Ratification of annual reports; and
- g. Appointment of liquidators in the event that the Foundation is dissolved.

Executive Board (Badan Pengurus) is an organ of the Foundation that carries out the execution of the Foundation. The Executive Board of the Foundation is appointed by the Governing Board based on the decision of the Governing Board for a period of five years and can be reappointed for one term. Dismissal of the Executive Board may be done at any time if the Governing Board assesses the Executive Board take actions that harm the Foundation. The dismissal was made based on the decision of the Governing Board. As the Governing Board, members of the Executive Board may not concurrently be members of the Board of Trustees and/or supervisory bodies.

The obligations and authority of the Executive Board (Badan Pengurus) according to the Foundation Law and the Foundation's Articles of Association include:

- a. The Executive Board is solely responsible for the execution of the Foundation benefit
- b. The Executive Board shall develop a program and draft an annual budget of the Foundation to be ratified by the Governing Board;
- c. The Executive Board shall provide every explanation for Governing Board question;
- d. Every member of the Executive Board shall be in good faith and responsible for carrying out his/her duties by heeding the prevailing laws and regulations;

e. The Executive Board reserves the right to represent the Foundation in and out of court on all things and in all cases with restrictions on the following (with the approval of the Governing Board):

1. Borrowing or lending money on behalf of the Foundation (does not include taking Foundation money at the Bank)
2. Establish a new business or invest in various forms of business both at home and abroad;
3. Grant or receive a transfer of fixed property;
4. Buying or other means obtaining, acquiring fixed property on behalf of the Foundation;
5. Selling or other means releasing the Foundation's wealth and taxing the Foundation's wealth;
6. Enter into agreements with organizations affiliated with the Foundation, the Governing Board, the Executive Board and the Supervisory Board of the Foundation or a person who works for the Foundation, whose agreement is beneficial to the achievement of the purpose and purpose of the Foundation.

f. The Executive Board is NOT authorized to represent the Foundation in the:

1. Binding the Foundation as a guarantor of a debt;
2. Burdening the Foundation's wealth for the benefit of others;
3. Enter into agreements with organizations affiliated with the Foundation, the Governing Board, the Executive Board and/or the Supervisory Board of the Foundation or someone who works for the Foundation, whose agreement has nothing to do with achieving the Foundation's purpose and objectives.

Supervisory Board (Badan Pengawas) is an organ of the Foundation that is responsible for supervising and advising the Executive Board in carrying out the activities of the Foundation. The Supervisory Board may be appointed and dismissed at any time based on the decision of the Governing Board meeting conducted in accordance with the Foundation Articles of Association.

If there are things that are judged to be incompatible with the duties of the management, the Supervisory Board may temporarily dismiss the Executive Board by specifying the reason and reporting in writing to the Governing Board.

According to the Foundation Law and the Foundation's Articles of Association, the obligations and authority of the Supervisory Board (Badan Pengawas) include:

- a. The Supervisory Board shall in good faith and be responsible for carrying out supervisory duties for the benefit of the Foundation.
- b. Supervisory Board are authorized to:**
 1. Entering buildings, courtyards or other place used by the Foundation;
 2. Checking documents;
 3. Checking bookkeeping and match it to cash; or
 4. Knowing all actions that have been taken by the Executive Board;
 5. Warning the Executive Board members;
- c. The Supervisory Board may temporarily dismiss 1 (one) person or more of the Executive, if the Executive Board members acts contrary to the Foundation Articles of Association and or applicable laws and regulations. The temporary dismissal must be notified in writing to the person with the reason. Within 7 (seven) days from the date of temporary dismissal, The Supervisory Board is required to report in writing to the Governing Board. If the entire Executive Board is temporarily suspended, the Supervisory Board is obliged to take care of the Foundation.

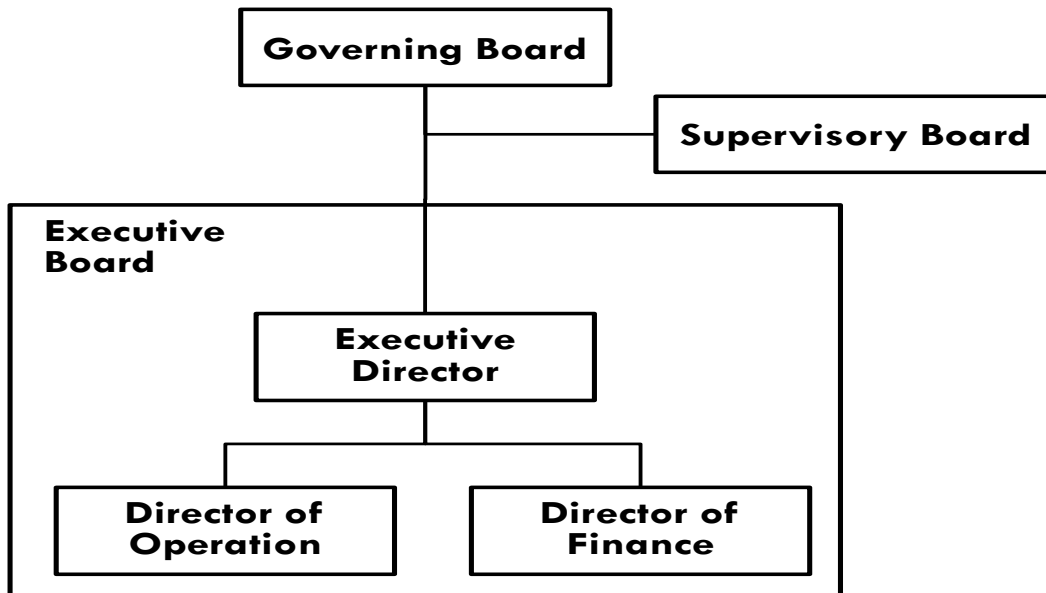
Reference Documents:

- UU Yayasan No. 16 Year 2001
- UU Yayasan No. 28 Year 2004
- Akta Pendirian oleh Notaris Rita Riana Hutapea, SH No. 01 date 22 October 2003
- Akta Perubahan oleh Notaris Rita Riana Hutapea, SH No. 07 date 25 Mei 2016
- Akta Perubahan oleh Notaris Kokoh Henry, SH, MKn. No. 03 date 11 December 2017

I.4. Base Structure of Penabulu Foundation

The organizational structure of the Penabulu Foundation is structured based on the organization's strategy in achieving the goals set out in the organization's vision and mission. As a 'civil society resource organization' (CSRO), Penabulu has the primary mandate of empowering Indonesian civil society, so Penabulu's main strategy is to encourage the power and sustainability of the position and role of civil society organizations in Indonesia through efforts to strengthen the capacity and capabilities of the organization; mobilization, management, and distribution of resources; development of equal partnerships between development sectors as well as the broadest possible public participation and engagement. The Article Association of Penabulu Foundation is provided with the Household Budget of the Foundation, which details more about the Foundation's organs' obligations and authority.

The Organ of the Governing Body of Penabulu Foundation consists of **Executive Director, Director of Operations and Director of Finance.**



The duties and authority of the Governing Board based on the Household Budget of Yayasan Penabulu are:

- a. Provide advice, consideration, advice and assistance to all Executive Board;
- b. To conduct construction to the Executive Board, Supervisory Board and Directorate in accordance with its authority to achieve the intent and objectives of Penabulu Foundation, whether requested or not, either done individually or collectively;
- c. Making changes toward Article of Association/Bylaws;
- d. Appoint or dismiss members of Executive Boards or Supervisory Board;
- e. Established the Foundation's general policy;
- f. Ratify the Foundation's work program and annual budget plan;
- g. Approve and ratify the Foundation's policies and procedures;
- h. To conduct general supervision of all management of the Foundation's organization;
- i. Conduct an annual evaluation of the Foundation's performance;
- j. To Assess and ratify the Foundation's annual accountability report;
- k. Make decision regarding the merger or dissolution of the Foundation;
- l. Appointing liquidators in the event that the Foundation is dissolved.

The duties and authority of the Executive Board based on the Household Budget of Yayasan Penabulu are:

Executive Director Duties (Tugas Ketua):

- a. Responsible for achieving the Vision, Mission and Objectives of the Foundation;
- b. To lead the foundation's activities in general in accordance with Article of Association/Bylaws, Foundation Regulations and applicable laws and regulations;
- c. Plan all activities that are the Foundation's Work Program and the Foundation's Annual Budget Plan for one management period to be authorized by the Governing Board;
- d. Develop and review all policies and procedures of the Foundation to be ratified by the Board of Trustees ;
- e. To lead and coordinate with all members of the Executive board and Directorate in the implementation of the Foundation's work program ;
- f. To chair plenary meetings of the Board of Executives and other meetings of the Board of Executives in accordance with the Article of Association/Bylaws;
- g. Responsible for finding the foundation's funding sources;
- h. Responsible for building and developing national and international work networks;



- i. Responsible for monitoring and evaluation of the performance of the Executive Board and Directorate;
- j. Provide reports and information to the Governing Board periodically and/or at any time when necessary;
- k. Report annual accountability to the Organization's Annual Meeting;
- l. Coordinating and regulating the division of duties of the Executive Board and the Directorate in accordance with its field;
- m. Provide an explanation of everything asked by the Supervisory Board;
- n. Representing the Foundation in dealing with third parties;
- o. Sign foundation letters, both internal and related to third parties (external).

Executive Director Authority (Wewenang Ketua):

- a. Provide guidance and find the right solution in every activity as well as in decision making ;
- b. Working with other Agencies and Institutions that support the development of the Foundation ;
- c. Make decisions and sign organizational letters with the Secretary;
- d. Appoint and dismiss the Directorate, and ratify it based on the decision of the Executive Board Meeting;
- e. Make or set regulatory changes on the working guidelines of the Implementing Body by obtaining approval from the Governing Board;
- f. Ratify the work program and the draft annual budget of the Directorate;
- g. Assessing and certifying the Annual Report of the Directorate;
- h. To establish the policy of developing a working unit or business unit of Penabulu with the consideration of the Governing Board ;
- i. To take initiatives in various ways for the progress and development of the organization, in order to achieve the purpose and objectives of the Foundation;
- j. Delegate its duties and authority to one of the Executive Board when obstructed.

Director of Operations Duties (Tugas Sekretaris):

- a. Assisting the Chairman of the Executive Board in leading the course of the Foundation's activities in general in accordance with the Article of Association/Bylaws, Foundation Regulations, and applicable laws and regulations;
- b. Develop an annual work program and be responsible for the implementation of the work plan in the field of Operations, which includes: general administration and secretarial, human resources management, asset management, data-information-knowledge management to be conveyed to the Chairman of the Executive Board;
- c. Assisting the Chairman of Executive Board in drafting and reviewing all policies and procedures (SOP) of the Foundation ;
- d. Assisting the Chairman of the Executive Boards in finding the Foundation's funding resources, building and developing a national and international network of work;
- e. Assisting the Chairman of the Executive Boards in the planning, monitoring, and evaluation of the Foundation on a daily task;
- f. Accompanying the Chairman of the Executive Boards in leading and drafting the minutes of plenary meetings of the Executive Boards and other meetings of the Executive Boards in accordance with the provisions of the Article of Association/Bylaws of the Foundation;
- g. Replacing the Chairman's duties when the Executive Boards chairman cannot do his/her duty.;
- h. Representing the Chairman of the Board of Executives concerning specific tasks based on the delegate stipulated;
- i. Responsible for reporting activities/organizations to the Executive Boards Chairman and relevant stakeholders.

