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Research on Countermeasures for Internal Economic Responsibility Audit in Universities from the Perspective of Governance Modernization

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Abstract: With the continuous advancement of the "Double First-Class" initiative in universities, internal economic activities of institutions have become increasingly complex, featuring expanded capital scale, diversified business types, and growing risk points. The traditional working mode of internal economic responsibility audit can hardly meet the development requirements of modern internal control governance in universities. Based on this, this paper discusses countermeasures for internal economic responsibility audit in universities from the perspective of governance modernization, so as to provide theoretical references for universities to realize standardized, refined, and modernized internal governance.

Keywords: Governance modernization; Universities; Economic responsibility; Audit; Resource allocation

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1. Introduction

Against the backdrop of the new era, universities play a fundamental and strategic supporting role in comprehensively building a modern socialist country. The volume of various economic resources such as financial appropriations, social cooperation funds, scientific research grants and logistics operations keeps expanding, while internal administrative levels are increasingly refined. Leading cadres at all levels and in all faculties are granted expanded authority over financial examination and approval, resource allocation and project management, making the internal financial governance environment of universities increasingly complicated. As the core component of universities' internal audit system, internal economic responsibility audit undertakes core functions including supervising cadres' economic performance, standardizing the circulation of financial power on campus, investigating integrity risks in school-running, and optimizing the allocation of educational resources. It serves as a key internal control tool linking national audit supervision and university autonomous governance, and realizing the reform goals of university governance modernization [1]. Therefore, integrating the concept of governance modernization with internal economic responsibility audit helps transform internal economic responsibility audit from a single supervision function to multiple functions, including comprehensive governance, risk early warning, and decision consultation.

2. The internal connection between governance modernization and universities' internal economic responsibility audit

2.1. Concept of governance modernization

Governance modernization is a standardized theoretical concept extended from the modernization of the national governance system and governance capacity to public institutions and higher education sectors. It represents a new public management paradigm different from traditional administrative control and centralized management, with systematic, law-based, collaborative, digital, and efficient core theoretical connotations [2]. On the one hand, the essence of governance modernization lies in realizing the transformation of public organization management mode from traditional administrative management to modern collaborative governance through reconstructing institutional systems, dividing governance powers and responsibilities, coordinating multiple subjects, empowering technical means, and closed-loop assessment. It achieves all-round upgrading of standardized governance procedures, law-based governance powers, intelligent governance tools, and value-oriented governance objectives.

On the other hand, governance modernization weakens the top-down administrative control of a single subject, and highlights the core operation logic of equal co-governance among multiple subjects, clear division of powers and responsibilities, closed procedural constraints, and value-added governance outcomes. It takes legalization, refinement, digitalization, and collaboration as core evaluation criteria [3].

2.2. Internal economic responsibility audit in universities

Internal economic responsibility audit in universities is a regular special audit with dual attributes of administrative supervision and financial audit under the internal audit system of universities. It acts as a basic institutional tool for universities to implement Party and government supervision, prevent internal control risks and supervise cadres' performance, featuring inherent theoretical characteristics of independence, public welfare, professionalism and accountability orientation.

Internal economic responsibility audit is led and implemented by independent internal audit institutions of universities in accordance with regulations. Its audit objects include Party and administrative cadres at all levels in universities, principal persons-in-charge of secondary faculties, and leaders of financial management posts. Centering on cadres' performance during their tenure, such as the exercise of economic management authority, implementation of major economic decisions, compliance with financial rules, administration of public educational funds and state-owned assets, and budget execution, it carries out special compliance and comprehensive research audits. It requires full coverage of audit objects, as well as comprehensive examination of audit contents, fields, and audit cycles [4].

In addition, as a core part of universities' internal supervision system, internal economic responsibility audit bears five basic functions: basic compliance supervision, definition of performance accountability, diagnosis of internal control loopholes, early warning of school-running risks, and governance decision consultation. It serves multiple school-running objectives, including maintaining and increasing the value of state-owned assets, standardizing the use of educational funds, preventing campus integrity risks, and consolidating governance accountability at all levels.

