

Organization and Control of Internal Audit

Cleanaway has set up internal audit unit under the board of directors. According to Cleanaway's scale, business status, management demand and other related regulations, Cleanaway set up qualified internal auditors and proper members. The aim of internal audit is to assist the board of directors and senior managers to check and recheck the faults of internal control system, evaluate operational effect and efficiency, and offer improvement advices timely to assure the internal audit system implementing continuously and effectively, and then to be the basis of checking and correcting internal audit system.

The internal auditors exactly disclose faults and abnormal items of internal control system while checking on auditing report. Moreover, internal auditors keep tracking the improvement situation for the faults and abnormal items, and then will make a tracking report regularly

Cleanaway should list above faults, abnormal items and improvement situation from internal control system, and make these be the important items to assess each department's performance. The first item for faults of internal control system and improvement situation of abnormal items includes all faults discovered while Financial Supervisory Commission of Executive Yuan checking, internal audit work implementing, internal control system declaration listed, self-checking and certificated accounts' auditing.

Cleanaway's internal auditors should implement their work on a fair and objective standpoint. In addition to reporting auditing work to independent directors regularly, auditing supervisor should be present at the board meeting and do the presentation.

According to Article 11 of Regulations Governing Establishment of Internal Control Systems by Public Companies, any appointment or dismissal of chief internal auditor of a public company shall be approved by the audit committee and then be subject to approval by the board of directors. For Cleanaway, any appointment, dismissal, evaluation and review, salary and compensation of internal auditors will not only follow "Work Rules" but "Regulations of Performance Evaluation Grading for Employees" compiled by Cleanaway.

Internal Audit Flowchart

