

Research on the Application Mechanism of Internal Audit Results in Colleges and Universities

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ABSTRACT

The new situation and new environment of today's social development have put forward higher requirements for the effective use of internal audit results in colleges and universities. Whether the internal audit results are fully and effectively used is one of the means to test the quality of internal audit, and to a certain extent determines whether the internal audit work in colleges and universities can effectively play the role of supervision, regulation and promotion. Further strengthening the application of internal audit results, exploring the establishment and improvement of a long-term mechanism for the application of internal audit results in colleges and universities is an effective way to further improve the quality of internal audit in colleges and universities, give full play to the role of internal audit, promote the administration of colleges and universities according to law, strengthen the construction of internal control, and improve the level of internal management and economic benefits of running schools in colleges and universities.

Keywords: *Internal audit, Results application, Long-term mechanism.*

1. INTRODUCTION

In the "Framework Opinions on Improving Several Major Issues in the Audit System" issued by the Central Office and the State Office in 2015, it is clear that improving the mechanism for applying audit results is one of the eight major tasks. On October 23, 2021, President Xi Jinping signed Presidential Decree No. 100. The decision on revising the "Audit Law of the People's Republic of China" was passed at the 31st meeting of the Standing Committee of the 13th National People's Congress. In this revision, it is clearly stated that "audit results and rectification should be used as an important reference for evaluating, appointing and removing, rewarding and punishing leading cadres, formulating policies, and improving systems". It can be seen that strengthening the application of audit results is a higher requirement for audit work in the new era and new environment.

2. THE SIGNIFICANCE OF ENHANCING THE APPLICATION OF INTERNAL AUDIT RESULTS IN COLLEGES AND UNIVERSITIES

Audit results refer to the audit conclusions and suggestions formed by auditors after implementing audit procedures and summarizing work results in audit practice. They are the work crystallization formed by audit institutions and auditors in the process of performing their duties according to law, and they are also the key for audit institutions to perform audit functions and achieve audit goals. The application of audit results refers to the measures taken to implement the audit results, including the implementation of audit decisions, the implementation of audit recommendations, the formulation of preventive measures, and the improvement of internal control systems. The application of audit results, on the one hand, is that the audited unit rectifies the problems found in the audit, and can draw inferences from one case to avoid similar problems in the future; on the other hand, it is that the suggestions made by the audit

are adopted. By improving the internal management system of the unit, it can standardize the economic order of the unit, improve the level of internal control construction and management, and promote the healthy and sound development of the unit.

Whether the internal audit results have been fully and effectively used is one of the effective means to test the quality of internal audit in colleges and universities, and to a certain extent determines whether the internal audit work in colleges and universities can effectively play the role of supervision, regulation and promotion. If the results of internal auditing cannot be effectively used, the value of internal auditing cannot be truly reflected. The application of audit results plays a key role in expanding the influence of internal audit in colleges and universities and establishing the status and authority of internal audit. At the same time, the effective use of internal audit results in turn creates the necessary conditions for promoting the high-quality development of internal audit. The new situation and new environment of today's social development also put forward higher requirements for the effective use of internal audit results in colleges and universities. Further strengthening the application of internal audit results, exploring the establishment and improvement of a long-term mechanism for the application of internal audit results in colleges and universities is an effective way to further improve the quality of internal audit in colleges and universities, give full play to the role of internal audit, promote the administration of colleges and universities according to law, strengthen the construction of internal control, and improve the level of internal management and economic benefits of running schools in colleges and universities.

3. PROBLEMS EXISTING IN THE APPLICATION OF INTERNAL AUDIT RESULTS IN COLLEGES AND UNIVERSITIES AT PRESENT

3.1 The Level of Internal Audit Restricts the Value Content of Audit Results

First, the concept of some internal auditors is still relatively backward. They believe that auditing is to find problems. They believe that the more problems they find, the higher the audit quality. They ignore the summarization, analysis, mining, application and accumulation of audit results; Second, some internal auditors have not high

enough professional level and lack of practical experience. During the process of auditing projects, they cannot strictly follow relevant systems and relevant requirements to implement necessary auditing procedures, resulting in omission of audits or insufficient questions raised. Their audit recommendations are not very operational, which affects the audit quality; Third, the internal audit staff is insufficient and the knowledge structure is unreasonable. Most internal audit institutions are currently in a state of heavy audit tasks and insufficient auditors. At the same time, the existing auditors have a simple professional knowledge structure, lack of comprehensiveness, and lack of professionals in information technology, law, risk management, etc., resulting in insufficient depth of problem discovery and opinions, and low quality of audit results. The quality of audit results directly affects whether the audit results can be effectively used.

