

PERNYATAAN TADBIR URUS KORPORAT STATEMENT ON CORPORATE GOVERNANCE

“Tadbir urus korporat merujuk kepada struktur dan proses bagi arah tuju dan pengawalan syarikat. Tadbir urus korporat melibatkan hubungan antara pengurusan, Lembaga Pengarah, pemegang saham dan pemegang berkepentingan. Tadbir urus korporat yang baik menyumbang ke arah pembangunan ekonomi yang mampan dengan meningkatkan prestasi syarikat dan membuka lebih peluang dalam perolehan modal.” - Prinsip Tadbir Urus Korporat dan Garis Panduan Pengundian KWSP.

“Corporate governance refers to the structures and processes for the direction and control of companies. Corporate governance concerns the relationship among the management, Board of Directors, shareholders and stakeholders. Good corporate governance contributes to sustainable economic development by enhancing companies’ performance and access to capital.” - EPF’s Corporate Governance Principles and Voting Guidelines.

KWSP komited untuk mengekalkan piawaian yang tinggi dalam tadbir urus korporat. Lembaga dan pengurusan KWSP mengiktiraf proses tadbir urus korporat yang jelas adalah penting dalam meningkatkan akauntabiliti, ketelusan dan kemampuan serta kekal komited dalam memastikan piawaian tadbir urus korporat yang tinggi untuk melindungi dan memaksimumkan simpanan ahli.

KWSP akan terus komited memberi inspirasi terhadap amalan tadbir urus korporat yang terbaik untuk melindungi kepentingan semua pemegang berkepentingan dan reputasi KWSP. Selaras dengan hasrat ini, KWSP telah mengambil bahagian dalam pelbagai inisiatif tadbir urus korporat seperti berikut:-

- **Menerbitkan Prinsip Tadbir Urus Korporat dan Garis Panduan Pengundian KWSP**

KWSP telah menerbitkan garis panduan tadbir urus korporat yang melibatkan prinsip tadbir urus korporat dan garis panduan mengundi mengenai isu-isu tadbir urus yang terpilih untuk memperbaiki dan meningkatkan kesedaran amalan tadbir urus korporat dalam syarikat-syarikat pelaburannya.

The EPF is committed to maintaining high standards of corporate governance (CG). EPF’s Board and management recognise that well-defined CG processes are essential in enhancing accountability, transparency and sustainability and remain committed to ensuring high standards of CG to protect and maximise members’ savings.

The EPF continues to be committed to inspiring good CG practices to protect the interests of all stakeholders as well as the reputation of the Fund. In line with this aspiration, it carried out various CG initiatives as follows:-

- **Published its CG Principles and Voting Guidelines**

The EPF published its own CG guidelines detailing its CG principles and voting guidelines on certain governance issues to improve and raise awareness of CG practices within its investee companies.

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- **Melaksanakan Hak Mengundi Pemegang Saham**
KWSP menghadiri dan mengundi untuk resolusi-resolusi dalam mesyuarat pemegang saham di syarikat-syarikat awam tersenarai. Cadangan resolusi-resolusi yang akan dibentangkan akan dianalisa dengan teliti serta dibincangkan dalam mesyuarat pengurusan pelaburan. KWSP akan mengundi menentang resolusi yang dilihat akan menjejaskan kepentingan KWSP sebagai pemegang saham syarikat awam tersenarai.
- **Memantau Prestasi**
KWSP memantau syarikat-syarikat pelaburan secara aktif melalui lawatan berjadual Ketua Pegawai Eksekutif (KPE) untuk bertemu dengan pengurusan utama syarikat pelaburan, kerjasama dengan pemegang-pemegang saham lain serta penglibatan secara aktif dengan pihak-pihak yang berkaitan dengan mengambil kira prestasi tadbir urus korporat.
- **Perlaksanaan dan Penglibatan Dalam Program Tadbir Urus Korporat**
KWSP telah mengadakan program kesedaran untuk ahli-ahli Lembaga dan pengurusan untuk meningkatkan piawaian tadbir urus korporat dan menyemai profesionalisme dalam organisasi. KWSP juga turut mengambil bahagian dalam forum berkaitan tadbir urus korporat yang bertajuk *Malaysian Forum on Business Sustainability; Governance, Responsibility, Profits* yang dianjurkan oleh Perception Management International dan Badan Pengawas Pemegang Saham Minoriti Berhad (MSWG).
- **Indeks Tadbir Urus Korporat**
Indeks Tadbir Urus Korporat KWSP yang diguna pakai sejak 2007, bertujuan untuk memupuk kesedaran dan memantau penggunaan amalan tadbir urus korporat yang baik dalam KWSP. Indeks Tadbir Urus Korporat terdiri daripada Rangka Kerja Tadbir Urus Korporat yang Efektif, Pendedahan dan Ketelusan, Pengurusan Risiko dan Kawalan Dalaman, Komunikasi dengan Pemegang Berkepentingan dan Amalan Luaran Tadbir Urus Korporat. Indeks ini menangani perkara utama Tadbir Urus Korporat seperti struktur dan proses Lembaga, tanggungjawab utama Lembaga, pematuhan kepada peraturan-peraturan, polisi dan prosedur yang betul dalam menguruskan konflik kepentingan dan juga kewujudan pengurusan risiko dan sistem kawalan dalaman. Indeks ini berfungsi sebagai petunjuk dan ukuran KWSP untuk meningkatkan pematuhan kepada amalan terbaik tadbir urus korporat, peningkatan ketelusan dan meningkatkan pengurusan risiko bagi tujuan memastikan amalan tadbir urus korporat KWSP adalah setanding dengan piawaian semasa.
- **Exercising Shareholders Voting Right**
The EPF attended and voted on resolutions during shareholders meetings at public listed companies. Resolutions proposed to be tabled at the meetings were thoroughly analysed and deliberated at its own investment management meetings. The EPF voted against any resolution that was seen to be detrimental to the Fund as a shareholder of the PLC.
- **Monitoring Performance**
The EPF actively monitored its investee companies through scheduled CEO visits to meet the key management of the investee companies, collaboration with other shareholders as well active engagement with the relevant parties with regard to CG performance.
- **Conducting and Participating in CG Programmes**
The EPF organised CG awareness programmes for its Board members and management to enhance the standards of CG and to instill professionalism within the organisation. It also participated in the forum on CG entitled 'Malaysian Forum on Business Sustainability; Governance, Responsibility, Profits' which was organised by Perception Management International and Minority Shareholder Watchdog Group (MSWG).
- **Corporate Governance Index**
The EPF's Corporate Governance Index, adopted since 2007, aims to instill awareness and monitor adoption of good CG practices within EPF. The index includes an Effective Corporate Governance Framework, Disclosure and Transparency, Risk Management and Internal Control, Communication with Stakeholders and External Corporate Governance Practices. The EPF's CG Index addresses key CG areas such as board structure and processes, principal responsibility of the board, compliance to regulations, proper policies and procedures to manage conflict of interest as well as the existence of risk management and internal control system. The index serves to guide EPF in adhering best CG practices, increasing transparency and enhancing risk management to ensure that EPF's CG practices are at par with the established standards.

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KWSP komited untuk terus berusaha mencapai piawaian tadbir urus korporat yang terbaik di seluruh organisasi sebagai sebahagian daripada melaksanakan tugas dan tanggungjawab fidusiarinya untuk melindungi dan meningkatkan simpanan ahli dan seterusnya memastikan prestasi mampan KWSP. KWSP berpegang teguh terhadap prinsip-prinsip yang digariskan dalam organisasi seperti nilai integriti, ketelusan dan akauntabiliti melalui pelaksanaan pelbagai polisi dasar dan kawalan dalaman seperti berikut:-

- Policy dan Prosedur *Chinese Wall*
- Polisi Pendedahan Maklumat
- Polisi *Anti Fraud*
- Integriti Korporat

Pernyataan ini menggariskan mengenai proses-proses tadbir urus korporat dan aktiviti-aktiviti KWSP selain daripada menerangkan cara di mana KWSP mengguna pakai dan mematuhi amalan terbaik dalam tadbir urus korporat. Piawaian tadbir urus korporat KWSP adalah berdasarkan pelbagai amalan terbaik, terutamanya dari rujukan berikut, yang mana berkenaan:-

- (i) Kod Tadbir Urus Korporat Malaysia
- (ii) Panduan Tadbir Urus Korporat oleh Bursa Malaysia
- (iii) Rangka Tindakan Tadbir Urus Korporat 2011 oleh Suruhanjaya Sekuriti Malaysia

The EPF is committed to continuously striving for the highest standards of CG throughout the organisation as a fundamental part of discharging its fiduciary duty and responsibility to protect and enhance members' savings and to ensure sustainable performance. The EPF adhered to the principles set out in the organisation such as the value of integrity, transparency and accountability through the implementation of various internal controls and policies, as follows:-

- *Chinese Wall Policy and Procedures*
- *Whistleblowing Policy*
- *Anti-Fraud Policy*
- *Corporate Integrity*

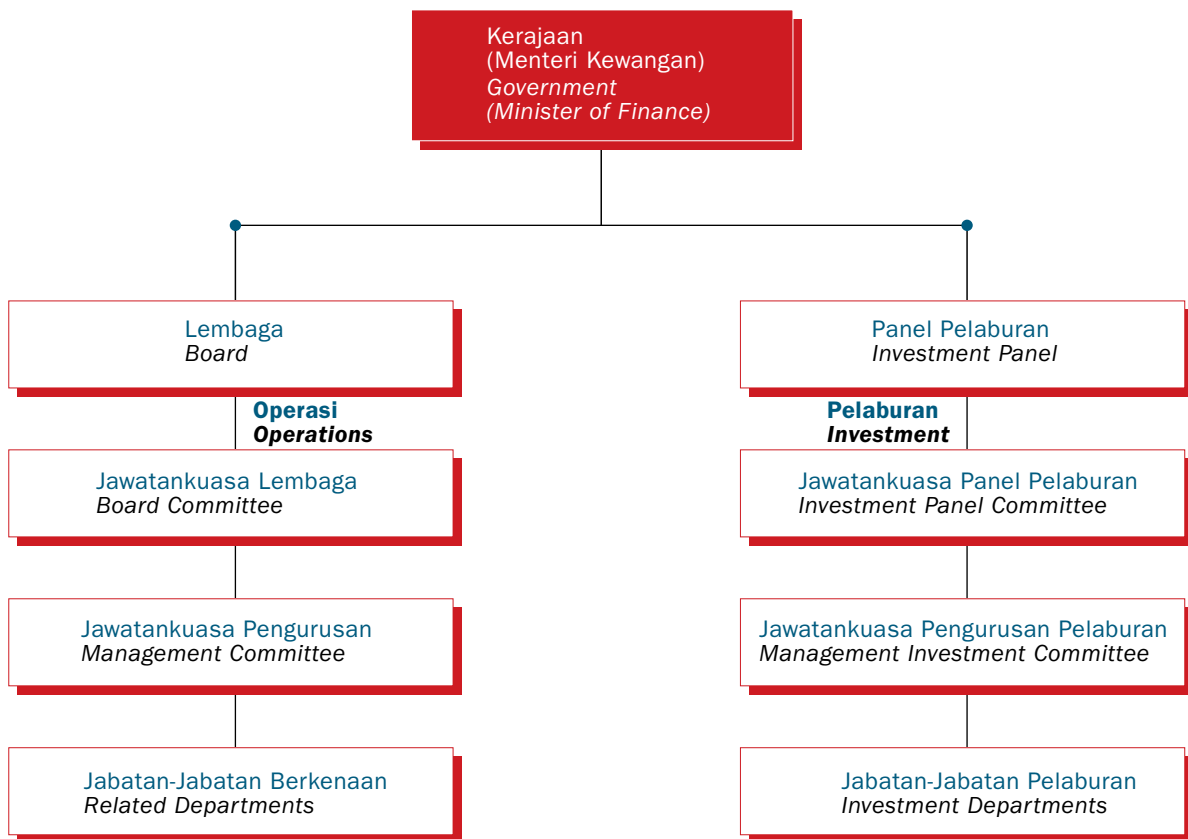
This statement sets out the EPF's CG processes and activities as well as describes the manner in which the Fund has applied and complied with best practices in CG. The EPF's CG standards are derived from various best practices, particularly from the following references, where applicable:-

- (i) *Malaysian Code on Corporate Governance*
- (ii) *Corporate Governance Guide by Bursa Malaysia*
- (iii) *Corporate Governance Blueprint 2011 by Securities Commission Malaysia*



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LEMBAGA DAN PANEL PELABURAN/ BOARD AND INVESTMENT PANEL



Proses Perlantikan Lembaga dan Panel Pelaburan

Ahli-ahli Lembaga dan Panel Pelaburan serta Ketua Pegawai Eksekutif (KPE) dilantik oleh Menteri Kewangan. Menteri Kewangan hanya melantik mereka yang telah terbukti mempunyai rekod integriti, kebolehan dan kebolehpercayaan untuk menjalankan tanggungjawab mereka dengan berkesan. Setiap lantikan adalah untuk penggal dua tahun dan Menteri Kewangan akan mengkaji prestasi dan keberkesanan Ahli Lembaga dan/atau Panel Pelaburan.

Komposisi Lembaga dan Panel Pelaburan

Komposisi Jawatankuasa Lembaga distrukturkan untuk memastikan pengagihan tanggungjawab di kalangan ahli Lembaga selain daripada memaksimumkan keberkesanan Lembaga dan menggalakkan penyertaan yang aktif dan sumbangan mereka. Kepelbagaian pengalaman dan kemahiran-kemahiran yang bersesuaian turut diambil kira bagi mengekalkan kesesuaian dan keseimbangan di antara jawatankuasa yang berbeza.

Board and Investment Panel Appointment Process

Members of the Board and Investment Panel as well as the Chief Executive Officer (CEO) are appointed by the Minister of Finance. The Minister of Finance appoints only those who have proven track records of integrity, ability and reliability to undertake their obligations effectively. The appointments are for a two-year term, following which the Minister of Finance will review the performance and effectiveness of the Board and/or Investment Panel member.

Composition of the Board and Investment Panel

The composition of the Board Committees is structured to ensure an equitable distribution of responsibilities among Board members, maximise the effectiveness of the Board and foster active participation and contribution. Diversity of experience and appropriate skills are considered along with the need to maintain appropriate checks and balances between the different committees.

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Akta KWSP 1991 menetapkan bahawa keahlian Lembaga tidak melebihi daripada 20 orang, termasuk Pengerusi dan KPE. Pada tahun 2012, terdapat 18 ahli Lembaga yang mewakili pelbagai pihak berkepentingan:-

- (i) Pengerusi
- (ii) Lima ahli yang mewakili Kerajaan dan termasuk wakil dari Kementerian Kewangan juga dilantik sebagai Timbalan Pengerusi
- (iii) Empat ahli mewakili Majikan
- (iv) Empat ahli mewakili Pekerja
- (v) Tiga ahli profesional dari pelbagai latarbelakang
- (vi) KPE sebagai ahli Ex-Officio

Panel Pelaburan yang diketuai oleh Pengerusi Lembaga terdiri daripada tujuh anggota:-

- (i) Pengerusi
- (ii) Gabenor Bank Negara Malaysia atau wakilnya
- (iii) Satu mewakili Kementerian Kewangan yang juga turut dilantik sebagai Timbalan Pengerusi
- (iv) Tiga orang ahli Profesional
- (v) KPE sebagai ahli Ex-Officio

Ahli-ahli Lembaga KWSP bersama-sama dengan Panel Pelaburan terdiri daripada mereka yang berpengalaman luas, berwibawa dan mampu menjalankan tugas mereka dengan berkesan.

Tugas dan Tanggungjawab Lembaga dan Panel Pelaburan

Lembaga memikul beberapa tanggungjawab tertentu seperti menyelia pelaksanaan dasar berkaitan dengan operasi KWSP, mengenal pasti bidang berisiko dan mengambil langkah-langkah yang bersesuaian untuk mengurus risiko tersebut, serta mengkaji kecukupan dan integriti sistem kawalan dalaman.

Selain daripada Lembaga, Akta KWSP 1991 juga memperuntukkan penubuhan Panel Pelaburan untuk menyediakan hala tuju strategik mengenai isu-isu berkaitan pelaburan. Panel Pelaburan menentukan dan meluluskan aktiviti pelaburan sejajar dengan garis panduan, polisi risiko dan alokasi aset.

The EPF Act 1991 dictates that the Board's membership should not be more than 20 persons, inclusive of the Chairman and CEO. In 2012, the Board comprised 18 members representing various stakeholders. They were:-

- (i) The Chairman*
- (ii) Five members representing the Government, including a Ministry of Finance representative who is also appointed as the Deputy Chairman*
- (iii) Four members representing Employers*
- (iv) Four members representing Employees*
- (v) Three Professional members from various backgrounds*
- (vi) The CEO as Ex-Officio member*

The Investment Panel, headed by the Chairman of the EPF Board, consists of seven members:-

- (i) The Chairman*
- (ii) The Governor of Bank Negara Malaysia or his representative*
- (iii) One representative from the Ministry of Finance, who is also appointed the Deputy Chairman*
- (iv) Three Professional members*
- (v) The CEO as the Ex-Officio member*

Members of the EPF Board together with the Investment Panel collectively have a wide spectrum of experience and provide competence and strength in discharging their duties effectively.

Roles and Responsibilities of the Board and Investment Panel

The Board assumes a number of specific responsibilities such as overseeing the implementation of policies related to the operations of EPF, identifying key risks and taking appropriate steps to manage these, as well as reviewing the adequacy and integrity of the internal control system.

Apart from the Board, the EPF Act 1991 stipulates the establishment of an Investment Panel to provide strategic direction on investment-related issues. The Investment Panel determines and approves the Fund's investment activities in line with guidelines and policies on risk control and assets allocation.

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Tanggungjawab asas ahli-ahli Lembaga adalah untuk melaksanakan pertimbangan bebas mereka serta bertindak dengan jujur dalam apa yang mereka percaya terbaik untuk KWSP serta mewujudkan nilai jangka panjang untuk ahli-ahlinya. Lembaga juga bergantung kepada nilai integriti dan ketekunan wajar pengurusan kanan, juruaudit luar dan penasihat untuk menyelia objektif prestasi keseluruhan, inisiatif utama operasi, pelan kewangan dan belanjawan tahunan, pelaburan utama, penjualan dan cadangan pembiayaan, ulasan prestasi kewangan, pengurusan risiko dan amalan urus tadbir korporat.

Penilaian Keberkesanan Lembaga

KWSP melaksanakan Penilaian Keberkesanan Lembaga (BEE) untuk menilai prestasi Lembaga, termasuk Pengerusi dan Ketua Pegawai Eksekutif, Panel Pelaburan, Jawatankuasa Audit dan Jawatankuasa Pengurusan Risiko. Penilaian ini adalah tambahan kepada penilaian ahli Lembaga secara individu dan penilaian oleh rakan sebaya. BEE merangkumi penilaian keseluruhan keberkesanan Lembaga dan Panel Pelaburan. Aktiviti penilaian ini dikendalikan pada setiap tempoh perkhidmatan oleh badan profesional bebas.

