



OIST

OKINAWA INSTITUTE OF SCIENCE AND TECHNOLOGY GRADUATE UNIVERSITY  
沖縄科学技術大学院大学

May 24, 2018

To: Board of Governors and Board of Councilors,  
Okinawa Institute of Science and Technology School Corporation

From:   
Shinichi Okamoto, Auditor

  
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### FY2017 Audit Report

This document is to report the results of our periodical independent audit, regarding the business and financial operation during the fiscal year of 2017, at the Okinawa Institute of Science and Technology School Corporation. The audit was conducted in accordance with Section 3, Article 15 of the Okinawa Institute of Science and Technology School Corporation Bylaw.

#### 1. Methods of Audit

- (1) For the operational audit, we attended the Board of Governors and Board of Councilors meetings, and conducted interviews with the President and other executive members regarding the School Corporation's business execution. We also reviewed important kessai (decision-making) documents and examined the adequacy of the business, in cooperation with the Internal Audit Section.
- (2) For the audit of financial status, we confirmed the accuracy of the statements with the accounting firm, Ernst & Young Shin Nihon LLC.

#### 2. Conclusion

- (1) We did not find any significant violation of laws and regulations, or bylaws, nor any act of misconduct or fraud pertaining to the School Corporation's business administration and its assets.
- (2) We verify that the business report accurately reflects the condition of the School Corporation's business operation.
- (3) We also verify that the financial statements match the contents of the accounting records, and that the School Corporation's status of assets, gain and loss, are properly shown in compliance with laws and the Okinawa Institute of Science and Technology Accounting Standard. The Financial Closing Report was prepared according to the budget classification and properly reflected the status of closing.

Please find attached FY2017 Auditors' Audit results with our written opinions, which we recognize as necessary for improvement, for the further advancement of the University.

## **FY 2017 Auditors' Audit Result and Opinion**

### **1. Main Focus Points of the Auditors' Audit**

Fiscal Year (FY) 2017 was the milestone year for the Okinawa Institute of Science and Technology Graduate University (OIST) with its first graduation ceremony, held on February 24, 2018. The FY 2017 Audit Report has the following two main focus points.

- 1) Based on the Guidelines for the Auditors' Audit, formulated in September 2017 (See Attachment 1), FY 2017 Audit has been conducted with a focus on disaster, safety and health management, which is a particularly high-risk area in the short-term.
- 2) OIST entered its 7th year in FY 2017 since its inauguration. Looking ahead to the University's 10th Year Review, in accordance with the Article 14 of the Supplementary Provisions of the Okinawa Institute of Science and Technology School Corporation Act, which was enacted in November 1, 2011. We also examined OIST's efforts in reinforcing governance and management, and in disseminating research findings and other outcomes.

### **2. Efforts to Formulate a University Culture on Disaster Prevention, Safety and Health Management and Preparation of Business Continuity Plan (BCP)**

On July 10, 2017, the President of OIST sent out an e-mail to all OIST members titled "OIST Diving Incident - the Way Forward" with attachments. The content of these attachments were published on the official OIST website on the following day, which stated, "Thus, we must now reflect on how OIST moves forward from this tragic incident (※), to vigorously establish a new and effective safety culture within the University," along with the links to the full report of the External Review Panel on the Diving Incident, the Summary of Panel's Report (findings and recommendations) sent to all OIST members, and OIST response were included in the Report. In conclusion, it states that "This tragic incident has revealed critical weaknesses in our growing university; rapid and effective response is imperative. The organizational changes that I have outlined are only the start of a long-term change in attitude towards safety at OIST." (See Attachment 2)

(※) Diving incident occurred on November 14, 2016

In the Audit Report of FY 2017, a hearing investigation with all the Vice Presidents (VPs) and Deans in all the divisions has been conducted regarding the concrete on-site measures they have taken in response to the "OIST Diving Incident - the Way Forward" e-mail sent to all OIST members

by the President. Concurrently, we confirmed the status of preparations for disaster prevention and the formulation of the Business Continuity Plan (BCP). The items confirmed are as follows.

**【Disaster Prevention, Safety and Health Management, and Formulation of BCP】**

- Efforts are continuously being made to establish a safety culture mainly under the Office of the Dean of Research (DOR). Specifically, in September 2017, the Fieldwork Safety Committee was established, and in October 2017, the IT program was improved to check the compliance of safety training and mandatory health check-up, and in November 2017, the Safety Enhancement Month was established (in memory of the diving incident), through which every November is now regarded as Safety Enhancement Month to contemplate on safety measures, with an aim to identify further items for safety improvements of the University.
- To ensure health and safety, an Emergency Response Coordinator was hired in February 2018, and the work to develop an Emergency Response Plan has begun. Discussion of formulating BCP is also in process.
- Despite the fact that the Auditors' opinions on disaster prevention (See Attachment 3) were presented on April 10, 2017, disaster prevention activities in FY 2017 were limited to areas such as the fire safety evacuation drill for concerned personnel only, emergency response training for the data center, and self-defense firefighting activities. No comprehensive evacuation drills have been carried out, although a fire safety evacuation drill was conducted on May 18, 2018 for all OIST members in the main campus.
- The clinic doctor at the OIST Medical Center retired at the end of July 2017 and the OIST Clinic has been closed since then. Due to this, the OIST Health Center nurses receive the first consultation, introduce clinics outside the University whenever necessary, and assist in making appointments for those who need language support.

**【Increase of Openness and Prevention of Harassment, etc.】**

- The following are examples of measures taken towards improving the openness within OIST.
- 1) In the Graduate School, "Skip-Level Meetings" (opportunities for the Dean and staff members to directly talk without their manager) have been carried out on four occasions with the Dean of the Graduate School (DGS) and OIST employees, outside employees, and temporary employees. This provided opportunities for employees to freely express their feelings, opinions and thoughts without being conscious of their managers, thus resulting in a more transparent and open work environment, which eventually led to improvements in their work.
  - 2) In advance of other divisions, the Financial Management Division (FM) has been continuing to implement job rotation, as well as issuing monthly divisional e-mail magazines and holding monthly birthday lunches where employees are encouraged to sit with members from other sections. Additionally, in 2017, cross divisional gatherings and subsequent meetings were held

on a trial basis in an effort to lower the barriers between each section.

