Analysis of the Problems in the Audit of Small Infrastructure Projects in Universities and the Improvement Measures

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Abstract: The audit of small infrastructure projects is one of the most easily overlooked contents of special audit of colleges and universities. Through the summary of work experience, it is found that the following deficiencies in the audit of small infrastructure projects: the identification boundary of small infrastructure construction is not clear; the rights and responsibilities of audit departments and submitting departments; the audit methods; the lack of confidentiality of auditors; the integrity of auditors. The five problems are common problems encountered in the audit process of small infrastructure projects in colleges and universities. This problem can be solved through “Grasp the policy, reasonable division”, “System provisions, clear power and responsibility”, “External audit is the main, internal audit check”, “Double-blind with take, to eliminate leaks”, “Stand firm and eliminate corruption”, "Demand money must be handled" and other measures to solve the problem. Through the measures, we can improve the problems of small infrastructure projects in universities, which is worth advocating and promoting.

Keywords: Small Infrastructure; University Audit; Problem; Solutions.

1. Introduction

Auditing is an independent economic supervision activity in which a special organ conducts budget approval, financial revenue and expenditure review, asset verification, project settlement review of the finances of government agencies, enterprises and institutions, and financial institutions in accordance with the law. As a supervision mechanism, audit has a long history. According to historical data, China's audit first appeared in the late slave society of the Western Zhou Dynasty (1066-771 BC), where the post of "Zai Fu" was set up under the "Tai Zai", responsible for the economic distribution and supervision of the imperial family. The Tang Kaiyuan 25 years (AD 737), in the history of our country has appeared the word "audit", During the Song Yuan Feng years set up "audit department", responsible for the state and local institutions "financial accounts", "financial supervision" issues. After this time, the institution of China named "audit" is came into being [1]. The origin of modern audit can be traced back to Britain in the 17th century, that is, the "South Sea Company bankruptcy case" of the British South Sea Company, which created the history of modern civil audit and had a milestone significance and influence on the development of the world civil audit. The "modern auditing in China" was marked by the "State Treasury Auditing Court" established by the Qing Government in 1904. Due to the outbreak of the Second World War, the "modern auditing" in China did not develop greatly. In 1949, after the founding of New China, the national economy developed rapidly, and the position of audit in New China became increasingly prominent, and got rapid development. The development can be divided into two stages. The first stage, from 1949 to 1983, did not set up a separate national audit institution, and its related work was completed by the supervision institution within the financial department. In the second stage, from 1983 to the present, the "National Audit Office of the People's Republic of China" was established and laws related to auditing were promulgated and amended [2].

2. Research Status of University Audit Work

Colleges and universities belong to the "second class public institutions", which need to carry out a lot of financial accounts and audit work, which mainly includes: financial statements audit, internal control audit, fund use compliance audit, special audit, etc. In order to better promote the audit work of colleges and universities in China, domestic scholars have carried out a lot of research on it. In 2005, Zhang Dengchao [3] analyzed the deficiencies of internal audit construction, internal audit work and internal audit risk in colleges and universities, and pointed out that the audit department of colleges and universities should focus on improving the internal audit supervision system, strengthening the audit of the internal basic work standards, and enhancing the awareness of audit risks. In 2007, Li Xuelan [4] conducted research and analysis on the existing audit subjects, personnel quality and audit methods in colleges and universities, and concluded the deficiencies of the current audit policies in colleges and universities. She proposed measures such as "multi-party participation in the establishment of new audit subjects", increasing audit publicity, increasing audit funds and implementing audit responsibilities to strengthen the internal audit of colleges and universities. Fundamentally change the existing audit mode of colleges and universities. In 2018, Zhou Xiaomin [5] studied ways to improve the internal audit quality of colleges and universities, and concluded that the audit work of colleges and universities can be improved from the aspects of standardizing operating procedures and perfecting internal quality control; In 2020, based on practical work, Wu Kui [6] elaborated the technical risks, evaluation risks and internal control risks existing in the audit of colleges and universities, and proposed corresponding control measures. In 2022, Zhou Yan [7] published an article entitled "Effective Ways to
Realize the Function of Internal Audit in Colleges and Universities”, in which she discussed how to effectively realize the “function of audit departments in colleges and universities”. In the article, she pointed out that the functions of internal audit in colleges and universities can be effectively improved by strengthening the construction of internal audit institutions in colleges and universities, realizing full coverage of audit scientifically, and attaching great importance to the application of audit results. In 2024, Xue Shizhen [8] studied the effectiveness of audit supervision in colleges and universities and proposed that it could be improved from the aspects of formulating internal audit supervision system in colleges and universities, strengthening legal education and optimizing the subject team of internal audit supervision in colleges and universities, so as to further perfect the laws and regulations on audit supervision in colleges and universities and better guarantee the healthy development of higher education.