Director of Operations Authority (Wewenang Sekretaris):

- a. Develop initiatives and innovations in the field of Operations that include: general administration and secretarial, human resources management, asset management, data-information-knowledge management to achieve the foundation's objectives and objectives;
- b. Representing the Executive Boards Chairman in dealing with third parties in accordance with the mandate received;
- c. Together with the Executive Board Chairman signed the Letters of the Foundation, both internal and related to third parties (external).

Director of Finance Duties (Tugas Bendahara):

- a. Assisting the Executive Board Chairman in leading the course of the Foundation's activities in general in accordance with the provisions of the Article of Association/Bylaws, Foundation Regulations, and applicable laws and regulations;
- b. Drafting the Foundation's Annual Budget for one management period to be ratified by the Governing Boards;
- c. Assisting the Executive Board Chairman in drafting and reviewing all policies and procedures of the Foundation;
- d. Assisting the Executive Board Chairman in finding the Foundation's funding resources and building and developing national and international work networks;
- e. Assisting the Executive Board Chairman in the planning, monitoring, and evaluation of the Foundation on a daily task;
- f. Assisting the Executive Board Chairman in managing the Foundation's finances and internal control accountability;
- g. Responsible for reporting and financial accountability to the investor;
- h. Responsible for ensuring accounting practices and preparation of consolidated financial statements in accordance with general reporting and accounting standards; Responsible for ensuring the fulfillment of the Foundation's tax obligations in accordance with applicable regulations;
- i. Responsible for conducting periodic examination and audit of project and organization finances.

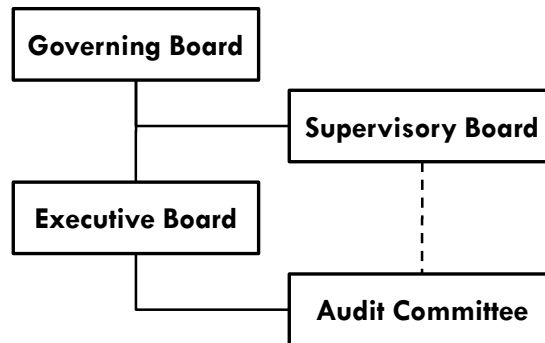
Director of Finance Authority (Wewenang Bendahara):

- a. Develop initiatives and innovations in the field of finance and accusation and taxation;
- b. Together with the Executive Board Chairman, in accordance with the applicable standard of the procedure, authorized to authorize the expenditure of the Foundation's;
- c. Together with the Executive Board Chairman, in accordance with the applicable standard of the procedure, authorized to place the investment of the Foundation's;
- d. Representing the Executive Board Chairman in dealing with third parties in accordance with the mandate received.

The duties and authority of the Supervisory Board (Badan Pengawas) based on the Article of Association of the Penabulu Foundation are::

- a. Supervise and advise the Executive Board and Directorate in carrying out the activities of the Foundation;
- b. Supervise all actions carried out by the Executive Board and/or the Directorate;
- c. Establish a general supervision policy on all of the Foundation's activities;
- d. Provide warnings and/or suggestions and/or considerations regarding the improvement of activity management to the Executive Board and/or the Directorate;
- e. **Special Duties and Authorities of the Supervisory Board:** The Supervisory Board may establish and appoint an Audit Committee for a period of 1 year tasked with assisting the Board of Executives in conducting internal supervision, mainly on financial and other

related aspects, and the Committee will report the findings of internal supervision and examination directly to the Supervisory Board periodically.



Audit Committee (Komite Audit) is formed by and reports directly to the Supervisory Board. The Audit Committee is established to perform internal oversight and control functions over the management and financial reporting of the Foundation.

The Audit Committee is expected to assist the Executive Board in carrying out the functions of independent supervision and examination in order to ensure compliance with the Foundation Law, Foundation Article of Association/Bylaws, and Foundation Regulations as well as the level of implementation of the Foundation's policies and procedures; measure the effectiveness of good corporate governance (GCG) implementation and compliance with applicable laws and regulations, as well as supervision of management responsible for risk management and implementation of internal controls. The Audit Committee is executed by 1 **Internal Audit Manager** and can consist of 1 Senior Auditor and 1 Junior Auditor.

The duties and responsibilities of the Audit Committee based on the Article of Association/Bylaws and the Standard Operational Procedure Internal Audit of Yayasan Penabulu are:

- Review and oversee the Foundation's internal control system ;
- Review the implementation of the Foundation's conflict-of-interest policy and its derivative procedures;
- Carry out the internal audit process to each Implementing Body periodically to produce audit report (Audit Work Paper);
- Formulate and provide troubleshooting input on audit findings by conducting a precise and accurate analysis to each Directorate;
- Cooperate and make agreements with external auditors and determine the period for annual audits;
- Assessment of the effectiveness of audit efforts, including the overall approach and scope of inspections, with particular attention to areas where either the Audit Committee or independent auditors believe the particular emphasis is needed;
- Examination of the effectiveness of the Foundation's financial and accounting functions, through discussions with independent auditors and relevant Foundation officials;
- Receiving and discussing auditor recommendations for improvement at the end of the audit;
- Assisting the Executive Board in fulfilling fiduciary responsibilities related to accounting, internal control, and financial reporting practices of the Foundation;
- Report audit results and recommendations to the Supervisory Board and The Executive Board.

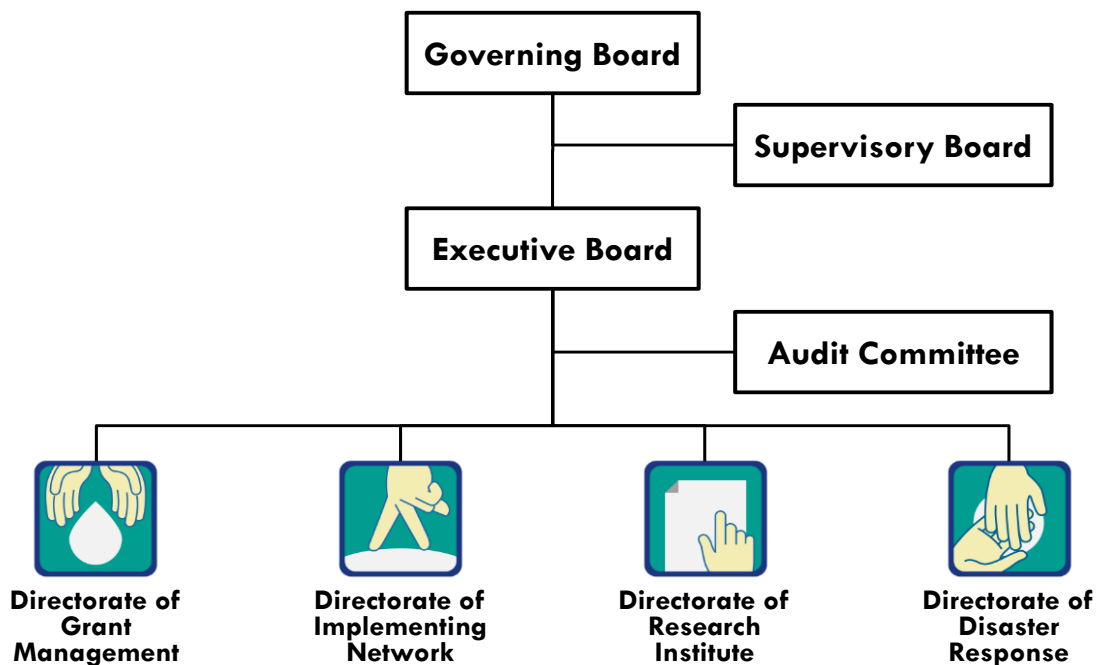
Reference Document:

- Article of Association of the Foundation Penabulu Foundation
- Standard Operasional Procedure of Internal Audit of Penabulu Foundation

I.5. Structure of Executing Penabulu Foundation

Foundation law states that the Executive Board is authorized to appoint and dismiss the **Directorate** (Badan Pelaksana) based on the decision of the Meeting of the Executive Board for a period of 5 (five) and can be reappointed by not reducing the conclusion of the Meeting of the Executive Board to dismiss at any time. The organizational structure of the Penabulu Foundation is structured based on the organization's strategy in achieving the goals set out in the organization's vision and mission. As a 'civil society resource organization' (CSRO), Penabulu has the primary mandate of empowering Indonesian civil society, so Penabulu's primary strategy is to encourage the power and sustainability of the position and role of civil society organizations in Indonesia through efforts to strengthen the capacity and capabilities of the organization; mobilization, management, and distribution of resources; development of equal partnerships between development sectors as well as the broadest possible public participation and engagement.

With this strategy, Penabulu chose four ways of intervention as the organization's working approach, namely grant management, implementation network, research institute and disaster response. Each intervention area can be interpreted as the implementing units of the organization that have the character of self-management and become the basis for the design of the Penabulu structure.



Penabulu Foundation has four Implementing Bodies under the structure of the Board of Executives, namely: (a) **the Directorate of Grant Management**, (b) **the Directorate of Implementation Network**, (c) **the Directorate of Research Institute** and (d) **the Directorate of Disaster Response**. Each Implementing Body is led by a **Deputy Director**. The structure of the Implementing Body under the Deputy Director is the **Project Coordinator** which is ad hoc according to the needs of the implementation of the activities of each Project. Each Implementing Body can develop a Thematic Committee and **Managerial Committee** according to the needs of the Implementing Body by first obtaining consideration and approval from the Executive Board.

Directorate of Grant Management Will carry out fundraising, distribution, and management of grants and facilitate public policy advocacy in a netted area and provide training, technical assistance, and organizational capacity building to partners to support other grant schemes.

Directorate of Implementation Network Will continue the forerunner of Penabulu's previous role in implementing the program at the tread level by maximizing branch offices' contributions and working with alliance partner networks; while emphasizing local ownership and capacity building in each working area.

Directorate of Research Institute Will manage data, information, and knowledge born and managed by Penabulu, develop strategic studies, action research, and data-driven advocacy that support the achievement of organizational objectives; and spearheaded the development of an effective partnership with research institutions/universities and central and local governments.

Directorate of Disaster Response Will be a Penabulu unit that brings together the resources of organizations in disaster response in Indonesia, raises the parties' resources, distributes humanitarian aid and logistics with a focus on emergency needs, and recovery of the livelihoods of affected communities soon as possible following local market systems.