- 3) In the Buildings and Facilities Management Division (BFM), all-staff meetings are held every Wednesday for sharing information, making business improvements and suggestions. In addition to this, the Campus Building Section holds meetings every day from 5 pm to confirm reports and considerations on current and future construction projects, when necessary, the other sections and stakeholders also participate in these meetings. In regard to the other sections and teams, they also hold meetings on demand promoting communication between the members.
- In August 2017, PRP Chapter 39. Resolving Complaints & Disputes was revised, and in addition to the existing external hotlines, a special confidential e-mail box for reporting complaints to the Vice President for Gender Equity and Human Resource Development (VPGEHR) was set up, along with the Harassment Dispute Resolution Committee.
  - On September 21, 2017, Gender Equity and Human Resource Development (GEHR) Division and Graduate School co-hosted a seminar with two external consultants from the “Respectful Workplace and Anti-Harassment Hotline,” which had been established outside of OIST to provide contact points that maintain confidentiality while accepting consultation and complaints in Japanese or English. The seminar entitled, “The Respectful Workplace and Anti-Harassment Hotline (RWAH) Mediator’s Role and Procedures” provided information to students and staff members in Japanese and English, introducing OIST's dispute resolution policy and the process. At the beginning of that seminar, the President gave an opening speech.
  - OIST has formulated an internal reporting system which accepts consultation and/or reports on misconducts from employees who acknowledge/witness a misconduct inside the organization. Once a report is accepted, appropriate investigation and corrective measures are carried out for a self-remedial function to take place, while protecting the whistle-blower (PRP Chapter 23. Investigation and Determination of Misconduct & Whistleblower Protection). This internal reporting system will continue to be evaluated and improved in the future.
  - In the Graduate School, the "Respectful Workplace and Anti-Harassment Policies" (planned to be added to PRP Chapter 5. Graduate School Handbook) has been finalized, which clearly stipulates the procedures students could take in case they experience or witness behaviors that violate OIST’s Core Values as stipulated in "PRP Chapter 1.3.2 Respectful Workplace Policies."

The Auditors believe that on the whole, with the exception of some disaster response countermeasures, appropriate steps have taken place.

In the Auditors’ opinion, the following points have been raised.

- Disaster prevention and formulation of BCP could be regarded as OIST's greatest short term risk, which should be immediately addressed. In regards to preparing of BCP, concrete administrative procedures such as on-the-spot reimbursement and payment processes, and on-site actions of education and research fields should be discussed and simulated in each section.
- In order to carry out all OIST disaster response measures, it is necessary to implement comprehensive evacuation drills simulating the presence of visitors and with the inclusion of the Seaside House, Marine Science Station (MSS), and etc., in the comprehensive evacuation drill.
- Regarding safety and health, and risk management systems, it is deemed necessary for OIST's mechanism to have a checking and balancing function, respecting the knowledge of experts, such as the newly appointed Emergency Management Specialist (as an Emergency Response Coordinator) and Research Safety Officer, on disaster prevention/safety and health management.

### **3. Reinforcing Top Executive Governance and Management Foundation**

To date, OIST VPs and Deans have been highly independent, and coordination between them was either weak or non-existent. Accordingly, allocating uncertain operation determining the divisional scopes that span across organizations, frequently took a considerable time, such as in the case of consolidating Business Plans and Business Implementation Plans, etc. Since FY 2018, the Chief Operating Officer (COO) and Provost were set up to integrate and realign the operation of each administrative divisions and research/education division. A survey was conducted on all VPs and Deans regarding their acceptance, evaluation and, comments on this organizational reform. In addition, financial management reinforcement measures were also confirmed. The items confirmed are as follows.

#### **【Enhancing Top Executive Governance, Correcting Vertical Structure, and Ensuring Timeliness】**

- With the appointment of the COO, the vertical relationship to the administrative VPs (excluding VP for Communication and Public Relations (VPCPR)) and the horizontal relationship with the Deans via the Provost will allow clear, timely adjustments and instructions to be provided, which we believe will aid in swifter problem resolutions and improvement in the overall operation and workflow.
- A regular meeting is also to be held by the President, Executive Vice President, Provost, and COO to share information on OIST's current status and issues. We expect these meetings will act as a system to work on measures for solving issues, which would lead to the enhancement of OIST executive governance.

- We understand that one of the key roles of the COO is to establish a system where various proposals are to be discussed and collaborated among the divisions before they are presented to the President. We expect that this will enable the cooperation of each division without losing focus on the goals of the organization as a whole, and the risk of redundancy between divisions will be reduced. Furthermore, we expect that a synergistic effect from this cooperation will lead to improvement of efficiency and productivity of the entire organization.
- VPCPR reports directly to the President according to the organization chart. However, on a practical level, closer cooperation between the COO, Provost, and Deans will be expected to become even more important in the future. Additionally, symbiotically coordinated links with fundraising will be extremely important with regards to acquisition of donations.
- OIST executives are currently holding discussions about the detailed scope of jurisdiction on safety and risk management systems. Under any type of systems, tasks should be handled by each division with the appropriate expertise, with oversight by the newly hired Emergency Management Specialist. The ultimate authority for coordination will possibly fall under the purview of the COO.

#### **【Obtaining External Funding】**

- Regarding external funding, a gap analysis, comparison of original targets and actual results, has been conducted. Based on its results, development of a new “OIST Medium-Term Strategy for External Funding,” with acquisition targets until 2021, is currently under discussion. In addition, existing goals are based on the target figures in the former “OIST Medium-Term Strategy for External Funding (May 2013)”, not on the target figures in the "Framework Document II (July 2014.)"
- The estimate figures of external funding, among those stipulated for required funds in the future, including the construction costs described in the 2014 "Framework document II" Chapter 4, section 4.2, are said to have been developed in the former President's office. However, the grounds for these estimates have not been shared within the organization to date. From the initial stage of the development, the exact funding acquisition amount of the estimate for each category (Page 106 of the 2014 Framework Document II specifies that the external funding encompasses three categories: competitive research funding, business development funds, and donations from private organizations and other foundations) had not been allocated to responsible divisions/sections, at least, until the current President arrived.

The Auditors believe that a basic framework has been developed to strengthen the executive governance. Regarding this point, the followings are our opinions based upon some examples of overseas institutions.

- California Institute of Technology (Caltech) has a VP for strategy implementation responsible for converting the President's ideas and future vision into a concrete business plan. At OIST, a support system for the President should be strengthened, in addition to establishment of the COO and Provost positions, to improve executive governance and implementation.

From now on, by using this new framework, we expect that achievements will be made including some of the difficult issues to be addressed to date. Regarding securing external funds, we commend the fact that the new "OIST Medium-Term Strategy for External Funding" has been underway. However, as its comparable figures, it is deemed necessary to acknowledge the external funds estimates stipulated in the official OIST document "Framework Document II".

#### **4. Hiring, Working Hour Management, and Human Resource Development**

As OIST continues to expand, securing excellent human resources will increasingly be deemed necessary as business volume is expected to increase. The FY 2016 Audit Report also pointed out the necessity of a more multi-faceted approach on screening skills and competence, such as utilization of SPI, introduction of essay writing, group discussion, reinforcement of the interviews and background investigation process. In addition, the future expansion of OIST will necessitate the strengthening of management and there is an urgent need to improve the mid-class management capabilities (job sharing, task progress management, subordinates' working hours (overtime management), etc.) The items confirmed are as follows.

##### **【Hiring and Working Hour Management】**

- A system for supporting administrative management is being implemented, such as replenishing vacancies in the HR, FM Divisions, and so on. Visualization and reduction of overtime work has been implemented and overtime work has substantially decreased since January 2018. A major factor for this is the thorough implementation of worktime management. OIST is also recommending the usage of flextime to enable a more flexible working style. (The annual average of total overtime hours (weighted average) for eligible staff is estimated to be 12.0 hours per month in FY 2016, 9.8 hours in FY 2017.)
- Technical Development Innovation Center (TDIC) created an At-a-Glance Table with the list of figures (full-time equivalent (FTE) conversion) for all the goals, operations, and workloads of the entire organization, sections and employees. This table enables the managers to gain an overview of all the TDIC activities and assist in finding overlaps and omission in each work operation. In addition, the table allows for a systematic allocation of work hours to each staff. The table would be useful for constantly reviewing and making adjustment based on feedback during the implementation process. Through these unique and effective efforts, active

operational management and work time management are possible. Combined with these measures, section level overtime has been appropriately supervised by section managers at regular manager's meetings and individual employees' one-on-one interviews.