3. Research Status of Infrastructure Audit in Colleges and Universities

With the deepening of socialist modernization, the number and scale of colleges and universities have increased greatly, and their audit content has gradually expanded. At present, school audit includes financial statement audit, internal control audit, fund use compliance audit and special audit. Different from ordinary primary and secondary schools, colleges and universities have a large number of people and a large number of infrastructure construction and sporadic maintenance, so there are many problems in the audit of infrastructure construction in colleges and universities. In order to promote the high-quality development of the audit of infrastructure construction in colleges and universities, domestic researchers have done a lot of research on the basic situation of colleges and universities in China. In 2007, Wang Baishou [9] studied the problems faced by the audit practice of university infrastructure projects and proposed that we should standardize the audit procedure, strengthen the contract supervision, improve the audit system, enrich the audit force, determine the audit method and clarify the audit content, and strive to save construction funds and improve the investment efficiency. In 2011, Zhang Jianfeng [10] studied the reasons for the formation of audit risks in infrastructure construction, pointing out that infrastructure audit is the internal need for deepening the development of audit work, as well as promoting the standardized management of project construction investment, improving internal control and saving funds, highlighting the importance of infrastructure audit. In 2015, Zhao Yankun [11] studied the audit risks of university infrastructure construction in combination with the characteristics and manifestations of the audit risks of university infrastructure construction, and finally put forward relevant suggestions on how to strengthen the prevention and control of the audit risks of university infrastructure construction according to his own practical work experience. In 2016, Wang Kaiyu [12] conducted a study on the internal infrastructure audit risk of universities, pointed out the existing problems in the audit work in the construction of university infrastructure projects, analyzed the meaning of infrastructure audit risk, and finally put forward reasonable suggestions for strengthening audit work, reducing project risks and improving university infrastructure projects.

The above researchers [9-12] mainly studied from the aspects of audit risk, audit procedure, audit supervision, audit means, etc., elaborated the relevant problems existing in the audit of university infrastructure projects, and put forward corresponding suggestions for improvement.

4. The Problems in the Audit of University Projects

Domestic research on infrastructure audit mostly focuses on "large infrastructure projects" with a large amount of money, and rarely studies on small infrastructure projects. In order to ensure the smooth, efficient and clean audit of small infrastructure projects, this paper will make corresponding research on the audit of small infrastructure projects from the actual work. According to the reference [1-12] and the inspection and rectification opinions of the competent authorities, and combined with the actual work experience, the following shortcomings of small infrastructure projects are summarized:

(1) The identification boundary of small infrastructure projects is not clear

Compared with "large infrastructure projects", small infrastructure projects generally refer to infrastructure projects with small scale, low investment, short construction time and small impact. This definition accurately summarizes the characteristics of "small infrastructure projects", but it cannot fundamentally judge whether a project belongs to "small infrastructure projects". With the rapid development of socialist economic construction, in order to protect people's right to receive higher education, the Party and the state vigorously develop education and build a large number of colleges and universities. Due to the different levels of colleges and universities and the geographical environment in which they are located, the financial strength of colleges and universities varies greatly. Therefore, it is biased to directly divide the size of the project only from the fixed investment amount, construction calendar days and construction influence scope.

(2) Appropriately weaken the significance of traditional Chinese embroidery patterns

A university is an academic mecca and a very large institution. The university organization has the characteristics of "rigor and multi-level", which makes the implementation of its small infrastructure projects involve more departments and more complicated personnel. When implementing a small renovation project, there will be hydropower management center, network management center, construction and repair department, infrastructure management department, internal audit department and other relevant functional departments to participate in the work. When implementing a small infrastructure project, there are more participating departments, and the audit will lead to unclear rights and responsibilities.

(3) Problems with audit methods

The functional departments of colleges and universities are mostly management departments, and the audit departments on campus mostly exercise the authority of audit management. The project is a special audit, which is generally entrusted to a third-party professional audit institution. In this case, the auditing speed, auditing process and amount of audit reduction of small infrastructure projects in colleges and universities are basically dependent on the third-party audit institutions hired, and the audit results of the third-party audit institutions will influence the final settlement of the project to
a certain extent, which will have an adverse impact on the audit departments of colleges and universities.

(4) The lack of confidentiality of auditors

The main responsibilities of the audit department are the economic review, budget preparation, and management of third-party audit companies. When exercising the management authority of third-party audit companies, it involves the settlement of small infrastructure projects and small procurement settlement. This kind of audit project is closely related to the economy, and the construction units and suppliers will obtain the information of the project auditors through various means in order to maximize the interests. Under the temptation of money, some auditors may have an unfirm position, lack of confidentiality, and disclose relevant information about auditors of the audited project. After the information of auditors is disclosed, it will bring certain losses to the unit.