The Directorate of Grant Management, Directorate of Implementation Network, and Directorate of Research Institute was officially ratified on October 24, 2018, based on notary deed No. 29 – 31 by Kokoh Henry, SH, MKn., notary in Jakarta. As for the Directorate of Disaster Response was ratified later on November 12, 2019, based on notarial deed No. 11 by Kokoh Henry, SH, MKn. **In particular, the duties and authorities of the Implementing Body are as follows:**

- a. Fully responsible for the management of the Directorate to promote the power and sustainability of the position and role of civil society organizations in Indonesia through efforts to strengthen the capacity and capabilities of the organization; mobilization, management, and distribution of resources; knowledge management and public policy advocacy, the development of equal partnerships between the development sectors and the broadest possible public participation and engagement;
- b. Must develop a work program and annual budget plan to be approved by the Executive Board and ratified by the Governing Board;
- c. It is obligatory to provide an explanation of everything asked by the Supervisory Board.
- d. Authorized to represent the Foundation in and out of court on all things and in all cases with restrictions on the following:**
 1. Develop policies and support systems necessary for the implementation of the programs and activities of each Executive Board;
 2. Develop partnerships and collaborations and enter into agreements with third parties as well as with organizations affiliated with the Foundation, Trustees, Executive Board and Supervisory Board of the Foundation or a person working for the Foundation, whose agreement is beneficial for the achievement of the Foundation's objectives and objectives;
 3. Developing the operating structure and managing human resources effectively and efficiently, in this case, the Directorate can form an ad hoc Project Implementing Team according to the needs of the of the activities of each Directorate organs and can develop a Thematic Committee and Function-Based Managerial according to the needs of the Directorate by first obtaining consideration and approval from the Executive Board;
 4. Buying or other means obtaining/acquiring fixed assets on behalf of the Foundation in accordance with the approval of the Executive Board;
 5. Granting or receiving a transfer of fixed property in accordance with the approval of the Executive Board;

6. To carry out the management of permits and carry out useful things to make the Foundation's activities run according to plan;
 7. Billing and receiving receipts and signing receipts and other receipts;
 8. The Foundation Directorate or as a representative of the Foundation is authorized to deal with where necessary, make and sign all necessary letters and deeds, choose a legal seat, provide information, and carry out all necessary and useful actions to carry out and manage all the affairs and needs of the Foundation.
- e. The Directorate is NOT authorized to represent the authority of the Board of Trustees of the Foundation in the:**
1. Transferring this power either partially or entirely;
 2. To borrow and/or lend money on behalf of the Foundation (excluding taking Foundation money at the Bank);
 3. Establishing a new business or carrying out participation in various forms of business both inside and outside the country;
 4. Selling or other means releasing the Foundation's wealth and taxing the Foundation's wealth;
 5. Burdening the Foundation's wealth for the benefit of others;
 6. Binding the Foundation as a guarantor of debt;
 7. Enter into agreements with organizations affiliated with the Foundation, Trustees, Directorate and Supervisory Board of the Foundation or a person who works for the Foundation, whose agreement has nothing to do with achieving the Foundation's purpose and objectives;
 8. That any action taken by the beneficiary in exercising this power contrary to the Constitution, Article of Association/Bylaws of the Foundation and/or other provisions of the law is invalid to the Foundation and therefore is the full responsibility of the beneficiary of the.

Reference Documents:

- Akta Pembentukan Badan Pelaksana Manajemen Hibah No. 29 by Kokoh Henry, SH, MKn. 24 October 2018
- Akta Pembentukan Badan Pelaksana Jejaring Implementasi No. 30 by Kokoh Henry, SH, MKn. 24 October 2018
- Akta Pembentukan Badan Pelaksana Institut Riset No. 31 by Kokoh Henry, SH, MKn. 24 October 2018
- Akta Pembentukan Badan Pelaksana Tanggap Bencana No. 11 by Kokoh Henry, SH, MKn. 12 November 2019

Governing Board

- Chairman • Dyah Ekawati
- Member • Husein Triarso
- Damayanti Buchori
- Teguh Triono
- Raden Erwin Soeprastowo
- Kiswara Santi Prihandini
- Mardiyah

Supervisory Board

- Director • Akhmad Supiani

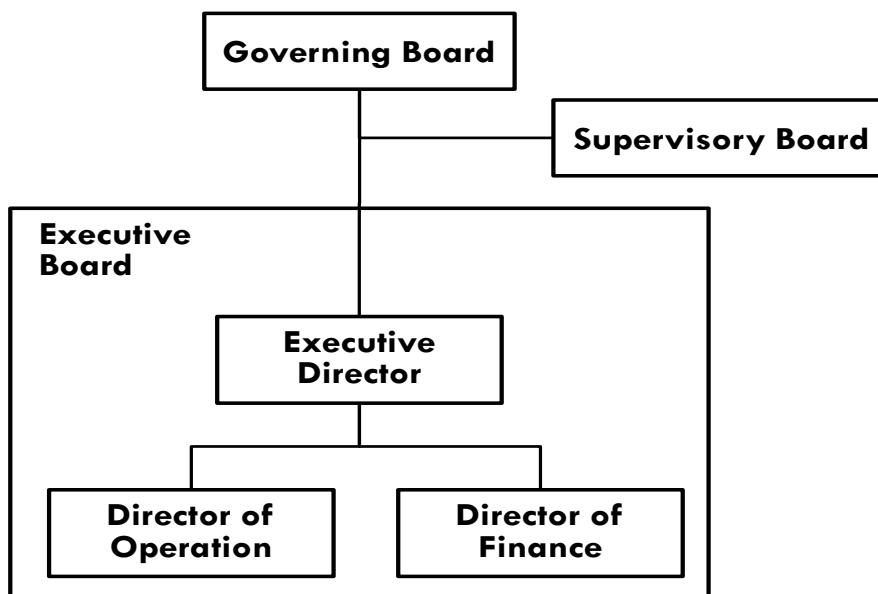
Executive Board

- Director/Executive Director • Eko Komara
- Secretary/Operational Director • Sugeng Wibowo
- Treasurer/Finance Director • Nurul Ariska Ferani

I.6. Additional Organization Structure Explanation

I.6.1. Technical Structure of the Executive Board

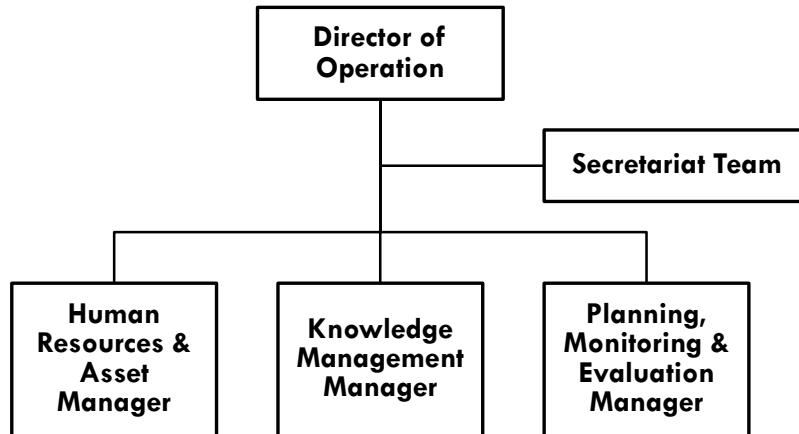
The Organ of the Executive Board of Penabulu Foundation consists of the Chairman (Executive Director), the Secretary (Director of Operations), and the Treasurer (Director of Finance).



English translation.

The technical structure under the Secretary (Director of Operations) covering operational areas including general administration and secretarial, human resources management, asset

management, data-information-knowledge management as of November 14, 2019, and may develop in the coming days, is as follows:

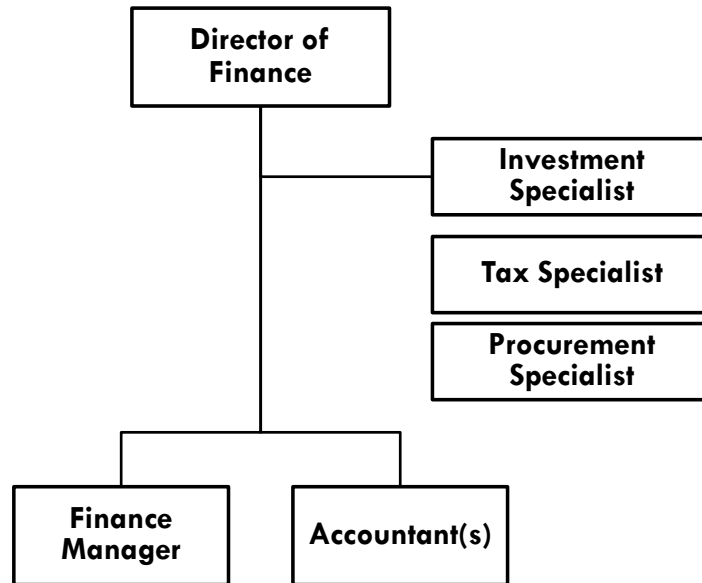


In general, the **Human Resources and Asset Manager** task is to assist the Secretary of the Board of Executives/Director of Operations in managing human resources covering the entire staff of the organization comprehensively; and assisting in the management and development of organizational assets of any kind. Details of the Human Resources and Asset Manager's duties and responsibilities will be explained in the **Human Resources Management SOP, Financial Management SOP (Assets section), and Inventory Procurement and Management SOP**.

In general, the task of the **Knowledge Management Manager** is to assist the Secretary of the Executive Board/Director of Operations in managing data, information, and knowledge at the individual level of the organization's staff (working closely with the Human Resources and Asset Manager) and at the project/program and organizational level (working closely with the Planning, Monitoring, and Evaluation Manager); assist in building a culture of learner organizations and developing knowledge production media/instruments; and can conduct research/study of future organizational development. As of November 14, 2019, the position of Knowledge Management Manager is still held by the Planning, Monitoring, and Evaluation Manager. Details of the Knowledge Management Manager's duties and responsibilities will be explained in **human resource management SOP, SOP Program Management and SOP Monitoring and Evaluation**. In general, the task of the **Planning, Monitoring and Evaluation Manager** is to assist the Secretary of the Board of Management /Director of Operations in planning, drafting reports, monitoring, and evaluation both at the level of project management, program management in the Implementing Body, to the organizational level of the Board of Executives. In particular, the Planning, Monitoring, and Evaluation Manager are responsible for preparing the Annual Report. Details of the Planning, Monitoring, and Evaluation Manager's duties and responsibilities will be explained in the **SOP Program Management and SOP Monitoring and Evaluation**.

In general, the duties of the **Secretariat Team** are to assist the Secretary of the Executive Board/Director of Operations in managing meetings and internal and external communications involving third parties; assisting in legal affairs and notarization; to be the core team for the improvement and development/alignment of the organization's information systems and policies/procedures (SOPs); and responsible for managing and maintaining the organization's communication and publication media in any form. Details of the duties and responsibilities of the Secretariat Team will be explained in the **SOP Administration and Secretariat**.

