

Research on Audit risks and Countermeasures of Financial fraud in Listed Companies

-- Taking Kaila Technology as an Example

Ping Qin, Kundai Li

School of Management, Sichuan University of Light Chemical Technology, Zigong City, Postal Code 643000, China

Abstract: With the prosperous development of social productivity and economic trade, the business operations of listed companies have become more complex and diverse, posing more challenges to traditional auditing work. This article analyzes the case of financial fraud at Kaile Technology, provides a brief overview of its fraudulent behavior and consequences, evaluates audit risks from three dimensions: development strategy, company operations, and major misstatement risks, and finally proposes relevant risk response suggestions to prevent similar corporate financial fraud incidents from happening again.

Keywords: Audit risk, Financial fraud, Risk response.

1. Introduction

In the context of rapid development of the market economy, listed companies encounter increasingly complex and diverse business activities during their operational growth, which often lead to situations where businesses do not require public bidding and information disclosure is restricted, making them highly susceptible to systematic fraudulent behavior. In the case studied in this article, Kaile Technology falsely reported a total revenue of 51.225 billion yuan and a profit of 5.936 billion yuan from 2016 to 2020, accounting for 73% and 99% of the disclosed values, respectively. Its private network communication business, which is confidential in nature, involves a lot of information that is not disclosed to the public, creating a regulatory loophole in the "confidential business + closed-loop trade" model, which provides opportunities for financial fraud in the company. The case involves nearly 20 listed companies and nearly 100 billion yuan in involved amounts, forming a systematic fraud in a closed-loop chain, reflecting the collective dilemma of blindly following trends and lacking risk control in the industry ecosystem. Looking back at the auditing institutions' dereliction of duty in failing to identify issues for five consecutive years, it has exposed the deficiencies in the existing audit procedures for technology-intensive industries. Traditional audit procedures have limitations in penetrating verification. How to accurately identify, assess, and respond to audit risks in businesses with limited information disclosure has become a common problem faced by auditing institutions and regulatory

agencies. Therefore, it is of great significance for this article to explore typical corporate cases of financial fraud in the "private network communication" business.

2. Overview of Kaila Technology Company

2.1. Company Profile

Hubei Kaile Technology Co., Ltd. (hereinafter referred to as "Kaile Technology") was founded in 1993, focusing on the plastic pipe manufacturing industry from its inception. Subsequently, it seized the opportunities of the times and actively participated in municipal engineering and infrastructure construction, quickly gaining a foothold in the Hubei regional market. In subsequent development, the company underwent business transformation, entered the optical fiber and cable field, and became a leading enterprise in optical cable production in Central China, successfully listing on the Shanghai Stock Exchange. However, the good times did not last long. Around 2016, the company began to face the dilemma of sluggish growth in its main business. To address the immediate problem, the company chose to collude with affiliated enterprises controlled by Sui Tianli to plan a fraudulent scheme involving a fictitious "private network communication" trade cycle. The main fraudulent means included signing false contracts and forging documents. The China Securities Regulatory Commission (CSRC) initiated an investigation and determined that the company had met the criteria for delisting due to major violations.

Table 1. List of Major Events of Kaila Technology

time	stage	Main events
From 2016 to 2020	Fraudulent implementation	The falsely reported revenue was 51.225 billion yuan, and the profit was 5.936 billion yuan
July 2021	Risk exposure and investigation	The supplier was overdue, resulting in a broken capital chain of 1.4 billion yuan
May 2022		The China Securities Regulatory Commission has initiated an investigation
December 2022		Confirmed fraud, triggering a major illegal delisting warning
February 2023	Delisting and punishment	De-listing and a fine of 10 million yuan, with the chairman banned from entering the market
September 2023		Directors and independent directors collectively receive regulatory warnings

2.2. Main means of fraud

2.2.1. Fictitious business

Kaila Technology, through its "private network communication" business, forged a false trade chain with 13 affiliated enterprises actually controlled by Sui Tianli, and signed false sales contracts. For example, Kaila Technology first signed a false purchase contract with Sui Tianli's affiliated enterprises as the buyer, and then paid funds to the other party in the name of prepaid payment for goods, which led to the false increase of a huge amount of operating income and profit in the financial statements.

2.2.2. Forged documents

To further conceal the false sales situation, the affiliated enterprises subsequently forged production records, logistics documents, and acceptance reports, fabricating the "equipment delivery" process, allowing Kaila Technology to falsely recognize revenue, when in fact no equipment was produced or transported, and there was no inventory in the warehouse.

