Audit Regulations

Established Apr. 1, 1987
Amended Jan. 1, 2008

Chapter 1 General Provisions

Article 1 (Purpose) These regulations set forth the standards and procedures for auditing at Pohang University of Science and Technology (hereinafter referred to as “University”).

Article 2 (Application Scope) In principle, all business of the University shall be subject to audit pursuant to the provisions of these regulations unless directed otherwise by the President of the University.

Article 3 (Audit Department) An audit shall be conducted by the department designated for the type of audit as specified in Article 5; except for routine audit of research funds, the President of the University shall appoint one auditor or two from among the staff members of the department designated for an audit. (Amended January 1, 2008)

Article 4 (Scope of Audit) The scope of audit shall be as follows:
1. University accounting (including revenues and expenditure as well as the acquisition, maintenance, management, and disposition of property)
2. University research (including revenues and expenditure, contract, reconciliation of accounts, performance management, etc.)
3. Major contracts
4. Administrative tasks of each department
5. Other matters directed by the President of the University

Article 5 (Types of Audit) ① Audit shall be divided into general audit, special audit, and audit for research funds. (Amended January 1, 2008)
② The general audit and the special audit shall be conducted by the Planning and Budget Team. The general audit shall be conducted once a year according to an audit plan; the special audit shall be conducted when deemed especially necessary by the President of the University.
③ The audit for research funds shall be divided into routine audit and closing audit; the following departments shall conduct the audit: (Established January 1, 2008)
1. Routine audit: Each department responsible for the management of research and each department responsible for the disbursement of research funds
2. Closing audit: Research Planning Team

Article 6 (Principle of Auditor Independence) The auditor must perform his/her duties in a fair manner and independently of the executing agency or other departments.

Chapter 2 General Audit, Special Audit, and Audit for Research Funds

Article 7 (Submission of Documents) The head/director of each department must comply with the auditor’s requests regarding the following matters: (Amended January 1, 2008)
1. Submission of various ledgers, research contracts, evidential documents, articles and goods, and any related documents
2. Inspection of various expense reports and written requests for approval
3. Sealing of a warehouse or a safe, and putting a seal on ledgers, articles, etc.
4. Submission of other documents deemed necessary for an audit

Article 8 (Method of Audit) Field audit shall be the norm although correspondence audit may be conducted for minor issues.

Article 9 (Cooperation Requirement) The head/director of the department being audited and its staff members must actively cooperate with the auditor upon request by submitting documents, attending a meeting, or answering questions without delay.

Article 10 (Audit Report) ① In the cases of general and special audits, an audit report must be prepared in writing under the responsibility of the Vice President of Planning, and submitted to
the President of the University within 14 days of the closing of an audit. (Amended January 1, 2008)

② A routine audit for research funds shall be conducted under the responsibility of the director of each responsible department; when a critical issue is identified, appropriate action must be taken immediately through the internal reporting procedure. (Amended January 1, 2008)

③ In the case of a closing audit for research funds, an audit report must be prepared and confirmed by the Vice President of Research and Industry Affairs within 14 days after the completion of the settlement of accounts for a research project. In particular, if any critical issue is identified in the process of an audit, it must be immediately reported to the Director of the Academia-Industry Collaboration Foundation through the internal reporting procedure. (Newly established January 1, 2008)

**Article 11 (Contents of the Audit Report)**

① Reports on the general and special audits must include the following: (Amended January 1, 2008)

1. Period of audit
2. Name of the department audited
3. Title and name of the auditor
4. Major audit items
5. Matters to be corrected, or deemed illegal or unjustifiable
6. Recommendations
7. Other matters deemed necessary

② Reports on the closing audits for research funds must include the following: (Established January 1, 2008)

1. Summary of the research project (title of the research project, principal investigator(s), period of research, total amount of research fund, sponsoring agency for the research project, department responsible for the management of the research project)
2. Period of audit and the title and name of the auditor
3. Major audit items and the results
4. Other matters deemed necessary

**Article 12 (Report on Corrective Action)**
The head/director of the department who has received a request for corrective action must immediately rectify the problem and report the result to the President of the University (in the case of a closing audit for research funds, the Director of the Academia-Industry Collaboration Foundation) via the Vice President in charge of the audit department in question. (Amended January 1, 2008)

**Article 13 (Confirmation of Correction and Report)**
The Vice President in charge of the audit department must confirm the result of the corrective action taken as specified in Article 12 within a designated period of time or, if the nature of the corrective action is deemed special, during the next audit. (Amended January 1, 2008)

**Article 14 (Raising an Objection)**

① If the head/director of a department has an objection to the request for corrective action pursuant to Article 12, he/she may raise an objection by submitting an explicit statement of reason within one month of receipt of the request for corrective action.

② When an objection is raised pursuant to Clause 1, the Vice President in charge of the audit department in question must review the objection without delay and take the necessary action accordingly. (Amended January 1, 2008)

**Addendum**

These regulations shall be established and take effect on April 1, 1987.

**Addendum**

These amended regulations shall take effect on January 1, 2008.