While the technical structure under the **Treasurer**, which covers the areas of an internal control system, financial management, accounting and taxation, and investment as of November 14, 2019, and can develop in the next day, is as follows:



In general, the duties of the **Finance Manager** are to assist the Treasurer of the Executive Board/ Directors of Finance in ensuring the implementation of the principles and policies of financial management of the organization in accordance with the standards and regulations that apply generally; assist in the management/mitigation of organizational risk and ensure the use of internal control systems; ensure compliance with financial transaction policies/procedures; managing the organization's assets (in cooperation with the Human Resources and Asset Management Manager); responsible for drawing up plans and reports on the realization of the organization's budget; responsible for compiling periodic financial information reports; and responsible for conducting regular audits of the organization's finances.

The Financial Manager may have financial staff according to the needs and specifications of the task load, for example, **Finance Staff, Cashier, and Administration Staff**. Details of the duties and responsibilities of the Financial Manager and the staff under him will be explained in **Financial Management SOP, Procurement and Inventory Management SOP, and Accounting SOP**.

In general, **accountants'** duties, consisting of Senior Accountants and Junior Accountants, are to assist the Treasurer of the Board of Management / Director of Finance in conducting bookkeeping, classification, and preparation of accounting reports based on general standards and regulations in a timely and periodic way. Bookkeeping is done using two types of tools, namely CTH (Daily Transaction Log), which are then consolidated at the organization level using SANGO accounting software, in accordance with PSAK 45 mandated by IAI. Details of the Accountant's duties and responsibilities will be explained in **Financial Management SOP, Procurement and Inventory Management SOP, and Accounting SOP**.

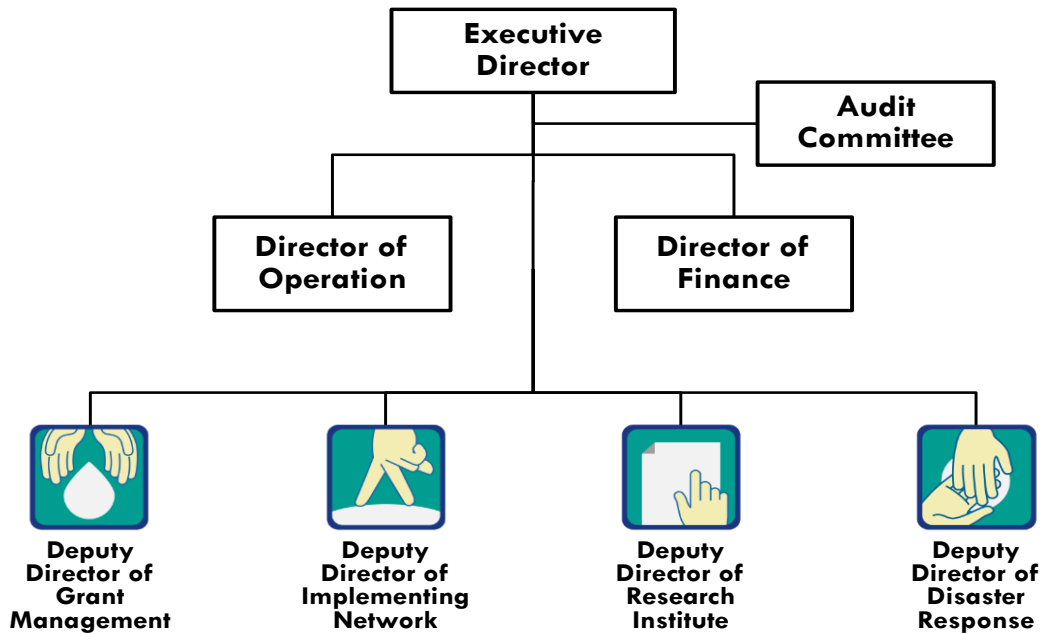
In general, the task of **Investment Specialists** is to assist the Treasurer of the Executive Board/Directors of Finance in providing consideration and recommendations on the choices and investment decisions of the organization. **Tax Specialist** is assisting the Treasurer of the Executive Board/Directors of Finance in planning, calculating, making deductions and withholding, as well as reporting the organization's tax obligations in accordance with applicable tax laws and regulations. **Procurement Specialist** will assist the Treasurer of the

Executive Board/Finance Director in planning, procurement of goods and services, and compiling reports in accordance with the prevailing regulations and policies/procurement procedures of the organization. As of November 14, 2019, the above three Experts are still recruited and employed on a temporary basis (working part-time periodically), according to the type and level of management that needs to be determined by the Treasurer of the Board of Executives. Details of the duties and responsibilities of the Experts will be explained in **Financial Management SOP, Procurement and Inventory Management SOP, and Accounting SOP.**

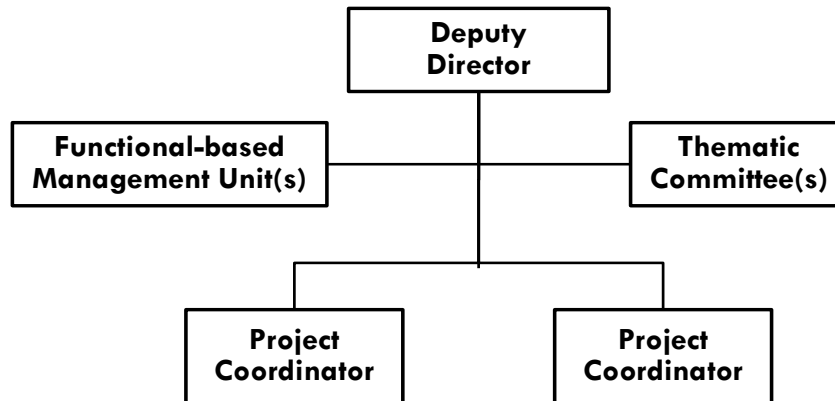
I.6.2. Technical Structure of The Directorate

The Organ of The Directorate of Penabulu Foundation as of November 14, 2019, has not been equipped with a technical structure; technical support for each Directorate and Project managed under the coordination of each Directorate: still provided by the technical structure of the Executive Board.

It is anticipated that the technical structure per each Implementing Body will be formed in a complete and permanent basis for a maximum of 2 years from the time the change in the organizational structure takes effect, or in early 2022. At the time that each Directorate has a complete technical structure, there will be adjustments to the format, structure, and duties and authority of the Executive Board.



A Deputy Director leads each Directorate. The structure of the Directorate under the Deputy Director is the Project Coordinator which is ad hoc according to the needs of the implementation of the activities of each Project. Each Directorate can develop a Function-Based Thematic and Managerial Committee according to the needs of the Directorate by first obtaining consideration and approval from the Executive Board.



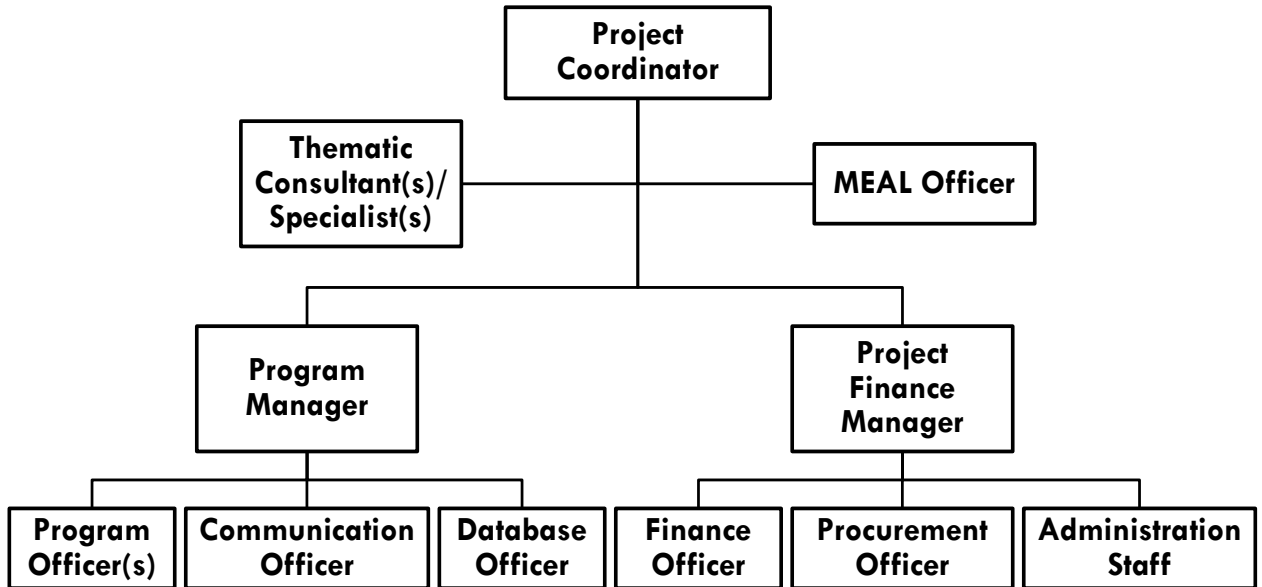
Notes:

Based on the considerations to be taken by the Executive Board, it is possible for a Project with **special characteristics coordinated directly by the Executive Board**. Such specific characteristics include:

- a. Based on the requests and requirements provided by donor agencies;
- b. Projects that are alliances at the international and national level involving several other organizations;
- c. Projects with an enormous volume and scale compared to the portfolio owned by the Directorate;
- d. Projects with relatively high project achievement demands and high-risk factors for project implementation;
- e. Projects that are still in the stage of initiative development and collaboration.

The Implementing Body may establish an ad hoc/temporary project technical structure in accordance with the characteristics of each project, which includes: type of management (independent/alliance/consortium), type of activity, the volume of activities, range of control of the project, duration of the Project, etc. taking into account the clauses in the Project management agreement contract with each of the relevant donor agencies.

Here is an indicative overview of the Project Technical Structure under the coordination of



the Directorate :

Based on the **indicative overview** of the Project Technical Structure above, the Project Coordinator and the Project Staff under it will be under the coordination of the Executive Board Deputy Director and will continue to receive support and direction/supervision in a tiered way in accordance with the details of the policies and procedures in each of the relevant SOPs of the **Technical Structure of the Executive Board**.

Example 1: MEAL Officer on Project Technical Structure will assist the Project Coordinator in planning, monitoring, and evaluating the Project periodically in accordance with the monitoring and evaluation framework that has been agreed together with the donor agency. In addition to the Project Coordinator, MEAL Officer's work also needs to get supervision from the Planning Manager. Monitoring and Evaluation (PME Manager) that is part of the Technical Structure of the Executive Board.

Example 2: Project Finance Manager on the Project, Technical Structure will help the Project Coordinator manage the budget and, together with the Project Coordinator, will authorize the use of the budget on the Application for Advance Activity or Application for Procurement of Goods/Services submitted by the Program Officer and Program Manager. The application for using the approved budget will go through authorizing the expenditure of funds in the Finance Manager and the Director of Finance, which is part of the Executive Board Technical Structure. While the payment authorization process/cheque signing will be carried out by the Executive Director and Chairman of the Governing Board.

