

There is an **internal reporting system to assure the confidentiality of whistleblowers** in POSTECH's Audit regulations (the highlighted part in Chapter 4-Article 21, below).

## Audit Regulations

Established Apr. 1, 1987  
Amended Jan. 1, 2008  
Amended Mar. 14, 2014  
Amended Nov. 4, 2015  
Amended Mar. 2, 2018

### 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)** Except as otherwise specifically provided for in other statutes, these regulations shall apply to audit matters of the University. (Amended November 4, 2015)

**Article 3 (Definition)** The terms used in this regulation shall be defined as follows: (Amended January 1, 2008) (Amended November 4, 2015)

1. The term 'audit department' refers to the department in charge of managing and proceeding with overall audit duties such as planning and executing audit plans, and reporting results.
2. The term 'department subject to audit' refers to the department subject to audit in accordance with audit plan.
3. The term 'auditor' refers to persons conducting audit duties. Auditor shall include personnel in audit department, personnel temporarily transferred from other departments, and personnel recruited from outside for a predetermined duration.

**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 ordinary audit. (Amended January 1, 2008) (Amended November 4, 2015) (Amended March 2, 2018)

② A general audit refers to the audit conducted regularly for overall University duties or unit organizations according to an audit plan. (Amended November 4, 2015) (Amended March 2, 2018)

③ (Established January 1, 2008) (Deleted November 4, 2015)

④ A special audit refers to the audit conducted when directed by the President of the University or for specific issues such as illegal matters, etc. (Established November 4, 2015) (Amended March 2, 2018)

⑤ An ordinary audit refers to the audit conducted to examine the legality and validity of enforcement or execution of major duties. (Established November 4, 2015) (Amended March 2, 2018)

### Chapter 2 Audit Department and Auditor

**Article 6 (Audit Department)** Audit and Inspection shall govern and the Associate Vice President of Audit and Inspection shall supervise audit duties of the University.

**Article 7 (Principle of Auditor Independence)** The auditor must perform his/her duties in a fair manner and independently of the executing agency or other departments.

**Article 8 (Qualification of Auditor)** An auditor shall be appointed among persons with the following qualifications (Established March 2, 2018):

1. Certified Public Accountant
2. 3 or more years of budgeting or accounting experience
3. Persons with knowledge and experience needed for auditing

**Article 9 (Obligation of Auditor)** An auditor must observe the following matters when conducting an audit (Established March 2, 2018):

1. An auditor must perform a duty of due care and execute the audit diligently and objectively.
2. An auditor must perform an audit based on facts and evidence in accordance with relevant legislation and orders. Sufficient record and objective evidence must be obtained for auditing matters.
3. An auditor must not leak information obtained during audit without justifiable reason or use the information for purposes other than auditing.

### Chapter 3 Audit Plan and Practice

**Article 10 (Audit Plan)** A general audit and special audit shall be performed after gaining approval from the President of the University with an audit plan. An audit plan must include the following items (Established March 2, 2018):

1. Background of audit
2. Subject of audit
3. Audit schedule
4. A list of auditors

**Article 11 (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 12 (Method of Audit)** ① Field audit shall be the norm although paper audit may be conducted for minor issues. (Amended March 2, 2018)

② In the case of an ordinary audit, paper audit shall be the norm and a field audit may be conducted if necessary. (Established March 2, 2018)

**Article 13 (Composition of Audit Team)** ① If auditing is difficult only with the personnel of audit department, an audit team may be composed of personnel from other departments or external personnel. (Established March 2, 2018)

② An external personnel or personnel from other departments must be qualified to be an auditor in accordance with Article 8, and must be able to perform an audit objectively in an independent manner. (Established March 2, 2018)

**Article 14 (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.

### Chapter 4 Reporting Audit Result and Post Management

**Article 15 (Audit Report)** ① The head of audit department must prepare and submit an audit report in writing to the person having authority to grant approval in accordance with Regulations on Delegation and Discretionary Approval within 14 days of the closing of an audit. (Amended January 1, 2008) (Amended November 4, 2015)

② (Amended January 1, 2008) (Deleted November 4, 2015)

③ (Newly established January 1, 2008) (Deleted November 4, 2015)

**Article 16 (Contents of the Audit Report)** ① Reports on the 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 (Established January 1, 2008) (Deleted November 4, 2015)

**Article 17 (Types of Post-Audit Measures)** ① Post-audit measures shall be composed of professional measures, financial measures, and administrative measures. (Established March 2, 2018)

1. Professional measures shall consist of disciplinary action, warning, and caution.
2. Financial measures shall consist of reimbursement and correction.
3. Administrative measures shall consist of improvement, recommendation, and notification.

② The post-audit measures of the Clause 1 shall be processed by the following standards (Established March 2, 2018):

1. Disciplinary action: where it is included in the range of disciplinary action as stipulated by regulations regarding human affairs as a result of violating statutes or relevant regulations.
2. Warning: where an individual need to be warned for a conduct of which the degree is less than that of disciplinary action and more than that of caution.

3. Caution: where an illegal or unfair misconduct does not require a specific measure, but calls for an attention so as to prevent recurrence.
4. Reimbursement: where reimbursement responsibility is acknowledged regarding the fact that has damaged the University's property.
5. Correction: where an additional collection, withdrawal, restoration, etc. are required due to violation of regulations or unfair treatment.
6. Improvement: where it is asked to improve unfair matters or matters without regulations or policies.
7. Recommendation: where it is asked to present alternatives and provide improvement measures to a problem.
8. Notification: where each department is asked to handle autonomously because other measures are inappropriate

**Article 18 (Notification of Audit Result)** ① The head of the audit department must request to take post-audit measures to the department within 3 days of the closing of an audit report without delay. (Established November 4, 2015) (Amended March 2, 2018)

② The head/director of the department who has received a request for post-audit measures must immediately take action and report the result to the audit department in question. (Amended January 1, 2008) (Amended November 4, 2015) (Amended March 2, 2018)

**Article 19 (Post Management)** The audit department must set the deadline and confirm the fulfillment outcome regarding the post-audit measure request from the Clause 18. (Amended January 1, 2008) (Amended March 2, 2018)

**Article 20 (Raising an Objection)** ① If the head/director of a department has an objection to the request for post-audit measures pursuant to Article 18, he/she may raise an objection by submitting an explicit statement of reason within two weeks of receipt of the request for post-audit measures. (Amended March 2, 2018)

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)

**Article 21 (Protection of Reporters)** A reporter shall be guaranteed protection of his/her identity and confidentiality as follows (Established March 2, 2018):

1. A reporter must not be subject to disadvantageous measures in his/her status, discrimination in working conditions, economic and administrative disadvantages, etc.
2. Confidentiality must be maintained so as not to disclose a reporter's identity and report content for the reporter's confidentiality.
3. If a reporter reports an illegal act associated with the reporter, he/she may be offered an extenuation when subject to post-audit measures.

### **Addendum**

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

### **Addendum**

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

### **Addenda**

1. (Effective Date) These amended regulations shall take effect on March 14, 2014.
2. (Interim Measures) However, Paragraph 2 of Article 5 shall be applied retroactively as of November 1, 2012.

### **Addendum**

These amended regulations shall take effect on November 4, 2015.

### **Addendum**

These amended regulations shall take effect on March 2, 2018.