Pengerusi dan Ketua Pegawai Eksekutif

Peranan dan tanggungjawab Pengerusi dan Ketua Pegawai Eksekutif diasingkan agar ia selaras dengan amalan terbaik dan untuk memastikan keseimbangan kuasa dan penyeliaan pengurusan, peningkatan akauntabiliti dan kapasiti yang lebih besar kepada ahli lembaga untuk membuat keputusan yang bebas.

Pengerusi mengetuai dan memastikan perbincangan yang efektif dan komprehensif mengenai perkara-perkara yang dibawa ke Lembaga termasuk isu-isu strategik serta perancangan perniagaan. Pengerusi berperanan memantau keputusan Lembaga diterjemahkan ke dalam tindakan eksekutif.

Peranan utama KPE ialah untuk menguruskan operasi KWSP selaras dengan strategi dan polisi dan menyediakan pengawasan, bimbingan, nasihat serta kepimpinan kepada pengurusan kanan.

Kehadiran Lembaga dan Panel Pelaburan

Lembaga dan Panel Pelaburan komited dalam menjalankan tugas dan tanggungjawab mereka seperti yang ditunjukkan oleh kehadiran mereka di mesyuarat Lembaga dan Panel Pelaburan. Sebanyak 11 mesyuarat Lembaga dan 22 mesyuarat Panel Pelaburan telah diadakan pada tahun 2012.

The fundamental responsibility of the Board members is to exercise their independent judgement to act in good faith in what they reasonably believe to be the best interest of the EPF, for the creation of long-term value for its members. The Board also relies on the integrity and due diligence of senior management, external auditors and advisors to oversee the overall performance objectives, key operational initiatives, financial plans and annual budget, major investments, divestment and funding proposals, financial performance reviews, risk management and CG practices.

Board Effectiveness Evaluation

The EPF carries out its Board Effectiveness Evaluation (BEE) exercise to assess the performance of the Board, including the Chairman and CEO, the Investment Panel, Audit Committee and Risk Management Committee. This is in addition to the Directors' self and peer evaluation. BEE comprises an overall evaluation of the effectiveness of the Board and Investment Panel. It is carried out once for every term and is done by an independent professional body.

Chairman and Chief Executive Officer

The roles and responsibilities of the Chairman and CEO are kept separate in accordance with best practices and to ensure an appropriate balance of power and supervision of the management, increased accountability and greater capacity of the Board in independent decision-making.

The Chairman leads and ensures effective and comprehensive Board discussion on matters brought to the Board including strategic issues as well as business planning. The Chairman ensures that the Board's decisions are translated into executive action.

The CEO's primary role is to effectively manage the operations of the EPF in accordance with its strategies and policies and provides close oversight, guidance, advice and leadership to senior management.

Board and Investment Panel Attendance

The Board and Investment Panel are fully committed to carrying out its duties and responsibilities as reflected by members' attendance at the Board and Investment Panel meetings. A total of 11 Board and 22 Investment Panel meetings were held in 2012.

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Butiran kehadiran ahli di mesyuarat adalah seperti berikut/*Details of members' attendance at these meetings are as follows:-*

- Mesyuarat Lembaga/Board Meeting**

NAMA/NAME	KEHADIRAN/ATTENDANCE
1. Tan Sri Samsudin Osman (Pengerusi/Chairman)	11/11
WAKIL KERAJAAN/GOVERNMENT REPRESENTATIVES	
2. Dato' Sri Dr. Mohd Irwan Serigar Abdullah (Tamat perkhidmatan berkuatkuasa dari 30 November 2012)/ (Service completed with effect from 30 November, 2012) Dato' Maliami Hamad (Ahli Silih Ganti)/(Alternate Member)	5/10
3. Tan Sri Abu Bakar Bin Hj Abdullah (Bersara berkuatkuasa dari 1 Julai 2012)/(Retired with effect from 1 July 2012) Datuk Farida Mohd Ali (Ahli Silih Ganti)/(Alternate Member)	3/5
4. Dato' Seri Zainal Rahim Seman Dato' Mohd Shariff Hussain (Ahli Silih Ganti)/(Alternate Member)	9/11
5. Tan Sri Haji Sukarti Wakiman Datuk Hj Nordin Siman (Ahli Silih Ganti)/(Alternate Member)	8/11
6. Tan Sri Datuk Amar Hj Mohamad Morshidi Abdul Ghani Datu Haji Misnu Haji Taha (Ahli Silih Ganti)/(Alternate Member)	8/11
WAKIL MAJIKAN/EMPLOYERS REPRESENTATIVES	
7. Tan Sri Azman Shah Haron	9/11
8. Tan Sri Mustafa Mansur	9/11
9. Datuk Mohd Hasnol Ayub	9/11
10. Datuk Abdul Hamed Haji Sepawi	8/11
WAKIL PEKERJA/EMPLOYEES REPRESENTATIVES	
11. Encik Mohd Khalid Atan	10/11
12. Puan Lok Yim Pheng	11/11
13. Cik Chin Yung Chiew @ Rebebca (Tamat perkhidmatan dari 31 Januari 2012)/ (Service completed with effect from 31 January 2012)	1/1
Encik Azlin Awang Chee (Dilantik berkuatkuasa dari 1 Februari 2012)/ (Appointed with effect from 1 February 2012)	10/10
14. Puan Hadiyah Leen (Dilantik berkuatkuasa dari 1 Februari 2012)/ (Appointed with effect from 1 February 2012)	10/10
PROFESIONAL/PROFESSIONALS	
15. Tan Sri Lee Lam Thye	11/11
16. Encik Halim Hj Din	8/11
17. Encik Heng Hock Cheng @ Heng Heyok Chiang	10/11
EX-OFFICIO/EX-OFFICIO	
18. Tan Sri Azlan Zainol	11/11

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• **Mesyuarat Panel Pelaburan/Investment Panel Meeting**

NAMA/NAME		KEHADIRAN/ATTENDANCE
1.	Tan Sri Samsudin Osman (Pengerusi/Chairman)	22/22
2.	Dato' Sri Dr. Mohd Irwan Serigar Abdullah (Menamatkan perkhidmatan dari 30 November 2012)/ (Service completed with effect from 30 November 2012)	8/20
3.	Datuk Nor Shamsiah Mohd Yunus	13/22
4.	Dato' Sri Mohamed Nazir Abdul Razak	14/22
5.	Dato' Mohammad Azlan Hashim	17/22
6.	Encik David Lau Nai Pek	17/22
7.	Tan Sri Azlan Zainol (Ex-Officio)	22/22

Imbuhan Ahli Lembaga dan Panel Pelaburan

Ahli Lembaga dan Panel Pelaburan dibayar honorarium dan elaun kehadiran bagi setiap mesyuarat yang dihadiri. Butiran honorarium bagi Lembaga dan Panel Pelaburan bagi tahun 2012 adalah seperti berikut:-

Remuneration of Board and Investment Panel Members

Board and Investment Panel members are paid monthly honorarium as well as attendance allowance for each meeting that they attend. Details of the honorarium during the financial year are as follows:-

**HONORARIUM DAN ELAUN KEHADIRAN AHLI LEMBAGA DAN PANEL PELABURAN/
HONORARIUM AND ATTENDANCE ALLOWANCE OF BOARD AND INVESTMENT PANEL MEMBERS**

Jenis Elaun/Types of Allowances

ELAUN/ALLOWANCE (RM)	LEMBAGA/PANEL PELABURAN/ JAWATANKUASA AUDIT LEMBAGA/ JAWATANKUASA PENGURUSAN RISIKO LEMBAGA/ JAWATANKUASA RISIKO PANEL PELABURAN BOARD/INVESTMENT PANEL/BOARD AUDIT COMMITTEE/BOARD RISK MANAGEMENT COMMITTEE/ INVESTMENT PANEL RISK COMMITTEE				JAWATANKUASA LEMBAGA LAIN OTHER BOARD COMMITTEES
	LEMBAGA/BOARD	PANEL PELABURAN INVESTMENT PANEL			
Honorarium (sebulan)/ Honorarium (per month)	3,000	3,000			
Pengerusi Mesyuarat/ Chairman of Meeting			2,000		1,500
Kehadiran Mesyuarat termasuk Ahli Silih Ganti/ Meeting Attendance - Including Alternate Members			1,500		1,300

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Pada tahun 2012, jumlah bayaran honorarium dan elaun Ahli Lembaga dan Panel Pelaburan adalah sebanyak RM1,360,200.00.

For the year 2012, the total honorarium and allowances paid to the Board and Investment Panel members was RM1,360,200.00.

Emolumen Pengurusan Kanan/*Emolument of Top Management*

JAWATAN/POSITION	EMOLUMEN/EMOLUMENT (RM)
Ketua Pegawai Eksekutif/Timbalan-Timbalan Ketua Pegawai Eksekutif <i>Chief Executive Officer/Deputy Chief Executive Officers</i>	4,094,689

Kualiti Maklumat kepada Lembaga dan Panel Pelaburan

Untuk membantu ahli Lembaga dan Panel Pelaburan dalam menjalankan tugasnya dan memperoleh maklumat terkini berkaitan perkembangan prestasi operasi dan kewangan, isu-isu utama, cabaran dan peluang, pengurusan KWSP membekalkan laporan pengurusan dan operasi serta penyata kewangan secara berterusan.

Quality of Information to the Board and Investment Panel

To assist the Board in discharging its duties and to keep the members abreast of the EPF's operational and financial performance, key issues, challenges and opportunities, the management furnishes adequate management and operations reports as well as comprehensive financial statements to the Board on a regular and timely basis.

JAWATANKUASA LEMBAGA DAN PANEL PELABURAN

Untuk memastikan keberkesanan pelaksanaan tugas dengan berkesan, Lembaga dan Panel Pelaburan telah menubuhkan beberapa Jawatankuasa Lembaga/Panel Pelaburan untuk mengawal selia perkara-perkara spesifik berkaitan dengan operasi organisasi. Setiap jawatankuasa melaksanakan tanggungjawab mengikut terma rujukan yang telah ditetapkan. Antara bidang tugas utama Jawatankuasa utama Lembaga/Panel Pelaburan adalah seperti berikut:-

BOARD AND INVESTMENT PANEL COMMITTEES

To ensure the effective discharge of its duties, the Board and Investment Panel have established various Board/Investment Panel Committees to oversee specific matters pertaining to the operation of the organisation. Each committee operates within clearly defined terms of reference. The terms of reference of the main committees are set out as follows:-

- **Jawatankuasa Audit Lembaga**

Jawatankuasa Audit Lembaga bertanggungjawab membantu Lembaga dalam penilaian keberkesanan kawalan dalaman, pengurusan risiko (kecuali aktiviti pengurusan risiko dalam membuat keputusan pelaburan) dan proses tadbir urus KWSP. Jawatankuasa ini turut mengawasi proses pelaporan kewangan dan kualiti pelaporan kewangan penyata kewangan tahunan dan suku tahunan KWSP. Ia juga mempertimbangkan kesesuaian polisi perakaunan KWSP dan perubahan-perubahan kepada polisi ini.

- **Board Audit Committee**

The Board Audit Committee assists the Board in evaluating the effectiveness of internal controls, risk management (except risk management activities in making investment decisions) and governance processes. The Committee oversees the financial reporting process and the quality of the financial reporting of the EPF's annual and interim financial statements. It also reviews the appropriateness of the EPF's accounting policies and changes to these.

PERNYATAAN TADBIR URUS KORPORAT STATEMENT ON CORPORATE GOVERNANCE

Jawatankuasa ini terdiri daripada enam orang ahli (termasuk Pengerusi) dan sebanyak tujuh mesyuarat telah diadakan pada tahun 2012 bagi membincangkan laporan juruaudit dalaman dan luaran, serta mengawasi perkara-perkara berkaitan fungsi audit dalam dan pelan audit untuk tahun semasa. Jawatankuasa ini mempunyai akses sepenuhnya ke atas kedua-dua pihak iaitu juruaudit dalam dan luaran manakala kedua-dua juruaudit dalaman dan luaran ini juga mempunyai akses secara langsung kepada Pengerusi Jawatankuasa pada setiap masa. Jawatankuasa Audit Lembaga mempunyai hubungan profesional dan rasmi dengan juruaudit luar dan telah mengadakan dua mesyuarat bersama juruaudit luar pada tahun 2012 tanpa kehadiran pihak Pengurusan.

The Committee, comprising six members (including the Chairman), held seven meetings in 2012 to deliberate the reports of the internal and external auditors, review matters including the internal audit functions as well as the audit plan for the year. The Committee has full access to both the internal and external auditors who, in turn, have access at all times to the Chairman of the Committee. The Board Audit Committee maintains a formal and professional relationship with the external auditors and convened two meetings with the external auditors in year 2012 without the presence of management.

Kehadiran Mesyuarat Jawatankuasa Audit Lembaga/Attendance of Board Audit Committee Meetings

	NAMA/NAME	KEHADIRAN/ATTENDANCE
1.	Encik Halim Hj. Din (Pengerusi)/(Chairman)	7/7
2.	Dato' Sri Dr. Mohd Irwan Serigar Abdullah (Tamat perkhidmatan berkuatkuasa dari 30 November 2012) (Service completed with effect from 30 November 2012) Dato' Maliami Hamad (Ahli Silih Ganti)/(Alternate Member)	3/6
3.	Tan Sri Mustafa Mansur	6/7
4.	Datuk Abdul Hamed Haji Sepawi	5/7
5.	Puan Lok Yim Pheng (Dilantik berkuatkuasa dari 27 Februari 2012) (Appointed with effect from 27 February 2012)	5/5
6.	Encik Azlin Awang Chee (Dilantik berkuatkuasa dari 27 Februari 2012) (Appointed with effect from 27 February 2012)	5/5
7.	Encik Heng Hock Cheng @ Heng Heyok Chiang	6/7

- Jawatankuasa Pengurusan Risiko Lembaga**

Jawatankuasa Pengurusan Risiko Lembaga bertanggungjawab membantu Lembaga dalam mengawasi semua aktiviti pengurusan risiko operasi (iaitu semua aktiviti kecuali untuk aktiviti dalam membuat keputusan pelaburan).

Jawatankuasa ini terdiri daripada enam orang ahli termasuk Pengerusi dan sebanyak empat mesyuarat yang diadakan pada tahun 2012.

- Board Risk Management Committee**

The Board Risk Management Committee is responsible for assisting the Board in overseeing all operational risk management activities (i.e. all activities except for activities in making investment decisions).

The Committee consists of six members including the Chairman, and held four meetings in 2012.

PERNYATAAN TADBIR URUS KORPORAT STATEMENT ON CORPORATE GOVERNANCE

NAMA/NAME		KEHADIRAN/ATTENDANCE
1.	Tan Sri Azman Shah Haron	4/4
2.	Tan Sri Datuk Amar Haji Mohamad Morshidi Abdul Ghani Dato Haji Misnu Haji Taha (Ahli Silih Ganti)/(Alternate Member)	2/4
3.	Datuk Abdul Hamed Haji Sepawi	3/4
4.	Encik Mohd Khalid Atan	3/4
5.	Encik Heng Hock Cheng @ Heng Heyok Chiang	3/4
6.	Tan Sri Azlan Zainol	4/4

- **Jawatankuasa Risiko Panel Pelaburan**

Jawatankuasa Risiko Panel Pelaburan bertanggungjawab mengawasi pengurusan risiko pelaburan, termasuk meluluskan polisi pengurusan dan had risiko dan mengkaji semula pendedahan risiko. Jawatankuasa ini terdiri daripada empat orang ahli termasuk Pengerusi dan sebanyak empat mesyuarat telah diadakan pada tahun 2012.

- **Investment Panel Risk Committee**

The Investment Panel Risk Committee is responsible for overseeing investment risk management aspects, which include approving risk management policies and limits, and reviewing risk exposure. There are four members including the Chairman, and four meetings were held in 2012.

NAMA/NAME		KEHADIRAN/ATTENDANCE
1.	Dato' Sri Mohamed Nazir Abdul Razak	4/4
2.	Dato' Mohammad Azlan Hashim	4/4
3.	Encik David Lau Nai Pek	3/4
4.	Tan Sri Azlan Zainol (Ex-Officio)	4/4

- **Jawatankuasa Kewangan dan Pembangunan**

Jawatankuasa Kewangan dan Pembangunan adalah bertanggungjawab meneliti dan mengawal serta memperakukan belanjawan tahunan KWSP. Jawatankuasa ini juga membantu Lembaga dalam meluluskan perkara-perkara yang berkaitan dengan impak kewangan seperti hapuskira kerugian. Jawatankuasa ini terdiri daripada enam orang ahli termasuk Pengerusi dan sebanyak enam mesyuarat telah diadakan pada tahun 2012.

- **Finance and Development Committee**

The Finance and Development Committee is responsible for recommending the annual budget to the Board and oversees the EPF's annual budget. The committee also assists the Board to approve matters with a financial impact such as write-offs. The Committee consists of six members including the Chairman, and held six meetings in 2012.

PERNYATAAN TADBIR URUS KORPORAT
STATEMENT ON CORPORATE GOVERNANCE

NAMA/NAME	KEHADIRAN/ATTENDANCE
1. Tan Sri Samsudin Osman (Pengerusi)/(Chairman)	6/6
2. Dato' Sri Dr. Mohd Irwan Serigar Abdullah (Tamat perkhidmatan berkuatkuasa dari 30 November 2012)/ (Service completed with effect from 30 November 2012) Dato' Maliami Hamad (Ahli Silih Ganti)/(Alternate Member)	3/6
3. Datuk Mohd Hasnol Ayub	6/6
4. Encik Mohd Khalid Atan	6/6
5. Encik Halim Hj. Din	5/6
6. Tan Sri Azlan Zainol (Ex-Officio)	6/6

• **Jawatankuasa Penambahbaikan Lembaga**

Jawatankuasa Penambahbaikan Lembaga bertanggungjawab ke atas semakan terperinci dan memperakukan cadangan-cadangan pindaan dan perubahan dasar berkaitan Skim KWSP untuk kelulusan Lembaga. Jawatankuasa ini terdiri daripada tujuh orang ahli termasuk Pengerusi dan sebanyak lima mesyuarat telah diadakan pada tahun 2012.

• **Board Improvement Committee**

The Board Improvement Committee is responsible for reviewing in detail proposed amendments and policy changes related to the EPF Scheme and put up the recommendations and policy changes to the Board for approval. The Committee consists of seven members including the Chairman, and held five meetings in 2012.

