

Original Research Article

## **Analysis of the Responsibilities of Internal Audit in Chinese Universities**

### **——From the Perspective of the Internal Audit Work of Nanjing University**

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**Abstract:** With the rapid development and continuous creation of the higher education management concept in China, the new internal audit responsibilities of Chinese universities are also constantly expanding and developing. By sorting out the experience and characteristics of the internal audit work of Nanjing University in recent years, this paper systematically summarizes the concept and category of the current internal audit and work responsibilities of Chinese universities, and points out the practical problems encountered by the internal audit department of universities in the process of performing their duties and explores solutions.

**Keywords:** Internal audit; Audit responsibilities; Nanjing university

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The internal audit work of Chinese universities has gone through the process of continuous development and progress from scratch. In the early stage, the legal responsibility scope of internal audit in colleges and universities was narrow, mainly financial audit. When performing audit duties, bills and bills were more inclined to review. After decades of development, the scope of the internal audit responsibilities of colleges and universities has gradually expanded to the comprehensive audit integrating finance, internal control, engineering, policy, and computer system. At the same time, in addition to the traditional audit supervision, the audit function has also increased the service work such as providing consultation and proposing evaluation.

In recent years, Nanjing University closely follows the new characteristics and new tasks of the internal audit work in the new era, Around the central work of Nanjing University, Innovative audit concept, Highlight the audit focus, Actively explore the organization mode of integrated and embedded audit projects, Combined with the key work of the internal audit, Active reform and innovation, Deepening the audit of economic responsibility and construction project management, Optimize policy audit, performance audit, information system audit, internal control audit, etc., Promote the construction of audit informatization and research-based audit, Put forward audit suggestions from the perspective of improving the system, preventing risks, improving efficiency and enhancing vitality, We will promote the modernization of our governance systems and governance capacity. Taking the experience and characteristics of the internal audit work in Nanjing University as an example, this paper systematically summarizes the concept and category of the current internal audit work responsibilities in Chinese universities.

## **1. Scope of Responsibilities of the Internal Audit Work in Colleges and Universities**

### **1.1. Economic Responsibility Audit**

The Audit Office of Nanjing University has continuously promoted the combination of mid-in-office audit and outgoing audit, multi-department cooperation audit and other forms, further improved the joint conference

system of economic responsibility audit, and effectively improved the quality of economic responsibility audit. Combined with the central work of the auditee, we will deepen policy audit, internal control audit, asset resources audit, performance audit, information system audit and other elements, and strive to “multiple items of first instance”, “multiple results of first instance” and “multiple uses of one fruit”. In terms of organizational methods, we actively explore the cooperation with audit firms to conduct economic responsibility audit; in the audit type, according to the relevant national laws, regulations and policies, after soliciting the opinions of the CPC and Organization Department, etc.

### **1.2. Construction Project Audit**

Construction project audit is an important responsibility of the internal audit work in Chinese colleges and universities. Nanjing university audit by making the Nanjing university audit construction engineering commissioned cost consulting management evaluation method and other documents, timely complete tracking audit, settlement audit work, the proposed investment construction project of 2 million yuan of above, for 300000 yuan maintenance project settlement audit project sampling supervision, bidding for intermediary organization for comprehensive evaluation, and according to the evaluation results, scientific configuration project. In addition, in order to improve the economy of the construction of laboratory waste gas project, the audit department carries out the audit investigation of the construction standards of waste project, compares the construction needs and construction standards according to the management status, so as to improve the use utility of funds, timely find risks and hidden dangers, and improve the level of project investment management.

### **1.3. Internal Control Audit**

In recent years, the importance of the internal control audit work in colleges and universities has been increasingly prominent. Nanjing university, optimize the construction of internal control and evaluation, take full coverage of field level, and stick to the key areas of internal control evaluation, since 2020 to carry out the field level full caliber of internal control evaluation, and through the internal control evaluation reveals the problems existing in the educational project, audit opinions and Suggestions are put forward. In addition, the school through bidding, certified public accountants to the school annual internal control implementation systematic, holistic evaluation, efforts to find system design defects and execution defects, boost school management ability, at the same time combined with the internal control problems found in the economic responsibility audit, in-depth analysis of the problem behind the system obstacle, mechanism defects and system loopholes, constructive, pertinence and operability of the audit Suggestions.