2.2.3. Concealment of related-party transactions

In order to fabricate false business transactions, Sui Tianli directly or indirectly controlled 13 shell companies, such as Shanghai Xingditong and New Generation Private Network. Furthermore, through multiple layers of related shell companies, the funds were closed-looped back to the account of Kaila in the form of sales revenue. From 2016 to 2020, undisclosed related-party transactions accounted for 100% of the total private network communication business.

2.3. Regulatory penalties and market consequences

Kaila Technology severely violated the information disclosure rules of the securities market. The China Securities Regulatory Commission (CSRC) ordered it to make corrections and imposed a fine of 10 million yuan. The former chairman of Kaila Technology, Zhu Dixiong, who was the main person in charge of the company, was fined 15 million yuan and banned from the securities market for life. Other senior executives were also punished, with a total fine of over 30 million yuan. Ten responsible individuals were banned from the market, three of whom were banned for life. Due to Kaila Technology's insolvency, investors who suffered severe losses also faced difficulties in claiming compensation, which dealt a significant blow to the confidence of stock market investors. After Kaila Technology's financial fraud was exposed, the auditing institution was also investigated, and the signing accountants were fined and banned from the market. The firm faced civil claims from investors. The auditing institution failed to fulfill its due responsibilities and turned a blind eye to financial fraud, and must also bear corresponding legal responsibilities, thus serving as a warning to other auditing institutions to maintain professional caution and audit independence.

3. Risk Assessment

3.1. Strategic risk analysis

3.1.1. Ambiguous strategic positioning

Kaila Technology started its business with plastic pipes in

1993 and successfully listed on the Shanghai Stock Exchange in 2000. However, due to the low threshold and homogenization competition in the plastic pipe industry, the main business declined. The management gave up the direction of technological upgrading and chose strategic speculation instead. In 2002, Kaila Technology ventured into the optical fiber field but was marginalized due to weak research and development and backward technology. After entering the real estate industry at a high price in 2004 and making a short-term profit, it was impacted by the 2008 financial crisis and industry downturn. It switched to acquiring Hubei Huangshantou Liquor Industry to enter the baijiu market, and the baijiu business once became an important profit source for the company. However, these diversifications did not bring sustainable development but instead led to a loss of focus on the main business. When it proposed the goal of "returning to the plastic king" in 2014, it had missed the opportunity, and the proportion of plastic business shrank significantly. In 2016, private network communication was regarded as a high-tech field due to rigid demands such as public safety. Kaila Technology collaborated with Sui Tianli to fabricate this business, attempting to attach the label of high-end manufacturing to boost valuation.

3.1.2. Imbalance in business structure

Due to the continuous deterioration of real profitability caused by strategic failures, Kaila Technology faced urgent short-term performance pressure. In order to meet the capital market's immediate demand for revenue growth and avoid triggering delisting risks, the management falsely increased revenue by fabricating a closed-loop private network communication business to conceal its operational difficulties. The business structure of Kaila Technology is imbalanced, which is prominently manifested in resource misallocation and the hollowing out of its core industries. In terms of resource distortion, the company has falsely increased R&D expenses by 937 million yuan over three years, disguising the illusion of technological transformation. Its R&D investment as a percentage of revenue has long exceeded the industry average of about 3-5% in the communication equipment manufacturing sector by more than three times, but the technology conversion rate is almost zero. This abnormal investment not only squeezes the cash flow of traditional main businesses such as fiber optics and cables, but also leads to the continuous shrinkage of physical industries. In terms of falsified revenue, the company's scale mainly relies on the fabricated private network communication business, and the proportion of this business's falsified revenue rapidly increased from 48.99% in 2016 to 91.13% in 2020. Please refer to Figure 1 for Kaila Technology's private network communication revenue and operating income. This morbid dependence forced the entire procurement and production process to be falsified, with most of the advance payments falling into the false supply chain associated with Sui Tianli, rendering the entire operating system a tool for fraud. The investigation by the China Securities Regulatory Commission confirmed that over 90% of the revenue was derived from a single abnormal structure of false business, which is the core incentive for systemic fraud.