3.2 The Audited Unit Has Insufficient Understanding and the Rectification Is Not Implemented Properly

Some of the audited units and their responsible persons think that internal auditing is to follow the process, or that the question raised by the audit is a denial of their own work, and even generates resistance. Therefore, the problems raised by the internal audit are often not recognized and valued by the audited unit, and they are unwilling to rectify or give feedback on the problems raised by the audit, and the audit opinions and suggestions cannot be seriously adopted, studied and discussed in depth, resulting in the mere formality of the audit problem rectification, and repeated trial and error. Some units only stop at coping with the task of audit rectification and inspection, avoiding the important and even issuing false explanatory materials and rectification reports, etc. They do not study and analyze the root causes of the problems from the workflow, rules and regulations, etc., resulting in the audit problems and rectification cannot really be implemented in place, and they cannot draw inferences about other cases from one instance, resulting in the waste of audit results, making it difficult for the audit problems and rectification to achieve the expected results, and unable to play a real role in promoting the internal management of the audited units in terms of improving the internal management system and optimizing the workflow.

3.3 The Leadership Does Not Pay Enough Attention, and the Application and Value-added of Audit Results Are Weak

First, the leadership of the unit does not pay enough attention and support to the internal audit work, which will directly affect the attention and support of other functional departments within the unit and the audited unit to the internal audit work; Second, some leadership levels not only do not pay attention to and support the audit work, but even hinder the full disclosure of audit findings. Some leadership levels only pay attention to the results of the audit report, but do not pay attention to the in-depth mining and application of audit results such as audit opinions and suggestions; Third, the leadership failed to build an effective incentive mechanism within the unit to fully mobilize and exert the internal motivation of various departments and secondary units. All these will lead to insufficient application of audit results and lack of initiative, and it is difficult to effectively convert them into the internal driving force of the unit's development and realize the full and effective appreciation of its value.

3.4 The Linkage of Relevant Departments and the Sharing and Utilization of Audit Results Are Insufficient

Internal audit matters mostly involve issues of internality and sensitivity. Therefore, the current internal audit results are more cautious in disclosing information, which is often limited to the transfer between the internal audit institution, the audited unit and its responsible persons and leadership. The rectification of audit issues is mostly limited to the audited unit, and most of other departments or subordinate secondary units do not care about and understand the content of internal audit work, the questions raised by the audit, and the opinions and suggestions formed. Even after some relevant departments understand the problems, opinions and suggestions raised by the audit, they cannot take the initiative to contact themselves, seriously investigate the problems, improve the rules and regulations, and prevent potential risks. For issues related to internal management and system construction, the relevant functional departments cannot form strong linkages, resulting in a small application of audit results, in-depth and insufficient application.

4. EXPLORING ON CONSTRUCTING A LONG-TERM MECHANISM FOR THE APPLICATION OF INTERNAL AUDIT RESULTS IN COLLEGES AND UNIVERSITIES

The long-term mechanism of "ternary core, full linkage" of internal audit results means that in the internal audit work of colleges and universities, the internal audit institution, the audited unit and the leadership level of the unit are the core elements, and all functional departments and secondary units of the school are linked, so that they can strengthen the mutual cooperation of relevant functional departments such as discipline inspection and supervision, organization, personnel, finance, assets, etc., fully mobilize and give play to their respective subjective active roles, deepen the application of internal audit results, and gradually form a long-term mechanism for the application of closed-loop rectification and comprehensive internal audit results that integrates "discovery, correction, prevention, and promotion". To explore the construction of a long-term mechanism for the application of internal audit results in colleges and universities with "three cores, all staff linkage", the authors put forward the following suggestions based on audit practice:

4.1 The Internal Audit Institution Should Strive to Improve the Quality of Audit Results

The first is to fully equip relevant professionals required for internal audit work, especially audit talents with professional backgrounds in information technology, law, risk management, etc., to ensure that the internal auditors have sufficient strength and their professional backgrounds match the actual work needs; the second is to strengthen the training of professional theory and business skills for the existing auditors. On the one hand, it is necessary to continuously improve the ideological and political position and awareness of laws and regulations of existing personnel, ensure that they can eliminate selfishness, maintain independence, adhere to impartiality, and comply with laws and regulations in audit work, and encourage existing auditors to further strengthen professional theoretical study and improvement through various channels. And on the other hand, it is also necessary to continue to strengthen the business training of existing personnel, actively organize them to participate in business training,

learning and audit practice activities organized by superiors and relevant departments, and adhere to advancing with the times, so that the audit concept and theory are not out of touch, and the audit methods and methods are innovative; the third is to establish an audit results analysis system, focusing on accumulation and frequent analysis, establishing an audit rectification ledger, and insisting on periodically summarizing, classifying, comparing, and analyzing audit findings and rectification, so as to form the accumulation of audit results and experience precipitation to better to facilitate the conduct of follow-up audits; the fourth is to do a good job of follow-up and return visits, and give full play to the role of internal audit in "reviewing, helping, and promoting". There is a must to ensure that the internal audit can not only raise questions, but also urge and help the audited unit to implement the rectification of audit problems, and timely carry out "review of audit rectification" according to the actual situation, so as to achieve a true closed loop of audit problem rectification, and effectively promote the internal control of the audited unit, which can effectively help preventing and resolving internal risks.