NAMA/NAME	KEHADIRAN/ATTENDANCE
1. Tan Sri Lee Lam Thye	5/5
2. Dato' Seri Zainal Rahim Seman Dato' Mohd Shariff Hussin (Ahli Silih Ganti)/(Alternate Member)	3/5
3. Tan Sri Mustafa Mansur	2/5
4. Tan Sri Azman Shah Haron	4/5
5. Encik Mohd Khalid Atan	3/5
6. Puan Lok Yim Pheng	4/5
7. Tan Sri Azlan Zainol	5/5

• **Jawatankuasa Perjawatan, Perlantikan dan Perkhidmatan**

Jawatankuasa Perjawatan, Perlantikan & Perkhidmatan bertanggungjawab untuk membantu Lembaga dalam mempertimbang dan meluluskan hal-hal berkaitan perjawatan termasuk terma-terma dan syarat-syarat perkhidmatan. Jawatankuasa ini terdiri daripada enam orang ahli termasuk Pengerusi dan sebanyak empat mesyuarat telah diadakan pada tahun 2012.

• **Personnel, Appointment and Services Committee**

The Personnel, Appointment and Services Committee is responsible for assisting the Board to consider and approve matters relating to employment, including employment terms and conditions. The Committee consists of six members including the Chairman, and held four meetings in 2012.

PERNYATAAN TADBIR URUS KORPORAT
STATEMENT ON CORPORATE GOVERNANCE

NAMA/NAME		KEHADIRAN/ATTENDANCE
1.	Tan Sri Abu Bakar Haji Abdullah (Bersara berkuatkuasa dari 1 Julai 2012) (Pengerusi/Chairman) (Retired with effect from 1 July 2012) (Chairman) Datuk Farida Mohd Ali (Ahli Silih Ganti)/(Alternate Member)	2/2
2.	Tan Sri Haji Sukarti Wakiman (Dilantik berkuatkuasa 27 Februari 2012) (Timbalan Pengerusi) (Appointed with effect from 27 February 2012) (Deputy Chairman) Datuk Hj. Nordin Siman (Ahli Silih Ganti)/(Alternate Member) Dato' Seri Zainal Rahim Seman (Menamatkan perkhidmatan berkuatkuasa dari 27 Februari 2012)/ (Service completed with effect from 27 February 2012) Dato' Mohd Shariff Hussin (Ahli Silih Ganti)/(Alternate Member)	3/3 1/1
3.	Datuk Mohd Hasnol Ayub	3/4
4.	Puan Lok Yim Pheng (Menamatkan perkhidmatan berkuatkuasa 27 Februari 2012)/ (Service completed with effect from 27 February 2012) Puan Hadiah Leen (Dilantik berkuatkuasa dari 27 Februari 2012)/ (Appointed with effect from 27 February 2012)	1/1 3/3
5.	Encik Halim Haji Din	3/4
6.	Tan Sri Azlan Zainol (Ex-Officio)	4/4

• **Jawatankuasa Tatatertib Lembaga**

Jawatankuasa Tatatertib Lembaga bertanggungjawab terhadap prosiding tatatertib dan mengenakan segala bentuk hukuman terhadap anggota sebagaimana diperuntukkan di bawah Kaedah-Kaedah dan Peraturan KWSP (Kelakuan dan Tatatertib) 1993. Jawatankuasa ini terdiri daripada lima orang ahli termasuk Pengerusi dan sebanyak empat mesyuarat telah diadakan pada tahun 2012.

• **Board Disciplinary Committee**

The Board Disciplinary Committee is responsible for any disciplinary proceedings and for imposing penalties on staff as provided under the EPF Rules and Regulations (Conduct and Discipline) 1993. The Committee consists of five members including the Chairman, and held four meetings in 2012.

NAMA/NAME		KEHADIRAN/ATTENDANCE
1.	Dato' Seri Zainal Rahim Seman (Pengerusi)/(Chairman)	2/4
2.	Tan Sri Datuk Amar Hj Mohamad Morshidi Abdul Ghani Datu Haji Misnu Haji Taha (Ahli Silih Ganti)/(Alternate Member)	4/4
3.	Datuk Mohd Hasnol Ayub (Tamat perkhidmatan berkuatkuasa dari 27 Februari 2012)/ (Service completed with effect from 27 February 2012) Tan Sri Azman Shah Haron (Dilantik berkuatkuasa 27 Februari 2012)/ (Appointed with effect from 27 February 2012)	1/1 1/3
4.	Datuk Abdul Hamed Sepawi (Menamatkan perkhidmatan berkuatkuasa dari 27 Februari 2012)/ (Service completed with effect from 27 February 2012) Encik Halim Haji Din (Dilantik berkuatkuasa dari 27 Februari 2012)/ (Appointed with effect from 27 February 2012)	1/1 3/3
5.	Puan Lok Yim Pheng	4/4

PERNYATAAN TADBIR URUS KORPORAT
STATEMENT ON CORPORATE GOVERNANCE

• **Jawatankuasa Pengurusan Prestasi KWSP**

Jawatankuasa Pengurusan Prestasi KWSP bertanggungjawab membantu Lembaga menyelia prestasi keseluruhan organisasi bagi tujuan semakan semula dan pemantauan Petunjuk Prestasi Utama (KPIs) organisasi. Jawatankuasa ini terdiri daripada enam orang ahli termasuk Pengerusi dan sebanyak tiga mesyuarat telah diadakan pada tahun 2012.

• **EPF Performance Management Committee**

The EPF Performance Management Committee is responsible for assisting the Board to oversee the Fund's overall performance, and to review and monitor the organisation's Key Performance Indicators (KPIs). The Committee consists of six members including the Chairman, and held three meetings in 2012.

NAMA/NAME		KEHADIRAN/ATTENDANCE
1.	Tan Sri Mustafa Mansur (Pengerusi)/(Chairman)	3/3
2.	Tan Sri Haji Sukarti Wakiman	1/3
3.	Datuk Mohd Hasnol Ayub	3/3
4.	Encik Azlin Awang Chee (Dilantik berkuatkuasa dari 27 Februari 2012)/ (Appointed with effect from 27 February 2012)	2/2
5.	Tan Sri Lee Lam Thye	2/3
6.	Tan Sri Azlan Zainol (Ex-Officio)	3/3

• **Jawatankuasa Rayuan Tatatertib**

Jawatankuasa Rayuan Tatatertib bertanggungjawab untuk mempertimbangkan rayuan oleh kakitangan terhadap keputusan yang dibuat oleh Jawatankuasa Tatatertib. Jawatankuasa ini terdiri daripada tujuh orang ahli termasuk Pengerusi dan terdapat dua mesyuarat yang diadakan pada tahun 2012.

• **Disciplinary Appeal Committee**

The Disciplinary Appeal Committee is responsible for considering any appeal by employees against decisions made by the Disciplinary Committees. The Committee consists of seven members including the Chairman, and held two meetings in 2012.

NAMA/NAME		KEHADIRAN/ATTENDANCE
1.	Tan Sri Samsudin Osman (Pengerusi)/(Chairman)	2/2
2.	Dato' Sri Dr. Mohd Irwan Serigar Abdullah (Tamat perkhidmatan berkuatkuasa dari 30 November 2012)/ (Service completed with effect from 30 November 2012) Dato' Maliami Hamad (Ahli Silih Ganti)/(Alternate Member)	1/2
3.	Datuk Mohd Hasnol Ayub	2/2
4.	Tan Sri Mustafa Mansur	1/2
5.	Encik Azlin Awang Chee	2/2
6.	Puan Hadiyah Leen	2/2
7.	Tan Sri Lee Lam Thye	2/2

PERNYATAAN TADBIR URUS KORPORAT STATEMENT ON CORPORATE GOVERNANCE

- **Jawatankuasa Perolehan Lembaga**

Jawatankuasa Perolehan Lembaga terdiri daripada Lembaga Perolehan A dan Lembaga Perolehan B. Selain daripada Pengurusan Kanan utama, ahli jawatankuasa ini juga terdiri daripada wakil-wakil dari Kementerian Kewangan dan Jabatan Kerja Raya. Jawatankuasa ini bertanggungjawab bagi perkara-perkara yang berkaitan dengan perolehan kerja, perkhidmatan dan bekalan barangan. Terdapat sebelas mesyuarat yang diadakan pada tahun 2012.

Jawatankuasa-Jawatankuasa Pengurusan

Selain daripada jawatankuasa utama Lembaga/Panel Pelaburan, jawatankuasa pengurusan lain telah ditubuhkan yang melapor terus kepada KPE atau ahli pengurusan kanan utama yang berkaitan seperti berikut:-

- **Jawatankuasa Pengurusan Pelaburan**

Jawatankuasa Pengurusan Pelaburan bertanggungjawab untuk mencadangkan aktiviti pelaburan sejajar dengan garis panduan, polisi risiko kawalan alokasi aset kepada Panel Pelaburan. Jawatankuasa ini terdiri daripada 11 orang ahli termasuk Ketua Pegawai Eksekutif sebagai Pengerusi mesyuarat dan terdapat 48 mesyuarat yang diadakan pada tahun 2012.

- **Jawatankuasa Pengurusan Perolehan**

Jawatankuasa Pengurusan Perolehan bertanggungjawab bagi perkara-perkara berkaitan dengan perolehan kerja, perkhidmatan dan bekalan barangan. Jawatankuasa ini terdiri daripada pengurusan kanan termasuk Ketua Pegawai Eksekutif sebagai pengerusi mesyuarat. Sebanyak 12 mesyuarat telah diadakan pada tahun 2012.

- **Procurement Board Committees**

The Procurement Board Committees consist of Procurement Board A and Procurement Board B. Apart from key senior management, the Committees consist of representatives from the Ministry of Finance and Public Works Department. These Committees are responsible for matters relating to the procurement of work, services and the supply of goods. Eleven meetings were held in 2012.

Management Committees

Apart from the main Board and Investment Panel committees, other management committees have been established which report directly to the CEO or relevant key senior management members as follow:-

- **Management Investment Committee**

The Management Investment Committee is responsible for recommending to the Investment Panel investment activities in line with the guidelines, and policies on risk control and assets allocation. The Committee consists of 11 members including the Chief Executive Officer as Chairman, and had held 48 meetings in 2012.

- **Management Procurement Committee**

The Management Procurement Committee is responsible for matters relating to the procurement of work, services and supply of goods. The Committee consists of key senior management including the Chief Executive Officer as Chairman of meetings. In 2012, it held 12 meetings.

PERNYATAAN TADBIR URUS KORPORAT STATEMENT ON CORPORATE GOVERNANCE

KEBERTANGGUNGJAWABAN DAN AUDIT

Pelaporan Kewangan

Lembaga berhasrat untuk menyediakan penilaian yang jelas, seimbang dan komprehensif prestasi kewangan dan prospek KWSP melalui penyata kewangan tahunan. KWSP adalah komited untuk memberikan penyataan yang telus dan terkini mengenai prestasi kewangan dan prospek melalui pengumuman keputusan suku tahunan kepada pihak yang berkepentingan. Sila rujuk ke halaman 207 dalam Laporan Tahunan.

Pengurusan Risiko dan Kawalan Dalaman

Lembaga dan pengurusan komited terhadap sistem kawalan dalaman, polisi dan prosedur yang teguh untuk memastikan kepentingan pihak-pihak yang berkepentingan dan aset KWSP dilindungi. Sila rujuk ke halaman 175 dalam Laporan Tahunan untuk mendapatkan penyata Pengurusan Risiko dan Kawalan Dalaman.

Polisi Chinese Wall

Dalam usaha untuk mengukuhkan tadbir urus dan amalan beretika dalam KWSP, Lembaga pada 21 Mei 2012 telah meluluskan pindaan ke atas Polisi dan Prosedur Chinese Wall bertujuan meningkatkan kawalan penggunaan dan perlindungan maklumat sensitif harga di KWSP sebagai sebahagian daripada pengaturan dalaman organisasi untuk mengelakkan konflik kepentingan dengan mengawal, menyekat dan menguruskan aliran maklumat sensitif harga dalam jabatan tertentu dan antara jabatan-jabatan.

Integriti Korporat

Sila rujuk ke halaman 5 dalam Laporan Tahunan ini untuk mendapatkan perincian Integriti Korporat KWSP.

Tanggungjawab Korporat

KWSP percaya bahawa perlu ada keseimbangan antara penciptaan nilai dan tanggungjawab korporat. Sila rujuk ke halaman 138 dalam Laporan Tahunan ini untuk mendapatkan perincian mengenai inisiatif tanggungjawab korporat sosial KWSP.

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board aims to provide a clear, balanced and comprehensive assessment of the EPF's financial performance and prospects through the annual financial statements. The EPF is committed to providing transparent and up-to-date disclosure on its financial performance and prospects through quarterly announcement of results to stakeholders. Refer to page 340 of the Annual Report.

Risk Management and Internal Control

The Board and management are fully committed to putting in place a sound and sufficient risk management and internal control system to safeguard the interests of members. Refer to page 175 of the Annual Report for a Statement on Risk Management and Internal Control.

Chinese Wall Policy

In an effort to strengthen governance and ethical practices within the EPF, the Board on 21 May 2012 approved the amended Chinese Wall Policy and Procedures aimed at controlling, restricting and managing the flow of price sensitive information within a specific department and between departments, in order to avoid conflict of interest.

Corporate Integrity

Refer to page 5 of this Annual Report for details of the EPF's Corporate Integrity.

Corporate Responsibility

The EPF believes that there should be a balance between value creation and corporate responsibility. Refer to page 138 of the Annual Report for details of the EPF's corporate social responsibility initiatives.

PERNYATAAN TADBIR URUS KORPORAT STATEMENT ON CORPORATE GOVERNANCE

KOMUNIKASI PEMEGANG BERKEPENTINGAN

KWSP percaya bahawa komunikasi dengan pihak berkepentingan adalah bahagian penting dalam rangka kerja tadbir urus korporat dalam memastikan maklumat yang tepat dan menyeluruh mengenai KWSP disampaikan kepada pihak yang berkepentingan. KWSP mengakui keperluan untuk bersikap telus kepada pihak-pihak berkepentingan, khususnya ahli KWSP.

KWSP mengeluarkan laporan suku tahun aktiviti pelaburannya yang menyediakan maklumat mengenai peruntukan aset, hasil yang dijana daripada setiap aset, jumlah saiz dana dan prospek untuk suku tahun berikutnya. Di samping itu, senarai pelaburan ekuiti KWSP bagi 30 syarikat teratas juga dikeluarkan pada setiap suku tahun untuk memberikan maklumat kepada pihak berkepentingan mengenai pegangan KWSP dalam syarikat-syarikat tersenarai awam di Malaysia.

Semua perubahan utama dan maklumat penting seperti tanggungjawab untuk mencarum, pengeluaran dan manfaat, prosedur, saluran perkhidmatan baru dan perkara lain yang berkaitan sentiasa dimaklumkan kepada ahli-ahlinya secara tetap.

Di samping itu, KWSP turut mengadakan perjumpaan dengan pelbagai pemegang berkepentingan, termasuk:-

- Kongres Kesatuan Sekerja Malaysia (MTUC)
- Gabungan Persatuan-Persatuan Pengguna-Pengguna Malaysia (FOMCA)
- Persatuan Pengguna Pulau Pinang (CAP)
- Gabungan Dewan Perniagaan dan Perindustrian Cina Malaysia (ACCIM)
- Gabungan Dewan Perniagaan dan Perindustrian India Malaysia (MAICCI)
- Persatuan Pengguna Islam Malaysia (PPIM)

Selain daripada itu, KWSP terus mengadakan dialog dengan syarikat-syarikat pelaburan. Pada 2012, KWSP telah mengadakan sesi lawatan ke 31 buah syarikat (tempatan: 18, luar negara: 13). KWSP juga telah menghadiri dan mengundi secara aktif dalam 104 Mesyuarat Agung Tahunan dan 40 Mesyuarat Agung Luar Biasa syarikat di mana KWSP melabur.

Memandangkan KWSP aktif dalam mengawal selia pelaburannya, KWSP telah melantik wakilnya dalam Lembaga Pengarah syarikat tersenarai dan tidak tersenarai. Setakat 31 Disember 2012, KWSP mempunyai wakilnya dalam 10 syarikat tersenarai dan 19 syarikat tidak tersenarai.

COMMUNICATION WITH STAKEHOLDERS

The EPF believes that an important part of the CG framework is to ensure the comprehensive and timely communication of information about the Fund to stakeholders. The EPF acknowledges the need to be transparent to its stakeholders, particularly its members.

The EPF discloses a quarterly report on its investment activities which provides information on its assets allocation, revenue generated from each asset, total fund size and outlook for the following quarter. In addition, the list of top 30 equity investments of EPF is also disclosed to provide stakeholders with information on the Fund's holdings in public listed companies in Malaysia.

All major changes and material information such as changes in liability to contribute, withdrawals and benefits, procedures, new service delivery channels and other related matters are communicated to members on a regular basis.

In addition, the EPF constantly engages with various stakeholders, including:-

- *The Malaysian Trades Union Congress (MTUC)*
- *Federation of Malaysian Consumers Association (FOMCA)*
- *Consumers Association of Penang (CAP)*
- *Associated Chinese Chambers of Commerce and Industry of Malaysia (ACCIM)*
- *Malaysian Associated Indian Chambers of Commerce and Industry (MAICCI)*
- *Persatuan Pengguna Islam Malaysia (PPIM)*

Apart from that, the EPF continues to hold dialogues with its investee companies. In 2012, it visited 31 companies (local: 18, overseas: 13), and attended and voted actively in 104 Annual General Meetings and 40 Extra Ordinary General Meetings of its investee companies.

As the EPF becomes more active in overseeing its investments, the organisation has appointed nominees to the Boards of listed and unlisted companies. As at 31 December 2012, it had nominees in 10 listed companies and 19 unlisted companies.

