

Internal Audit

Internal Audit System

The Internal Audit Division is independent from operating divisions in the head office. The division contributes to the sound and proper conduct of the Bank's operations by inspecting and assessing the Bank's operational execution and internal control systems. In this way, the Bank collects important information about the operations of audited divisions in a timely and appropriate manner.

In accordance with, for example, the International Standards for the Professional Practice of Internal Audit of the Institute of Internal Auditors (IIA), the Internal Audit Division conducts audits of the head office divisions, Regional Headquarters, Branches, Administration Service Centers, Operation Support Centers, Seal Card Management Center, ATM Management Centers, Data Centers, Credit Card Collection Service Center and other work sites. Through

these audits, the division verifies the appropriateness and effectiveness of operational execution and internal control systems, including compliance and risk management.

In addition, the Internal Audit Division audits JAPAN POST, which undertakes bank agency services under contract. In these audits, the Internal Audit Division verifies the appropriateness of the internal control systems that are related to bank agency operations, including compliance and risk management.

In regard to major issues that are found in an audit, the division offers recommendations for correction and improvement, follows up on the progress of improvement measures, and provides reports to the President and Representative Executive Officer, the Board of Directors, and the Audit Committee.

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