

Authority:

Approved by the Auditors

Chapter 9: Auditors' Audit

9.1 Policy

Audits by the Auditors are conducted at the Okinawa Institute of Science and Technology School Corporation (hereinafter referred to as “School Corporation”) in accordance with Article 29 of [the Okinawa Institute of Science and Technology School Corporation Bylaws](#). Audits by the Auditors are conducted to promote legitimate and efficient business and administrative operations of the School Corporation as well as proper accounting.

9.2 General Considerations

9.2.1 Standards of Audit Activity

Audits by the Auditors are conducted in an impartial and unbiased manner based on the relevant laws, Bylaws and School Corporation’s policies and regulations that are stipulated from those laws. When implementing the audit activity, the Auditors shall respect the autonomous nature of the education and research at the University.

9.3 Responsibilities

9.3.1 General Employees

Employees of audited sections/divisions must cooperate with the audit activities to ensure efficient and productive implementation of the audit.

9.3.2 Person in Charge of Each Sections/Divisions

When important issues or irregular incidents arise in the workplace, the concerned responsible personnel of the School Corporation or the University must immediately report to the Auditors orally or in writing.

9.3.3 Audit Assistant Staff

Audit Assistant Staff dedicated to audit activities are assigned to assist the Auditors.

The Auditors are responsible for hiring Audit Assistant Staff as Hiring Executives. The Auditors' consent is essential for any transfer of Audit Assistant Staff, and the Auditors may express their opinions on Audit Assistant Staff's compensation, disciplinary action, and personnel evaluation. The Audit Assistant Staff may attend the Board of Governors, the Board of Councilors, and other important meetings, as well as regular meetings with the CEO when instructed by the Auditors. In addition to the Audit Assistant Staff, with the approval of the CEO, the Auditors may receive assistance from employees who fall under the Chief Internal Audit Officer (hereinafter referred to as "CIAO") or other employees and direct them to assist in necessary audit activities.

9.3.4 Duties of the Audit Assistant Staff

Employees engaged in Audit activities specified in 9.3.3 may not disclose any information they learn or come across during the audit activities to other employees who are outside of the audit team or any external contacts.

9.3.5 Duties of the Auditors

9.3.5.1 Preparing Audit Report

Every fiscal year, the Auditors must prepare an Audit Report and submit the report to the Board of Governors (BOG) and the Board of Councilors (BOC) within three months of the end of the corresponding fiscal year.

9.3.5.1.1 For a Special Audit, the report must be submitted to the CEO within a month after the implementation of the audit.

9.3.5.1.2 Auditors may add opinions in the report when deemed necessary.

9.3.5.2 Meeting Attendance and Expression of Opinions

Auditors may attend BOG, BOC and other important meetings and express opinions. When the Auditors are unable to attend these meetings, they may receive explanation of the meeting agendas from the Officers or concerned employees and view relevant documents.

9.3.6 Duties of the CEO

The CEO must examine the Audit Report and the Auditors' opinions and then implement necessary improvement measures. Measures taken and their results must be notified to the Auditors.

9.4 Procedures

9.4.1 Scope

Auditors conduct audits on the overall operation and asset condition of the School Corporation and the status of Governors' execution of duties. Specifically, audits shall be conducted on the following items:

- (a) Condition of enacting and practicing the relevant laws, and policies and regulations of the School Corporation.
- (b) Business and management condition of the School Corporation and the University.
- (c) Administrative performance condition of overall system and organization of the School Corporation and the University.
- (d) Personnel management condition.
- (e) Implementation status of budgets, business plans and financial plans.
- (f) Expenditure and management conditions of cash, etc.
- (g) Condition of financial supply-demand and the management.
- (h) Property acquisition, management, and disposal conditions.
- (i) Safety management conditions.
- (j) Other issues necessary for the achievement of healthy and stable operation of the School Corporation.

9.4.2 Types and Methods of Audit

There are two types of audits: Periodical Audits which are conducted periodically, and Special Audits which are conducted on an as-needed basis.

9.4.2.1 Document Audit

Only documents that are created and managed by the School Corporation will be subject to audits. When implementing document audits, documents pertaining to accounting, contracts, and other necessary forms are subjects of the Document Audit. This also includes but is not limited to all the logs and records from the School Corporation's computer systems.

9.4.2.2 Field Audits

Audits may also be conducted at the employee's workplace, where employees are interviewed, and explanations may be requested.

9.4.3 Implementation Procedure

Audits by the Auditors shall be conducted in accordance with the following procedures unless otherwise stipulated separately.

9.4.3.1 Auditors must prepare audit plans every fiscal year and inform the CEO in advance. However, Special Audits are conducted whenever deemed necessary, and therefore no advance notice is required.

9.4.3.2 In the case of a Periodical Audit, the head of a section/division subject to the audit will be notified in writing in advance.

9.4.3.3 In the case of a Special Audit, prior notification to the head of a section/division subject to the audit is not required.

9.4.3.4 The head of a section/division subject to the audit must prepare for the audit to be conducted smoothly by compiling relevant materials as specified in the notification.

9.4.3.5 When the Auditors request reimbursement for expenses incurred in performing their duties according to the relevant regulations, an equivalent amount will be promptly paid.

9.4.4 Documents to be Audited and Sent to the Auditors

Documents stipulated in [Bylaws](#) Article 70, Paragraph 1 must be sent up to the Auditors for the purpose of audit. The following documents must also be sent up promptly to the Auditors after they have been approved by the determining authority (Kessai) for they are crucial in assessing the condition of the School Corporation's administrative operation.

- (a) Documents concerning enactment, revision and abolition of the Bylaws, regulations, stipulations, and other policies of the School Corporation
- (b) Documents requesting for an approval or authorization or other important documents prepared for the Prime Minister and the Minister of Education, Culture, Sports, Science and Technology
- (c) Documents concerning the determination of the basic policies for the School Corporation's business and administrative operation
- (d) Important documents concerning contracts
- (e) Important documents concerning lawsuits and petitions
- (f) Important documents for submission to the Board of Audit
- (g) Important documents concerning an approval or authorization from the Prime Minister or the Minister of Education, Culture, Sports, Science and Technology
- (h) Important documents issued from Government offices other than the Cabinet Office or Ministry of Education, Culture, Sports, Science and Technology
- (i) Other important documents, both issued and received, concerning School Corporation's operation

9.4.5 Evaluation Standards for the Accounting Auditors

The Auditors shall evaluate the Accounting Auditor and its candidates, including determining the content of proposals stipulated in Article 55 of [Bylaws](#), based on the Evaluation Standards for the Accounting Auditor. [The Evaluation Standards for the Accounting Auditors](#) shall be separately determined by the Auditors.

9.5 **Contacts**

9.5.1 Policy Owner: Auditors