### **1.4. Audit of Financial Revenues and Expenditures**

The audit of financial revenue and expenditure mainly includes budget implementation and final account audit. The audit department of the university carries out special audit on the annual budget management of the school based on the supervision of specific projects, such as special information construction and special repair projects. Carry out audit of research funds, guide relevant units and research teams to audit key research funds, and accurately meet research needs by purchasing services or entrusted audit. To carry out audits of official vehicles, and put forward audit suggestions for the problems such as repeated budget preparation, incomplete statistical data, lax contract management, and imperfect top-level design. Above financial revenues and expenditures audit work, mainly budget basis adequacy, budget integrity, budget rationality, budget adjustment perspective, from the accounting management, contract management, budget management, charge management

audit Suggestions, strengthen the consciousness of performance audit, improve budget performance management concept.

### **1.5. Other Special Audits**

The scope of other special audit work mainly includes policy audit, performance audit, etc. Nanjing university audit office combined with economic responsibility, financial revenues and expenditures, scientific research, engineering management, internal control audit type, effectively carry out the policy audit, and by promoting the school about major policies, major measures, the implementation of major deployment, promote the development of school high efficiency, high quality, enhance the credibility of functional departments and staff. In terms of performance audit, the audit department of the school carries out performance audit of school construction projects, mainly from three aspects: economy, efficiency and effect, and puts forward corresponding audit suggestions. In addition, the school through the Nanjing university subordinate unit main leading cadres to fulfill the economic responsibility important risk prompt list, from 22 important risk points, the school unit systematically, comprehensively identify risk, strengthen the consciousness of comprehensive risk management, earnestly this unit risk prevention work is of great significance.

## **2. The Construction of the Internal Audit System in Colleges and Universities**

### **2.1. Institutional Guarantee at the National Legislative Level**

China's first audit law began on January 1,1995, in 1996 to the education system internal audit work regulations was revised, in 1997, and for colleges and universities, budget implementation, financial revenues and expenditures, infrastructure repair project situation formulated the implementing rules for the audit, and then internal audit work according to the requirements of the laws and regulations and the measures for the larger adjustment in audit responsibility, audit responsibility expanded the budget audit, financial audit, engineering audit, fixed assets audit and economic responsibility audit and other aspects of the content. The Interim Provisions of the State Education Commission on the Internal Audit of Direct Institutions of Higher Learning formulated in 1985 underwent three revisions in 1996,2004 and 2020 respectively, forming the existing Provisions on the Internal Audit of the Education System. In addition, in 2018 of the audit on internal audit regulations and 2022 the implementation of the new “audit law” and other relevant laws and regulations, these laws and regulations of the legal status and responsibilities of Chinese university internal audit are more comprehensive provisions, for the smooth development of internal audit work in colleges and universities provides the legal basis and system guarantee.

### **2.2. Further Standardize the Internal Audit Responsibilities of Colleges and Universities by the Relevant Systems**

The Regulations on the Internal Audit Work of the Education System revised in 2020 have put forward new requirements for the internal audit work of Chinese colleges and universities from many aspects, and the internal audit work of colleges and universities has entered a new stage of development. In 2009, the Internal Audit Practice Guide No.4 —— University Internal Audit, pointed out that the internal audit responsibilities of colleges and universities should not only have traditional audit supervision responsibilities, but also have management and service responsibilities, that is, the audit work should promote the improvement of the management ability of colleges and universities and serve other departments of colleges and universities. After 2020, the state has paid more attention to the internal audit work of colleges and universities, and the newly revised audit law and

relevant audit regulations have also repositioned the internal audit of colleges and universities. Began in 2022, the new “audit law” and come into force on May 1, 2022, the no. 3204 internal audit practice guide —— economic responsibility audit of internal audit of the original traditional responsibility and added many new content, mainly including increasing the policies and measures to carry out the audit responsibility, increase of state-owned resources, state-owned assets of state-owned assets audit duties, clear the leading cadres of natural resources assets outgoing audit duties, etc.