(5) The integrity of Participate in auditors

As a pyramid in the education sector, colleges and universities have a large number of students, teachers, school buildings and activity places. Due to the above particularities, there are more projects such as small infrastructure construction, sporadic maintenance and procurement. In this case, the total amount involved is relatively large, and the audited unit will adopt means such as proximity and money inducement to encourage auditors to increase the amount of work at will and change the audit results in order to pursue the maximization of its own interests. In the end, some unfirm auditors acted as their "cash cow" under the temptation of money, making universities suffer losses.

5. The Solutions of Problem in University Small Infrastructure Audit

Small infrastructure projects in colleges and universities are very common, the individual amount is small, but the cumulative amount is large, because the cumulative amount is large, small infrastructure projects have also become the focus of inspection by the competent authorities. In the previous review of the competent department, its "audit final accounts" exposed the above problems, in view of the exposed problems, the following solutions are proposed:

(1) Grasp policies and divide them reasonably

Because the financial strength of each university is different, it is not desirable to judge whether it is a small infrastructure project only from the aspects of investment amount and duration, etc., so it can be judged from the following aspects: Investment judgment: The project whose investment capital accounts for less than 3% of the total annual budget cost of sporadic infrastructure construction will be tentatively designated as "small infrastructure project"; Construction calendar days judgment: Infrastructure projects whose contract construction date is within 90 calendar days can be tentatively classified as "small infrastructure projects"; Reporting and construction judgment: Projects that do not need to be submitted to the government's planning, development and reform, finance and other departments for approval and approval can be tentatively designated as "small infrastructure projects"; Engineering quantity and process identification: Projects with small engineering capacity, simple construction process, and small impact on the campus and the surrounding environment can be tentatively designated as "small infrastructure projects". Based on the university's own situation and the above four judgment categories, if any two of the above criteria are met at the same time, the project can be judged as a "small infrastructure project".

(2) Rules and regulations, clear power and responsibility

During the audit process, the audit unit found that there were unclear statements in the relevant documents submitted for review, which required the cooperation of the school's internal audit, infrastructure, information management and other departments for on-site confirmation. During the work cooperation, problems such as the primary and secondary cooperation and the attribution of rights and responsibilities may occur. In order to solve this problem, regulations can be formulated for the unified management of the "small infrastructure project site verification" by the infrastructure department or the audit department, so as to avoid unclear powers and responsibilities, confusion and other problems.

(3) External audit and internal audit

The auditing of small infrastructure projects in colleges and universities is mostly carried out by external third-party auditing institutions. If the third-party auditing institutions make mistakes, the universities will suffer economic losses. In order to reduce the occurrence of such mistakes, the auditing method of "external auditing and internal auditing" can be adopted. External audit mainly refers to outsourcing small infrastructure projects to professional "third party audit institutions" through signing audit contracts with professional audit companies, and stipulating the scope of audit effectiveness, audit remuneration, audit responsibilities, etc. Internal audit refers to the random inspection and verification of the projects audited by the "professional third-party audit institution" by the audit department of the university. If the audit results deviate greatly from the third-party audit results, the third-party institution responsible for the audit will be punished.

(4) Double blind suction, prevent leaks

The amount of a single project of a small infrastructure construction project is low, but the cumulative total amount is high. Under the traditional designated audit mode, the construction unit is easier to get the information of the auditor. In order to prevent this situation, the measure of "double blind sampling" can be adopted. The so-called double blind sampling is to establish a "third-party audit institution library" and "construction unit library" when selecting foreign audit institutions, and stipulating the scope of audit, audit effectiveness, audit remuneration, audit responsibilities, etc. The audit data is transmitted through the system by electronic documents. This measure can make third-party audit institutions, audited units, audit departments are not clear about the corresponding situation, which can prevent auditors from the source of information leakage.

(5) Stand firm against corruption

The total amount involved in small infrastructure projects is large, and auditors are easy to become the "cash cow" of the audited units under the temptation of money. In order to reduce this situation, The "corruption" problem in the transformation process can be solved by "strengthening political learning", "signing the audit confidentiality agreement", "increasing the punishment for leaking secrets", and "performance commissions in the reasonable deduction amount". In addition, the relevant punishment system can be established, and the relevant system can be implemented, and
finally "there are rules to follow, violations must be checked, and the enforcement of rules must be strict."

6. Conclusion

Small infrastructure projects in colleges and universities have problems such as unclear identification boundaries, unclear rights and responsibilities, single audit methods, information leakage of auditors and clean government, which can be solved through measures such as "grasp the policy, reasonable division", "system regulations, clear rights and responsibilities", "external control and internal extraction", "double blind sampling", and "strengthen ideological education and firm stance".

References


