

# **OIST Graduate University Policies, Rules, & Procedures**

Authority:

Approved by the President

## **Chapter 8: Internal audit**

### **8.1 Policies**

OIST Graduate University shall implement internal audits pertaining to business and accounting (hereinafter referred to as “Audit”) of OIST. The purpose of the Audit shall be to investigate and verify the legality of the business operation and accounting processing of OIST fairly and objectively and give advice and a proposal based on the audit results, thereby contributing to securing the sound and smooth operation of the OIST.

### **8.2 General Considerations**

#### **8.2.1 Types of Audit**

As for the Audit, there are two types; audit of business affairs and audit of accounting.

##### **8.2.1.1 Audit of Business Affairs**

The audit of business affairs shall be implemented so as to determine whether or not business and administrative operation of OIST is executed appropriately in compliance with laws and regulations, and policies, rules, and procedures of OIST and other related regulations, and is carried out effectively.

8.2.1.1.1 The audit of business affairs may be carried out at the time of implementing the audits by the OIST Auditors.

##### **8.2.1.2 Audit of Accounting**

The audit of accounting shall be implemented so as to determine whether or not accounting of OIST is processed through fair documentary evidence and whether or not forms, etc. are recorded appropriately in accordance with laws and regulations, and policies, rules, and procedures of OIST and other related regulations, etc.

8.2.1.2.1 The audit of accounting may be implemented by using the ERP System.

#### **8.2.2 Classification of the Audit**

Classification of the Audit shall be periodical audit and extraordinary audit.

8.2.2.1 The periodical audit shall be implemented each year.

8.2.2.2 The extraordinary audit shall be implemented whenever necessary on matters ordered by the CEO/President or matters which the Chief Internal Audit Officer (hereinafter referred to as “CIAO”) deems necessary.

### 8.3 Rules

#### 8.3.1 Implementation of the Audit

The CIAO shall implement the Audit based on the instructions of the CEO/President.

#### 8.3.2 Audit Plan

The CIAO shall, in advance, prepare the annual audit plan in which basic audit policies, audit items, audit outlines, and other necessary matters are described and obtain the approval of the CEO/President. However, this shall not apply to an extraordinary audit.

#### 8.3.3 Internal Auditors

Staff of the Internal Audit Section under the CIAO (staff who implement the Audit including the CIAO shall be referred to as the “Internal Auditors” collectively hereinafter) shall implement the Audit under the CIAO.

#### 8.3.4 Notification of Implementation

The CIAO shall give a written notice to heads of the Sections/Divisions, etc. subject to the Audit in advance when implementing the Audit. Provided, however, that in the case where the situation is urgent and it is deemed particularly necessary, the CIAO may give such notice verbally.

#### 8.3.5 Request of Report,

In implementing the Audit, the Internal Auditors may request relevant Sections/Divisions, etc. subject to the Audit to submit related materials, explanation of the facts, and reports and carry out other actions necessary for implementing the Audit so that the Audit can be implemented efficiently and effectively.

8.3.5.1 The Sections/Divisions, etc. subject to the Audit may not reject the request of 8.3.5 without legitimate reasons.

#### 8.3.6 Confidentiality

The Internal Auditors shall not reveal to others any matters that are acquired in the course

of fulfilling their duties without legitimate reasons.

#### 8.3.7 Exchange of Opinions after the Audit

After the completion of the Audit, the Internal Auditors shall hold a review and exchange opinions with the Sections/Divisions, etc. subject to the Audit to explain the audit results and confirm problems.

#### 8.3.8 Cooperation with Other Audit Functions

The CIAO and the Internal Audit Section must endeavor to improve audit efficiency by cooperating and coordinating with the OIST Auditors and Accounting Auditors.

### 8.4 Obligations

#### 8.4.1 CIAO

The CIAO shall report to the CEO/President concerning the implementation status of the Audit and its results. In addition, the CIAO shall provide explanation of the audit results for the Sections/Divisions, etc. subject to the Audit.

#### 8.4.2 CEO/President

8.4.2.1 If the CEO/President deems it necessary to take measures and actions, etc. for improvements of business, he/she shall instruct the heads of relevant Sections/Divisions, etc. to take such measures and actions.

8.4.2.2 The CEO/President must have the CIAO confirm implementation status of such measures based on the submission of 8.4.3.

#### 8.4.3 Heads of the Sections/Divisions, etc. subject to the Audit

When receiving instructions of 8.4.2.1, the heads of the Sections/Divisions, etc. subject to the Audit must promptly implement such measures and submit the results to the CEO/President in writing.

#### 8.4.4 Staff

Staff of the Sections/Divisions, etc. subject to the Audit must cooperate so that the Audit will be implemented efficiently and effectively.

### 8.5 Procedures

N/A

## 8.6 **Forms**

N/A

## 8.7 **Contact**

8.7.1 Person in charge of the Policies: CIAO

8.7.2 Other point of contact: Internal Audit Section

## 8.8 **Definitions**

N/A