Reference Document:

- Code of Ethic
- Administration and Secretariat SOP
- Human Resources SOP
- Financial Manager SOP
- Procurement and Inventory Management SOP
- Accounting SOP
- Internal Audit SOP
- Grant Distribution SOPProgram

- Management SOP
- Program Monitoring and Evaluation SOP

I.6.3. PENABULU FOUNDATION ORGANIZATIONAL STRUCTURE

In accordance with the Deed of Establishment of Penabulu Foundation No. 1, dated October 22, 2003, by Notary Rita Riana Hutapea, SH; and Deed of Change of Penabulu Foundation No. 2, dated April 15, 2004, by Notary Rita Riana Hutapea, SH; in Article 1 concerning **Name and Place of Position**, mentioned in Paragraph 2: "**The Foundation may open branch offices or representative offices elsewhere, both inside and outside the territory of the Republic of Indonesia as stipulated by the Board of Trustees with the approval of the Governor.**". At the Plenary Meeting of the Board of Trustees, Supervisors, and Administrators of Penabulu Foundation on June 5, 2017, the branch opening's priority was for the regions: Aceh, Palembang, Yogyakarta, Kupang, Lombok, Palangkaraya, Berau, Makassar, Manado, and Jayapura. The Opening of Representatives and Branches of the Foundation is based on the following considerations:

- a. Determination of Representative/Branch territory based on medium strategic issues/programs and will be developed in the medium/long term by the Foundation,
- b. Establishment of Representatives/Branches for comprehensive program management and more focused on a specific region within a minimum period of 3 years, as a form of delegation of authority and responsibility of the Foundation on the smallest management scale,
- c. As an effort to ensure the sustainability of the Foundation's programs and services after the project period,
- d. Upon special requests from local governments, local partners and other local stakeholders.

Based on some of the above considerations, it is possible to establish a Branch of Foundation that precedes the establishment of a Representative of the Foundation at the Provincial level (Subsidiary of Foundation), as well as the opposite pattern (Multi-Storey Branch). It is also possible in one region, the Foundation only opens a Representative Office at the Provincial level (Subsidiary of Foundation) only or vice versa only opens branch offices at the District/city level (Branch of Foundation) only.

In areas where there is a Foundation Representative Office at the Provincial level, the Foundation Branch Office operating in the province will be directly responsible to the Central Board of Trustees of the Foundation through the Foundation Representative. The Foundation's Representative will give operational authority to the Branch in the District/City area where the Foundation Branch Office is located. Foundation representatives will not work directly in the District/City area where the Foundation Branch Office is located. However, Foundation Representatives can work up to the District/City level, where there is no Foundation Branch..

Foundation branches that do not have representative foundation offices at the Provincial level will be directly responsible to the Central Board of Trustees of the Foundation and apply as Foundation Representatives at the Provincial level until formally formed. If there are two or more Foundation Branches in the same province where there are no/no Foundation Representatives at the Provincial level, then the Central Board of Trustees of the Foundation will determine which Branch of the Foundation will act temporarily as the Foundation Representative at the Provincial level.

Each Representative and Branch of Yayasan Penabulu is equipped with the operational structure of the branch with one representative chairman/ branch, one Representative Secretary/Branch and 1 Representative Treasurer/Branch.

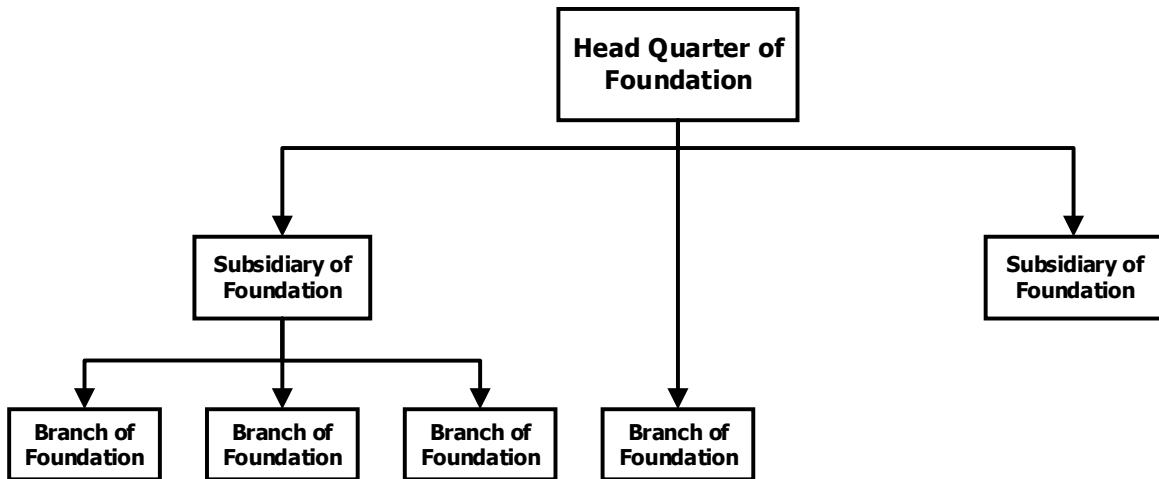


Image XXX. Central Management Structure, Provincial Representative and Regency/City Branch of Penabulu Foundation

As of June 2020, the data of Representatives and Branches of Penabulu Foundation is as follows:

Branches at the Provincial level are called "Foundation Representatives" (Subsidiaries of Foundation)

No.	Subsidiaries of Foundation	Address	Deed Date	Deed Number
1	Papua Province	Gang Matoa I No. 42, Perumnas 2 Waena RT. 002/RW. 004, Kp Waena, Heram, Jayapura, Papua	23 November 2017	2
2	South Sumatra Province	Jalan Manunggal 1 No. 3B. 30, Ilir Barat 2, Palembang 30151, (0711) 5733335	23 November 2017	19
3	DI Yogyakarta	Perumahan Griya Mahkota F8, Jalan Godean KM 4, Kwarasan, Sleman, 55292, (0274) 545147	23 November 2017	22
4	Center Sulawesi	Jl. Banteng, BTN Bumi Anggur, Blok C1/8, Kel. Birobuli Selatan, Palu Selatan, Kota Palu, Sulteng 94231	17 Juni 2020	20

Branches at the District/City level are called "Branch of Foundations"

No.	Branch of Foundation	Address	Deed Date	Deed Number
1	Manado City	Jalan Pongidon 7 Lingkungan IV RW 004, Maasing, Tuminting, Manado, Sulawesi Utara	23 November 2017	13
2	Banda Aceh City	Jalan Poteumeureuhom No. 20, Gampong Ilie, Ulee Kareng, Banda Aceh 23119, 081360358831	23 November 2017	14
3	Berau Districts	Jalan Pulau Kakaban, Tanjung Redep, Kabupaten Berau, 77315	23 November 2017	15
4	Kupang City	Jalan Tambring RT 021/RW 005, Lasiana, Kelapa Lima, Kupang, Nusa Tenggara Timur	23 November 2017	16
5	North Lombok Districts	Dusun Srimenganti Desa Anyar Kecamatan Bayan kab. Lombok Utara	23 November 2017	17
6	Makassar City	Jl. Beringin Timur, Stapak 10 Kel. Kassi-Kassi, Kec. Rappocini, Kota Makassar	23 November 2017	18
7	Palangkaraya City	Jln. Putri Junjung Buih III Gg. Temanggung Mangkusari No.39, Kel. Langkai Kec. Pahandut Kota Palangka Raya	23 November 2017	20
8	South Tangerang	Komplek Taman Fasco Blok A 9 No. 1, Serua, Pamulang, Ciputat, Tangerang Selatan 15414, (021) 7448414	24 April 2018	16
9	Bandung City	Jalan Rereng Barong No. 37, Sukaluyu, Bandung 40123, (022) 82526399	24 April 2018	15
10	Malang City	Jalan Simpang Kepuh 47, RT 3 RW 10, Bandungrejosari, Sukun, Malang 65148, (0341) 806180	24 April 2018	17
11	Pekalongan City	Jalan Jayabakti 189 B, Medono, Pekalongan Barat 51111, (0285) 4411800	30 Juli 2018	27

Structurally, the Representative/Branch Chairman will be direct/multi-story responsible to the Chairman of the Board of Executives (Executive Director). The Chairman of the Board of Executives assigns duties and responsibilities accompanied by the granting of Special Powers to the Chairman of the Representative/ Branch to:

- a. Acting on behalf of The Foundation's Representatives/Branches in and out of court and wherever necessary



- b. To carry out the management of permits and carry out useful things to make the Foundation's activities run smoothly
- c. Billing and receiving receipts and signing receipts and other receipts
- d. Open an account at the Bank, deposit and collect the money deposited or money that may be used by the Representative/Branch of the Foundation and from the Banks or other institutions, by signing cheque-cheque or other receipt
- e. Representatives/Branches of the Foundation are authorized to deal with where necessary, make and sign all necessary letters and deeds, choose a legal seat, provide information and carry out all necessary and useful actions to carry out and manage all the affairs and needs of the Representative of the Foundation

The Chairman of the Representative/Branch as the recipient of the Power of Attorney is **NOT** permitted to:

- a. Transferring this power either partially or entirely
- b. To borrow and or lend money on behalf of the Foundation (excluding taking Money Representative/Branch of the Foundation in the Bank)
- c. Establishing a new business or carrying out participation in various forms of business both inside and outside the country
- d. Grant or receive a transfer of fixed property
- e. Buying or other means obtaining/acquiring fixed assets on behalf of the Foundation
- f. Selling or other means releasing the Foundation's wealth and taxing the Foundation's wealth
- g. Enter into agreements with organizations affiliated with the Foundation, Trustees, Board of Trustees and Trustees of the Foundation or a member who works for the Foundation
- h. That any action taken by the beneficiary in exercising this power contrary to the law, the Articles of Association of the Foundation and or any other provision of the law is invalid to the Foundation and therefore is the full responsibility of the attorney

Each establishment of representative/branch will be followed by the process of registering the legality of the Branch to the local District Court and the relevant government parties/offices required (Kesbangpol, Dinsos, etc.). Based on the proof of registration, the Branch reserves the right to open a Representative/Branch bank account with the authorization of the Chairman of the Representative/Branch and the Treasurer of the Representative/Branch. Representative/Branch financial and taxation statements are an integral part of the Financial Statements of Yayasan Penabulu consolidative. Financial management policies and procedures and Representative/Branch programs will refer and follow the applicable Yayasan Penabulu Foundation SOP..