PENGURUSAN RISIKO RISK MANAGEMENT

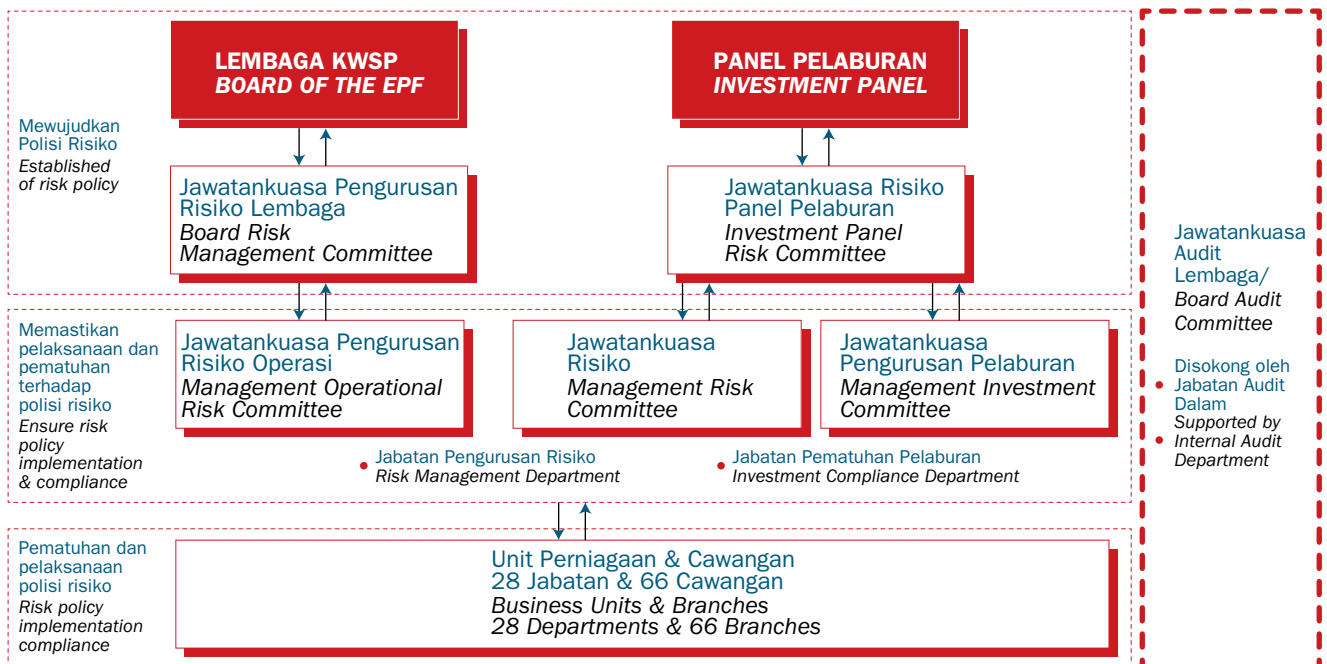
Gambaran Umum

Dalam menetapkan matlamat untuk merealisasikan Visi dan Misinya, KWSP perlu memastikan bahawa segala elemen yang berkaitan telah wujud bagi mengurus pelbagai risiko yang timbul daripada persekitaran perniagaan yang sentiasa berubah. Sama ada ianya risiko strategik, kredit, pasaran, kecairan atau operasi, KWSP terus memanfaatkan budaya pengurusan risikonya yang teguh dan rangka kerja pengurusan risiko yang bersepadu untuk merebut peluang dan menangani semua ancaman.

Pada 2012, KWSP terus melaksanakan pelbagai inisiatif yang bertujuan menerapkan budaya pengurusan risiko yang kukuh di setiap peringkat organisasi. Inisiatif ini termasuk latihan dan pembangunan anggota secara berterusan, pelaksanaan dasar yang komprehensif dan struktur organisasi yang bersesuaian, serta peranan dan tanggungjawab yang ditakrifkan dengan jelas.

Struktur Tadbir Urus Pengurusan Risiko

Struktur pengurusan risiko KWSP menyediakan garis tanggungjawab dan akauntabiliti yang jelas berkenaan proses pengurusan risiko serta menetapkan risiko utama dan tanggungjawab kawalan:



Nota/Note:
 ↓ ↑
 KWSP mengamalkan pendekatan bawah ke atas dan atas ke bawah.
 The EPF practices both a bottom-up and top-down approach.

Overview

As the EPF sets its sights on realising its Vision and Mission, it needs to ensure that necessary elements are set in place to better manage the various risks posed by the ever-changing business environment. Whether it is strategic, credit, market, liquidity or operational risk, the EPF continues to leverage its robust risk management culture and integrated risk management framework to take advantage of potential opportunities and counter all possible threats.

In 2012, the EPF continued to implement various initiatives aimed at embedding a strong risk management culture within every level of the organisation. These initiatives included continuous staff training and development, the implementation of comprehensive policies and an appropriate organisational structure, as well as clearly defined roles and responsibilities.

Risk Management Governance Structure

The EPF's risk management structure provides clear lines of responsibility and accountability for the risk management process as well as outlines the principal risk and control responsibilities:

PENGURUSAN RISIKO RISK MANAGEMENT

1. Lembaga dan Panel Pelaburan

Lembaga KWSP mengekalkan tanggungjawab pengurusan risiko secara keseluruhan (kecuali aktiviti dalam membuat keputusan pelaburan).

Panel Pelaburan KWSP bertanggungjawab terhadap risiko dalam membuat keputusan pelaburan.

2. Jawatankuasa Pengurusan Risiko Lembaga dan Jawatankuasa Risiko Panel Pelaburan

- **Jawatankuasa Pengurusan Risiko Lembaga** bertanggungjawab membantu Lembaga mengawasi semua aktiviti pengurusan risiko operasi (iaitu semua aktiviti kecuali aktiviti membuat keputusan pelaburan) dan memastikan bahawa proses pengurusan risiko diwujudkan dan berfungsi dengan berkesan.
- **Jawatankuasa Risiko Panel Pelaburan** bertanggungjawab mengawasi risiko pengurusan pelaburan, termasuk memperakukan tahap risiko agregat untuk kelulusan Panel Pelaburan, meluluskan polisi dan had pengurusan risiko, mengkaji pendedahan risiko dan memberikan panduan berhubung dengan amalan pengurusan risiko dalam fungsi pelaburan.

3. Jawatankuasa Khusus

- **Jawatankuasa Risiko Operasi Pengurusan (MORC)** adalah jawatankuasa yang diwujudkan di peringkat Pengurusan bagi mengawasi pengurusan risiko operasi di KWSP, melaksana pengurusan risiko operasi (termasuk strategi, budaya, struktur, manusia dan proses) dan untuk memastikan bahawa Rangka Kerja tersebut dilaksanakan dengan konsisten dan berkesan di dalam organisasi.
- **Jawatankuasa Risiko Pengurusan** adalah jawatankuasa peringkat pengurusan yang bertanggungjawab merangka polisi dan had risiko yang sesuai untuk menguruskan risiko pelaburan KWSP.
- **Jawatankuasa Pengurusan Pelaburan** adalah jawatankuasa peringkat pengurusan yang bertanggungjawab menilai prestasi pelaburan mengikut kelas aset serta mencadangkan strategi dan cadangan pelaburan kepada Panel Pelaburan.

1. The Board and the Investment Panel

The EPF Board retains the overall risk management responsibility (except activities in making investment decisions).

The Investment Panel is responsible for the risks related to making investment decisions.

2. The Board Risk Management Committee and Investment Panel Committee

- **The Board Risk Management Committee** is responsible to assist the Board in overseeing all operational risk management activities (i.e. all activities except for activities in making investment decisions) and to ensure that the risk management process is in place and is functioning effectively.
- **The Investment Panel Risk Committee** is responsible for investment management risk oversight, which includes recommending the aggregate risk appetite for Investment Panel sign-off, approving risk management policies and limits, reviewing risk exposures, and providing direction in relation to risk management practices within the investment function.

3. The Dedicated Committees

- **The Management Operational Risk Committee (MORC)** is a committee established at the Management level to oversee the operational risk management of EPF, implement and execute operational risk management (which includes strategy, culture, structure, people and process) and to ensure that the Framework is implementing consistently and effectively throughout the organisation.
- **The Management Risk Committee (MRC)** is a management-level committee responsible for developing the risk policy and appropriate limits for managing the investment risks of the EPF.
- **The Management Investment Committee (MIC)** is a management-level committee responsible for evaluating the performance of the EPF's investments according to asset classes as well as recommending investment strategies and proposals to the Investment Panel.

PENGURUSAN RISIKO RISK MANAGEMENT

- Fungsi khusus pengurusan risiko yang bebas dan pematuhan dilaksanakan oleh **Jabatan Pengurusan Risiko** dan **Jabatan Pematuhan Pelaburan** yang bertanggungjawab memastikan polisi risiko dilaksanakan dan dipatuhi.
- **Unit Bisnes dan Cawangan**, adalah barisan pertahanan pertama yang bertanggungjawab untuk menguruskan risiko di dalam fungsi masing-masing secara harian serta membawa kepada perhatian MORC tentang risiko yang penting melalui Jabatan Pengurusan Risiko.
- Di antara peranan dan tanggungjawab utama unit bisnes ini adalah:
 - Mengenalpasti, menilai dan menguruskan risiko
 - Mengkaji semula secara berterusan profil risiko unit bisnes bagi memastikan ianya relevan dan sesuai.
 - Mengemaskini status risiko dan tahap risiko di dalam Q-Radar
 - Mengkaji semula secara berkala kedudukan pengurusan risiko dan kawalan;
 - Membangun dan melaksanakan pelan tindakan bagi mengurus risiko; dan
 - Mematuhi amalan dan garis panduan pengurusan risiko.
- *The dedicated independent risk management and compliance functions, namely, the **Risk Management Department** and the **Investment Compliance Department**, are responsible for ensuring the implementation of and compliance with risk policies respectively.*
- ***The Business Units and Spokes**, being the first line of defence are responsible for managing risks in their respective functions on a day-to-day basis as well as escalate significant potential risks to the MORC via Risk Management Department.*
- *Among the principal roles and responsibilities of the business units are:*
 - *Identify, assess and manage risks;*
 - *Constant review of the business unit's risk profile to ensure its relevancy and appropriateness;*
 - *Update the risk status and level of risks in Q-Radar;*
 - *Regular review of the state of risk management and controls;*
 - *Develop and implement action plans to manage risks; and*
 - *Adhere to risk management practice and guidelines.*



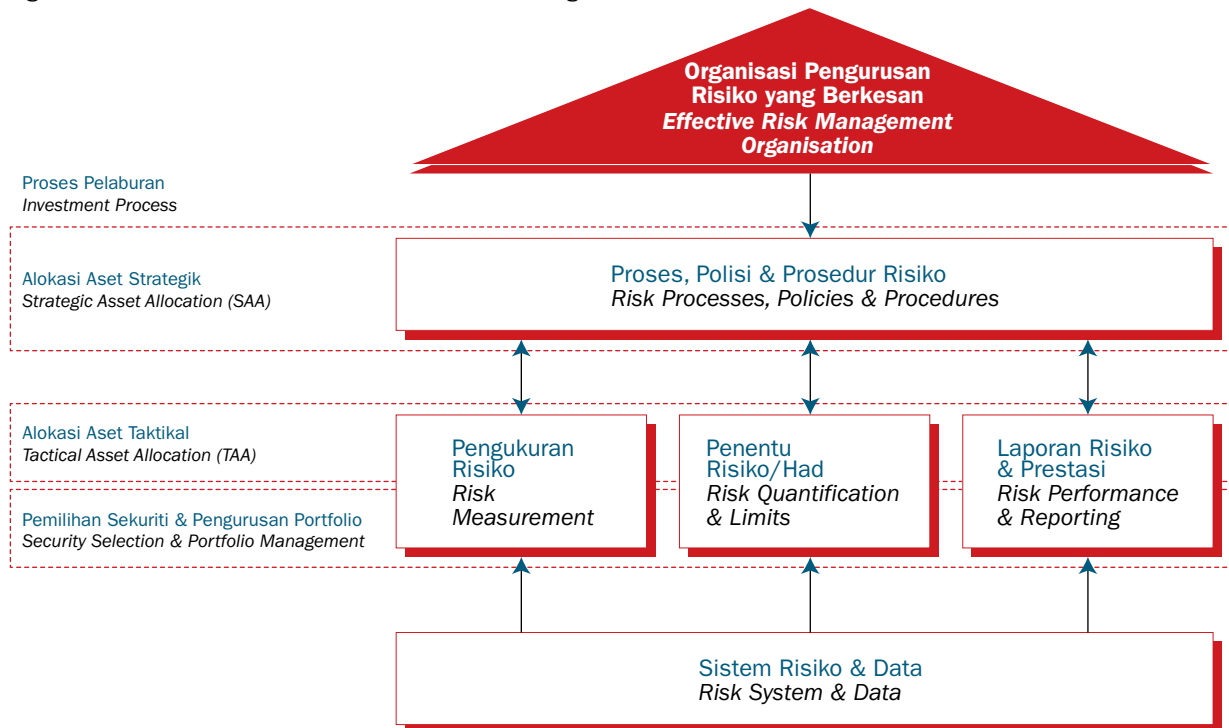
PENGURUSAN RISIKO RISK MANAGEMENT

Pengurusan Risiko Pelaburan

Rangka Kerja Pengurusan Risiko Pelaburan adalah bertujuan untuk membantu proses pelaburan di KWSP dan memastikan tadbir urus yang sesuai dipraktikkan dalam membuat keputusan pelaburan.

Rangka kerja ini memberikan gambaran yang menyeluruh berkenaan profil risiko portfolio pelaburan KWSP. Ia membolehkan KWSP menggunakan pendekatan yang sama untuk mengenal pasti, mengukur, memantau dan menguruskan risiko portfolio. Dengan ini, KWSP dapat memastikan pulangan yang optimum daripada aktiviti pelaburannya setelah mengambil kira lingkungan tahap risiko.

Rangka kerja tadbir urus risiko digambarkan menerusi carta di bawah.
The risk governance framework is illustrated in the following chart.



Risiko pasaran adalah risiko kerugian daripada perubahan dalam nilai portfolio dan instrumen kewangan disebabkan oleh pergerakan harga pasaran sama ada berkaitan kadar faedah, tukaran wang asing dan harga ekuiti.

Objektif utama pengurusan risiko pasaran adalah untuk memastikan agar kerugian daripada risiko pasaran dapat dikawal dengan segera, dan pendedahan berisiko mempunyai kecairan yang mencukupi bagi membolehkan KWSP mengurangkan pendedahan tersebut tanpa menanggung kerugian yang melebihi tahap risiko KWSP.

Investment Risk Management

The Investment Risk Management Framework aims to support the investment processes of the EPF and ensure that proper risk governance is in place with regard to investment decision making.

The framework provides a holistic view of the risk profile of the EPF's investment portfolio. It enables the EPF to have a common approach in identifying, measuring, monitoring and managing our portfolio risks. This will ensure the EPF optimises return on risk taking activities within its risk tolerance levels.

Market risk is the risk of loss from changes in the value of portfolios and financial instruments due to the movements in interest rates, foreign exchange and equity prices.

The primary objective of market risk management is to ensure that losses from market risk can be promptly mitigated, and that risk positions are sufficiently liquid. This will enable the EPF to reduce its position without incurring potential loss that is beyond the EPF's risk appetite.

PENGURUSAN RISIKO RISK MANAGEMENT

KWSP menggunakan pendekatan berikut untuk menguruskan risiko pasaran:

- Nilai berisiko (“VaR”) – anggaran jumlah nilai pasaran yang boleh ditanggung kerugiannya oleh sesuatu portfolio dalam tempoh masa tertentu pada tahap kebarangkalian yang telah ditetapkan. Simulasi Monte Carlo digunakan untuk mengira VaR bagi mengukur tahap risiko portfolio
- Tempoh masa – ukuran linear risiko bagi sesuatu bon untuk mentakrif peratusan kenaikan (atau penurunan) terhadap nilai bon tersebut bagi kejatuhan (atau kenaikan) 1% bagi hasil yang diperoleh daripada bon tersebut
- ‘Tracking Error’ – merujuk kepada sisihan piawai bagi lebihan pulangan portfolio berbanding penanda aras
- Pengukuran beta – digunakan untuk mengukur sensitiviti harga sesuatu ekuiti berbanding penanda aras
- Analisis simulasi, termasuk ujian tekanan adalah satu lagi kaedah menguji risiko portfolio dalam keadaan yang sukar. Ujian tekanan melibatkan penetapan parameter seperti korelasi, volatiliti dan pulangan pada nilai-nilai yang berlainan dan menilai bagaimana risiko sesuatu portfolio boleh berubah

Pengurusan Risiko Kredit

Risiko kredit adalah risiko kerugian disebabkan oleh ketidakmampuan atau keengganan peminjam/pihak ketiga dalam memenuhi tanggungjawab kewangannya. Pendedahan kepada risiko kredit wujud daripada aktiviti pinjaman, lindung nilai, dagangan dan pelaburan.

Objektif utama pengurusan risiko kredit adalah untuk memastikan pendedahan KWSP terhadap risiko kredit sentiasa berada dalam lingkungan kemampuan dan kapasiti kewangannya untuk menghadapi kemungkinan kerugian di masa depan.

The EPF adopts the following tools to manage market risk:

- *Value at Risk (VaR) – an estimation of the amount of market value that a portfolio can lose over a certain time horizon with a given probability. The Monte Carlo Simulation is used to compute VaR to measure the riskiness of the portfolios*
- *Duration – a linear measure of risk for a bond to define the percentage increase (decrease) in the bond’s value for a 1% fall (rise) in the bond’s yield*
- *Tracking error – refers to the standard deviation of the portfolio’s excess returns relative to a benchmark*
- *Beta measurement – used for gauging the equity’s price sensitivities against benchmark*
- *Simulation analysis, including stress testing is another method of examining portfolio risk in extreme situations. Stress testing involves setting parameters such as correlation, volatility and returns at different values as well as assessing how a portfolio’s risk may change*

Credit Risk Management

Credit risk is the risk of loss due to the inability or unwillingness of a borrower/counterparty to meet its payment obligations. Exposure to credit risk arises through lending, hedging, trading and investing activities.

The primary objective of credit risk management is to ensure that the EPF’s exposure to credit risk is always within its capability and financial capacity to withstand potential future losses.

PENGURUSAN RISIKO RISK MANAGEMENT

KWSP menilai pendedahan kreditnya melalui pelbagai pendekatan seperti:

- Template Penarafan Korporat – menyediakan kadaran risiko dalaman berasaskan statistik bagi peminjam korporat dan ia konsisten dengan amalan terbaik yang diguna pakai oleh institusi kewangan
- Sistem-sistem risiko kredit diguna pakai untuk mengira Nilai Kredit Berisiko (CVaR) bagi aset-aset berkredit KWSP dan untuk mengukur keupayaan kredit atau kebarangkalian keingkaran bagi syarikat awam dan juga swasta.

Pengurusan Risiko Kecairan

Risiko kecairan merujuk kepada ketidakmampuan dalam memenuhi komitmen dan obligasi kewangan apabila sampai tempoh. KWSP sentiasa mengekalkan tahap kecairan aset yang secukupnya dalam bentuk tunai dan deposit dalam institusi kewangan bagi memenuhi pengeluaran ahli dan komitmen serta obligasi kewangan yang lain.

Pemantauan dan Kajian Semula Pengurusan Risiko Pelaburan

Panel Pelaburan, melalui Pernyataan Tahap Risiko, menetapkan tahap risiko yang boleh diambil oleh KWSP dan menjadi asas bagi peruntukan dana pelaburan. Jawatankuasa Risiko Panel Pelaburan mengawasi pengurusan risiko pelaburan dan mengkaji semula risiko dalam portfolio pelaburan KWSP.

Jawatankuasa Risiko Pengurusan dalam mesyuaratnya, mengkaji laporan risiko portfolio untuk mengenal pasti sumber risiko utama bagi seluruh kelas aset. Berdasarkan laporan tersebut, jawatankuasa ini memantau penumpuan risiko yang besar dan menentukan tindakan sewajarnya yang perlu diambil. Jawatankuasa ini turut menilai keputusan ujian tekanan dan analisis senario.

Rangka kerja, polisi, dan metodologi pengurusan risiko Pelaburan sentiasa dikaji semula dan dipertingkatkan dari semasa ke semasa untuk memastikan keberkesanan yang berterusan.