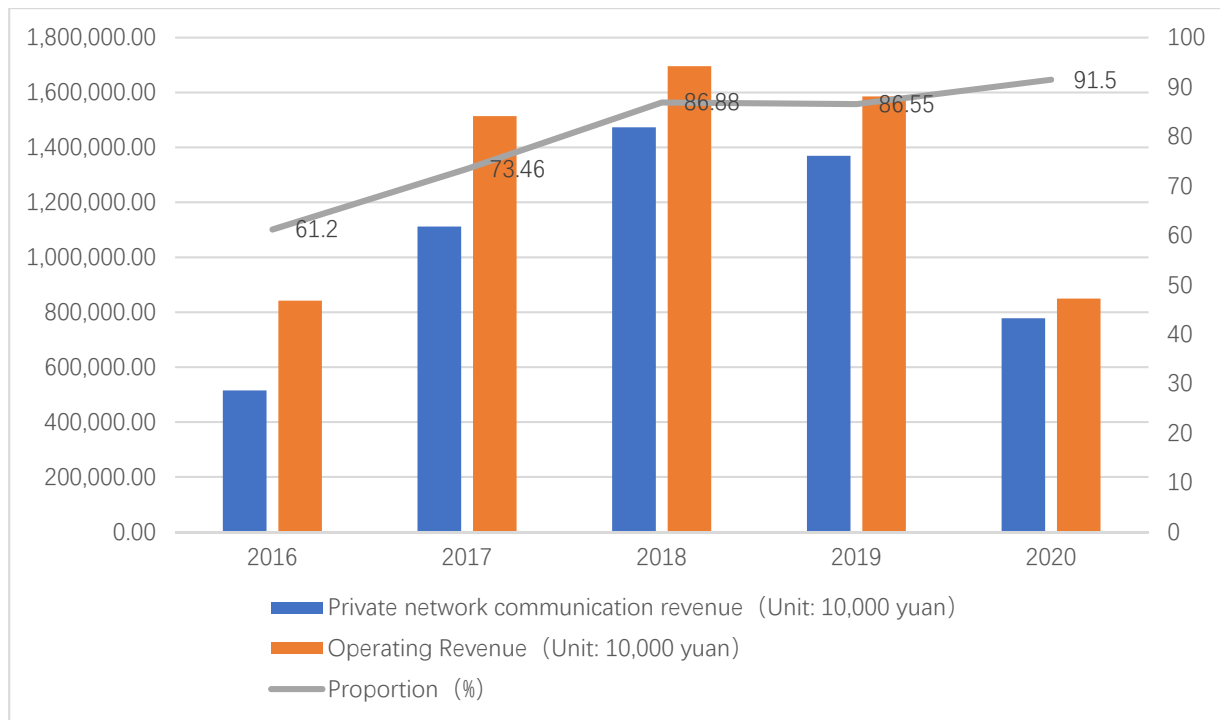


Figure 1. Revenue and Operating Income of Kaila Technology's Private Network Communication from 2016 to 2020

3.1.3. Industry selection risk

Private network communication services often involve sensitive areas with high confidentiality and closed nature in military and government sectors, which create a natural barrier for systematic fraud, leading to a lack of transaction transparency. The upstream and downstream transactions of Kaile Technology are concentrated in affiliated companies such as Shanghai Xingditong controlled by Sui Tianli, forming a closed-loop false trade network. They avoid public bidding and business disclosure on the grounds of confidentiality. In actual operation, there are no real production activities and logistics delivery records, and only fabricated procurement contracts, production documents, and logistics vouchers are used to fabricate income. External verification is prohibited in confidential areas, making it impossible for auditors to verify key links such as inventory and production equipment on site. The reliance on fabricated warehouse entry and exit documents is precisely the tool used by fraudsters to fabricate evidence

3.2. Risk assessment of operational links

3.2.1. Closed-loop fraud in procurement and sales

The core of financial fraud at Kaile Technology lies in constructing a complete false trade chain through related-

party control, document forgery, and capital recycling, thereby achieving closed-loop fraud in procurement and sales [1]. This model forms a closed circuit with enterprises such as Shanghai Xingditong and Aerospace Shenhe, which are actually controlled by Sui Tianli, as the hub: Kaile Technology first signs procurement contracts with upstream suppliers designated by Sui Tianli (such as Shanghai Xingditong) to fabricate raw material procurement needs. Between 2016 and 2020, the company falsely increased the procurement amount by 44.352 billion yuan and forged purchase orders, warehousing receipts, and other documents to complete bookkeeping records. Subsequently, the company completes book production by forging a full set of production documents such as production instructions, material requisition forms, and quality inspection forms without actual production line input. The person in charge of production, Duan Heping, fabricates false links such as equipment assembly and aging testing, transforming non-existent private network communication equipment into inventory. Finally, the fabricated inventory is sold to customers controlled by Sui Tianli at high prices, falsely increasing operating income by 51.225 billion yuan, accounting for 48.99%-91.13% of disclosed income. Please refer to Table 2 for details of Kaile Technology's falsely increased operating income and profits from 2016 to 2020.