### **2.3. Construction of the Institutional System of Colleges and Universities Themselves**

The internal audit rules and regulations of Chinese universities are improving day by day. In light of the characteristics of their audit business, most universities have formulated a series of rules and regulations for economic responsibility audit, project management audit, financial revenue and expenditure audit, and scientific research funds audit, and comprehensively promote the full coverage of audit and audit rectification. Since 2020, the Audit Office of Nanjing University has formulated a series of new documents according to the needs of the work, such as the 14th Five-Year Plan of the Audit Office of Nanjing University, to do a good job in the top-level design of the audit work of Nanjing University. According to the relevant laws, regulations and the superior administrative department of the relevant policy, documents, formulate the Nanjing university measures for budget implementation and final accounts audit the measures for the implementation of Nanjing university construction project management audit the measures for the implementation of Nanjing university financial revenues and expenditures audit, revised the measures for the implementation of Nanjing university construction project whole process tracking the Nanjing university audit measures for the implementation of construction project completion settlement audit, strengthen the comprehensive risk management, improve the governance efficiency.

## **3. Innovation and Development of the Internal Audit Work in Colleges and Universities**

### **3.1. Promoting the Construction of Information Platforms**

Nanjing University continues to enrich and improve the audit information system, and integrates the audit information system into the platform of the university information construction management service center, which not only reflects the characteristics of internal control, but also integrates into the construction of smart campus. The financial audit information system of the university integrates internal audit operation and audit management, including the daily audit management of law database, case database and other audit procedures, including the audit plan, audit execution, audit conclusion and follow up tracking. The project audit information system fully reflects the characteristics of “intelligent project”, which can not only improve the audit quality and efficiency of project cost consulting business, but also effectively control the risks in the audit process, and help the audit work to achieve integrity, transparency, fairness and justice.

### **3.2. Improving Personnel Training and Team Building**

Continuously strengthen the audit business training, multi-channel, multi-level learning training, through the form of online, combined with special training combined with self-study, through leading, expert guide, practice, case teaching training, constantly improve the audit staff political stance and business ability. The school strictly carries out performance appraisal, defines posts and responsibilities, and, according to the actual situation

of the staff, optimizes the audit specialist system, performance appraisal system, AB role division and related management work. In order to effectively improve the satisfaction of teachers and students, the school strictly implements the first inquiry responsibility system, does a good job in relevant services, and strives to improve the satisfaction, and reasonably carries out the application of the title, rank and relevant evaluation of the unit according to the work performance.

### **3.3. Expand Business Learning and Communication Forms**

We should pay great attention to multi-channel and multi-level learning and training, and constantly improve our business ability through leadership learning, expert guidance, practical help learning, case teaching and other ways. According to the assigned professional fields, audit auditors share and exchange new laws, regulations and industry regulations in combination with work cases, and invite business industry professionals to introduce their experience. Innovation audit business organization model, invite school asset management, laboratory and equipment management and other departments in the competent department of experts to participate in economic responsibility audit project, promote the audit found part of the problem line change, audit rectification together, promote collaborative audit, focusing on special problems, forming system construction, asset management, contract management, information system and other special audit report, system reflects the outstanding problems in related types of business, facilitate the competent department to plan as a whole.

## **4. Conclusion**

The development of higher education in China cannot be separated from advanced governance concepts and scientific governance means. As a key link in the governance of colleges and universities, audit supervision plays a pivotal role in the healthy development of colleges and universities. With the expansion of the legal responsibility of internal audit in colleges and universities in recent years, the role of internal audit of colleges and universities in “treating and preventing diseases” has provided a strong guarantee for the long-term development of colleges and universities. But at the same time, we should also see the problems in the process of performing the duties of universities, and actively explore solutions. Next, should improve the internal audit department independence, and improve the internal audit related rules and regulations, improve the longterm rectification mechanism and establish audit collaborative supervision mechanism of several angles, accelerate the audit full coverage, prompting the further development of internal audit reform, the maximum positive role of audit supervision, enhance the level of comprehensive management in colleges and universities.

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