2.3. Internal connection between governance modernization and universities' internal economic responsibility audit

The two share unified top-level value objectives. The ultimate goal of university governance modernization is to standardize the operation of power on campus, optimize the allocation of educational resources, prevent comprehensive school-running risks, improve internal governance efficiency, and implement the fundamental task of fostering virtue through education [5]. The core objectives of universities' internal economic responsibility audit are to standardize cadres' financial performance behaviors, guard against financial and integrity risks in universities, improve the efficiency of campus fund and asset allocation, and consolidate governance accountability at all levels. Their underlying value orientations are completely consistent, and both serve the high-quality, standardized, and long-term development of universities.

3. Existing problems of internal economic responsibility audit in current universities

3.1. Shallow functional orientation of audit

At present, internal audit institutions of some universities still limit their understanding of economic responsibility audit to the theoretical framework of financial audit for administrative institutions. They take compliance verification, bookkeeping revenue and expenditure inspection, and definition of cadres' economic accountability as core audit functions, and define audit as a post-financial supervision tool, ignoring advanced governance functions in internal control governance, risk early warning, and decision consultation [6]. The design of existing audit objectives focuses on superficial business indicators such as financial compliance, fund utilization standards and matching of accounting data, while failing to incorporate modern governance indicators such as improvement of the university internal control system, efficiency of educational resource allocation, standardization of powers at all levels and integrity governance prevention into the core audit objective system.

3.2. Fragmented audit implementation process

The operation logic of internal economic responsibility audit in most universities follows the paradigm of traditional administrative audit, with cadre off-duty audit and special audit at term transition as main implementation carriers. Audits are mostly launched at the end of cadres' tenure or post adjustment, forming a post-hoc and passive audit process. On the one hand, there is no regular pre-audit process for researching economic performance risks and screening authority compliance at the early stage of cadres' tenure, so audits cannot conduct source risk control over cadres' performance.

On the other hand, there is no regular periodic tracking audit mechanism for long-term economic businesses such as continuous infrastructure projects and multi-year scientific research fund circulation, lacking process supervision. Meanwhile, the system of audit rectification, effect review, and long-term traceability is imperfect. After audit conclusions are issued, there is rigid procedure supervision, and audit rectification results cannot be reversed to optimize front-end business processes and standardize cadres' performance [7].

3.3. Lagging audit technical carriers

Most internal economic responsibility audits in universities still adopt traditional manual on-site audit modes, relying on offline verification of paper accounting vouchers, manual account comparison, manual review of filed materials, and manual research of sampled data. The transformation to big data and intelligent online smart audit modes has not been completed. Specifically, some universities have not built exclusive digital audit platforms for economic responsibility. Data interfaces among the smart campus governance system, financial management system, state-owned asset control system, and scientific research fund management system are not connected. Full-domain financial data of cadres' performance cannot be automatically collected and interconnected, forming typical campus governance data silos [8]. Besides, universities have not established standardized systems for digital audit operations, lacking clear specifications for smart audit processes, retention of electronic audit working papers, and big data evidence collection.

3.4. Insufficient audit coverage

The scope of audit objects of existing internal economic responsibility audit in universities has inherent limitations. Audit objects are mainly concentrated on core management posts such as principal Party and administrative leaders of universities and administrative directors of secondary faculties, failing to cover all management personnel holding authority over economic management, resource approval, and state-owned asset control [9].

In addition, the business supervision scope of economic responsibility audit in some universities is mostly limited to explicit regular economic activities such as fiscal special funds and educational operating expenses, lacking coverage over new and compound economic businesses including socialized school-running cooperation, operation of school-owned profitable assets, confirmation and circulation of intangible assets, cross-departmental resource allocation and implicit indirect economic decisions.

4. Countermeasures of internal economic responsibility audit in universities from the perspective of governance modernization

4.1. Building a diversified collaborative framework and strengthening top-level overall governance functions

Constructing a diversified collaborative operation mechanism for internal economic responsibility audit in universities is the key to standardized and efficient economic activities. On the one hand, clarify the core governance authority of the university Party Committee in overall planning, global decision-making, and resource allocation of economic responsibility audit work, and incorporate internal economic responsibility audit into the annual key internal control governance list of the university to break departmental parochialism from the top governance level [10]. On the other hand, build a unified campus collaborative supervision platform, formulate standardized working rules for audit clue transfer, data resource sharing and joint risk research, and break data and work connection barriers among various campus supervision subjects. Meanwhile, establish an assessment and restriction mechanism for cross-departmental audit collaboration, and take cooperation with economic responsibility audit as an indicator for annual governance performance assessment of all functional departments to consolidate collaborative accountability.