II. Fraud Anti-Corruption and Fraud Prevention Governance

II.1. DEFINITION AND SCOPE

Corruption is a type of fraud. Fraud is an act of deviation or omission that is intentionally carried out by one or more individuals in management or parties who are not responsible for governance, employees and other parties that involve the use of deception to gain an unfair advantage or violate the law by deceiving and manipulating management, the board of directors, boards, donors, or work partners, resulting in these parties experiencing losses and/or fraud perpetrators experiencing direct or indirect benefits.

In general, fraud occurs because of 3 (three) underlying things that occur together, namely:

1. Incentive or pressure to commit fraud. Pressure in general includes financial pressure, individual pressure, job dissatisfaction, seeking certain results and financial difficulties.
2. Opportunity to commit fraud. Opportunity includes weak internal controls, low awareness of fraud, inconsistent policies, high employee turnover or the absence of leave opportunities.
3. Attitude or rationalization to justify fraud. This rationalization is due to following the example of superiors or coworkers, feeling that they have done a lot for the organization, assuming that what is taken is not much, it can also be considered that borrowing will be paid later and the reason is that it is a common practice.

Penabulu Foundation does not support the existence of Fraud such as Cheating, Fraud, Embezzlement of Assets, Information Leakage, Bribery, Corruption, Collusion, and other actions that can be equated with it. Things that are contrary to the Articles of Association of the Penabulu Foundation must be avoided carefully. Penabulu Foundation supports the Government of the Republic of Indonesia by adhering to:

1. Law (UU) No. 20 of 2001 concerning Amendments to Law No. 31 of 1999 concerning Eradication of Corruption; Law No. 25 of 2003 concerning Amendments to Law No. 15 of 2002 concerning the Crime of Money Laundering;
2. Law No. 7 of 2006 concerning Ratification of the United Nations Against Corruption, 2003; and
3. Law No. 5 of 2009 concerning Ratification of the United Nations Convention Against Transnational Organized Crime.

To avoid the emergence of various types of fraud, Penabulu Foundation builds organizational governance with a 4 Pillars of fraud control system approach, as follows:

1. Pillar 1 is Prevention. The strategy for implementing pillar 1 is carried out by:
 - a. Application of anti-corruption culture and appreciation (Anti-Fraud Awareness);
 - b. Vulnerability Identification;
 - c. Know Your Employee and Partners Policy;
2. Pillar 2 is Detection. Pillar 2 implementation strategies are:
 - a. Application of protection to the Whistleblower;
 - b. Sudden or unexpected inspection (Surprise Audit);

- c. Surveillance System;
- 3. Pillar 3 is Investigation, reporting and sanctions;
- 4. Pillar 4 is Monitoring, evaluation and follow-up.

II.2. Pillar 1 : Prevention

The prevention pillar is part of the fraud control system that contains steps in order to reduce the potential risk of fraud which includes at least awareness of the dangers of fraud (Anti-Fraud Awareness), identification of vulnerabilities (Vulnerability Identification), and the application of the principle of knowing employees and partners.

1. Anti-Fraud Awareness

Anti-Fraud Awareness is an effort by Penabulu Foundation to raise awareness about the importance of fraud prevention by all staff, management, board of directors, and other parties. Efforts to foster Anti-Fraud Awareness attitudes and behaviors are carried out, among others, through:

- a. Preparation and Socialization of Anti-Fraud (Fraud zero tolerance policy);
- b. Employee Fraud Awareness;
- c. Third Party Fraud Awareness.

2. Vulnerability Identification

Vulnerability identification is a risk management process to identify, analyze, and assess the potential risk of fraud. In general, the identification of vulnerabilities is intended to identify the risk of fraud inherent in any activity that has the potential to harm the Foundation. The results of the identification of vulnerabilities are documented and informed to interested parties, especially for activities that are considered high risk for the occurrence of fraud.

3. Know Your Employee and Partners Policy

a. Know Your Employee Policy

Identification and Verification of prospective employees through a screening process and evaluation of employee integrity. The selection of employees is equipped with the right qualifications by considering risks, including positions that have a high risk of fraud. The employee recognition policy will include recognizing and monitoring the employee's character, behavior and lifestyle. Selected employees are required to sign the Penabulu Foundation's Integrity Pact.

Penabulu Foundation created several policies related to fraud prevention within the organization, such as:

- 1) Integrity Pact that must be obeyed by all employees of Penabulu Foundation;



- 2) Each Penabulu employee must periodically update his CV and give it to HRD as well as provide complete documents regarding employee personal data;
- 3) The whistleblower and justice collaborator program implemented by Penabulu Foundation is intended to create a system that allows Penabulu Foundation to carry out early detection of the possibility or indication of fraud, so that Penabulu Foundation can take corrective and mitigation steps needed to secure assets, reputation and risk of loss that may arise;
- 4) Handle immediately conflicts that occur between employees;
- 5) Create a culture of using money within budget and should be central to the way the organization achieves its mission;
- 6) Provide training or explanation to staff regarding the goals and direction of the foundation, and inspire them to put the values of the organization into practice;
- 7) Implement adequate internal controls that are checked regularly to ensure that they are working;
- 8) The application of strict sanctions for fraudulent acts including administrative actions to dismissal and criminal prosecution;
- 9) Ensure that there is no conflict of interest between the parties procuring goods/services and the supplier/service owner;
- 10) Permission to leave for vacation/sickness/maternity must be gained by filling out a leave form by providing complete information on when to go back to work, a medical leave letter, and the reason for taking leave;
- 11) There is a bidding mechanism and determining the winner by taking into account aspects of price, quality, time of availability of goods/services, and other purchasing services (e.g., guarantees, etc.);
- 12) If the procurement of goods and services is unable to carry out the tender/bidding process for various reasons, then the payment must be in accordance with the market price or considered reasonable. Employees of Penabulu Foundation are not allowed to receive commissions, receive profits or repayments, or obtain other special rights due to transactions that affect prices;
- 13) List of Fixed Assets (DAT) must be continuously updated monthly by giving number, condition of goods, and depreciation. DAT must be verified periodically and can be accounted for when the auditor comes to conduct an examination;
- 14) Penabulu Foundation must make a Statement of Grants to grant Fixed Assets in the Donor Program to Penabulu Foundation with all special considerations;
- 15) Each receipt of loan funds from other parties that will be used as Pre-Finance for Program financing, must include a Loan Letter and be recorded in the Program Account Statement;
- 16) Partners are expected to have accounting completeness such as: Cash Book, Bank Book, Bank Reconciliation, Details of Payroll, Details of List of Fixed Assets, Cash *Opname*, List of Advances, Invoices and Receipts, Details of Receivables and Payables. Financial transactions must be recorded daily and cash *opname* done weekly;



- 17) Partners do not manipulate supporting documents as if the Partner's budget has been absorbed by 100 percent in each budget item;
- 18) If there is a need that has not been included in the budget, Partners must first communicate it to Penabulu Foundation;
- 19) Examination of the financial statements of the Program and Consolidation in the Finance Division follows the results of the institution's financial audit. Penabulu Foundation can periodically send the Monitoring and Evaluation Team to the Finance Division;
- 20) Penabulu Foundation may deploy the Internal Audit Team and the Monitoring and Evaluation Team to conduct periodic inspections of the Program;
- 21) Penabulu Foundation is required to make a Standard Unit Cost in accordance with market prices and updated regularly;
- 22) Types of financing that cannot be withdrawn from the Penabulu Foundation budget are liquor; cigarette; illegal drugs; gifts/gifts for employees of Penabulu Foundation; military equipment; explosives; weapons; fines from the courts for illegal acts; fines for electricity, water, and telephone; purchase of assets for personal use and not in accordance with the objectives of the program; lodging outside the activity period; business class flights; office uniforms; use of the budget without valid proof of expenditure; a memorandum of expenditure for the purchase of goods without the address and telephone number of the seller; perfumes, cosmetics, and other types of beauty tools; decorative items; and others. If unsure whether a purchase of an item is allowed or not, the Non-Financial Division can consult the Finance and Administration Division. If the Non-Financial Division and the Finance and Administration Division still cannot decide, they can consult the Executive Director and/or the Monitoring and Evaluation Team and the Internal Audit Team;
- 23) It is not allowed to give tips money, red packets, administration money, 'silent' money, gas money, 'facilitation' money, 'door-knocking' money, entrance fees, 'cigarette' money, 'peace' money, 'under the table' money, 'we both know' money, and 'tired' money.

b. Know Your Partners Policy

The Know Your Partners Policy is a principle applied by Penabulu Foundation to find out the identity of Work Partners, monitor transaction activities for approved programs, including reporting transactions that are indicated as suspicious.

The assessment process of the Partner's financial management system must be carried out by Penabulu Foundation before carrying out the desired Programs. This method is to mitigate risks that may occur in the future.

The prevention and monitoring carried out by Penabulu Foundation against the fraudulent acts of Partners are:



- 1) All Business Partner staff must be committed and work with high integrity and promote fraud prevention and control measures. Partners must not tolerate any acts of fraud;
- 2) Prevention and monitoring are carried out on things such as: imposing undue fees, fake tenders, bribes, receiving gratuities, fake invoices/receipts, mismanagement or wasting of funds, conflicts of interest, fraud on official travel, abuse of power, theft or misuse of equipment, computer crime, plagiarism of research reports, and other equivalents;
- 3) Require every Business Partner staff to sign an Integrity Pact;
- 4) Transparency in reports both financial transactions and program results, including if possible, publishing them on the Partner's website;
- 5) The application of strict sanctions for fraudulent acts including administrative actions to termination of programs and criminal prosecutions;
- 6) Require Work Partners to report to Penabulu Foundation if there are indications of fraud against the Penabulu Foundation Program. The report is in the form of chronological information and fraud, who, where, when, and how the fraud occurred;
- 7) Partners are required to improve their institution's internal control system before receiving Penabulu Foundation Program funds;
- 8) Conduct an examination of the financial statements;
- 9) Revise the financial statements;
- 10) Inform Partners regarding the list of financing that cannot be claimed to Penabulu Foundation. The type of financing that cannot be claimed to Penabulu Foundation is liquor; cigarettes; illegal drugs; gifts/souvenirs for staff of Partners or Penabulu Foundation; military equipment; explosives; weapons; fines from the courts for illegal acts; fines for electricity, water and telephone; purchase of assets for personal use and not in accordance with the objectives of the program; lodging outside the activity period; business class flights; office uniforms; use of the budget without valid proof of expenditure; a memorandum of expenditure for the purchase of goods without the address and telephone number of the seller; perfumes, cosmetics, and other types of beauty tools; decorative items; and others. If you are not sure whether a purchase of an item is allowed or not, Partners can consult with Penabulu Foundation before purchasing;
- 11) Penabulu Foundation tolerates changes in expenditures which amount to no more than 10% of each budget item;
- 12) Ensure that there is no conflict of interest between Penabulu Foundation and its Partners, and between the Partners and the Supplier of Goods;
- 13) Penabulu Foundation will not reimburse costs incurred as a result of activities carried out prior to the approval of the contract or contract amendments, so that these costs are fully the responsibility of the Partners.
- 14) Partner staff involved in the Penabulu Foundation Program must include a work contract and CV;