The EPF assessed its credit exposures through various tools such as:-

- *Corporate Rating Template – provides a statistically-based internal risk rating for corporate borrowers and is consistent with best practice rating models of financial institutions*
- *Credit Risk Systems were installed - to compute Credit Value at Risk (CVaR) for EPF's credit related assets and to provide the creditworthiness or probability of default (PD) for both public and private companies.*

Liquidity Risk Management

Liquidity risk relates to the inability to meet financial commitments and obligations when they fall due. The EPF maintains adequate levels of liquid assets in the form of cash and placements in financial institutions in order to meet members' withdrawals and other financial commitments and obligations.

Monitoring and Reviewing of Investment Risk Management

The Investment Panel through the Risk Appetite Statements defines the level of risks that the EPF is willing to tolerate. This forms the basis of investment funds allocation. The Investment Panel Risk Committee (IPRC) provides oversight on investment risk management activities and reviews risks in the EPF's investment portfolio.

The Management Risk Committee (MRC) in its meetings, reviews portfolio risk reports to identify key sources of risk across all asset classes. Based on the risk reports, the MRC monitors large risk concentrations and determines the appropriate action to be taken. The MRC also evaluates the results of stress testing and scenario analyses.

The Investment risk framework, policy and methodology are regularly reviewed and enhanced to ensure their continued effectiveness.

**PENGURUSAN RISIKO
RISK MANAGEMENT**

Pengurusan Risiko Operasi

Rangka Kerja

Risiko operasi adalah risiko kegagalan hasil daripada ketidakcukupan atau kegagalan proses dalaman, manusia atau sistem, atau daripada kejadian luaran.

Tujuan KWSP menggunakan Pengurusan Risiko Operasi (ORM) adalah bagi menyokong dan menambahbaik aktiviti di dalam semua bidang operasi. ORM merupakan bahagian yang penting dalam proses membuat keputusan dan budaya korporat KWSP.

Rangka Kerja ORM menerangkan polisi, prinsip, proses dan metodologi yang digunakan oleh KWSP di dalam mengurus risiko operasi. KWSP menggunakan MS ISO 31000:2010 Risk Management – Principles and Guidelines sebagai garis panduan amalan utama yang menggantikan AS/NZS 4360:2004 yang telah digunakan oleh KWSP sejak tahun 2006 yang merupakan garis panduan di dalam membangunkan Rangka Kerja ORM. Pindaan Rangka Kerja ORM KWSP adalah disejajarkan dengan ISO 31000 yang telah diluluskan oleh Lembaga KWSP pada 16 Julai 2012.

Operational Risk Management

Framework

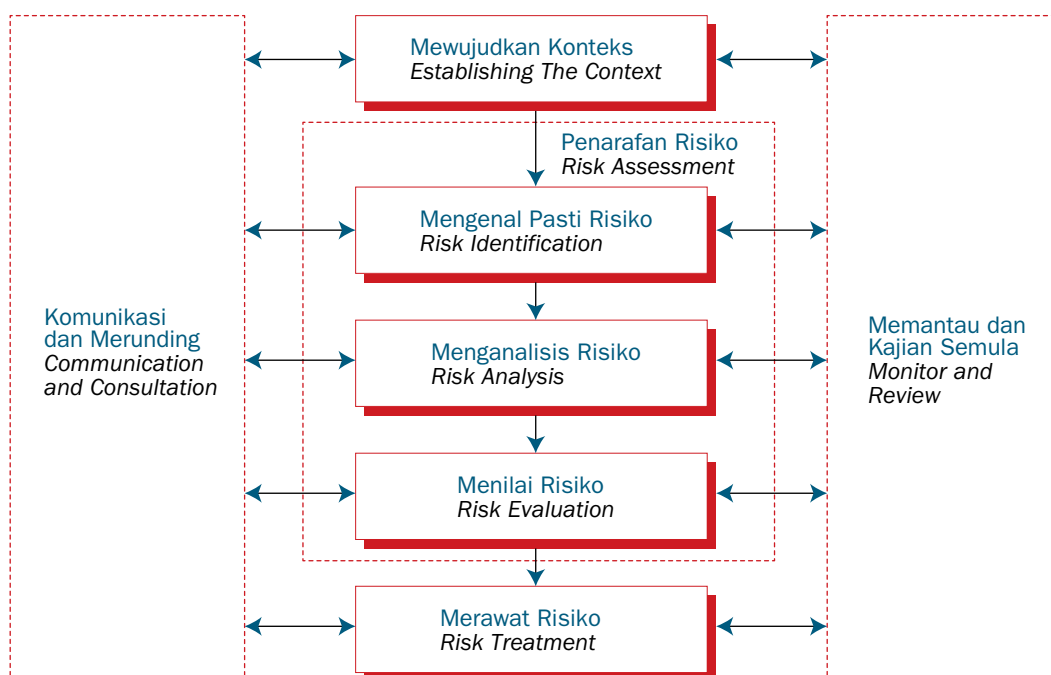
Operational risk is the risk of loss resulting from inadequate or failed internal processes, people or systems, or from external events.

The EPF aims to use Operational Risk Management (ORM) to support and enhance its activities in all operational areas. ORM is an integral part of EPF's decision making process and corporate culture.

The ORM Framework explains the policy, principles, processes and methodologies adopted by the EPF in managing operational risk. The EPF adopts the MS ISO 31000:2010 Risk Management – Principles and guidelines as its main practice guide which superseded AS/NZS 4360:2004 which the EPF has been using since year 2006 as a guide in developing its ORM Framework. The revised EPF ORM Framework which is aligned to ISO 31000 was approved by the EPF Board on 16 July 2012.

Kaedah dan Proses Pengurusan Risiko Operasi/Methodology and Process of the Operational Risk Management

Proses Pengurusan Risiko Operasi – Gambaran Umum/The Overview of the Operational Risk Management Process



Sumber/Source:

MS ISO 31000:2010 Risk Management – Principles and Guidelines.

PENGURUSAN RISIKO RISK MANAGEMENT

Kad Skor Risiko Korporat

Kaedah Kad Skor Risiko Korporat merupakan pendekatan pengurusan risiko yang konsisten dengan piawaian MS ISO 31000:2010 Risk Management – Principles and Guidelines telah diguna pakai dalam pelaksanaan pengurusan risiko operasi di KWSP. Salah satu daripada elemen utama kaedah kad skor ini adalah elemen Penilaian Kendiri Risiko dan Kawalan (Risk and Control Self-Assessment, RCSA) yang membolehkan anggota KWSP menilai sendiri dan mengemaskini profil risiko mereka.

Risiko kasar diberi skor, menggunakan parameter Kadaran Kemungkinan dan Impak yang ditentukan terlebih dahulu. Kawalan sedia ada dan strategi obligasi dikenal pasti dan keberkesanannya dinilai untuk mendapatkan Kadaran Risiko Bersih. Kadaran Risiko Bersih ini dianalisis berbanding Kadaran Sasaran Risiko untuk menentukan sama ada pelan tindakan perlu diwujudkan untuk menguruskan risiko tersebut.

Akses kepada sistem ORM disediakan secara menyeluruh supaya semua Pemilik Kadskor Risiko, Pemilik Risiko, Pemilik Kawalan, Pemilik Tindakan Pengurusan boleh menjalankan aktiviti RCSA secara berkesan. Terdapat 97 kadskor risiko dibangunkan untuk jabatan, seksyen dan cawangan KWSP di dalam tahun 2012, yang mengandungi 1 kadskor risiko KPE, 2 kadskor risiko TKPE, 28 kadskor risiko jabatan dan 66 kadskor risiko cawangan.

Corporate Risk Scorecard

The Corporate Risk Scorecard (CRS) methodology, a risk management approach consistent with the MS ISO 31000:2010 Risk Management – Principles and Guidelines, has been adopted in the implementation of operational risk management in the EPF. One of the key elements in the CRS methodology is the Risk and Control Self-Assessment (RCSA) module which allows EPF staff to self-assess and update their risk profile.

Gross risks are assigned numerical values, using predetermined Possibility and Impact Rating parameters. Existing controls and mitigating strategies are identified and their effectiveness is evaluated to derive the Nett Risk Rating. The Nett Risk Rating is analysed against the Target Risk rating to determine whether action plans are needed to mitigate the risks.

Access to the ORM system is provided on an enterprise-wide basis so that all Risk Scorecards Owners, Risk Owners, Control Owners and Management Action (MA) Owners can undertake RCSA activities effectively. A total of 97 risk scorecards have been established within the EPF in the year of 2012, which consist of 1 CEO risk scorecard, 2 DCEOs risk scorecards, 28 departments' risk scorecard and 66 spokes' risk scorecard.



PENGURUSAN RISIKO
RISK MANAGEMENT



Mewujudkan konteks merangkumi parameter dalaman dan luaran yang berkaitan dengan organisasi secara keseluruhan, termasuklah latar belakang cara penarafan risiko yang berkaitan. Semua konteks ini dijelaskan dengan lebih lanjut dalam "9 Punca Risiko"

Establishing the context includes considering internal and external parameters relevant to the organisation as a whole, as well the background to the particular risks being assessed. All these context are described as "The 9 Sources of Risks".



Skor Risiko/Risk Scoring

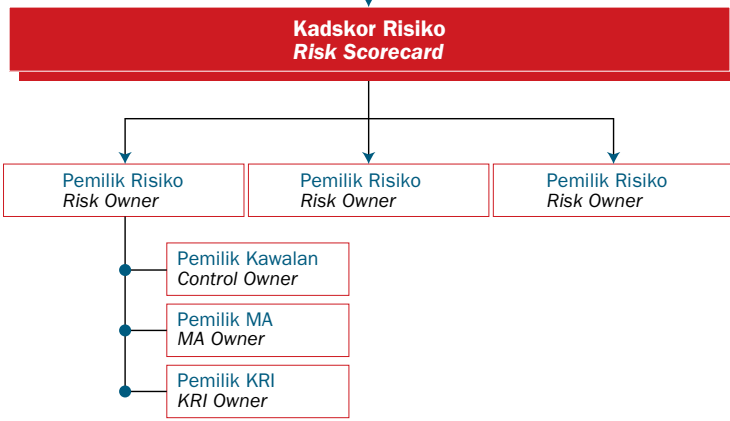
	5	6	7	8	9	10
5	5	6	7	8	9	10
4	4	5	6	7	8	9
3	3	4	5	6	7	8
2	2	3	4	5	6	7
1	1	2	3	4	5	6
	1	2	3	4	5	

Kemungkinan/Possibility

Kesan/Impact

Tahap risiko ditentukan selepas penarafan Rating Risiko Kasar, Rating Keberkesanan Kawalan dan Rating Risiko Bersih. Skor risiko bagi setiap faktor risiko diperolehi dengan mencampur rating kemungkinan dan kesan.

The level of risk is determined upon the assessment of Gross Risk Rating, Control Effectiveness Rating and Nett Risk Rating. The risk score of each risk factor derived by adding the rating on possibility and impact.



Pemilikan perlu diberikan untuk setiap kadskor, risiko, kawalan dan tindakan Pengurusan (MA) bagi memastikan akauntabiliti dan pelaksanaan.

Ownership should be assigned for every scorecard, risk, control and Management Action (MA) to ensure accountability and execution.

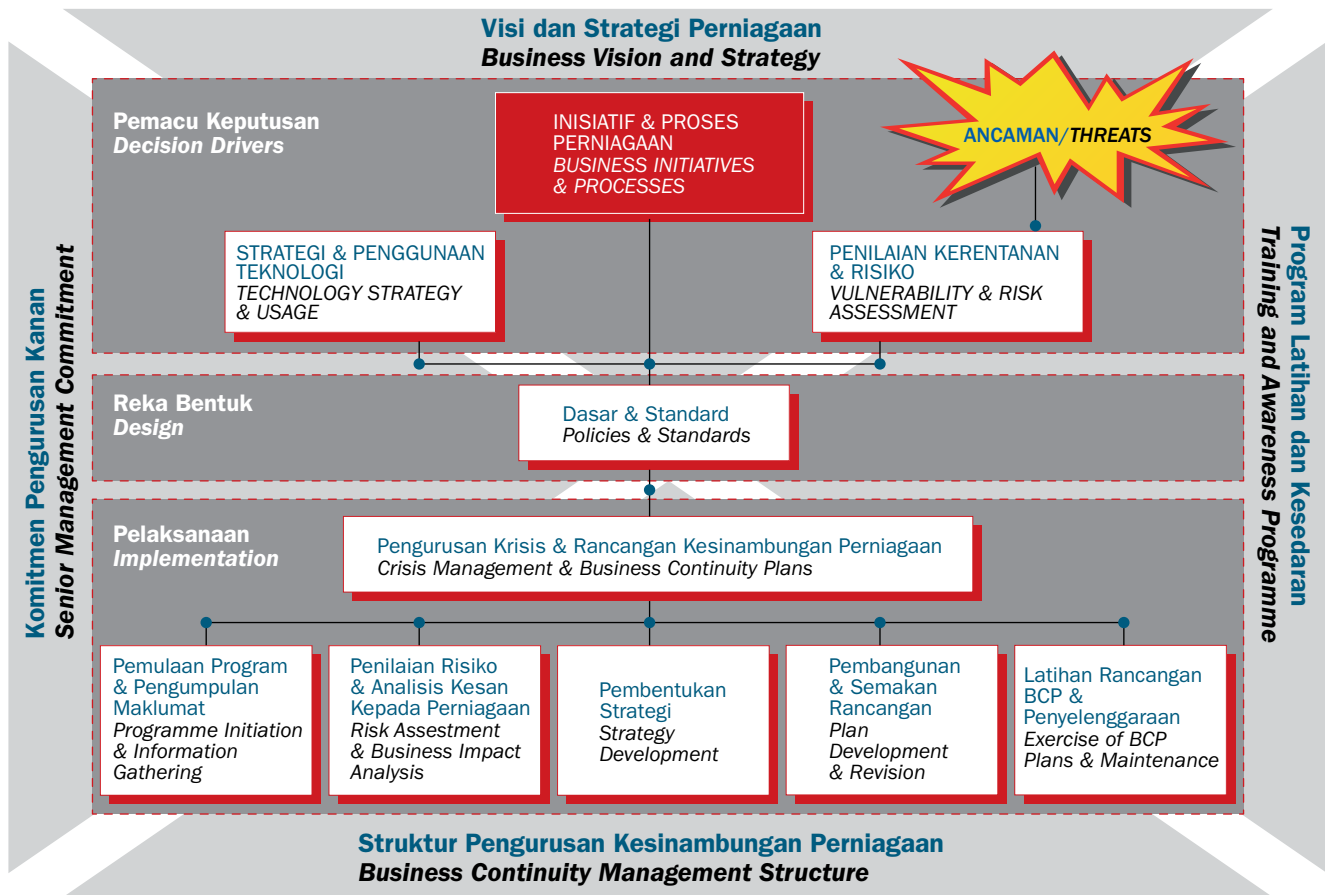
Nota :
MA= Tindakan Pengurusan
KRI= Petunjuk Risiko Utama

Note :
MA= Management Action
KRI= Key Risk Indicator

PENGURUSAN RISIKO RISK MANAGEMENT

Ilustrasi di bawah menunjukkan komponen Rangka Kerja Program BCM KWSP.

The illustration below shows the components of EPF's BCM Programme Framework.



Pengurusan Kesenambungan Perniagaan

Program Pengurusan Kesenambungan Perniagaan (BCM) KWSP ditanda aras berdasarkan piawaian dan garis panduan Pengurusan Kesenambungan Perniagaan yang kukuh sebagai asas untuk memahami, membangun dan melaksanakan kesinambungan perniagaan. Ia turut membolehkan keberkesanan program Pengurusan Kesenambungan Perniagaan dinilai secara konsisten dan dipraktik.

Business Continuity Management

The EPF's Business Continuity Management (BCM) programme is benchmarked against sound BCM standards and guidelines as a basis for understanding, developing and implementing business continuity. This benchmarking also enables us to measure the EPF's BCM programme capability in a consistent and recognised manner.

PENGURUSAN RISIKO RISK MANAGEMENT

Program Pengurusan Kesyntambungan Perniagaan akan memastikan KWSP kembali menjalankan operasi penting dalam tempoh masa yang ditetapkan dan meminimumkan kos kerosakan dan gangguan akibat bencana. Pada 2012, KWSP meneruskan program BCM di peringkat jabatan dan cawangan, dan berjaya menganjurkan latihan simulasi krisis banjir di Kota Kinabalu, Sabah. Wakil-wakil dari cawangan lain turut hadir di dalam latihan tersebut.

Pemantauan dan Kajian Semula Pengurusan Risiko Operasi

Lembaga mengawasi pelaksanaan pengurusan risiko melalui Jawatankuasa Pengurusan Risiko Lembaga (BRMC).

Pengurusan Risiko Operasi adalah sebahagian daripada proses pengurusan strategik. Rangka kerja pengurusan risiko operasi dan garis panduan dan prosedur yang relevan telah dikaji semula di dalam tempoh tertentu bagi memastikan aplikasi yang berterusan dan relevan.

Risiko dipantau, diurus dan dijamin melalui pemilikan daripada barisan pengurusan. Risiko dikaji semula secara berkala di dalam proses penyelarasan yang formal oleh Jabatan Pengurusan Risiko. Ini menyediakan KWSP dengan komitmen daripada barisan pengurusan bagi menguruskan risiko mereka dan menyediakan jaminan ke pihak atasan, dan dengan demikian memastikan akauntabiliti dan ketelusan dalam seluruh organisasi. Pemilik kadskor, pemilik risiko, pemilik kawalan dan pemilik tindakan pengurusan, melalui proses Corporate Digital Assurance (CDA) adalah diperlukan memberi asurans digital sebanyak enam (6) kali setahun bagi memberi kepastian kepada Pengurusan bahawa akauntabiliti mereka mengenai pengurusan risiko telah dilaksanakan dengan teratur.

The BCM programme will ensure that the EPF resumes critical operations within the required timeframes and minimises the cost of damages and interruptions due to disasters. In 2012, the EPF continued the BCM programme at the departmental and branch level, and successfully conducted a flood crisis simulation exercise in Kota Kinabalu, Sabah. Representatives from other spokes participated in this exercise.

Monitoring and Review of Operational Risk Management

The Board oversee the implementation of the risk management through the Board Risk Management Committee (BRMC).

The ORM is considered part of the strategic management process. The operational risk management framework and the relevant procedures and guidelines are reviewed on a periodic basis to ensure its continued application and relevance.

Risk are monitored, managed and assured through ownership from the line management. Risks are reviewed periodically in a formal process coordinated by Risk Management Department. This provides the EPF with the commitment from line management that they are managing their own risks and providing upwards assurance, thereby ensuring accountability and transparency throughout the organisation. Scorecard owners, risk owners, control owners and management action owners, through the Corporate Digital Assurance (CDA) process, are required to provide digital assurance six (6) times a year to ensure to the Management that their accountability for management of risk have been executed appropriately.