**【Human Resource Development, etc.】**

- Visualization of mandatory training attendance was also implemented, and the results show that the attendance rate in “Proper Use of Public Funds” were low in the DOR (71%) and Faculty Affairs Office (FAO) (74%). To improve the rates, a call for attention was made at the manager's meeting on February 26, 2018 and it has already been widely announced that April and May 2018 will be the designated Mandatory Training completion months.
- Management enhancement training for mid-level managers (OIST Management Forum) has begun. Although the first session was mostly well-received, since the training took place at the end of the fiscal year and required several days of attendance, there were a few who dropped out in the middle of the session to avoid impacts on their operations.
- Regarding future training sessions for the improvement of management skills at OIST, there have been some requests to consider a more effective and intensive course of one to two days. Regarding the future all-OIST employee training sessions, there have been some requests to consider narrowing down the themes and contents to solve issues specific to OIST.
- The TDIC has been encouraging trainings for mid-managers, both domestically and internationally, including one example of a training course taken by a mid-manager for improving management and leadership skills at INSEAD Business School in Singapore. TDIC requires employees to allocate 5% of their workload for vocational skill development, through participating in seminars and building up networks.
- The Graduate School encourages training sessions throughout the division, providing employees with opportunities both inside and outside of OIST, being actively engaged in employees' skill development. In addition, DGS provided feedback to their managers of the results from the “Skip Level Meeting” at appropriate timings, and the managers were able to recognize potential issues for improvement, which helped upgrade the management skills of the entire Graduate School.

In the previous audits, we have raised various points and stated our opinions on improving work hour management, reducing overtime work, improving employees' motivation and skill enhancement, etc. The Auditors believe that significant progress has been made for these pending issues in FY 2017, as in reductions of overtime work and implementation of training for management skill enhancements.

At the same time, business will continue to expand in FY 2018 while personnel budget will not increase in comparison to the previous year, and accordingly, further efforts will be deemed

necessary at OIST.

One of the measures is to use the table with FTE targets and tasks being implemented by the TDIC. In the FY 2016 Audit Report, it is stated as follows, "The visualization of TDIC operations, each section and staff members, along with the detailed tasks and time allocation, made it easier to manage goals and track records efficiently. We would recommend that this method is worth a trial throughout OIST, to manage worktime, operational streamlining and appointment and development of human resources."

In addition, raising the participation rate of mandatory trainings to 100%, the improvement of training contents, executing period, and training methods (further utilization of e-learning, etc.) according to the users' needs could be cited as the remaining tasks.

## **5. Business Efficiency, etc.**

In order to cope with the workload increase, workflow review and improvements of operational efficiency will be deemed necessary. Regarding these, several good practices have been confirmed as follows.

### **【Business Efficiency, etc.】**

- With the introduction of the HEART System, integration of human resource and financial management and accounting systems have been underway, contributing to a paperless and more efficient operations. For example, there had been no overtime work after 10 pm or at weekends for FY 2017 yearend tax adjustment, and in the Conference Workshop Section, real-time monitoring of the budget usage for each workshop became facilitated.
- Reduction of the distributed number of office mobile phones was implemented by the stricter standards of distribution. (At maximum 214 phones in FY 2017→146 phones in April 2018) The effect for the cost reduction is estimated at approximately 10 million yen.
- It is a common issue for science and technology universities to carry out appropriate management of a large number of assets, especially a large number of experimental instruments. OIST has built and started the operation of a new asset management system (FAME / RFID system) based on the compiled knowledge in the University. With the introduction of FAME / RFID system, improvements on fixed assets management is expected to be realized along with reduction in man-hours required for asset management.
- The rules on OIST Workshop participants' travel expenses payment has been revised, and simplification of administrative procedures along with cost reduction has been in place.
- In the Graduate School, as concerns were raised in multiple sessions of Skip-Level Meetings about the standard operational procedures and the lack of manuals, one dedicated staff member has been allocated, who is responsible for standardizing work procedures and for preparing

procedures manuals to aid in the improvement of operational efficiency. This effort includes utilization of general-purpose applications and software, and concurrently, developing user-friendly manuals that cover all related work in relation to students' admissions (Deliverables: Admission Manual, Research Intern Manual). Such efforts have already shown results in multiple areas, such as a sharp reduction in the time required for simple tasks and routine tasks. (For example, previously it took three to four days to prepare the Research Assistantship Agreements, but now it has been reduced to 15 minutes including all the administrative processes for individual doctoral candidates).

- In line with the efforts on workplace transparency, the Graduate School has invited an instructor from outside of OIST as a trainer from January 2017 to help make improvement on management skills. Currently, in all the division level meetings, the DGS will share appropriate information to all participants. This sharing of information that had previously remained within each section led to the giving and receiving of suggestions from other sections, which has enabled the improvement of operational efficiency. After the introduction of the Skip-Level Meetings, the purpose and proceedings of the division meetings were revised. Instead of spending most of the meeting time seeking approval from the DGS, the staff members are now able to share meaningful information throughout the division, putting more focus on discussion, with the employees being able to speak out more freely.

The Auditors believe that efforts to proactively improve work efficiency have been implemented in various ways, especially, as seen in the example of business problem assessment and solutions that the Graduate School's Skip-Level Meetings created. We consider these measures beneficial to other divisions as well.

## **6. Budget Management**

OIST is a private school corporation, which is operated by Japanese government's financial support (mostly the subsidies funded by Japanese people's tax money). Accordingly, various laws and regulations should be applied to the execution of the budget since the subsidies are being granted. Meanwhile, the construction of Lab 4 is underway, which requires huge development costs. In order to appropriately complete the budget execution within the due date and amount, timely information sharing and opinion exchange between FM and BFM Divisions is indispensable. Likewise, it should be a granted matter for OIST to ensure proper execution of research funds. Regarding budget execution management, the followings have been confirmed.

### **【Management of Facility Construction Budget】**

- Information on the progress status of the construction and budget execution of Lab 4 has been shared among the VP for BFM (VPBFM), the VP for FM (VPFM), as well as the staff members at administrative level.

### **【Research Budget Execution Management】**

- An internal audit concerning small orders issued by the Compliance Section has been conducted, and “Guidelines for Proper Execution of Research Budgets” based on the results of past internal audits has been posted on TIDA, to call for attention and awareness on this matter. In addition, the “Misconduct Prevention Plan on Public Research Funds” was prepared on March 31, 2017.

The completion of Lab4 within the specified period is a vital element for the smooth expansion of OIST. In regard to the Lab 4 budget execution management in FY 2016 Audit Report, it is stipulated as, “...visualizing budget execution, establishing a system in which the FM and BFM divisions interact more regularly and also on an as-needed basis,” and “To ensure the effectiveness of these measures, ..., it will be vital for the VPFM and VPBFM to exercise supervision by frequently sharing information and awareness with each other and making a proper report to the President on how the budget execution has been handled.” In FY 2017, a close cooperation between persons responsible for finance and facility management has been implemented. In addition, regarding research fund execution management, development of environment to prevent misuse of research funds has been carried out, with the intranet posting of the "Guidelines for Proper Execution of Research Budgets," and preparation of the "Misconduct Prevention Plan on Public Research Funds.”

