

Implementation Regulations for Internal Auditing at Yuan Ze University

Approved by the 2nd University Affairs Meeting of the 2017 Academic Year on May 9, 2018
Amended and Approved by the 2nd University Affairs Meeting of the 2022 Academic Year on May 10, 2023

Article 1 To assist the President in evaluating the effectiveness of the internal control system, assess the University's operational effectiveness and efficiency, reliability, timeliness, and transparency of reporting, as well as compliance with relevant laws and regulations, and to provide timely recommendations for improvements, Yuan Ze University (hereinafter referred to as "the University") hereby formulates the Implementation Regulations for Internal Auditing (hereinafter referred to as "the Regulations").

Article 2 The University establishes an Internal Audit Committee of 21-23 members, including one full-time auditor, to handle internal audit tasks. The Committee is an auditing organization under the President and is formed as follows: half of the members are elected every two years, with the term aligned with the academic year. Members may serve consecutive terms. The members elect the Chairperson.

1. **Appointed Members (7-9):** The President appoints 3-5 members from current second-level administrative supervisors, former supervisors, senior faculty, or full-time faculty with experience in auditing, finance, accounting, or management during the same semester, and 3-5 members from full-time technical staff.
2. **Faculty Representatives (8):** Candidates from full-time faculty not serving as first-level supervisors are nominated by academic units. All full-time faculty elect the representatives. Each academic unit nominates the following:
 - (1) Two candidates from each of the five colleges.
 - (2) One candidate from each of the College of General Studies, the Physical Education Office, and the College of Medicine and Nursing (Preparatory Office) (including the Graduate Institute of Medicine).
3. **Technical Staff Representatives (6):** Includes one full-time auditor. Units nominate technical staff not serving as first-level supervisors, and all technical staff vote to elect the representatives. Nomination quotas:
 - (1) Office of Academic Affairs, Office of Student Affairs, Office of General Affairs, Office of Library and Information Services, and the five colleges: Two One joint nominees.
 - (2) Office of Research and Development, Personnel Office, General Accounting Office, Secretariat Office: One joint nominee.
 - (3) Global Affairs Office and Environmental Protection and Occupational Safety and Health Center: One joint nominee.
 - (4) College of General Studies (including the International Language and Culture Center), Physical Education Office, and the College of Medicine and Nursing (Preparatory Office) (including the Graduate Institute of Medicine): One joint nominee.

In the event of a vacancy during the term:

- Appointed members are replaced by Presidential appointment.
- Elected members are replaced based on the next highest vote count. Replacement terms are generally aligned with the original member's term. No replacement is required if the remaining term is less than four months and the vacancy does not exceed 10% of the total membership.

The Committee convenes at least once per semester, with additional meetings as necessary. Meetings require at least two-thirds of the members to attend. Representatives from relevant units may be invited to observe. Resolutions are passed with the approval of more than half of the attending members.

The Committee includes one full-time auditor and several audit secretaries, with secretarial tasks handled by staff from the Secretariat office.

Article 3 The Committee conducts audits of internal controls to evaluate the effectiveness and compliance of the University's policies and procedures in personnel, finance, and operations. Audit tasks must not conflict with accounting responsibilities. The Committee's duties include:

1. Post-audit of personnel, financial, and operational activities.
2. Post-audit of cash handling.
3. Inventory checks of cash, bank deposits, and securities.
4. Auditing and recommending improvements to enhance financial and operational efficiency and reduce unnecessary expenses.
5. Special audit assignments.

Article 4 The Committee's responsibilities are as follows:

1. Drafting audit plans based on risk assessment results.
2. Conducting internal audit tasks and preparing audit reports. Audit reports are reviewed by the President and submitted to the University Affairs Meeting.
3. Reporting and following up on deficiencies or recommendations until improvements are made.
4. Preparing immediate audit reports for significant violations or potential major damages to the University or its legal entity and submitting them to the President for review.
5. Maintaining independence and objectivity during audits ensures that auditors do not audit their work or related parties.

Article 5 The University shall establish internal audit procedures, specifying audit items, schedules, processes, and methods.

Article 6 To enhance operational effectiveness, internal audit results and improvement measures for deficiencies are incorporated into the University's performance evaluations.

Article 7 These Regulations shall take effect upon approval by the University Affairs Meeting. Amendments shall follow the same process.

In case of any discrepancy between the Chinese and English versions, the Chinese version shall prevail.