PENGURUSAN RISIKO RISK MANAGEMENT

Petunjuk risiko utama (KRI) dikenalpasti di dalam kadskor risiko bertindak sebagai sistem amaran awal, membolehkan KWSP untuk memantau risiko yang berpotensi sebelum ia menjadi kebimbangan yang serius. Oleh itu, KRI merupakan satu mekanisma pemantauan yang berkesan untuk memastikan risiko dan intipatinya kekal relevan.

Analisis penyatuan dan penskoran dilaksanakan untuk memberi gambaran menyeluruh terhadap risiko utama yang dihadapi oleh KWSP. Dalam usaha untuk mempertingkatkan proses pengukuran dan pemantauan risiko, Petunjuk Risiko Utama yang relevan telah dikenal pasti secara berperingkat, sebagai isyarat awal untuk mengesan dan memberi amaran berkenaan kejadian risiko dan kewujudan risiko baru serta sebarang kelemahan dalam kawalan operasi. Penilaian risiko juga dijalankan terhadap projek utama, di mana risiko dan isu-isu kritikal dikenal pasti dan dinilai oleh pakar yang berkecuali yang bukan pemilik projek.

Pada tahun 2012, KWSP telah mengintegrasikan maklumat pengurusan prestasi dengan pengurusan risiko (yakni penyatuan KPI dengan risiko). Inisiatif ini membolehkan Pengurusan memantau pencapaian prestasi melalui pencapaian KPI dan pengurusan risiko dalam satu 'dashboard'. Ia juga menyediakan KPE dan Pengurusan Kanan dengan satu pendekatan yang seimbang di dalam analisis prestasi organisasi dengan menilai pencapaian KPI dan pendedahan risiko.

Penambahbaikan Berterusan

Rangka kerja, kaedah, proses dan pendekatan pengurusan risiko yang berkaitan dengan risiko pasaran, risiko kredit, risiko kecairan dan risiko operasi dikaji semula secara tetap bagi memastikan keberkesanannya berterusan.

Key risk indicators (KRI) identified in the risk scorecards act as an early warning system, enable EPF to monitor potential risks before they escalate into serious concerns. As such, KRI is an effective monitoring mechanism to ensure the risks and its contents remain relevant.

A consolidated and scoring analysis is conducted to provide a consolidated view of key risks faced by the EPF. In enhancing our risk measurement and monitoring process, relevant Key Risk Indicators have been identified in stages. These serve as early warning signals to detect and highlight risk events and new risk concerns as well as potential areas of weaknesses in operational controls. An assessment of risks is also conducted on key projects, whereby critical risks and issues are identified and assessed by the relevant subject matter experts, independent from the project owners.

The EPF has in year 2012 integrated performance management information with risk management (i.e. mapping of KPIs to risk). This initiative enables the Management to monitor the achievement of performance via the achievement of KPIs and risk management in a single dashboard. It also provides the CEO and Senior Management with a balanced approach in analysing organisational performance by evaluating the achievement of KPIs and exposure of risks.

Continuous Improvement

The risk management framework, methodologies, processes and tools with regard to the market risk, credit risk, liquidity risk and operational risk are regularly reviewed to ensure their continued effectiveness.

PERNYATAAN PENGURUSAN RISIKO DAN KAWALAN DALAMAN **STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL**

KWSP telah mengeluarkan Pernyataan ini selaras dengan “Statement on Risk Management & Internal Control – Guidelines for Directors of Listed Issuers” (Garis panduan), yang dikeluarkan oleh pasukan petugas khas industri yang disokong oleh Bursa Malaysia dan Suruhanjaya Sekuriti Malaysia. Ini bagi menggalakkan tadbir urus korporat yang baik, walaupun Garis panduan ini bukan merupakan satu keperluan bagi KWSP.

The EPF has issued this Statement in accordance with the “Statement on Risk Management & Internal Control – Guidelines for Directors of Listed Issuers” (the Guidelines) issued by an industry led task force supported by Bursa Malaysia and Securities Commission Malaysia. This is to promote good corporate governance, notwithstanding the fact that the Guidelines are not a requirement for the EPF.



PERNYATAAN PENGURUSAN RISIKO DAN KAWALAN DALAMAN STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Garis panduan ini selaras dengan Kod Tadbir Urus Korporat Malaysia yang dikeluarkan pada Mac 2012 (Kod). Prinsip ke-6 Kod ini menyatakan bahawa Lembaga perlu mewujudkan rangka kerja pengurusan risiko dan sistem kawalan dalaman yang mantap.

Tanggungjawab

Lembaga mengakui bahawa ia bertanggungjawab bagi memastikan kecukupan dan keberkesanan pengurusan risiko dan sistem kawalan dalaman di KWSP secara keseluruhan. Rangka kerja pengurusan risiko operasi KWSP dirangka untuk mengenalpasti, menganalisis dan menilai risiko-risiko signifikan yang menghalang pencapaian polisi dan objektif organisasi. Dengan yang demikian, sistem kawalan dalaman diwujudkan untuk mengurus dan bukannya untuk menghapuskan semua risiko tersebut. Justeru, sistem kawalan dalaman hanya dapat memberikan jaminan keberkesanan yang munasabah dan bukan secara mutlak.

Peranan pengurusan termasuk:

- Mengenalpasti risiko yang relevan dalam mencapai objektif dan strategi KWSP;
- Merekabentuk, melaksana dan memantau rangka kerja pengurusan risiko dan sistem kawalan dalaman selaras dengan visi strategik dan tahap risiko keseluruhan KWSP; dan
- Mengenalpasti perubahan kepada risiko dan risiko yang bakal muncul, mengambil tindakan yang bersesuaian dan seterusnya memaklumkan kepada Lembaga.

Struktur Kawalan

Sistem dan proses utama yang diwujudkan oleh Lembaga untuk mengkaji semula kecukupan dan integriti sistem kawalan dalaman adalah seperti berikut:

Rangka Kerja Pengurusan Risiko

- Tanggungjawab dan akauntabiliti yang jelas berkenaan proses pengurusan risiko serta menetapkan risiko utama dan tanggungjawab kawalan di bawah struktur pengurusan risiko KWSP
- Jawatankuasa Pengurusan Risiko Lembaga (BRMC) membantu Lembaga mengawasi semua aktiviti pengurusan risiko operasi dan memastikan proses pengurusan risiko diwujudkan dan berfungsi dengan berkesan.

The Guidelines are in line with the Malaysian Code on Corporate Governance issued in March 2012 (the Code). Principle 6 of the Code states that the Board should establish a sound risk management framework and internal control system.

Responsibility

The Board acknowledges its overall responsibility for the adequacy and effectiveness of the EPF's risk management and internal control system. The EPF's risk management framework is designed to identify, analyse and evaluate significant risks that hinder the achievement of the organisation's policies and objectives. Accordingly, the internal control system is in place to manage rather than to eliminate those risks. It can, therefore only provide reasonable and not absolute assurance.

The management's role includes:

- *Identifying the relevant risks in achieving the objectives and strategies of the EPF;*
- *Designing, implementing and monitoring the risk management framework and the system of internal control in accordance with the EPF's strategic vision and overall risk appetite; and*
- *Identifying changes to risks or emerging risks, taking action as appropriate, and keeping the Board informed.*

Control Structure

The key systems and processes that the Board has established for the purpose of reviewing the adequacy and integrity of the system of internal control are as follows:

Risk Management Framework

- *Clear lines of responsibility and accountability for the risk management process as well as outline the principal risk and control responsibilities under the EPF's risk management structure.*
- *The Board Risk Management Committee (BRMC) assists the Board in overseeing all operational risk management activities and ensures that the risk management processes are in place and functioning effectively.*

PERNYATAAN PENGURUSAN RISIKO DAN KAWALAN DALAMAN
STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

BRMC dibantu oleh Jawatankuasa Pengurusan Risiko Operasi (MORC) yang mengkaji semula dan mengesyorkan penambahbaikan kepada rangka kerja pengurusan risiko (Rangka Kerja) dan memastikan Rangka Kerja ini dilaksanakan dengan konsisten dan berkesan dalam organisasi.

The BRMC is assisted by the Management Operational Risk Committee (MORC), which reviews and recommends enhancements to the risk management framework (the Framework) and ensures that the Framework is implemented consistently and effectively throughout the organisation.

Jawatankuasa Audit Lembaga membantu Lembaga di dalam menilai keberkesanan kawalan dalaman, pengurusan risiko (kecuali aktiviti pengurusan risiko dalam membuat keputusan pelaburan yang diletakkan di bawah bidang kuasa Panel Pelaburan) dan proses tadbir urus KWSP.

The Board Audit Committee assists the Board in evaluating the effectiveness of the internal controls, risk management (except risk management activities in making investment decisions which comes under the purview of the Investment Panel) and governance processes of the EPF.

- Rangka Kerja Pengurusan Risiko Operasi (ORM) yang menggariskan polisi dan proses pengurusan risiko operasi KWSP telah dimaklumkan kepada anggota di semua peringkat supaya pemahaman yang lebih baik berkenaan amalan yang digunakan di KWSP KWSP menggunakan "MS ISO 31000: 2010 Risk Management – Principles and Guidelines" sebagai panduan amalan utama.
- Mengkaji semula sistem pengurusan risiko dan kawalan dalaman bagi memastikan ianya terus relevan dan mencukupi.
- Amalan pengurusan risiko dan kawalan dalaman yang mantap di KWSP meliputi tiga barisan pertahanan. Unit bisnes merupakan barisan pertahanan pertama yang bertanggungjawab untuk memastikan persekitaran risiko dan kawalan diwujudkan dan beroperasi dengan berkesan sebagai sebahagian operasi harian.

- *The Operational Risk Management (ORM) Framework outlining the EPF's operational risk management policy and processes has been disseminated to staff at all level for better understanding of the practices adopted. The EPF adopts the MS ISO 31000:2010 Risk Management – Principles and Guidelines as its main practice guide.*
- *Regular review of the risk management and internal control systems to ensure that they remain relevant and adequate.*
- *A sound risk management and internal control practice covering three lines of defence. The business units, being the first line of defence, are responsible for ensuring that a risk and control environment is established and operating effectively as part of day-to-day operations.*

Barisan pertahanan yang kedua adalah Jabatan Pengurusan Risiko yang membangunkan rangka kerja pengurusan risiko, polisi, metodologi dan cara untuk menguruskan risiko utama di dalam organisasi.

The second line of defence is the Risk Management Department, which develops risk management framework, policy, methodologies and tools for the management of key risks in the organisation.

Jabatan Audit Dalam yang merupakan barisan pertahanan ketiga menyediakan jaminan yang bebas dan munasabah ke atas kecukupan dan keberkesanan sistem pengurusan risiko dan kawalan dalaman kepada Jawatankuasa Audit Lembaga.

The Internal Audit Department, being the third line of defence, provides the Board Audit Committee with independent and reasonable assurance on the adequacy and effectiveness of risk management and internal control system.

PERNYATAAN PENGURUSAN RISIKO DAN KAWALAN DALAMAN STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Fungsi Audit Dalam

Audit Dalam mengkaji semula aktiviti utama bisnes KWSP berdasarkan pelan audit tahunan yang diluluskan oleh Jawatankuasa Audit Lembaga. Skop kerja fungsi audit dalam yang terperinci telah dinyatakan di dalam Pernyataan Audit Dalam.

Jawatankuasa Audit Lembaga mengkaji semula isu kawalan dalaman yang dikenalpasti di dalam laporan yang disediakan oleh juruaudit dalaman dan luaran, dan menilai keberkesanan dan kecukupan sistem kawalan dalaman, pengurusan risiko operasi dan proses tadbir urus.

Jawatankuasa Audit Lembaga juga mengkaji semula fungsi audit dalam dengan memberi penekanan ke atas kebebasan audit dalam, skop, sumber dan kualiti pengauditan yang telah dilaksanakan. Aktiviti Jawatankuasa yang terperinci dinyatakan di dalam Laporan Jawatankuasa Audit Lembaga.

Elemen Utama Kawalan Dalaman

Elemen utama kawalan dalaman wujud di KWSP seperti berikut:

- Terma Rujukan**
Terma rujukan mendefinisikan peranan dan tanggungjawab semua jawatankuasa Lembaga dan Panel Pelaburan dinyatakan dalam Penyata Tadbir Urus Korporat.
- Struktur Organisasi**
Struktur organisasi telah mentakrifkan dengan jelas berkenaan akauntabiliti, delegasi tanggungjawab dan tahap authoriti bagi semua aspek bisnes. Jawatankuasa pengurusan bermesyuarat secara kerap untuk mengenalpasti, berbincang dan menyelesaikan isu operasi, kewangan, pelaburan dan isu utama pengurusan serta melaporkan secara berkala kepada Lembaga, Panel Pelaburan dan Jawatankuasa berkenaan.
- Pelan Bisnes Tahunan**
Pelan bisnes dan belanjawan disediakan oleh unit-unit operasi, dikaji semula oleh jawatankuasa pengurusan yang berkaitan dan diluluskan oleh Lembaga. KWSP mempunyai proses perancangan pelan bisnes dan belanjawan tahunan terperinci dan rasmi yang mengambil kira objektif jangka pendek, jangka sederhana dan jangka panjang organisasi.

Internal Audit Function

The Internal Audit reviews the key activities of EPF's businesses based on the annual internal audit plan as approved by the Board Audit Committee. A detailed scope of work of the Internal Audit Function is spelt out in the Internal Audit Statement.

The Board Audit Committee reviews internal control issues identified in reports prepared by internal and external auditors, and evaluates the effectiveness and adequacy of the internal control system, operational risk management and governance processes.

The Board Audit Committee also reviews the internal audit function with particular emphasis on the internal audit's independence, scope, resources and quality of internal audits. Details of the activities undertaken by the Committee are set out in the Board Audit Committee Report.

Key Elements of Internal Control

Key elements of internal control in place within the EPF are as follows:

- Terms of Reference**
The terms of reference define the roles and responsibilities of all Board committees and the Investment Panel are spelt out in the Statement on Corporate Governance.
- Organisational Structure**
The structure has clearly defined lines of accountability, delegation of responsibility and levels of authorisation for all aspects of the business. Management committees meet on a regular basis to identify, discuss and resolve operational, financial, investment and key management issues and periodically report to the Board, Investment Panel and its respective committees.
- Annual Business Plan**
Annual business plans and budgets are prepared by the operating units, reviewed by the relevant management committees and approved by the Board. There is a detailed and formalised annual business and budget planning process that looks at both the immediate and medium to long-term objectives of the organisation.

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- **Polisi Sumber Manusia**
KWSP mempunyai garis panduan yang teratur mengenai pengambilan dan pemecatan kakitangan, program latihan kakitangan, penilaian prestasi tahunan dan prosedur-prosedur lain yang berkaitan bagi memastikan kakitangan berdaya saing dan dilatih secukupnya untuk menjalankan tanggungjawab mereka.
- **Dasar dan Prosedur**
Dasar dan prosedur bagi memastikan pematuhan terhadap kawalan dalaman (seperti pengasingan tugas, proses penyemakan dan pengesahan secara bebas serta kawalan capaian sistem) yang dinyatakan dalam manual operasi, garis panduan dan pekeliling yang dikeluarkan oleh KWSP, yang dikemaskini dari semasa ke semasa. Terdapat garis panduan polisi dan had penurunan kuasa yang dikenakan ke atas Pengurusan berkaitan operasi harian.
- **Polisi Keselamatan ICT**
Dasar Keselamatan ICT yang didokumentasikan, menggariskan dasar dan prosedur yang perlu untuk memastikan kerahsiaan, integriti, ketersediaan maklumat dan aplikasi sistem di dalam organisasi.
- **Polisi ‘Chinese Wall’**
Polisi dan prosedur ini telah diperkenalkan untuk mengawal daripada berlaku sebarang kompromi terhadap prinsip-prinsip integriti, ketelusan dan akauntabiliti dengan mengawal, menyekat dan mengurus aliran maklumat yang boleh mempengaruhi harga sesuatu saham.
- **Pelan Pengurusan Kawalan Fraud**
Pelan pengurusan kawalan fraud bersepadu untuk mencegah dan mengesan fraud telah diwujudkan termasuk polisi Anti-Fraud dan Pendedahan Maklumat.
- **Pengurusan Kesenambungan Perniagaan (BCM)**
Pelan dan sistem BCM sentiasa dipantau, diuji dan kemudiannya disampaikan kepada setiap peringkat dalam organisasi untuk memastikan organisasi sentiasa bersedia sekiranya berlaku krisis atau bencana.
- **Standard Pengurusan Kualiti**
Semua proses teras KWSP patuh kepada piawaian MS ISO 9001:2008.
- **Human Resources Policy**
Proper guidelines within the organisation for hiring and termination of staff, staff training programmes, annual performance appraisals and other relevant procedures to ensure that staff are competent and adequately trained in carrying out their responsibilities.
- **Policies and Procedures**
Policies and procedures to ensure compliance with internal controls (such as segregation of duties, independent checks and verification processes and system access controls) are set out in operation manuals, guidelines and directives issued by the EPF, which are updated from time to time. There are policy guidelines and delegated authority limits imposed on the Management with regard to day-to-day operations.
- **ICT Security Policy**
A documented ICT Security Policy, which outlines the necessary policies and procedures to ensure confidentiality, integrity, availability of information and system application within the organisation.
- **Chinese Wall Policy**
These policy and procedures are issued to safeguard against any compromise of the tenets of integrity, transparency and accountability by controlling, restricting and managing the flow of price sensitive information.
- **Fraud Control Management**
An integrated Fraud Control Management plan to prevent and detect fraud including Anti-Fraud and Whistleblowing policies.
- **Business Continuity Management (BCM)**
The BCM plans and systems are continuously monitored, tested and communicated to all levels to ensure that the organisation is prepared in the event of a crisis or disaster.
- **Quality Management Standard**
All EPF's core processes comply with the MS ISO 9001:2008 standard.

PERNYATAAN PENGURUSAN RISIKO DAN KAWALAN DALAMAN STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Pembangunan Masa Depan

KWSP akan melaksanakan inisiatif-inisiatif berikut dalam tahun 2013 bagi tujuan penambahbaikan pengurusan risiko dan sistem kawalan dalaman:

- Sistem “Data Loss Protection” (DLP) bagi mengelakkan kebocoran maklumat sulit kepada pihak yang tidak dibenarkan.
- Usaha berterusan untuk memperluas dan mempertingkatkan perkhidmatan dalam talian KWSP, di samping memastikan kawalan dalaman yang bersesuaian diwujudkan.