## **7. Compliance, Information Security and Personal Information Protection, and Risk Management**

The Auditor’s Office has consecutively conducted a survey by the Personal Information Protection Checklist in FY 2017 as well as on the status of internal audit and risk management in FY 2017. The following items have been confirmed.

### **【Compliance】**

- In FY 2017, the internal audits concerning negotiated contracts, competitive funds, honorariums, small orders, information security, travel expenses, and meeting expenses were conducted. Based on the audit results, in October 2017, PRP Chapter 29. Travel, Meetings, and Related Expenses was revised. The revised rules stipulate: 1) Application of more stringent upper limit for OIST participants, 2) Application of more stringent qualifications for attendees (both guests and OIST participants), and 3) Restriction on the number of meals provided to

guests. In FY 2018, an internal audit is planned on safety related items, considering the diving incident, besides the mandatory items (e.g., negotiated contracts and competitive funding).

#### **【Information Security and Personal Information Protection】**

- With the introduction of the HEART system, the risk of system failure has been reduced and concurrently, improvement on information security and compliance has been in progress.
- By the revision of PRP Chapter 17. Information Technology and Security, dated May 26, 2017, the categories in the “Information Classification Table” were defined. OIST’s information assets are classified into four categories (“Public,” “Internal,” “Confidential,” and “Critical”), based on its value, sensibility, integrity, and availability.
- A series of training sessions for information security was released as online training on February 26, 2018 and was registered in the OIST system as a mandatory training on April 2, which has been internally communicated.
- Understanding of personal information protection has still been inadequate in some sections, in terms of storage destination, ledger keeping, encryption, etc. There have been some comments to facilitate OIST members’ understanding on personal information protection, such as providing special training sessions, outreach lectures, consultation on personal information protection, and concrete advice on passport management. A procedure manual on personal information protection was issued on April 13, 2018. In FY 2018, a mandatory on-line training specializing on personal information protection is planned to be introduced.

#### **【Risk Management】**

- The Risk Management Committee held its first meeting on March 15, 2018. Together with the Emergency Management Specialist, members have already begun identifying serious risks to OIST. The Committee will organize, assess, and analyze those risks, and will also discuss countermeasures.

A Single mistake in any area such as compliance, personal information protection or risk management would seriously damage OIST’s reputation. Accordingly, in order to implement thorough compliance and risk management, the Auditors deem it as absolutely necessary for applicable employees to take mandatory training at 100% executing rate, and for all the OIST members to make the utmost efforts to establish and maintain the internal checking systems. The Auditors will pay close attention to the actions of the Risk Management Committee.

The following is the opinion of the Auditors.

- Regarding personal information protection, in order to thoroughly inform the rules and regulations, in addition to organizing seminars dedicated to personal information protection, specific efforts to meet the individual needs are deemed necessary.

## **8. Enhancement of Public Relations, etc.**

Under the organizational reform in April 2018, CPR Division has been incorporated directly under the President. The following points have been confirmed regarding public relations and community relations, etc. which play an important role in disseminating research and educational achievements.

### **【Enhancement of Public Relations, etc.】**

- Press conferences and roundtable meetings with reporters (Science Café) have been held eight times in total in Tokyo and Okinawa. To disseminate OIST's activities to general public, the Science Talk, featuring Okinawa-born researchers at OIST, have been held seven times at Junkudo Bookstore in Naha.
- A director of a TV program on Tokyo Broadcasting System (TBS) "Yume no Tobira + (The Door to Dreams)" contacted OIST in April 2013 after reading an OIST web article about the ocean current power generation by Professor Tsumoru Shintake. After two years of filming and interviews, a program was broadcasted on September 6, 2015. Subsequently, Mr. Kohei Yamashita, the President of Kokyo Tatemono Co., Ltd., who saw the TV Program, made a donation to OIST, while Prof. Shintake was already working on the next project to harness energy from ocean waves called the Wave Energy Converter (WEC) Project. The Ministry of Environment and Energy (MEE) of the Republic of Maldives, Kokyo Tatemono Company Co. Ltd. and OIST was concluded on Feb. 13, 2018, which led to the start of the experiment's prototype WECs (Wave Energy Converters) in the Maldives.

California Institute of Technology (Caltech) is regarded as one of the OIST benchmark schools. Through the 2014 reorganization and with the establishment of a Vice President for Strategy Implementation, who has also been in charge of public relations, Caltech Office of Strategic Communication has been actively utilizing videos and other media as part of their strategic operations. One of the major achievements is acquisition of huge amount of donations.

Mr. Tianqiao Chen, a wealthy individual and philanthropist, one day watched a BBC program featuring Caltech's biologist Dr. Richard Andersen, whose work helped a paralyzed patient operate their prosthetic arms through the patient's thoughts and intentions. After watching the program, Mr. Chen contacted Caltech and visited the campus, which ultimately led to a donation of 115 million dollars. Currently, there is a plan to build the Tianqiao and Chrissy Chen Neuroscience Research Building (planned to be completed in the fall of 2020). Half a million dollars, out of the total construction cost of 200 million dollars, will come from the contribution made by Mr. Chen's donation, and the rest will be shouldered by the University.

Another good example of Caltech's communication strategy would be "STUDENT FOCUS". Conventionally, Caltech has always placed its main focus on their researchers, but not so much on

individual students. In addition, exchanges among faculty members had been limited. Accordingly, the intranet was created for mutual understanding of research activities of individual faculty members. Furthermore, a student version was created separately, which has been used as a tool to distribute information about students' activities, which has enabled more visualization of students' daily lives and research activities, which eventually improved the students' recruitment status. This approach has come to be recognized as useful for the priority items (i.e., Diversity, etc.) set by the President, and has been well-received within the university.

As frequently seen on other university websites, Caltech has a web page for the President <http://www.caltech.edu/content/inauguration>, with presenting his inaugural speech, speech videos at various opportunities, texts, and so on. Meanwhile, articles related to OIST President's presentation at the Advisory Panel of the Council on Science, Technology and Innovation (CSTI) of the Cabinet Office which was held on March 22, 2018, can only be read on the intranet. It would be difficult for the general public to spot the location of these presentation materials from the Cabinet Office webpage <http://www8.cao.go.jp/cstp/gaiyo/yusikisha/20180322/siryo1.pdf>. Unless OIST sends out more information externally, opportunities for OIST to be recognized by the general public and society will be extremely limited.

Accordingly, the following are the opinion of the Auditors.

- Strategic communication with the general public is deemed necessary through active use of media, including videos and SNSs, through which the President's idea and future visions, and research outcomes would be further disseminated. In addition, good public relations would lead to potential donations.
- We consider it beneficial for OIST to establish an official webpage for the President including various activities with photos, videos, audio and texts, etc., through which the President would become more visible to the society.