- 15) The whistleblower and justice collaborator program implemented by Penabulu Foundation to its Partners is intended to create a system that allows Penabulu Foundation to carry out early detection of the possibility or indication of fraud, so that Penabulu Foundation can take the necessary corrective and mitigation steps early to secure assets, reputation and the risk of loss that may arise;
- 16) Partner staff in the Penabulu Foundation Program cannot receive salaries or wages in other Penabulu Foundation Programs;
- 17) Partners who receive funds from the Penabulu Foundation Program cannot become program implementers from other partners who both receive funds from Penabulu Foundation;
- 18) There is a bidding mechanism and determining the winner by taking into account aspects of price, quality, time of availability of goods/services, and other purchasing services (e.g., guarantees, etc.);
- 19) If the procurement of goods and services is unable to carry out the tender/bidding process for various reasons, then the payment must be in accordance with the market price or considered reasonable. Partner staff are not allowed to receive commissions, receive profits or repayments, or obtain other special rights due to transactions that affect prices;
- 20) List of Fixed Assets (DAT) must be continuously updated monthly by giving number, condition of goods, and depreciation. DAT must be verified periodically and can be accounted for when the auditor comes to conduct an examination;
- 21) Partners must make a Grant Statement Letter to grant Fixed Assets in the Penabulu Foundation Program to Partners with all special considerations;
- 22) Each receipt of loan funds from other parties that will be used as Pre-Finance for Program financing, must include a Loan Letter and be recorded in the Program Account Statement;
- 23) The first phase of disbursement of funds will be carried out if Penabulu Foundation and Partners have signed a cooperation contract. And further granting of funds is carried out in stages in accordance with the agreement which will be regulated later;
- 24) At the end of the program, the remaining funds in the bank account are closed and returned to Penabulu Foundation. Refunds may await the results of the Partner's financial audit;
- 25) Partners are expected to have accounting completeness such as: Cash Book, Bank Book, Bank Reconciliation, Details of Payroll, Details of List of Fixed Assets, Cash *Opname*, List of Advances, Invoices and Receipts, Details of Receivables and Payables. Financial transactions must be recorded daily and cash *opname* done weekly;
- 26) Partners are not justified in manipulating supporting documents as if the Partner's budget has been absorbed by 100 percent in each budget item;
- 27) If there is a need that has not been included in the budget, Partners must first communicate it to Penabulu Foundation;

- 28) The examination of the Program's financial reports at the Partners follows the results of the financial audits of the Partners' institutions. If indications of fraud are found, Penabulu Foundation will send the Monitoring and Evaluation Team and the Internal Audit Team to Partners;
- 29) Penabulu Foundation may assign the Monitoring and Evaluation Team and the Internal Audit Team to conduct periodic examinations of the Program;
- 30) Partners are required to make Standard Unit Costs in accordance with market prices;
- 31) It is not allowed to give tips money, red packets, administration money, 'silent' money, gas money, 'facilitation' money, 'door-knocking' money, entrance fees, 'cigarette' money, 'peace' money, 'under the table' money, 'we both know' money, and 'tired' money.

II.3. Pillar 2 : Detection

The detection pillar is part of the fraud control system that contains steps to identify and find fraud in business activities which include a minimum of policies and mechanisms for protection of whistleblowers, conducting a sudden audit (Surprise Audit) and a Surveillance System.

1. Policy and Mechanism of Whistleblowers (Whistleblowing Policy)

This policy is intended to increase the effectiveness of the implementation of the fraud control system by focusing on the disclosure of complaints. The whistleblowing policy must be clearly formulated, easy to understand and can be implemented effectively in order to provide encouragement and awareness to employees and officials to report fraud that occurs.

To increase the effectiveness of the implementation of the Whistleblowing policy, several things must be prepared at a minimum as follows:

- a. Protection for Whistleblowers. Penabulu Foundation is committed to supporting and protecting every Fraud reporter and ensuring the confidentiality of the identity of the Fraud reporter and the submitted Fraud report.
- b. Regulations related to Fraud Complaints. Penabulu Foundation prepares internal provisions governing fraud complaints by referring to applicable Government regulations as part of internal regulations.
- c. Reporting System and Follow Up Mechanism. Penabulu Foundation compiles a reporting system, including reporting procedures, suggestions and the party responsible for handling reporting.

Some of the risks and obstacles that could potentially arise from Whistleblowing policy and mechanism include:

- a. Whistleblowers are not protected from harassment, alienation, discrimination, stress/emotional hardship, retaliation, intimidation, job loss/blacklisting, and family hardship/divorce.

- b. Corporate Culture, such as implementation differences between senior leaders and employees at the field level.
- c. Pressure for management can or cannot (management could), knowingly or not, send messages to break rules, or employees misinterpret messages.

2. Sudden Audit Implementation (Audit Surprise)

Surprise Audit policy and mechanism need to be carried out especially in units that are at high risk or prone to fraud. The implementation of a surprise audit can increase employee awareness in carrying out their duties.

3. Surveillance System

Surveillance System is an act of testing or inspection carried out without being known or realized by the party being tested or examined in order to monitor and test the effectiveness of the anti-fraud policy. The surveillance system can be carried out by independent parties and/or internal parties of the Foundation.

Penabulu Foundation uses several tools to identify and locate fraud in the operational activities of Penabulu Foundation and the Implementing Board including:

1. Penabulu Foundation Staff Complaints;
2. Penabulu Foundation Partner Complaints;
3. Monitoring and Evaluation Team and Internal Audit Team;
4. Observation/Monitoring System is an act of testing or inspection carried out without being known or realized by the party being tested or examined in order to monitor or evaluate the level of effectiveness of policy implementation.

II.4. Pillar 3 : Investigation, Reporting And Sanctions

The pillar of investigation, reporting and sanctions is a part of the fraud control system which includes steps to obtain information (investigation), reporting system (reporting), and imposition of sanctions for fraud. In conducting an investigation, it is necessary to note some basic principles, namely that the investigation is not a process of judging, the investigation process is a delegation of authority from the leadership level with limited authority and is carried out by a joint team from Internal Audit, HRD, and IT with clear report outputs.

1. Investigation Policy

Investigation is a process of study in terms of collecting evidence related to events that are reasonably suspected of being fraudulent acts. The investigative process also includes interviews conducted with suspects including witnesses who are deemed to have knowledge of

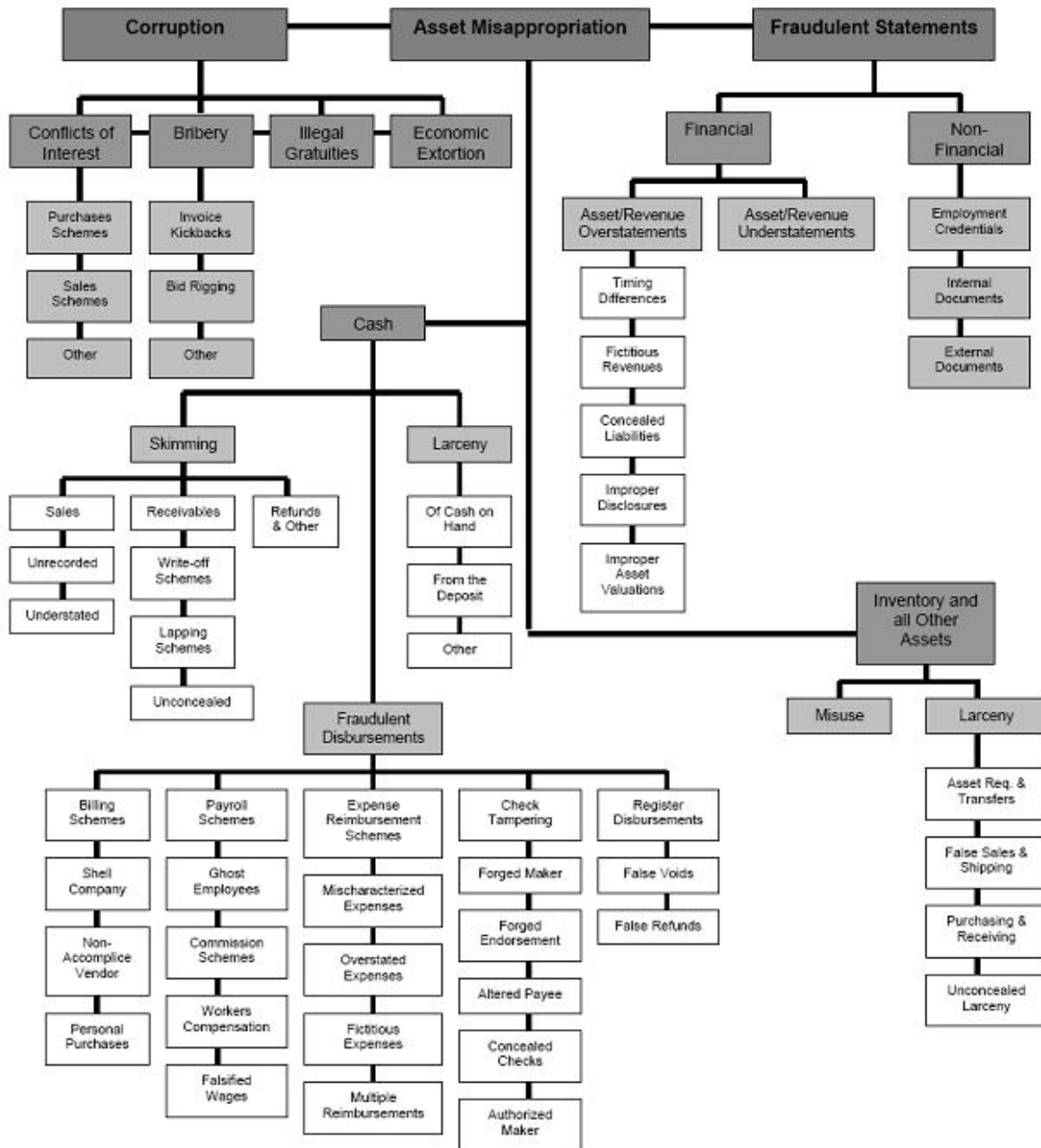
events that are reasonably suspected of being fraudulent acts as well as gathering evidence of incidents.

Some of the stages that must be carried out in an investigation process are as follows:

- a. Problem Recognition and Review Planning. At this stage, identification and analysis of information or complaints received or problems that occur will be carried out. Next, work steps are made starting from reviewing the information received by using indicators and formulating hypotheses.
- b. Evidence Collection;
- c. Evidence Evaluation; and
- d. Report Finding.

Penabulu Foundation uses a fraud tree based on the Association of Certified Fraud Examiners (ACFE) to help carry out investigations into areas of fraud that occurred. The following Fraud tree is the area of the Penabulu Foundation's investigation:

Uniform Occupational Fraud Classification System



Penabulu Foundation uses follow the money and reverse proof techniques to investigate a fraud case. Evidence that can be used for follow the money and reverse proof techniques are:

- a. Fraud perpetrator's statement.
- b. Witness testimony.
- c. Applicable SOPs.
- d. Proof of Transfer.
- e. Deposit Slips.