4.2 The Audited Entity Needs to Ensure That the Rectification of Audit Issues Is in Place

The audited unit and its main responsible person should fundamentally attach importance to the internal audit work, and make clear that the main responsible person of the audited unit is the first responsible person for rectification. The audited unit should establish the concept of correct treatment of internal audit work from top to bottom, and understand that audit work is a physical examination within the unit. The purpose is to fundamentally promote the internal healthy development of the unit, without conflict or exclusion, actively cooperate with the audit work, take seriously the problems found in the audit and audit suggestions, and truthfully conduct self-examination and self-correction. It is necessary to not only rectify a specific issue raised by the audit on a case-by-case basis, but also conduct in-depth research and analysis on the root cause of such problems. Starting from internal control management, the audited unit should learn to draw inferences about other cases from one instance, and improve relevant work processes and systems. It is also necessary to fundamentally solve the problem, prevent such problems from being repeated repeatedly and make the audit rectification a mere

formality, so that the audit results can be fully utilized in the primary link, and truly play a role in promoting the internal management of the audited unit.

4.3 The Leadership Level Should Pay Full Attention to the Internal Audit Work

The leadership level should radiate from top to bottom to drive all staff to pay attention to internal audit work, improve the status, independence and authority of internal audit, strengthen the transformation and application of audit results, and realize effective value-added of audit results. First, the leaders should provide understanding and support to ensure the independence of the audit, and fully and fairly disclose the audit findings; Second, they should hold regular special meetings to listen to the audit work report, conduct in-depth analysis and discussion on the problems found in the audit and the opinions and suggestions put forward, coordinate audit-related work within the entire unit, and fully tap and apply audit results with the fundamental purpose of promoting the healthy and sound development of the unit; Third, they need to establish a performance incentive mechanism, taking the rectification and implementation of audit issues by the audited unit and the application of audit results by other involved functional departments and secondary units as one of the performance evaluation contents of the department or unit, and add subtract points in the assessment according to its implementation, and fully stimulate the internal motivation of various departments and secondary units; Fourth, they can take the audit results and the rectification of audit issues as an important reference for assessing, appointing and removing, rewarding and punishing leading cadres, formulating policies, improving systems, and arranging budgets.

4.4 It Is Necessary to Strengthen the Cooperation of Relevant Functional Departments Such as Discipline Inspection and Supervision, Organization, Personnel, Finance, Assets, Etc., and Deepen the Effective Sharing of Audit Results

On the one hand, the relevant functional departments of discipline inspection and supervision, organization, personnel, finance, assets, etc. can actively cooperate in the process of audit work, fully support pre-trial investigation, data

collection and other work, and improve the quality of audit results; On the other hand, there is a necessity to expand the scope of audit results and build a platform for sharing audit results. For matters involving violations of laws and regulations, the disciplinary inspection and supervision departments should promptly and correctly handle and disclose the results of the handling in a timely manner. The organization, personnel and other departments take the audit results, the rectification and implementation of audit problems, and the application of audit results as important basis and reference in terms of assessment, appointment and dismissal, reward and punishment of leading cadres, and department assessment. Finance, assets and other departments can play a subjective and active role, consciously check the audit results and actively carry out problem investigation, self-examination and self-correction, revise and improve relevant work processes and systems, etc., and further improve the construction of internal control. All relevant functional departments work together to form a benign communication platform and establish a mechanism for sharing audit results.

4.5 All Staff Should Be Linked and Radiated in an All-round Way to Further Deepen the Application of Audit Results

It is necessary to strengthen publicity and education in the whole unit, establish the concept of correct treatment of audit work, and form a healthy and good internal audit environment and atmosphere. For common and wide-ranging problems, it is a must to actively organize all functional departments and secondary units to carry out self-examination and self-correction activities; for typical violations of laws and regulations, it is also necessary to carry out warning and education activities within the corresponding scope. It will be of great significance to set up a red line of warning in everyone's heart, reduce or eliminate the occurrence of problems from the source, and realize the full application of audit results and effectively add value.

5. CONCLUSION

Under the new era and new situation, the internal audit work of colleges and universities is facing new challenges, and higher requirements are also put forward for the application of internal audit results. The effective use of internal audit results is not only the key link of internal audit work, but also

the ultimate goal of internal audit work. By optimizing the working environment of internal auditing in colleges and universities, improving the status and quality of internal auditing, strengthening the effective sharing of internal auditing results, expanding the scope and intensity of publicity and education, it can realize the closed-loop and comprehensive radiation of auditing problem rectification, and gradually establish a long-term mechanism for the application of internal audit results in colleges and universities that integrates "discovery, correction, prevention, and promotion". This will help to further deepen the application of internal audit results in colleges and universities, improve the value of internal audit work in colleges and universities, achieve the purpose of promoting construction through auditing, continuously improving the level of internal management and organizational construction of the school, and ultimately promoting the overall sustainable, healthy and sound development of the school.

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