Table 2. Details of Inflated Operating Income and Profit of Kaila Technology from 2016 to 2020

project	2016	2017	2018	2019	2020
Exaggerated operating income (in billions of yuan)	41.26	110.98	146.38	136.17	77.46
Proportion of disclosed operating income in the current year	48.99%	73.31%	86.32%	85.85%	91.13%
Exaggerated total profit RMB100mn	1.77	9.21	16.31	17.56	14.51
Proportion of total disclosed profits in the current year	64.97%	99.99%	144.84%	183.71%	247.45%

Throughout the entire process, funds are transferred in a closed loop via multiple layers of related parties. After being transferred through the accounts of related parties such as Shanghai Xingditong, the funds ultimately flow back to the company's account in the form of sales revenue, creating the illusion of a capital cycle of "prepayment - production - sales - revenue collection".

3.2.2. Internal control failure

In the fraud case of Kaila Technology, the highly centralized corporate equity structure was the primary reason for the failure of internal control. The actual controller Zhu Dixiong established a "one-man-decides" decision-making system through family control. Zhu Dixiong directly led the design of the fraud chain, designated related parties such as Shanghai Xingditong controlled by Sui Tianli to construct a false trade loop, and arranged for the core management team to work together. Kui Kai, the deputy general manager, was responsible for signing false purchase and sales contracts with related parties. Duan Heping, the production manager, forged a full set of production documents (accumulating false inventory value of over 40 billion yuan from 2016 to 2020). Liu Lianchun, the chief financial officer, created a financial loop through operations such as prepaid payments and fictitious repayments. The highly centralized power led to internal control policies becoming mere formalities.

3.3. Assessment of significant misstatement risks

3.3.1. Revenue recognition fraud

Kaila Technology inflated its revenue by fabricating private network communication business. The proportion of this business in the company's annual revenue rapidly increased from 61.49% in 2016 to 91.13% in 2020, with the inflated revenue in 2018 alone reaching 14.638 billion yuan, accounting for 86.32% of the annual revenue [3]. In specific operations, the company signed false purchase and sale contracts with related parties controlled by Sui Tianli, such as Shanghai Xingditong and Aerospace Shenhe, agreeing to purchase raw materials for processing into private network communication equipment for sale, but in reality, there were no production activities. The company forged the inventory in

and out documents of the production base in Jingzhou, Hubei Province. According to satellite images from later investigations, most of the factory buildings at the base were idle for a long time. Kaila Technology prepaid 6.2 billion yuan in purchase payments to related parties, and the funds flowed through multiple layers of shell companies before being returned in the form of sales proceeds, creating false cash flow. This included abnormal indicators such as the gross profit margin of the private network communication business exceeding 40% for five consecutive years, while the industry average was 15%. The China Securities Regulatory Commission ultimately determined that its cumulative inflated revenue from 2016 to 2020 was 51.225 billion yuan.

3.3.2. Inflated inventory and prepaid accounts

To support false revenue, Kaila Technology falsified inventory and prepaid accounts. The production manager, Duan Heping, fabricated material requisition forms and quality inspection forms, inflating the cost of RF board cards from 200 yuan to a book value of 120,000 yuan per unit as communication equipment. By 2020, the false inventory balance reached 3.722 billion yuan [4]. At the logistics level, there were no transportation records for "shipments" by Shanghai Xingditong or "pickups" by Aerospace Shenhe, with only receipts completing the bookkeeping process. Since 2016, Kaila Technology has implemented systematic financial fraud by fabricating "private network communication business" and falsifying procurement and production processes, leading to an abnormal expansion of prepaid accounts. In 2014, when Kaila Technology had not yet ventured into the private network communication business, the prepaid accounts were 212 million yuan; in 2016, this account surged to 6.2 billion yuan for the first time, and further climbed to 12.14 billion yuan by 2018, with 89% of the funds flowing to enterprises related to Sui Tianli. For example, in 2018, 6.2 billion yuan was prepaid to Shanghai Xingditong, accounting for 72% of net assets, which was essentially used for fabricating trade cycles. The inflated inventory corresponds to a procurement amount of 44.352 billion yuan, and falsified documents provide asset-side support for income fraud. Please refer to Figure 2 for changes in Kaila Technology's prepaid accounts from 2014 to 2020.