## **9. Building Industry-Academia Collaborations and Creating an Environment for Entrepreneurship**

Partnerships between industry-academia and the development of an entrepreneurial environment both directly contribute to the promotion of Okinawa, a purpose of OIST's establishment. In FY 2018, the Incubator Facility is planned to be completed and its shared use is to be launched. The Auditors confirmed the following items.

### **【Building Industry-Academia Collaborations and Creating an Environment for Entrepreneurship】**

- A total of 14 Proof-of-Concept research projects were conducted in FY 2017.

- On March 2, 2018, OIST held the Okinawa Innovation and Entrepreneurship Summit 2018, where an explanation was provided on OIST's technical support program for scientists, "Startup Accelerator Program."
- Through creating various slides, along with providing various information on OIST web page, the TDIC has been presenting the activities of OIST and TDIC both domestically and internationally.

The Auditors have been paying special attention to what kinds of achievements would come out through the "Startup Accelerator Program" and the launch of the Incubator Facility, which would attract both domestic and overseas research seeds to OIST. By this program, the Auditors have a high expectation for the positive impact on the development of the Okinawan economy.

## **10. Improvement of PhD Course, and Recruitment of Japanese and Female Students**

Regarding the Graduate University which conducted the first Graduation Ceremony, the following items have been confirmed.

### **【Improvement of PhD Course, and Recruitment of Japanese and Female Students】**

- Individual interviews with graduate students were carried out before and after the Graduation Ceremony, where they were asked how the OIST professional skill development curriculum could be improved. Based on the results of the interviews, a renewed curriculum will be created for the next fiscal year's Professional Development course (PD1 & PD2). In addition, a general curriculum review is underway.
- The enrollment number of OIST Japanese students has been five or six each year, except in FY 2015, which was two. However, these numbers are showing a decreasing trend due to the increase of the entire student numbers. The total number of Japanese students who have enrolled to date is 29, which is 16% of the total number of all the enrolled students of 177, with the respective year's rate of 8.3% (FY 2015), 17.1% (FY 2016), 13.5% (FY 2017), showing less than 20% in recent years after reaching 25% in FY 2013 and 22.2% in FY 2014.
- Regarding the small percentage of Japanese students, the Graduate School has been attributed this to the following reasons: (1) Japanese students tend to remain in the same laboratory from undergraduate to graduate schools. It is difficult for OIST without any undergraduate courses to persuade students studying in other institutions to consider OIST as their graduate study options, and (2) Japanese students do not have the confidence to decide whether the investment for advancing to the PhD programs could be advantageous for their future career paths. To a certain degree, this is due to Japanese companies' skepticism on hiring PhD holders and uncertainty on how to make the best use of PhD holders as their workforce. In FY 2018, we

heard that the Graduate School was to initiate some talks with Japanese companies and with third-party employment promotion agencies to understand the status quo of the employment situation with regard to PhD holders.

- The total number of female students who have enrolled to date is 64, which is 36.2% of the total number of 177, with the respective year's rate of 29.4% (FY 2012), 25% (FY 2013), 44.4% (FY 2014), 29.2% (FY 2015), 48.6% (FY 2016), 35.1% (FY 2017). Since these numbers are above the average compared to the other science and technology graduate schools in Japan, OIST Graduate School considers itself successful in acquiring female students so far and is determined to make continuous efforts.

In order to acquire the best students from all over the world, emulating the example of Caltech as described in Section 8. Enhancement of Public Relations, etc., incorporation of the so-called "STUDENT FOCUS" policy could be considered, with which student recruitment could be promoted through visualizing OIST PhD students' research activities along with their non-research activities to be disseminated both domestically and internationally.

In addition, with regard to the second reason for the low Japanese student rate pointed out by the Graduate School, we examined career path track records of PhD graduate students from the Tokyo Institute of Technology, Osaka University, and the University of Tokyo, all of which have renowned PhD courses in Japan.

Among the 315 PhD graduates from the Tokyo Institute of Technology in FY 2016, 156 were employed at companies and universities, among which 111 were employed by large companies such as Hitachi, Mitsubishi Electric and Shiseido, etc. Among 77 graduates of the Graduate School of Science PhD Course at Osaka University in FY 2016, 47 were employed by companies, one became a public officer, four became faculty members with 25 others, and among 142 graduates of Graduate School of Engineering at Osaka University, 101 were hired by companies, etc. one became a public officer, nine became faculty members, with 31 others. Among 30 graduates of the Graduate School of Mathematical Sciences at the University of Tokyo in FY 2016, four were employed by companies, 18 became postdoctoral fellows, five became assistant professors with a faculty member, besides two others. 44% of graduates from the Department of Chemistry, Graduate School of Science at the University of Tokyo in FY 2017 were employed by large companies including Asahi Kasei, Sharp, Toray and Mitsubishi Chemical, etc.

Respectively, more than 100 graduates from Tokyo Institute of Technology Graduate School and Osaka University Graduate School of Engineering were employed at companies, with the employment rate of 35% at the Tokyo Institute of Technology Graduate School, 61% at the

Graduate School of Science of Osaka University, 71% at the Graduate School of Engineering of Osaka University, 13% at the University of Tokyo Graduate School of Mathematical Sciences, and 44 % at the Department of Chemistry, Graduate School of Science at the University of Tokyo (as stated in the previous paragraph).

A large number of PhD students have graduated from the aforementioned universities, which may have been building networks with companies, etc. Based on the track records where many PhD holders have been employed at companies, etc., detailed situational analysis should be carried out for the Graduate School recruitment activities considering future career paths especially for Japanese students.

## **11. Proactive Dissemination of OIST's Achievements**

OIST has conducted the first Graduation Ceremony, and from now and onwards, it is required to actively disseminate the achievements of research and education activities more than ever both domestically and internationally. Accordingly, Interviews were conducted on the specific contents of activities that were strategically visualized and disseminated in various ways in each Division/Office in FY 2017, as well as on what they would like to do in terms of disseminating information in the future.

The following are the items that have already been implemented and confirmed.

### **【Gender Equality】**

- Regarding gender equality, OIST has made extra progress compared to any other university in Japan, creating plenty of opportunities to share its best practices with other Japanese universities. The following are the FY 2017 activities that made OIST known to the public as a model for practicing gender equality.
  - 1) Dr. Machi Dilworth, VPGEHR, has given 14 lectures including one at Kumamoto University, and introduced OIST's advanced efforts and practices.
  - 2) As a supplementary event of the Gender Summit Meetings 10 held in Tokyo, on May 29-30, 2017, a Satellite Meeting, the Okinawa Gender Summit 10, a conference of cutting-edge women scientists in the Asia-Pacific region, was held with OIST as its venue, jointly hosted by four parties, including OIST, Kyushu University, the University of the Ryukyus, and Japan Science and Technology Agency (JST).
  - 3) On March 6, 2018, in the third session of the International Funding Agency Seminar held at OIST, presentations and discussions were made among the participants from the U.S. and European countries regarding their efforts on how to integrate and incorporate gender equality policies in Science, Technology, Engineering, and Mathematics (STEM) research fields.