4.2. Building a full-cycle audit chain and improving internal economic responsibility audit processes

Universities shall align with the core requirements of standardized, pre-controlled and traceable governance modernization, embed economic responsibility audit into the full life cycle of cadres' performance and the whole circulation of campus economic businesses, and realize in-depth coupling between audit supervision and daily internal governance [11].

In the pre-audit stage, universities shall establish standardized procedures for research on authority compliance and risk screening at the early stage of cadres' tenure, incorporate economic responsibility risk assessment into pre-approval procedures for cadres to take office, define negative behaviors in economic performance, and achieve source prevention under modern governance objectives. In the in-process stage, for long-cycle economic businesses such as multi-year infrastructure projects and continuous operation of state-owned assets, universities shall carry out phased dynamic tracking audits, real-time research on compliance of cadres' decisions and standardization of business processes, and output real-time audit risk prompts and process optimization suggestions [12]. In the post-audit stage, connect business interfaces between internal audit departments and finance, state-owned asset and scientific research functional departments to realize interconnection and data linkage between audit supervision and campus financial management processes.

4.3. Expanding audit coverage to form a blind-spot-free supervision pattern

Universities shall systematically expand the coverage of internal economic responsibility audit in institutional norms in accordance with refined and all-dimensional internal supervision standards of governance modernization. First, based on campus administrative power lists and institutional staffing schemes, incorporate all cadres at all levels, department heads of secondary faculties, teaching and administrative managers, and administrators of school-owned profitable units who hold financial approval, public resource allocation, and state-owned asset management authority into regular audit coverage. Implement differentiated supervision frequencies, including routine audit, key audit, and special audit, according to risk levels of economic authority [13]. Second, incorporate all categories of economic activities and derived governance behaviors into audit supervision scope, covering fiscal special education funds, operating expenses, horizontal scientific research funds, school-owned profitable assets, intangible intellectual property rights, school-enterprise cooperative economic projects, and cross-departmental resource allocation. Third, expand the boundary of single business result audit, incorporate research on cadres' major economic decisions, implementation effects of departmental internal control systems and execution of financial systems as well as output benefits of public resources into audit scope, realizing simultaneous audit of performance behaviors, business processes and governance effects [14].

4.4. Promoting the construction of a digital audit system and building a smart audit model

Against the background of governance modernization, digital technology serves as an important support for reconstructing internal economic responsibility audit in universities, enabling synchronization between audit operation modes and the digital internal governance system. First, build an exclusive digital middle platform for university economic responsibility audit, connect data interfaces of full-domain business systems including financial accounting, state-owned asset management, scientific research project management, personnel performance and infrastructure management, break campus data silos, collect structured and unstructured full-dimensional data of cadres' economic performance, and build a dynamically updated database of leading cadres' economic performance portraits to provide underlying data support for big data audit research [15]. Second, reconstruct standardized digital audit operation procedures, establish norms for online evidence collection, intelligent working paper compilation, algorithm-based risk screening and cloud closed-loop review, and clarify the legal validity of electronic audit vouchers, online evidence and digital account books at the institutional level to fully meet the traceability management requirements of university digital governance archives. Finally, build an audit research platform adapted to university characteristics, set multi-dimensional early warning thresholds for abnormal fluctuations of financial indicators, deviations in performance decisions and excessive asset control risks, enable the system to automatically screen high-risk performance behaviors and intelligently generate key audit lists, reduce subjective judgment by manual work, and improve the accuracy and objectivity of audit research.

5. Conclusion

To sum up, promoting full coverage of internal economic responsibility audit is a necessary measure to advance the modernization of university governance. Through constructing a diversified collaborative framework, building a full-cycle audit chain, expanding audit coverage and promoting the construction of digital audit systems, universities can fully release the governance efficiency of internal audit and advance the modernization of the university internal governance system and governance capacity.

Disclosure statement

The author declares no conflict of interest.

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