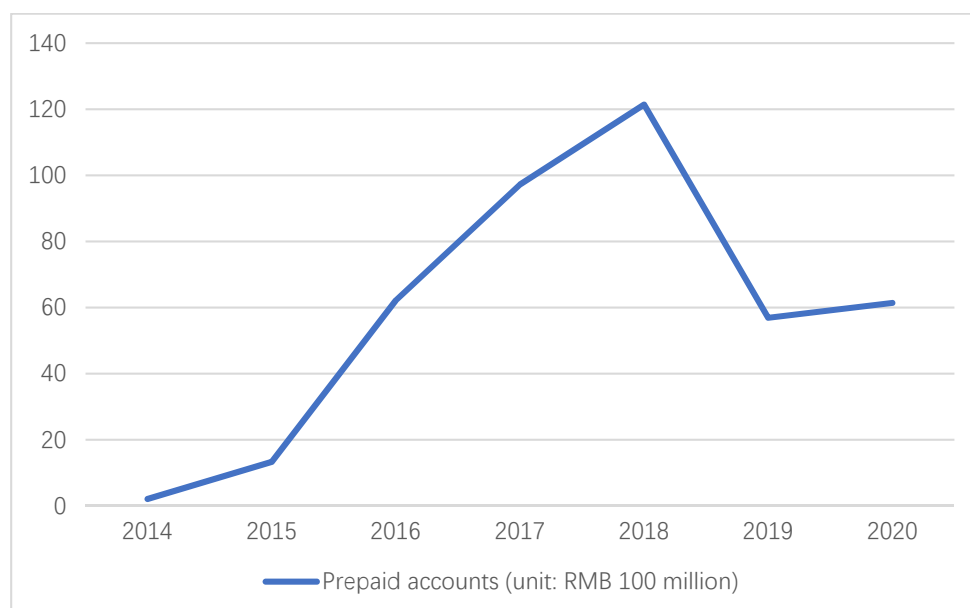


Figure 2. Changes in prepaid accounts of Kaila Technology from 2014 to 2020

3.3.3. Concealment of related party transactions

Kaile Technology concealed related-party transactions through nominee agreements and complex funding routes [5]. Sui Tianli controlled more than ten enterprises, including Chongqing Boku, by having others hold shares in Shanghai Xingditong on his behalf. However, the annual report only labeled them as "Customer A" and "Supplier B". Among the top five customers and suppliers, related parties accounted for over 80%. The funds flowed through multiple layers of related parties such as Fushen Industrial and Aerospace Shenhe before returning, forming a closed loop of "prepayment - production - sales - payment collection". The annual scale reached 8.9 billion yuan in 2019.

4. Risk Response

4.1. Risk response at the audit level

4.1.1. Penetration testing audit procedure

There are many significant risk anomalies in the company's financial statements, such as high-gross-profit abnormal contracts. In the industry, inspections are typically conducted in terms of price, delivery conditions, and acceptance standards. According to the adjusted data, the gross profit margin of Kaile Technology's communication business exceeds the industry average by 20%. When developing audit procedures, careful analysis of contract terms can identify transaction conditions that significantly deviate from market norms, thereby identifying potential fraud risks. When verifying authenticity, cross-verification of contract seals and signatories' authorities should be conducted. The business scope of the client can be verified through business registration information to ensure that the signing entity of the contract possesses the corresponding business qualifications and capabilities, thus avoiding the occurrence of fictitious transactions [6].