- 4) Based on the keynote lecture by Dr. Machi Dilworth, VPGEHR, at the Ochanomizu Women's College on October 8, 2016, a leaflet titled, “Do You Know the Unconscious Bias?” was prepared in August 2017 by the Japan Inter-Society Liaison Association Committee for Promoting Equal Participation of Men and Women in Science and Engineering (EPMEWSE). This leaflet has been widely distributed to academic societies with more than 70 members, universities, and research institutions.
- 5) As an effort for evaluating the aspect of gender equality, in collaboration with the Sasakawa Peace Foundation, Tohoku University, Nagoya University, Information and Systems Research Organization, etc. development of a standard evaluation tool to measure the situation of the female participation status in STEM fields at Japanese universities is underway.

#### **【Asset Management • Investigation on Reagent Price Gaps】**

- Various efforts have been made on asset management, etc., demonstrating some model cases for other Japanese universities, and the above-mentioned new financial management system called FAME/RFID system has been developed and operated, gaining attention even from MEXT. The system is said to have been introduced to financial sections at the Weizmann Institute of Science in Israel and the Institute of Science and Technology (IST) Austria.
- Regarding the research equipment and reagent price gaps between Japan and overseas, which has been a common concern among universities with science and engineering departments, data collection and analysis on certain reagent distribution routes and their prices in Japan and overseas have been conducted with the purpose of grasping the current status and causes of the price gaps from overseas manufacturers. As the result, a) the lowest price is offered in the country of manufacture, b) high prices are set for products without any competitive companies, c) the discrepancy rates differ depending on the price range of the products, d) as a general trend, consumables have higher prices in Japan and reagents have lower prices in Japan, e) as for chromatography related products, Japanese manufacturers have maintained excellent levels of technologies and services for years. Accordingly, there is a possibility that overseas manufacturers lower their prices for the competitive products in Japan, and price disparities have not been constant depending on the similar lines of products, and instead, they differ depending on the competition status of the price range and product categories. Results of this investigation have been disseminated nationwide, through poster presentations at national level conferences among research administrators.

#### **【Academic Repository, OISTIR】**

- An academic repository (OISTIR) that archives and publishes OIST research papers has been established at <https://oist.repo.nii.ac.jp>. The purpose of OISTIR is to maximize scientific research outcome and to enhance the organization's research profile, which would enable OIST's intellectual deliverables to be available all over the world. OISTIR was made public on

February 13, 2018, and on March 3, Metadata Harvesting database service (Metadata Harvesting is a data service referring and extracting literature data installed in an institutional repository by other service networks) was consecutively launched. With data being harvested, the number of searches becomes enhanced, possibly leading to a dramatic surge on the number of downloads. As a matter of fact, the number of downloads before the OISTIR publication was only four, and the number until the end of February 2018 after the publication was 61, and the number until the end of March 2018 jumped to 1,289. In this way, the numbers of articles viewed and downloaded have significantly increased since the launch of OISTIR.

**【Environmental Conservation and Energy Saving, etc.】**

- OIST actively disseminates information on its environment conservation efforts and energy-saving activities through publication of research papers, etc. A brochure to introduce the environmentally-friendly campus buildings is in the process of preparation.

**【Research Equipment Gallery】**

- The Research Support Division introduced OIST's main research equipment under the name of "The Research Equipment Gallery" on its website (<https://groups.oist.jp/rsd/research-equipment-gallery-0>). This will promote the utilization of research instruments in the University and information sharing, introduction of OIST's research environment for recruitment of faculty members, researchers, and students, in addition to providing opportunities for collaborative research and equipment sharing with outside researchers.

The Auditors believe that the outstanding achievements of OIST should not be limited to research and educational aspects alone, but also should be acknowledged in many other aspects through wide ranged publication in order to attract broader support for OIST.

The opinions of the Auditors are as followed.

- In order to gain widespread support for OIST, in addition to the results of research and education, it is necessary to make efforts to raise the fame of OIST through actively communicating externally on what OIST is proud of, such as gender equality, etc.

## **12. Closing Remarks**

The University has now entered into its seventh year since its inauguration and is currently in a phase for producing results toward the 10th Year Review. In the Audit of FY 2017, we have mainly focused on the activities and efforts toward the development of a safety culture, establishment of solid management, including the executive governance, disseminating OIST's achievements to outside of the University. As our conclusion, most of these efforts have shown positive results or progress. On the other hand, there have been some issues, such as performing a comprehensive disaster drill, that are being addressed, but these often fail to be fully resolved. These issues have

been noted in previous audit reports.

Efforts to achieve a resolution for these issues, especially the ones concerning disaster prevention, health and safety, and BCP that constitute high risk areas in the short-term, must be conducted immediately by strengthening top management and clarifying the structure of responsibility. In addition, with proper archive management through transparent decision-making procedures and appropriate record keeping, where confirmation can be made retrospectively at any time, it should be possible to prevent any loss of past records or even institutional memory. Thus, knowledge management that leverages past performances, good practices by other organizations, and investigative research to enhance future performance, will become increasingly important for OIST in the future.

At the end of this FY 2017 Audit Report, the Auditors would like to emphasize on the aforementioned points once again, hoping for the future growth and development of OIST.

This Audit Report is a translation of the Japanese original. In the event of any discrepancy between this translated document and the Japanese original, the latter shall prevail. Ms. Tina Mularski, Mr. Toshihito Tsushima and Ms. Mari Takenouchi of the CPR division, and Ms. Risa Sato of the Office of President supported with their expertise in editing the English translation. We are grateful to them for their support.

**September 2017**  
**Approved by Auditor**

### **Guidelines for Auditors' Audit, Okinawa Institute of Science and Technology**

OIST has been in operation for more than five years now, during which a series of internal and auditors' operational audits, and accounting audits by an audit firm, have been undertaken. The findings of these audits show that the basic administration of the University has become increasingly stable, as its fundamental functions have been put in place and are operating effectively.

As described in FY2016 Auditors' Audit Report, it is extremely important to apply the accumulated experiences to envision further expansion of the business and its operation, identify operational challenges while adjusting to the changes surrounding the University, and rigidly tackle each issue with a strong will and enthusiasm.

Under these circumstances, we set these guidelines based on the recognition that the Auditors' Audit should be conducted with a medium-term vision to further support the self-reliable growth and development of the University.

#### **1. Risk Matrix**

To conduct Auditors' Audit (hereafter, Audit), a risk matrix is established as in the attachment 1. It is to be adjusted as necessary, depending on the changes surrounding the University.

#### **2. Establish Mid-Term Audit Plan**

- (1) To conduct effective Audit with a mid-term vision, and to encourage active implementation of improvement at each division prior to audit, Auditors establish a three-year Audit Plan (hereafter, "Mid-Term Plan") based on the risk matrix described above, and report to the Board of Governors.
- (2) The duration of Mid-Term Plan is three years, which includes the following items:
  - (a) The basic principle and direction of the audit within the Mid-Term Plan
  - (b) The themes and objectives of each year in the Mid-Term Plan

(c) Items regarding “3. Annual Auditors’ Audit”

- (3) Auditors determine a yearly Audit plan based on the targeted Mid-Term Plan.
- (4) Each year the Mid-Term Plan utilizes a “rolling plan” method, based on the outcome of audits and changes surrounding the University. As a result, if a major change is necessary in the Mid-Term Plan, Auditors report to the Board of Governors regarding the changes.