- f. Bank Statement.
- g. TOR dan BTOR.
- h. Articles of Association.
- i. Notarial Deed.
- j. Minutes of the meeting.
- k. Organizational structure.
- l. Receivables, Payables, and Advances past the 3-month period.
- m. Vouchers.
- n. Digital evidence (voice recorder, software, computer, file, etc.)
- o. Invoices.
- p. Receipts.
- q. Minutes.
- r. List of Fixed Assets and Depreciation.
- s. Office Inventory List.
- t. List of damaged goods.
- u. Goods Receipt Records.
- v. Travel letter from Supplier.
- w. Confirmation Letter.
- x. Check cancelled.
- y. Notes on the use of checks.
- z. Notes on the use of stamps.
- aa. List of incoming and outgoing mail.
- bb. Outgoing phone list.
- cc. Expression of interest (EOI).
- dd. List of goods/services bidding analysis.
- ee. Loan letter.
- ff. Financial reports and standards used.
- gg. Journals, and Ledgers.
- hh. Proof of digital signature request.

Ways to support follow the money and reverse proof techniques with the term 6W+1H (where, who, whom, when, what, why, dan how) are as follows:

- a. Interviews and interrogations.
- b. Contacting suppliers or other third parties.
- c. Analysis of fraudulent behavior such as: suspicious movements, luxurious lifestyle, frequent complaints, and others.
- d. Open share personal files.
- e. Search, seal and confiscation.
- f. Monitoring and observation.
- g. Shadowing.
- h. Disguising.
- i. Tracing transactions and applying relevant audit techniques

- j. Treating properly the information received from the whistleblower.
- k. Observing and checking data/transaction/document anomalies.
- l. Verification of fixed assets and inventory.
- m. Cash *opname*.
- n. Conducting analytical reviews such as:
 - 1) Comparing the budget with the realization.
 - 2) Financial ratio analysis.
 - 3) Year to year and month to month analysis.
 - 4) Comparing financial data.
- o. Recounting.
- p. Photocopy of digital and non-digital proof of transaction.
- q. Testing on the authenticity of the signature.
- r. Writing and language style analysis.
- s. Document paper analysis.
- t. Document date analysis.
- u. Analysis of the ink and printer used to print documents.
- v. Analysis, deletion, correction, and alteration of writing.
- w. Conducting profiling of Fraud perpetrators.
- x. Using tools for tracing digital transactions.
- y. Establishing intensive collaboration with sources of information, both institutional and personal.

2. Reporting System

Penabulu Foundation has developed an effective reporting mechanism for the investigations and incidents of fraud found. The reporting mechanism includes reporting internally to the management as well as to external parties such as the authorities.

3. Imposition of Sanctions

Penabulu Foundation has an effective internal sanction policy in order to follow up on the results of the investigation in order to create a deterrent effect for the perpetrators of fraud. This policy at least regulates several things, namely the mechanism for imposing sanctions and the authorized party providing sanctions.

Both the reporting system and the imposition of sanctions, the handling of fraud that occurs still follows the legal channels applicable in Indonesia, both individuals and institutions. Penabulu Foundation complies with applicable laws in Indonesia. The stages of Penabulu Foundation in solving Fraud are:

- a. Holding a meeting to provide the opportunity for the perpetrators of fraud to reveal the reasons for committing fraud.

- b. Providing an opportunity to return the amount of money/assets/data/documents that have been taken.
- c. Notarizing the amount of money that has been taken illegally.
- d. Expert Assessment.
- e. Conducting mediation.
- f. Disrespectful dismissal.
- g. Arbitration.
- h. Filing civil and criminal lawsuits.

II.5. Pillar 4 : Monitoring, Evaluation and Follow-Up

The pillar of monitoring, evaluation and follow-up is a part of the fraud control system that contains minimal steps to monitor and evaluate fraud as well as follow-up mechanisms.

1. Monitoring

One of the important steps in implementing a fraud control system is monitoring the follow-up actions taken on fraud incidents, both in accordance with internal regulations and in accordance with applicable laws and regulations.

2. Evaluation

In order to support the evaluation, Penabulu Foundation needs to maintain data on fraud incidents (Fraud Profiling). Fraud incident data can be used as an evaluation tool. The fraud incident data at least includes the data and information needed in the reporting template.

3. Follow-Up

Based on the evaluation results, a follow-up mechanism will be implemented to correct weaknesses and strengthen the internal control system so as to prevent the recurrence of fraud due to the same weakness.

III. Whistleblowing Policy

III.1. Definition and Scope

Whistleblowers are employees of Penabulu Foundation or Partners who dare to report any irregularities that have occurred within Penabulu Foundation or Partners.

The whistleblowing system is important for Penabulu Foundation to improve and maintain the ethical behavior of employees. This is part of the internal control environment especially in reducing the risk of lawlessness and abuse of authority.

This policy was built to encourage employees and partners to report legal and ethical violations that they are aware of to the Executive Board and/or the Internal Audit Team of Penabulu Foundation, and applies to employees and partners of Penabulu Foundation. Violation of the law can be materially detrimental and defamatory.

III.2. Whistleblowing Mechanism

Submission of complaints by Whistleblowers must pay attention to the following:

1. The whistleblower is required to provide an initial indication that can be accounted for, which includes:
 - a. The violation that is complained of includes the amount of loss and preferably only for one violation so that the handling is more focused;
 - b. The parties involved or who are responsible for the violation must be clear including the witnesses and the parties who benefited or suffered from the violation;
 - c. The location of the violation, which includes the name, place or function of the occurrence of the violation;
 - d. The time of the violation is the period of the violation whether it is a certain day, week, month, year or date when the violation occurred;
 - e. How the violation occurred and whether there is supporting evidence that a violation has occurred;
 - f. Has the violation been reported to other parties;
 - g. Has the violation occurred before.
2. In order to speed up and simplify the Complaint follow-up process, it is recommended that the whistleblower provide information regarding personal data, which at least contains an address or telephone/mobile/facsimile/email number.

Penabulu Foundation protects employee disclosure when reporting any activity that violates the cooperation agreement, code of ethics, and SOP of Penabulu Foundation. The Whistleblower can directly report to the Manager/Deputy Director/Executive Director if there is no conflict of interest. Finally, the complaint can be forwarded to the Penabulu Foundation's Internal Audit Team for

further investigation. Regarding the reporting of such violations, Penabulu Foundation will provide protection to the Whistleblower with the following matters:

1. The identity of the Whistleblower is classified by the Foundation;
2. The Foundation guarantees the protection of the Whistleblower from all forms of threats, intimidation, or unpleasant actions from any party as long as the Whistleblower maintains the confidentiality of the reported violation to any party;
3. Protection of the Whistleblower also applies to parties carrying out Investigations and parties providing information related to the Complaint.

The authority to handle reports on complaints of violations by employees or partners will be carried out by the Internal Audit Team as the Person in Charge of the Whistleblowing System. Meanwhile, violations committed by the Implementing Board or the Executive Board will be carried out by the Supervisory Board.

The Violation Reporting System process flow will be followed up as follows:

1. If the documents and evidence submitted are complete, both the Internal Audit Team and the Supervisory Board will sort the data and decide whether the case can be continued to the investigation level.
2. If the decision is 'sufficient evidence', the report will be upgraded to the investigation stage. Reports that are not proven will be returned to the Whistleblower.
3. However, if proven, the Internal Audit Team or the Supervisory Board will report their findings to the Executive Board or the Governing Board. Reports relating to the management and employees under the Implementing Board and the Executive Board are submitted to the Executive Board, while reports relating to the Executive Board will be submitted to the Governing Board.

III.3. WHISTLEBLOWING AWARDS AND SANCTIONS

Penabulu Foundation can provide awards and rewards to whistleblowers for their actions in saving the assets and reputation of Penabulu Foundation, as follows:

1. Award for Whistleblower. Whistleblowers who provide reporting and are proven to be able to prevent and or reduce the occurrence of irregularities that harm the Foundation will be given an award. Provisions regarding the criteria and the amount of the award will be further regulated in the Decree of the Executive Board.
2. Sanctions for False Reporting. In the event that the submitted report is not based on good faith, has no basis, contains elements of false evidence, slander, defamation, the Whistleblower may be subject to sanctions in accordance with applicable regulations.

IV. Justice Collaborator Policy

IV.1. Definition and Scope

A Justice Collaborator is someone who is a suspect and may not be the main actor who helped uncover the crimes of his co-workers or superiors.

The requirements to become a Justice Collaborator are as follows:

1. The perpetrators who are witnesses are not the main actors and must have important information to clearly reveal the case. This means that the witness does not cover all information related to the case that is happening to him to law enforcement, especially to ascertain who the main perpetrators of the case are. He conveyed information that was not conveyed by witnesses or other suspects.
2. The perpetrator confessed his actions to law enforcement. Here the perpetrator does not want to defend himself by lying or by providing convoluted information to law enforcement. On the other hand, from the start, he immediately admitted his actions.
3. The perpetrator wants to return the assets of the crime he committed. Perpetrators who want to get Justice Collaborator status will not take long to return everything they get from the crime they have committed. Here, the perpetrator may not hoard the proceeds of his crime for personal gain, even though this step does not free him from legal snares.
4. The perpetrator did not run away and is ready to testify in court. Perpetrators who have volunteered to become Justice Collaborators must be prepared to disclose all legal facts and information obtained before the trial in court. He must explain clearly to the panel of judges who will decide whether he deserves Justice Collaborator status or not.

IV.2. Justice Collaborator Mechanism

Penabulu Foundation protects employee disclosure when reporting any activity that violates the cooperation agreement, code of ethics, and SOPs of Penabulu Foundation. Penabulu Foundation will handle cases with Justice Collaborator as follows:

1. The Foundation will issue a Decree on the Determination of Justice Collaborator signed by the Executive Board, provided that the Justice Collaborator has met 4 requirements;
2. The foundation will provide physical and psychological protection, among others in the form of supervision and escort, provision of body security equipment, and provision of media and psychological services;
3. The Foundation will conduct special handling.

IV.3. Justice Collaborator Awards and Sanctions

Penabulu Foundation can reward justice collaborators for their actions in saving the assets and reputation of Penabulu Foundation by providing leniency.

Fraud perpetrators usually look for scapegoats so that they are free from accusations. Victims accused of fraud can be free from charges or trapped in the game of the perpetrators of fraud.

Penabulu Foundation seeks to assist and take steps for victims who are accused of committing fraud, either individually or by partner institutions through:

1. Washing of good name from mouth to mouth.
2. Providing rewards and or compensation as a form of apology.
3. Providing guarantees of acquittal of wrongful charges.

Fraud perpetrators who become Justice Collaborators will be further processed and given leniency compared to other perpetrators, especially the main perpetrators.