4.1.2. Identification of concealed related parties

Enterprises are prone to utilizing related-party transactions to commit financial fraud, so certified public accountants (CPAs) need to expand the scope of related-party verification when conducting business. They can utilize tools such as Tianyancha and Qichacha to analyze the equity structure of upstream and downstream customers and identify implicit relationships, such as those controlled through employee nominee shareholding and cross-shareholding. With the help of professional business information query tools in the industry, it is possible to deeply explore potential related-party relationships between enterprises and discover concealed related parties. The focus should be on checking the bank statements of management and key personnel to track whether the company's funds flow to potential related parties. By monitoring the flow of funds, it is easy to detect improper fund transactions between management and related parties. Attention should be paid to abnormal prices in transactions, and it is necessary to compare the transaction prices of related parties with the market fair prices. The reasonableness should be judged in conjunction with the industry's gross profit margin level. Unreasonable transaction prices are often an important characteristic of related-party transaction fraud, and abnormal transactions can be discovered through price comparison.

4.1.3. Dynamic inventory monitoring and ownership confirmation

In terms of auditing methods, surprise inventory monitoring can be employed, focusing on inspecting inventory in remote warehouses and verifying the consistency between physical item numbers and system records. Surprise inventory monitoring can prevent the audited entity from preparing false inventory in advance, ensuring the authenticity of the inventory monitoring results. By confirming the ownership of inventory and obtaining proof of inventory ownership to eliminate the risk of fictitious inventory, the authenticity and legality of inventory can be ensured [8].

4.1.4. Ensure the independence and professionalism of the audit subject

The auditing entity can establish mandatory rotation and fee cap mechanisms, set rigid requirements for the proportion of audit income from a single client, and reduce the risk of loss of independence. In the case of Kaile Technology, the signing certified public accountants (CPAs) remained unchanged for five consecutive years. The implementation of this system can avoid the formation of an interest alliance due to long-term cooperation and ensure the objectivity and fairness of the audit perspective [9]. The auditing unit can consider hiring industry experts to embed into the audit team and form a more professional and effective composite audit team to deal with the current audited unit. For example, in the case of Kaile Technology, a communication equipment engineer can be hired to verify the reasonableness of the bill of materials (BOM) list. The cost of a single device chip is reflected in the report as 800,000 yuan, while the market price of similar products is only 300,000 yuan. The professional engineers in the audit team can easily detect such anomalies with their technical knowledge. At the same time, for large and important corporate audit work, experts can be introduced to identify the authenticity of contract seals. The military contract seal forged by Kaile lacks anti-counterfeiting coding, and the professional skills of criminal investigation experts can effectively identify such forgery.

4.2. Risk response at the corporate governance level

4.2.1. Optimizing equity structure and balance mechanism

Introduce strategic investors or institutional shareholders, and utilize methods such as private placement to reduce the shareholding ratio of major shareholders from 40% to below 20%, diluting the actual controller's equity and forming an equity balance. Establish a "different rights for the same shares" mechanism to restrict the actual controller's sole decision-making power in key matters such as finance and investment.

4.2.2. Strengthen the independence of the board of directors

To effectively fulfill the responsibilities of an independent board, the proportion of independent directors should be increased to over 50%. Independent directors are required to have professional backgrounds in industries such as communications and auditing. The compensation of independent directors should be decoupled from the company's performance and not be subject to the management of senior executives. A special investigation committee led by

independent directors can be established, granting it the authority to directly access key materials such as financial records and contract drafts, addressing the issue of information opacity that prevents independent directors from effectively performing their duties and facilitating investors' supervision of corporate financial conditions. For recent major fund disbursements, related-party transactions, and other matters, it is mandatory for the entire board to vote and record the proceedings for archiving. Consider implementing a rotating CEO system to avoid excessive concentration of power in individual executives and prevent situations like the former chairman leading a fraud chain that went undetected for five years from happening again.

4.2.3. Reconstructing the internal control organizational structure

Upgrade the internal audit department to an audit and supervision center directly under the board of directors, making its staffing and budget independent of the management, and change the situation where the salaries of Kaile's original internal audit personnel are determined by the general manager, leading to ineffective supervision. Implement the "three separations" principle, namely the separation of contract approval and execution, the separation of fund payment and ledger registration, and the separation of inventory management and value accounting [10].