Kesimpulan

Lembaga berpandangan bahawa pengurusan risiko dan sistem kawalan dalaman KWSP adalah mantap dan mencukupi untuk melindungi kepentingan ahli. Kajian semula oleh Lembaga terhadap keberkesanan pengurusan risiko dan sistem kawalan dalaman disokong oleh:

- Jawatankuasa Pengurusan Risiko Lembaga yang bermesyuarat sekurang-kurangnya empat kali setahun untuk mengawasi aktiviti pengurusan risiko.
- Jawatankuasa Audit Lembaga yang bermesyuarat sekurang-kurangnya empat kali setahun dan mengkaji semula penemuan dan cadangan yang dikemukakan oleh juruaudit dalam dan Ketua Audit Negara.
- Ketua Audit Negara yang memberi sijil audit tahunan kepada penyata kewangan.
- Jaminan pihak Pengurusan bahawa pengurusan risiko dan sistem kawalan dalaman KWSP adalah beroperasi dengan mencukupi dan berkesan di dalam semua aspek.

Penyata ini disediakan selaras dengan resolusi ahli Lembaga bertarikh **28 Februari 2013**.

Future Developments

The EPF will be implementing the following initiatives in 2013 to further enhance its risk management and system of internal control:

- A Data Loss Protection (DLP) system to prevent leakage of confidential information to unauthorised parties.
- Continuous effort to expand and upgrade EPF's online services, while ensuring the appropriate internal controls are in place.

Conclusion

The Board is of the opinion that the EPF's risk management and system of internal control are sound and sufficient to safeguard the interests of members. The Board's review of the effectiveness of the risk management and system of internal control is supported by:

- The Board Risk Management Committee, which meets a minimum four times a year to oversee risk management activities.
- The Board Audit Committee which meets a minimum four times a year and reviews the findings and recommendations of the internal auditor and the Auditor General.
- The Auditor General's issuance of the annual audit certificate on the financial statements.
- The Management's assurance that the EPF's risk management and internal control system are operating adequately and effectively in all material aspects.

This statement is made in accordance with the resolution of the members of the Board dated **28 February 2013**.

LAPORAN JAWATANKUASA AUDIT LEMBAGA BOARD AUDIT COMMITTEE REPORT

1. KEAHLIAN

Jawatankuasa Audit Lembaga dianggotai oleh tujuh ahli seperti berikut:

1.1 Encik Halim Haji Din

Pengerusi/Wakil Profesional
Chairman/Professional Representative

1.2 Y. Bhg. Dato' Sri Dr. Mohd Irwan Serigar Abdullah

Timbalan Pengerusi/Wakil Kerajaan/Deputy Chairman/Government Representative
(tamat perkhidmatan pada 30 November 2012)/(completed service on 30 November 2012)
Y. Bhg. Dato' Mallami Hamad (ahli silih ganti)/(alternate member)
(tamat perkhidmatan pada 30 November 2012)/(completed service on 30 November 2012)

1.3 Y. Bhg. Tan Sri Mustafa Mansur

Wakil Majikan/Employer Representative

1.4 Y. Bhg. Datuk Abdul Hamed Haji Sepawi

Wakil Majikan/Employer Representative

1.5 Encik Heng Hock Cheng @ Heng Heyok Chiang

Wakil Profesional/Professional Representative

1.6 Puan Lok Yim Pheng

Wakil Pekerja/Employee Representative
(dilantik bermula pada 27 Februari 2012)/(appointed on 27 February 2012)

1.7 Encik Azlin Awang Chee

Wakil Pekerja/Employee Representative
(dilantik bermula pada 27 Februari 2012)/(appointed on 27 February 2012)

1.8 Cik Chin Yung Chiew @ Rebecca

Wakil Pekerja/Employee Representative
(tamat perkhidmatan pada 1 Februari 2012)/(completed service on 1 February 2012)

2. MESYUARAT

Jawatankuasa Audit Lembaga bermesyuarat sekurang-kurangnya empat kali setahun. Selain itu, Jawatankuasa Audit Lembaga juga mengadakan mesyuarat bersama juruaudit luar sekurang-kurangnya dua kali setahun tanpa kehadiran Pengurusan.

Bagi tahun kewangan 2012, Jawatankuasa Audit Lembaga telah mengadakan mesyuarat sebanyak tujuh kali dan rekod kehadiran ahli-ahli Jawatankuasa Audit Lembaga adalah seperti berikut:

1. MEMBERSHIP

The Board Audit Committee consists of the following seven members:

2. MEETINGS

The Board Audit Committee will hold meetings at least four times a year. In addition, the Board Audit Committee will meet with the external auditors at least twice a year in the absence of the Management.

During the financial year 2012, the Board Audit Committee met seven times with the following record of attendance:

LAPORAN JAWATANKUASA AUDIT LEMBAGA
BOARD AUDIT COMMITTEE REPORT

Bil/ No. (A)	Ahli-ahli Jawatankuasa Audit Lembaga/ Members of Board Audit Committee (B)	Kehadiran Mesyuarat Attendance at Meetings (C)
1.	Encik Halim Haji Din	7 / 7
2.	Y. Bhg. Dato' Sri Dr. Mohd Irwan Serigar Abdullah (tamat perkhidmatan pada 30 November 2012)/ (completed service on 30 November 2012) Y. Bhg. Dato' Maliami Hamad (ahli silih ganti)/(alternate member) (tamat perkhidmatan pada 30 November 2012 (completed service on 30 November 2012)	3 / 6
3.	Y. Bhg. Tan Sri Mustafa Mansur	6 / 7
4.	Y. Bhg. Datuk Abdul Hamed Haji Sepawi	5 / 7
5.	Encik Heng Hock Cheng @ Heng Heyok Chiang	6 / 7
6.	Puan Lok Yim Pheng (dilantik bermula pada 27 Februari 2012)/(appointed on 27 February 2012)	5 / 5
7.	Encik Azlin Awang Chee (dilantik bermula pada 27 Februari 2012)/(appointed on 27 February 2012)	5/5
8.	Cik Chin Yung Chiew @ Rebecca (tamat perkhidmatan pada 1 Februari 2012)/ (completed service on 1 February 2012)	N/A

3. TERMA-TERMA RUJUKAN

Tugas dan tanggungjawab Jawatankuasa Audit Lembaga adalah digariskan di bawah Terma Rujukan Jawatankuasa Audit Lembaga. Terma Rujukan Jawatankuasa Audit Lembaga yang dikemaskini telah diluluskan oleh Lembaga pada 16 Julai 2012 dan ringkasan terma rujukan adalah seperti berikut:

3.1 Tugas dan Tanggungjawab

Tugas dan tanggungjawab Jawatankuasa Audit Lembaga meliputi:

3.1.1 Audit Dalam

- a. Meluluskan Piagam Audit Dalam yang menterjemahkan kuasa, akauntabiliti dan peranan yang diberikan oleh Pengurusan kepada juruaudit dalam untuk mengendalikan skop kerja tertentu.
- b. Menyemak dan meluluskan pelan audit tahunan yang disediakan oleh juruaudit dalam.

3. TERMS OF REFERENCE

The Board Audit Committee is governed by its own terms of reference. The latest Board Audit Committee's Terms of Reference has been approved by the Board on 16 July 2012 and a summary of which is set out as below:

3.1 Duties and Responsibilities

The duties and responsibilities of the Board Audit Committee shall be:

3.1.1 Internal Audit

- a. To approve the Internal Audit Charter which defines the authority, accountability and role given by the Management to the internal auditors in order to carry out its work.
- b. To review and approve the annual audit plan prepared by the internal auditors.

LAPORAN JAWATANKUASA AUDIT LEMBAGA BOARD AUDIT COMMITTEE REPORT

- c. Menilai sistem kawalan dalaman melalui semakan ke atas laporan-laporan juruaudit dalam yang menggambarkan kelemahan-kelemahan perakaunan, pengorganisasian atau kawalan operasi dan tindakan pembaikan yang sewajarnya oleh Pengurusan.
- d. Menilai keberkesanan dan keupayaan peranan Jabatan Audit Dalam melalui mesyuarat yang berterusan bersama juruaudit dalam.
- e. Membuat penilaian prestasi tahunan juruaudit dalam mengenai pelaksanaan pelan audit tahunan serta lain-lain jenis penilaian yang diarahkan oleh Jawatankuasa dari semasa ke semasa.
- f. Menilai dan mempertimbangkan rancangan semakan semula jaminan kualiti fungsi Audit Dalam oleh juruaudit luar dengan kekerapan sekurang-kurangnya lima tahun sekali serta melaporkan penemuannya kepada Lembaga.

3.1.2 Pengurusan Risiko

Memberi pandangan berkecuali dan jaminan munasabah ke atas kecukupan dan keberkesanan pengurusan risiko kecuali bagi aktiviti pengurusan risiko berhubung pembuatan keputusan pelaburan.

3.1.3 Audit Luar

- a. Menilai sistem kawalan dalaman melalui semakan ke atas laporan-laporan juruaudit luar yang menggambarkan kelemahan-kelemahan perakaunan, pengorganisasian atau kawalan operasi dan tindakan pembaikan yang sewajarnya oleh Pengurusan.
- b. Menilai dan mempertimbangkan rancangan pengauditan khas pengurusan oleh juruaudit luar sekiranya terdapat keperluan serta melaporkan penemuannya kepada Lembaga.

- c. *To evaluate the internal control system through reviews of the internal audit reports that highlight the weaknesses in accounting, organisational or operational controls and rectifications carried out by the Management.*
- d. *To evaluate the effectiveness and efficiency of the Internal Audit Department through periodic meetings.*
- e. *To evaluate the annual performance of the internal auditors based on the annual audit plan's implementation and other assessments as instructed by the Board Audit Committee from time to time.*
- f. *To review and consider the implementation of quality assurance review on internal audit function by the qualified independent reviewer to be conducted at least once in every five years. Findings from the quality assurance review shall be reported to the Board.*

3.1.2 Risk Management

To provide an independent opinion and reasonable assurance on the adequacy and effectiveness of risk management except for risk management activities related to investment decision making.

3.1.3 External Audit

- a. *To evaluate the internal control system through reviews of the external audit reports that highlight the weaknesses in accounting, organisational or operational controls and rectifications carried out by the Management.*
- b. *To review and consider the need of having a special management audit to be conducted by the external auditors and the findings to be reported to the Board.*

LAPORAN JAWATANKUASA AUDIT LEMBAGA
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- a. Menilai dan menganalisis kesemua penemuan dan pertanyaan audit yang diterima daripada juruaudit dalam dan juruaudit luar.
- b. Menentukan jadual laporan berkala daripada Pengurusan, juruaudit dalam dan juruaudit luar dengan mengambilkira kesan daripada perubahan-perubahan yang penting dan penambahbaikan ke atas tatacara layanan perakaunan dan keperluan pelaporan sebagaimana yang dicadangkan oleh badan-badan perakaunan atau mana-mana perkara penting melalui semakan tahunan.

3.1.5 Laporan Kewangan

- a. Menilai dan memperakukan kepada Lembaga berkenaan dengan laporan kewangan setiap suku tahun dan laporan kewangan dan perakaunan secara tahunan.
- b. Menganalisis dan melaporkan pemerhatian-pemerhatian yang dibangkitkan oleh juruaudit luar ke atas Laporan Kewangan Tahunan kepada Lembaga.

3.1.6 Polisi-Polisi

- a. Menilai keberkesanan dan kecukupan polisi perakaunan, pengurusan kewangan dan prosedur KWSP melalui perbincangan antara juruaudit dalam dan juruaudit luar bersama pihak Pengurusan.
- b. Menilai dan memperakukan mana-mana perubahan penting dalam polisi perakaunan kepada Lembaga.
- c. Menilai dan memperakukan kepada Lembaga keberkesanan dan kecukupan mana-mana perubahan penting dalam polisi keselamatan maklumat KWSP.

3.1.4 Audit Reports

- a. *To review and analyse all audit findings and queries raised by the internal and external auditors.*
- b. *To determine the schedule of periodical reports from the Management, internal and external auditors taking into consideration the impact of significant changes, improvements on accounting treatments and reporting requirements as proposed by the accounting bodies and/or any other significant issues through an annual review.*

3.1.5 Financial Reports

- a. *To evaluate and endorse the Quarterly and Annual Financial Reports to the Board.*
- b. *To analyse and report to the Board the observations raised by the external auditors on the Annual Financial Report.*

3.1.6 Policies

- a. *To review the effectiveness and adequacy of the EPF's accounting policies, financial management and procedures through discussions between the internal and external auditors together with the respective executive/Management.*
- b. *To review and endorse on any significant changes in the accounting policies to the Board.*
- c. *To review and endorse to the Board on the effectiveness and adequacy of any significant changes in the EPF's Information Security Policies.*

LAPORAN JAWATANKUASA AUDIT LEMBAGA BOARD AUDIT COMMITTEE REPORT

3.1.7 Urusniaga Pihak Berkaitan

Mengkaji, menilai dan melaporkan kepada Lembaga berhubung mana-mana urusan pihak berkaitan dan situasi percanggahan kepentingan yang mungkin timbul di KWSP atau syarikat subsidiari KWSP dan syarikat usaha sama di mana KWSP mempunyai kawalan ke atas apa jua urusan niaga, prosedur atau tata laku yang mungkin menimbulkan persoalan mengenai integriti pihak Pengurusan.

3.1.8 Lain-Lain Perkara

- a. Menilai keberkesanan dan kecukupan Pelan Pengurusan Kawalan Fraud.
- b. Menyediakan dan menetapkan jadual laporan kepada Lembaga mengenai ringkasan prestasi kerja Jawatankuasa Audit Lembaga dalam melaksanakan tanggungjawabnya.
- c. Menyelia dan mengarah pelaksanaan projek khas atau sesuatu siasatan yang perlu serta apa-apa jua arahan oleh Lembaga.
- d. Melaksanakan apa-apa tugas yang diarahkan oleh Lembaga dari semasa ke semasa.

4. RINGKASAN AKTIVITI-AKTIVITI

Bagi tahun kewangan 2012, Jawatankuasa Audit Lembaga telah melaksanakan aktiviti-aktiviti seperti berikut:

4.1 Audit Dalam

- 4.1.1 Meneliti pelan audit tahunan bagi memastikan kecukupan skop dan liputan secara menyeluruh aktiviti-aktiviti KWSP.
- 4.1.2 Meneliti laporan-laporan audit dalam yang dibentangkan dalam tahun kewangan semasa serta cadangan-cadangan yang dibuat dan maklum balas Pengurusan terhadap cadangan-cadangan tersebut. Di mana perlu, Jawatankuasa Audit Lembaga telah mengarahkan Pengurusan untuk menambahbaik dan mempertingkatkan kecukupan prosedur kawalan dalaman dan proses aliran kerja berdasarkan saranan dan cadangan penambahbaikan juruaudit dalam.

3.1.7 Related Party Transactions

To review, evaluate and report to the Board on related party transactions and conflict of interest which might arise in EPF or its subsidiaries and joint venture companies where EPF has controls over any business management, procedure and conduct which may jeopardise the Management's integrity.

3.1.8 Other Matters

- a. *To evaluate the effectiveness and adequacy of the Fraud Control Management Plan.*
- b. *To prepare and establish reporting schedules to the Board pertaining to the Summary of the Board Audit Committee's Performance in discharging its responsibilities.*
- c. *To supervise and direct special project or investigation deemed necessary or as instructed by the Board.*
- d. *To carry out any other functions as requested by the Board from time to time.*

4. SUMMARY OF ACTIVITIES

During the financial year 2012, the Board Audit Committee carried out the following activities:

4.1 Internal Audit

- 4.1.1 *Reviewed the annual audit plan to ensure adequate scope and comprehensive coverage over the activities of EPF.*
- 4.1.2 *Reviewed the internal audit reports that were tabled during the year, the audit recommendations made and Management's response to these recommendations. Where appropriate, the Board Audit Committee has directed Management to rectify and improve the adequacy of the internal control procedures and workflow processes based on the internal auditors' recommendations and suggestions for improvement.*

LAPORAN JAWATANKUASA AUDIT LEMBAGA BOARD AUDIT COMMITTEE REPORT

4.1.3 Meneliti penemuan penyiasatan dan kajian khas ad-hoc berhubung bidang-bidang operasi yang spesifik bagi menentukan punca penyebab isu-isu berbangkit serta keberkesanan tindakan pembetulan yang diambil untuk menangani kelemahan-kelemahan yang telah dikenal pasti.

4.1.4 Memantau tindakan pembetulan yang diambil ke atas isu-isu audit yang belum selesai untuk memastikan risiko-risiko utama dan kelemahan kawalan ditangani dengan sewajarnya.

4.1.5 Meneliti keberkesanan proses audit, keperluan tenaga kerja tahunan dan menilai prestasi Jabatan Audit Dalam.

4.2 Audit Luar

Meneliti semua penemuan audit dan isu-isu yang dibangkitkan oleh juruaudit luar serta maklum balas Pengurusan terhadap penemuan-penemuan tersebut.

4.3 Laporan Kewangan

4.3.1 Meneliti laporan kewangan suku tahunan KWSP yang belum diaudit sebelum memperakukan kepada Lembaga untuk kelulusan.

4.3.2 Meneliti laporan kewangan tahunan beraudit bersama juruaudit luar sebelum memperakukan kepada Lembaga untuk kelulusan.

4.4 Urusniaga Pihak Berkaitan

Meneliti sebarang transaksi urusniaga pihak berkaitan oleh KWSP dan semua syarikat subsidiari.

4.1.3 Reviewed on findings of investigations and other ad-hoc special reviews on specific areas of operations to ascertain the root causes to the issues and the effectiveness of corrective actions taken to address the identified weaknesses.

4.1.4 Monitored the corrective actions taken on the outstanding audit issues to ensure that all the key risks and control lapses have been addressed.

4.1.5 Reviewed the effectiveness of the audit process, resources requirements for the year and assessed the performance of Internal Audit Department.

4.2 External Audit

Reviewed all the audit findings and queries raised by external auditors together with the Management's response to their findings.

4.3 Financial Reports

4.3.1 Reviewed the quarterly unaudited financial reports of EPF before recommending them for approval by the Board.

4.3.2 Reviewed the annual audited financial reports of EPF with the external auditors prior submission to the Board for their approval.

4.4 Related Party Transactions

Reviewed the related party transactions entered by EPF and its subsidiaries.

LAPORAN JAWATANKUASA AUDIT LEMBAGA BOARD AUDIT COMMITTEE REPORT

5. LATIHAN

Di sepanjang tahun 2012, ahli-ahli Jawatankuasa Audit Lembaga telah menghadiri pelbagai program latihan, persidangan dan seminar seperti berikut:

5. TRAINING

During the year, the Board Audit Committee members have attended the following training programmes, conferences and seminars:

Bil/No. (A)	Program/Courses (B)
1.	<i>The Malaysian Corporate Governance Code 2012 – The Implication And Challenges To Public Listed Companies</i>
2.	<i>Dynamic Evolution Of The Pensions World – International Seminar</i>
3.	<i>Innovation For Growth</i>
4.	<i>Competition Act – Overview And Any Impact On EPF</i>
5.	<i>Personal Data Protection Act – Overview And Impact On EPF</i>

6. FUNGSI AUDIT DALAM

- 6.1 Fungsi audit dalam dijalankan oleh Jabatan Audit Dalam yang melapor terus kepada Jawatankuasa Audit Lembaga berhubung pelaksanaan aktiviti-aktiviti pengauditan berdasarkan pelan audit tahunan yang telah diluluskan.
- 6.2 Jabatan Audit Dalam memberikan jaminan objektif yang bebas serta khidmat nasihat yang dirancang untuk memberi nilai tambah bagi menambahbaik operasi KWSP. Jabatan Audit Dalam membantu KWSP mencapai objektifnya melalui pendekatan yang sistematik dan berdisiplin di dalam menilai dan mempertingkatkan keberkesanan proses-proses pengurusan risiko, kawalan dalaman dan tadbir urus.
- 6.3 Maklumat lanjut berkaitan fungsi audit dalam adalah seperti yang terkandung di Pernyataan Audit Dalam.