### 3. Annual Auditors’ Audit

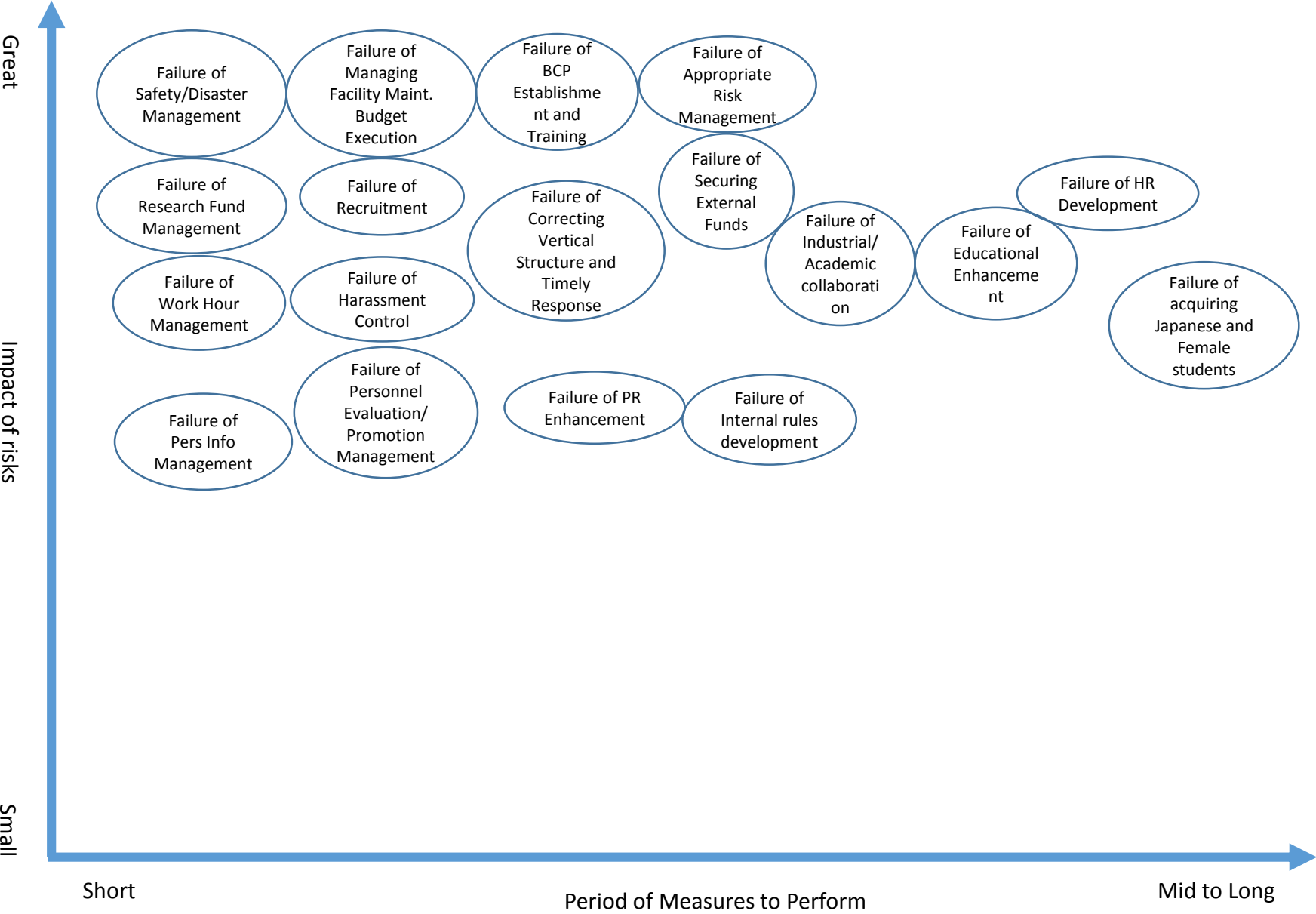
To ensure a steady business operation, Auditors regularly conduct hearings each year, or until sufficient, regarding current status and challenges reported by each division head in charge of following items, and perform site surveys as necessary:

- (1) Management of Facility Maintenance Budget Execution (FM, BFM)
- (2) Personal Information Management (AC)
- (3) Compliance Education (AC)
- (4) BCP Training Including IS (BCP in charge, CIO)
- (5) Work Hour Management, Including Overtime (HRGE)
- (6) Follow-up of Items Mentioned in Auditors’ Audit of Previous FY (related divisions)

### 4. Others

When guidance is received by outside parties regarding the management of the School Corporation that requires a follow-up, or any special issues that require additional improvement, Auditors should review the Annual Audit Plan and the Mid-Term Plan of the targeted term. Refer to 2. (4) for reporting to the Board of Governors.

Auditors’ Audit Risk Matrix



<https://www.oist.jp/news-center/news/2017/7/11/oist-diving-incident-way-forward>

11 Jul 2017

### **OIST Diving Incident - the Way Forward**

It is now nearly eight months since the tragic diving incident when an OIST professional diver disappeared. Since that date OIST has been engaged in a rigorous examination, coordinated by Dr. Mary Collins, OIST Dean of Research, that has involved many parties, both external and internal to the University. The goal of the examination was to understand the background to the incident and to understand how OIST must adapt its health and safety procedures to make sure that such an incident does not happen again.

Now all the different parts of the examination have been completed.

The following activities have taken place over the last eight months.

The Okinawa Labor Standards Office completed an inspection and in March 2017, they presented OIST with recommendations and instructions to implement improvements in health and safety procedures. OIST has reported its fulfillment of all the recommendations and instructions from the Okinawa Labor Standards Office, which has in turn accepted our improved measures.

In January 2017 OIST set up a fully independent External Review Panel made up of experts both on diving and health and safety. This panel delivered their report to the OIST President in May 2017.

OIST has been in contact with the Suzuki family since the incident to make sure that their wishes are paramount in any actions undertaken by the University.

The Nago Coastguards have been engaging in the examination of the incident. OIST shared the External Review Panel report with them.

The Human Resources Division at OIST has also completed its procedures on the relevant OIST employees in light of deficiencies found in connection with the incident.

Finally, the Suzuki family has completed the necessary steps to make the death of their son official. We plan to hold a ceremony to remember Shohei Suzuki next month.

**Thus, we must now reflect on how OIST moves forward from this tragic incident, to vigorously establish a new and effective safety culture within the University.**

Below is the summary of the report of the External Review Panel and our subsequent actions that was sent out by OIST President Peter Gruss to OIST staff in June. The full report of the External Review Panel can be viewed [here](#).

Please note that report is based on the evaluation and review by the External Review Panel of the OIST Diving Incident on their own responsibilities based on their analysis and examination of materials collected by the Panel, and does not necessarily represent opinions and views of OIST.

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### **Summary of Panel's Report on the Diving Incident**

June 5, 2017

I have now received the report of the External Review Panel on the diving incident of November 2016. OIST established this panel of experts in December 2016, to gain an independent assessment of all factors that could have contributed to the causes of the incident. I thank the Panel for their commitment and their diligence resulting in a thorough report. The report points out several systematic failures by OIST to establish and implement safety procedures.

The exact cause of the incident and the reasons why the missing diver failed to return to the surface are still unknown, however, there were many deficiencies in terms of dive planning, preparation of the dive and also organizational management, which cannot be overlooked nor should be tolerated.

It is essential that the university takes immediate, sweeping action to overhaul the OIST approach towards safety so that such an incident, which should never have happened in the first place, never occurs again at OIST.

From now on, safety must be woven into the fabric of every activity at OIST, whether in Research or in Education or in Administration. We cannot claim to be building a world leading Research University without also building a world leading safety culture that is respected and supported by all employees.

Safety is now the top priority at OIST and I ask all of you to accept that this will involve major changes in attitudes and procedures in day to day activities at OIST, so we can ensure as safe a workplace as is humanly possible.

I would like to present a summary of the findings and recommendations of the Panel's report and then outline the steps that we are taking to address identified deficiencies, and respond to the recommendations.

## **Findings**

According to the panel's findings, there was no detailed diving plan, and no risk assessments were conducted prior to the high-risk diving operation.

The diving equipment was not suited for the task, and the staff involved in the incident did not meet the training criteria to use it. The missing diver had pending health examinations that should have been performed prior to any diving work. On the day of the diving operation, there was no emergency plan, no spare equipment, supervisor or back-up diver available on site, and basic diving safety rules such as the "buddy system" were ignored. There was pressure to complete the work as the missing diver was soon to leave OIST.

The report ascertained that many of these issues were linked to a breakdown of the OIST management system. The panel concluded that the importance of occupational health and safety has been underestimated for some time across the university, not just for underwater fieldwork. OIST has failed to proactively manage safety such as supervision of fieldwork plans and enforcing health checks. The panel pointed out that there were also no records of incidents or "near misses" reported by the Marine Science Support Section, a situation that appears improbable. The report revealed a misunderstanding among the staff members about who is supposed to conduct the safety evaluation of fieldwork operations.

One difference highlighted by the panel is that the Dean of Research at OIST oversees not only research budget, but also Occupational Health and Safety and Marine Science Support staff, while in other universities these responsibilities are typically split between different departments. Therefore, the current OIST system prevents cross checking between departments for observation of safety rules and codes of conducts.

The Marine Science Support Section itself suffered from staff shortages, illnesses and complaints of harassment, to which the panel judged OIST management did not respond appropriately. The failure to appoint a fully trained leader, to oversee the Marine Support Section created a substantial workload burden and occupational health and safety duties were neglected. The report also revealed that all units involved in diving activities did not fully understand diving safety. For the specific case of the incident, a diver whom the panel judged to lack appropriate attitude for technical diving, was in charge of dive planning and safety without supervision.

## **Recommendations**

The panel made the following thoughtful recommendations on how the existing situation could be improved.

- A safety culture must be established in the research units, emphasizing that lead investigators are responsible for the safety of their researchers.
- Researchers themselves should be aware of the risks associated with their work and be trained accordingly.
- There should be an organizational “openness” between executive and staff to allow “whistleblowing”.
- OIST is encouraged to create a Project Management Team when initiating a large project, to develop a well thought through plan, including considerations of the necessary resources and staffing for a successful project.

## **OIST Response**

We are taking immediate steps to fully address the panel’s concerns and recommendations.

We will study the best practices on the management of health and safety at a number of international leading universities, and construct a management structure that will lead to a robust system, designed to maintain the highest level of campus health and safety. Such a system will most likely involve a highly skilled/experienced health and safety manager who will work with the Deans and Executives.

The appointment of a Diving Safety Officer is in progress, with no further diving allowed until the position is filled. A new Fieldwork Safety Committee has been established to review fieldwork plans in detail, including bringing in appropriate external experts. We have planned a campus-wide safety audit.

Concerning establishing a fully integrated safety culture at OIST, the Dean of Research has reminded Faculty Members that they are responsible for the compliance of the employees in their Unit for safety training and compulsory health checks. Health and Safety is now a standing item of the weekly Executive Meeting.

OIST Executives have initiated a development of the OIST Emergency Response Plan. A position for an Emergency Response Coordinator is now advertised and two further occupational health and safety staff will be recruited in the near future. Health and Safety infringements will be reported at the Executive Meeting for improvements.

To improve the “openness” of the OIST organization, everyone will be reminded of the system in place at OIST to report inappropriate behaviors or activities that are in violation of the OIST policies and practices. Further, workshops/seminars and other training sessions will be developed to improve communication skills of all OIST members.

In consideration of the recommendation for a Project Management Team, the Dean of Research and the Assistant Dean for Administration have convened a team to develop an appropriate infrastructure to support marine science at OIST. Two new members of staff have already joined the Okinawa Marine Science Support Section and we are currently advertising for a Section Manager as well as a team member to undertake project management.

Finally, in memory of the incident, each November will be Safety Enhancement Month, an initiative lead by OIST Executives.

This tragic incident has revealed critical weaknesses in our growing university; rapid and effective response is imperative. The organizational changes that I have outlined are only the start of a long-term change in attitude towards safety at OIST.

For press inquiries, please contact [media@oist.jp](mailto:media@oist.jp).



OIST

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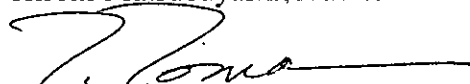
沖縄科学技術大学院大学

Attachment 3

April 10, 2017

To: Chief Executive Officer,  
Okinawa Institute of Science and Technology School Corporation

From:   
Hiroki Matsubayashi, Auditor

  
Tsugiyoshi Toma, Auditor

We have conducted an extraordinary audit regarding "Emergency Preparedness and Response". The result of audit is attached.

April 10, 2017

### **Auditors' Opinions regarding Emergency Preparedness and Response**

As mentioned in the FY2016 Audit Report, there is an immediate need to set up the framework for discussions and to promote these discussions towards the establishment of the BCP (Business Continuity Process), for the entire operation of the University. The fundamental goal of the BCP is to ensure safety of staff members and their families, assess emergency situations, and secure an effective line of communication that functions properly in these situations.

The record shows that the March 17<sup>th</sup> evacuation drill was conducted only for the main campus, excluding remote facilities, such as Seaside House and the Marine Science Station. The content of the drill was also limited to the minimum requirements of the fire protection law. This was also the case for all evacuation drills performed in the past. No university-wide massive earthquake and tsunami disaster drill has ever been carried out, which reflects the lessons learnt from the Great East Japan Earthquake in 2011.

Given these circumstances, even if the BCP is prepared, it will be nothing more than a concept, and will not serve as a practical function in actual large-scale disaster situations.

Every BCP begins with the establishment of an emergency response headquarters that responds to emergencies quickly and appropriately. The University should immediately establish its consolidated emergency response plan, which should include: 1) the establishment of the evacuation guidance procedures simulating a large-scale disaster, 2) immediate and appropriate announcements for the entire university, and 3) activation of the emergency response headquarters with the President at its center, and provision of necessary instructions and handling of effective communications.

In addition, it is imperative to consider how to guide and ensure the safety of external members visiting OIST, and to cooperate with Onna Village to establish effective communication procedures, and to perform emergency drills on a collaborative basis, considering the fact that OIST is designated as the emergency evacuation area for residents of the Village.