6. INTERNAL AUDIT FUNCTION

- 6.1 *The internal audit function is carried out by the Internal Audit Department which provides reports directly to the Board Audit Committee on its activities based on the approved annual internal audit plan.*
- 6.2 *Internal Audit Department provides independent, objective assurance and consulting services designed to add value and improve EPF's operations. The Internal Audit Department helps EPF accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, internal controls and governance processes.*
- 6.3 *Further details of the internal audit function are set out in the Internal Audit Statement.*

PERNYATAAN AUDIT DALAM STATEMENT ON INTERNAL AUDIT

Aktiviti-aktiviti audit dalam adalah berpandukan kepada Piagam Audit Dalam yang diluluskan oleh Jawatankuasa Audit Lembaga. Piagam ini disemak dan dikemas kini secara berkala sekurang-kurangnya sekali setiap lima tahun untuk memastikan peranan, autoriti, tanggungjawab, skop kerja serta lain-lain aspek yang terkandung di dalam Piagam tersebut adalah mencukupi.

Internal audit activities are governed by the EPF's Internal Audit Charter approved by the Board Audit Committee. The EPF's Internal Audit Charter is assessed periodically at least once every five years, to determine whether the role, authority, responsibilities, scope of work and other areas as incorporated in the Charter continue to be adequate.

1. PENGENALAN

Jabatan Audit Dalam memberikan jaminan objektif yang bebas serta khidmat nasihat yang dirancang untuk memberi nilai tambah bagi menambahbaik operasi KWSP. Jabatan Audit Dalam membantu KWSP mencapai objektifnya melalui pendekatan yang sistematik dan berdisiplin di dalam menilai dan mempertingkatkan keberkesanan proses-proses pengurusan risiko, kawalan dalaman dan tadbir urus.

2. KEBEBASAN DAN OBJEKTIVITI

Ketua Jabatan Audit Dalam melapor secara fungsional kepada Jawatankuasa Audit Lembaga dan secara pentadbiran kepada Ketua Pegawai Eksekutif. Aktiviti-aktiviti Jabatan Audit Dalam adalah bebas daripada sebarang pengaruh dalam menentukan skop pengauditan dan pelaksanaan kerja serta pelaporan hasil auditan.

Bagi kepentingan menjaga status kebebasannya, Jabatan Audit Dalam tidak mempunyai sebarang kuasa eksekutif atau pengurusan, autoriti, fungsi atau tanggungjawab kecuali berkaitan dengan pengurusan Jabatan Audit Dalam. Jabatan Audit Dalam juga tidak bertanggungjawab ke atas pembangunan atau implementasi sistem, pelan, peraturan, polisi dan prosedur baru secara terperinci.

1. OVERVIEW

Internal Audit Department is to provide independent, objective assurance and consulting services designed to add value and improve EPF's operations. The Internal Audit Department helps EPF accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, internal controls and governance processes.

2. INDEPENDENCE AND OBJECTIVITY

The Head of Internal Audit Department reports functionally to the Board Audit Committee and administratively to the Chief Executive Officer. The internal audit activities are free from interference in determining the scope of internal auditing, performing work and communicating results.

In the interest of protecting its independence status, Internal Audit Department has no executive or managerial powers, authorities, functions or duties except those relating to the management of Internal Audit Department. Internal Audit Department is also not responsible for the detailed development or the implementation of new systems, plans, regulations, policies and procedures.

**PERNYATAAN AUDIT DALAM
STATEMENT ON INTERNAL AUDIT**

3. SKOP KERJA

3.1 Fungsi Jabatan Audit Dalam merangkumi pengauditan kewangan, operasi, pematuhan dan pengurusan KWSP. Skop kerja Jabatan Audit Dalam yang paling utama adalah untuk menentukan sama ada proses-proses pengurusan risiko, sistem kawalan dalaman, sistem pengurusan maklumat dan tadbir urus KWSP sepertimana yang dirancang dan dilaksanakan oleh Pengurusan adalah mencukupi dan berfungsi dengan berkesan supaya:

- 3.1.1 risiko dikenal pasti dan diuruskan dengan sewajarnya;
- 3.1.2 sumber-sumber diperolehi secara ekonomik dan digunakan secara efektif dan efisien;
- 3.1.3 aset adalah terpelihara;
- 3.1.4 maklumat penting mengenai pengurusan, kewangan dan operasi adalah tepat, munasabah dan disediakan dalam tempoh yang ditetapkan;
- 3.1.5 peraturan dan undang-undang, polisi, piawaian dan prosedur yang diguna pakai adalah dipatuhi; dan
- 3.1.6 objektif dan matlamat yang ditetapkan dicapai.

3.2 Skop kerja Jabatan Audit Dalam juga merangkumi:

- 3.2.1 pelaksanaan penyiasatan khas atas permintaan Pengurusan atau Jawatankuasa Audit Lembaga;
- 3.2.2 bekerjasama dengan juruaudit luar untuk memastikan liputan auditan adalah mencukupi serta meminimalkan pertindihan kerja; dan
- 3.2.3 penglibatan sebagai pemerhati dalam jawatankuasa-jawatankuasa pengurusan tertentu yang ditubuhkan untuk pembangunan atau implementasi sistem atau proses baru. Penglibatan tersebut adalah terhad kepada memberi khidmat nasihat berkaitan kawalan dalaman dan ini tidak akan menghalang Jabatan Audit Dalam daripada menjalankan auditan ke atas sistem atau proses berkenaan.

3. SCOPE OF WORK

3.1 *Internal Audit Department's functions include audits of the financials, operations, compliance and management of EPF. Internal Audit Department's scope of work primarily, is to determine whether EPF's risk management, internal control systems, information management systems and governance processes, as designed and represented by Management, are adequate and functioning in a manner to ensure:*

- 3.1.1 risks are appropriately identified and managed;*
- 3.1.2 resources are acquired economically, and employed effectively and efficiently;*
- 3.1.3 assets are safeguarded;*
- 3.1.4 significant management, financial and operating information is accurate, reliable, and timely;*
- 3.1.5 applicable laws and regulations, policies, standards and procedures are complied with; and*
- 3.1.6 established objectives and goals are achieved.*

3.2 *Internal Audit Department's secondary scope of work encompasses the following:*

- 3.2.1 carrying out special investigations requested by the Management or Board Audit Committee;*
- 3.2.2 coordinating with external auditors to ensure adequate audit coverage and minimal duplications of work; and*
- 3.2.3 participating as observer in selected management committees set up to develop or implement new systems or processes. Such participation is limited to providing advice on control matters and does not preclude Internal Audit Department from auditing the systems or processes.*

**PERNYATAAN AUDIT DALAM
STATEMENT ON INTERNAL AUDIT**

3.3 Jabatan Audit Dalam membangunkan Pelan Audit menggunakan Model *Enhanced Audit Risk Scoring* di mana keutamaan aktiviti pengauditan ditentukan berdasarkan tahap risiko audit. Model *Enhanced Audit Risk Scoring* menilai tahap risiko audit bagi setiap operasi, fungsi dan sistem teknologi maklumat berdasarkan penilaian unsur risiko yang wujud, risiko kawalan dan risiko pengesanan.

Dalam tahun kewangan 2012, 139 laporan telah dibentangkan di dalam mesyuarat Jawatankuasa Audit Lembaga.

4. SUMBER MANUSIA JABATAN AUDIT DALAM

Setakat 31 Disember 2012, Jabatan Audit Dalam mempunyai 85 juruaudit di mana sejumlah 11 juruaudit mempunyai kelayakan profesional di dalam bidang masing-masing. Jawatankuasa Audit Lembaga meneliti dan meluluskan keperluan sumber manusia Jabatan Audit Dalam bagi memastikan Jabatan Audit Dalam mempunyai bilangan juruaudit yang mencukupi dan kompeten.

Berikut adalah ringkasan bilangan juruaudit berdasarkan bidang kepakaran setakat 31 Disember 2012:

Bil/ No. (A)	Bidang Kepakaran/ Field of Expertise (B)	Bilangan Juruaudit/ No. of Auditors (C)	Peratusan/ Percentage (D)
1.	Kewangan dan Perakaunan/ Finance & Accounting	68	80%
2.	Teknologi Maklumat/ Information Technology	14	17%
3.	Pengurusan/ Management	2	2%
4.	Kejuruteraan/ Engineering	1	1%

5. LATIHAN

Kursus, seminar dan persidangan yang telah dihadiri oleh juruaudit bagi mempertingkatkan pengetahuan dalam bidang pengauditan serta mendapatkan perkembangan terkini industri adalah seperti berikut:

3.3 The Internal Audit Department developed its audit plan using *Enhanced Audit Risk Scoring Model* by prioritising the internal audit activities according to the audit risk level. *Enhanced Audit Risk Scoring Model* evaluates the audit risk based on the assessment of *inherent risk*, *control risk* and *detection risk* for each operation, function and information technology system.

During the year 2012, 139 reports had been tabled in the Board Audit Committee meetings.

4. INTERNAL AUDIT RESOURCES

As at 31 December 2012, the total headcount for Internal Audit Department stood at 85 and 11 of the auditors are professionally qualified in their respective fields. The Board Audit Committee reviews and approves the Internal Audit Department's human resource requirements to ensure the function is adequately resourced with competent internal auditors.

Listed below is the summary of auditors in accordance to their field of expertise as at 31 December 2012:

5. TRAINING

The courses, seminars and conferences attended by the internal auditors to increase their knowledge on auditing in particular, and to update with the latest developments in the business are as listed below:

**PERNYATAAN AUDIT DALAM
STATEMENT ON INTERNAL AUDIT**

Bil/No.	Kursus/Courses
(A) Kursus Dalaman/In-House Training	
1.	Root Cause Identification and Corrective - Preventive Action
2.	Empowering Internal Auditors for Enhanced Internal Controls and Fraud Mitigation
(B) Kursus Luaran/External Training	
1.	2012 National Conference on Internal Auditing - Rising Potential
2.	Masterclass in Internal Audit Best Practices
3.	Risk Based Auditing : A Value Add Proposition
4.	Corporate Governance and Whistle Blowing
5.	Fraud Control Health Check
6.	Operating Auditing : Advanced
7.	Systemic Fraud Audit - Procurement, General Services and Administration
8.	Forensic Auditing
9.	Consulting : Activities, Skills and Attitudes
10.	Updates of The 2012 IFRS - Compliant MFRSs - Preparing for The Convergence To IFRSs
11.	Financial Instruments Demystified
12.	Managing and Understanding The Principles of Impairment of Assets
13.	Risk Based IT Audit for Enhanced IT Assurance and Control
14.	Information Systems : Intermediate - The Next Stage
15.	Info Security Conference Kuala Lumpur
16.	Human Resource : Policy and Audit

6. PROGRAM KUALITI DAN PENAMBAHBAIKAN

6.1 Jabatan Audit Dalam telah membangunkan dan melaksanakan program jaminan kualiti dan penambahbaikan bagi menilai operasi fungsi audit dalam. Program ini juga merangkumi penilaian kualiti dalaman dan luaran secara berkala serta pemantauan dalaman yang berterusan.

Penilaian dalaman termasuk:

- semakan berterusan ke atas prestasi aktiviti audit dalam; dan
- penilaian sendiri ke atas proses, prosedur dan dokumentasi auditan secara berkala.

6.2 Keperluan membuat Semakan Semula Jaminan Kualiti adalah termaktub di dalam Piagam Audit Dalam di mana ia perlu dilaksanakan sekurang-kurangnya sekali setiap lima tahun oleh perunding bertauliah yang bebas. Semakan Semula Jaminan Kualiti ke atas Jabatan Audit Dalam telah dilaksanakan pada November 2009. Berdasarkan kepada penilaian PricewaterhouseCoopers Advisory Services Sdn. Bhd., secara keseluruhan pencapaian Jabatan Audit Dalam adalah baik. Ini menunjukkan aktiviti, polisi dan proses Jabatan Audit Dalam adalah mematuhi Piawai Antarabangsa untuk Amalan Professional Audit Dalam (IIA Standards) yang ditetapkan oleh Institut Audit Dalam. Penilaian seterusnya dijadualkan pada tahun 2014.

6. QUALITY AND IMPROVEMENT PROGRAMMES

6.1 Internal Audit Department established and maintained a quality assurance and improvement programme designed to evaluate the operations of the function. This programme shall include periodic internal and external quality assessments and on going internal monitoring.

Internal assessments shall include:

- on going reviews of the performance of internal audit activities; and
- peer reviews of the audit processes, procedures and documentation on a periodic basis.

6.2 The requirement for the Quality Assurance Review is stipulated in the Internal Audit Charter where a review is required at least once every five years by a qualified independent reviewer. A Quality Assurance Review on the Internal Audit Department was carried in November 2009. Based on the review by PricewaterhouseCoopers Advisory Services Sdn. Bhd., the overall Internal Audit Department's performance is on the whole, good. This indicates the Internal Audit Department's activities, policies and processes are in conformance to the International Standards for the Professional of Internal Auditing (IIA Standards) promulgated by the Institute of Internal Auditors. The next external assessment is scheduled in year 2014.

PERNYATAAN PENGURUSAN RISIKO PELABURAN STATEMENT ON INVESTMENT RISK MANAGEMENT

TANGGUNGJAWAB

Berdasarkan Akta Kumpulan Wang Simpanan Pekerja 1991, Panel Pelaburan bertanggungjawab terhadap perkara-perkara berkaitan pelaburan KWSP dan menggalas tanggungjawab terhadap rangka kerja pengurusan risiko pelaburan. Rangka kerja ini diwujudkan untuk mengurus dan bukannya menghapuskan risiko salah nyata atau kerugian dalam melaksanakan dasar dan objektif pelaburan organisasi. Justeru itu, ia hanya boleh memberi jaminan keberkesanan yang munasabah dan bukan secara mutlak.

RANGKA KERJA PENGURUSAN RISIKO PELABURAN

Rangka kerja pengurusan risiko pelaburan KWSP merangkumi struktur tadbir urus, pelbagai polisi, proses dan alokasi aset. Rangka kerja ini sentiasa dikaji semula bagi memastikan ianya relevan dan berkesan.

STRUKTUR PENGURUSAN RISIKO

Panel Pelaburan (IP) bertanggungjawab untuk mengawasi pengurusan risiko berkaitan dengan keputusan pelaburan yang dibuat oleh KWSP.

Jawatankuasa Risiko Panel Pelaburan (IPRC) bertanggungjawab untuk membantu IP memperakui tahap risiko dan alokasi belanjawan risiko yang sesuai. IPRC sentiasa mengkaji semula pelbagai pengukuran risiko, polisi, proses dan had bagi memastikan keberkesanan berterusan.

IPRC dibantu oleh Jawatankuasa Risiko Pengurusan (MRC) untuk memantau dan mengkaji semula aktiviti-aktiviti pengurusan risiko.

Jabatan Pengurusan Risiko membantu MRC, IPRC dan IP dengan menyediakan penilaian bebas risiko dan risiko kredit, pemantauan dan laporan bagi pendedahan risiko pelaburan KWSP.

RESPONSIBILITY

In accordance with Section 18(1) of the Employees Provident Fund Act 1991, the Investment Panel is responsible for matters pertaining to the investments of the Fund and acknowledges responsibility for the investment risk management framework. The framework is designed to mitigate rather than to eliminate the risk of misstatement or loss in carrying out the organisation's investment policies and objectives. Therefore, it can only provide reasonable and not absolute assurance of effectiveness.

INVESTMENT RISK MANAGEMENT FRAMEWORK

The EPF's investment risk management framework encompasses governance structure, policies, processes and asset allocation. It is reviewed regularly to ensure relevance and effectiveness.

INVESTMENT RISK MANAGEMENT STRUCTURE

The Investment Panel (IP) is responsible for overseeing risk management pertaining to the EPF's investment decision-making.

The Investment Panel Risk Committee (IPRC) is responsible for assisting the IP in recommending the risk appetite and appropriate allocation of the risk 'budget'. The IPRC regularly reviews the risk measurement, policies, processes and limits to ensure their continued effectiveness.

The IPRC is assisted by the Management Risk Committee (MRC) to monitor and review risk management activities.

The Risk Management Department supports the MRC, IPRC and IP by providing independent measurement and credit assessment, monitoring and reporting of the EPF's investment risk exposures.

PERNYATAAN PENGURUSAN RISIKO PELABURAN STATEMENT ON INVESTMENT RISK MANAGEMENT

KAWALAN RISIKO

Pernyataan Tahap Risiko yang diluluskan oleh IP menggariskan secara umum tahap risiko yang boleh diterima oleh KWSP dan menjadi asas kepada alokasi dana untuk pelaburan. Kajian semula terhadap alokasi aset sentiasa dilaksanakan untuk memastikan dana yang dilaburkan adalah selaras dengan tahap risiko yang boleh diterima oleh KWSP.

Pelbagai polisi dan had telah disediakan untuk memastikan risiko-risiko dipantau secukupnya bagi setiap kelas aset. Tambahan kepada polisi dan had tersebut, Sistem Risiko dan Prestasi telah dilaksanakan dan dipertingkatkan secara berterusan untuk memastikan risiko diukur secara sistematik.

KESIMPULAN

Panel Pelaburan (IP) yakin bahawa amalan pengurusan risiko pelaburan adalah kukuh dan memadai untuk melindungi pelaburan KWSP. IP dibantu oleh IPRC yang bermesyuarat sekurang-kurangnya empat kali setahun untuk mengkaji semula laporan risiko dan pematuhan daripada pihak pengurusan.

Pernyataan ini disediakan berdasarkan resolusi semua Ahli IP bertarikh 25 Februari 2013.

RISK CONTROLS

The Risk Appetite Statements, as approved by the IP, broadly outline the level of risks that the EPF is willing to tolerate and form the basis of the allocation of funds for investment. Asset allocation reviews are regularly conducted to ensure funds are invested within the EPF's risk appetite.

Various policies and limits are in place to ensure risks are adequately mitigated for each asset class. To complement the policies and limits, Risk and Performance Systems are installed and continuously enhanced to ensure the risks are systematically measured.

CONCLUSION

The Investment Panel (IP) is confident that the investment risk management practices in place are sound and sufficient to safeguard the EPF's investments. The IP is supported by the IPRC, which meets a minimum of four times a year to review the risk and compliance reports from the management.

This statement is made in accordance with the resolution of the members of the IP dated 25 February 2013.