4.3. Risk response at regulatory and market levels

4.3.1. Establish a full-chain penetrating supervision system

There are data barriers across various departments. In order to detect irregular operational behaviors as early as possible, it is necessary to open up data interfaces with the China Securities Regulatory Commission (CSRC), the People's Bank of China (PBOC), the taxation authority, and the customs to track the flow of corporate funds [11]. In the circular operation of "prepaid accounts - sales revenue collection" conducted by Kaile Technology, significant funds are involved. If the data is connected to the PBOC payment system, abnormal fund flows will be intercepted in a timely manner. If an enterprise meets multiple high-risk data criteria simultaneously, inspection procedures will be triggered [12], such as related-party transactions accounting for more than 30%, gross profit margin deviating from the industry average by 20%, and accounts receivable growth rate exceeding revenue growth rate by 50%. During Kaile Technology's fraud period, all three indicators far exceeded the warning standards and should have been subject to close attention and inspection.

4.3.2. Increase the cost of illegal activities and strengthen law enforcement rigor

At the policy level, the fines for financial fraud can be significantly increased, with the fines linked to the amount of fraud and implemented as multiple fines. Taking Kaila Technology as an example, if the fines are calculated at 1%, they could reach 512 million yuan, which will form a strong deterrent to offenders. At the same time, the joint liability of sponsor institutions and audit institutions should be traced back, urging audit units to fulfill their duties effectively. Implementing a "regulatory blacklist" system, the main responsible persons, such as the actual controller and CFO of Kaila Technology, will be banned from holding senior positions as directors and supervisors of listed companies for

life, and the trading permissions of their family members' securities accounts will be frozen, fundamentally restricting the offenders' activities in the capital market.

4.4. Risk response at the industry and technology application level

4.4.1. Establish industry technical standards and certification system

The private network communication industry currently lacks a standard certification system. It is necessary to establish a whitelist of technical parameters for private network communication equipment and set up a traceable model filing system for core components such as chips and encryption modules. For example, the fictitious "quantum communication equipment" in the Kaile case has no corresponding technical parameters. This system can effectively identify such false equipment. With the verification of a standard certification system, it can avoid the generation of false equipment accounts to a greater extent. Establish an industry-level supply chain data sharing platform in a timely manner. Enterprises need to upload data such as key material procurement prices, supplier qualifications, and logistics trajectories. Abnormalities can be detected through cross-comparison [13]. For example, the abnormal data that Kaile's procurement price is 30% higher than the market can be automatically warned. It is suggested that the interactive data platform can also play a regulatory role in the entire industry's illegal operations.

4.4.2. Establish an industry-level risk information sharing platform

Develop a "supplier blacklist sharing system" where enterprises upload information on abnormal supplier behaviors. For businesses that engage in irregular operations, trigger an industry-wide warning, thereby enabling good money to drive out bad money [14]. Implement "customer whitelist cross-verification", requiring enterprises claiming to serve special customers such as the government and military to provide customer authenticity endorsements from at least three peer enterprises. This can prevent situations like Kaile's fabrication of a "military research institute" customer, greatly mitigating risks.

5. Summary

Kaila Technology engaged in systematic fraud through means such as fabricating businesses, forging vouchers, and engaging in off-balance sheet fund circulation, exposing the severe challenges auditors face in practice in identifying complex related-party transactions, verifying the authenticity of businesses, assessing ongoing operational capabilities, and dealing with management's overriding internal controls [15]. Audit risks include high revenue recognition risks, hidden risks associated with related-party transactions, significant risks of procedural failures such as letter confirmations, and insufficient professional skepticism on the part of auditors [16]. Audit institutions must significantly strengthen the risk-oriented audit concept, enhance their sensitivity to abnormal transaction patterns and industry risks, and substantively penetrate and verify the authenticity of businesses and capital flows. For complex transactions and related parties, it is necessary to comprehensively utilize technical means such as big data analysis to improve audit efficiency and effectiveness, and maintain a high degree of professional skepticism at all times. Auditors should carefully assess the integrity of

management and the effectiveness of corporate governance, while the external regulatory environment and corporate governance structure also need to work together to create a harmonious business environment.

References

- [1] Li Yuedong, Yan Lina, Zhang Yumeng. Research on Audit Identification of Complex Supply Chain Business Cycle Fraud - Taking Kaile Technology as an Example [J]. *Audit Research*, 2023 (2): 45–54
- [2] Zhang Rui, Wang Yangyang, Zhu Ling. Separation of Control Rights and Cash Flow Rights of Major Shareholders and Financial Fraud [J]. *Audit Research*, 2021 (1): 89–97
- [3] Guo Zhaorui, Huang Shizhong. Fraudulent Characteristics and Audit Response in Private Network Communication Business - A Case Study Based on Kaile Technology [J]. *Accounting and Finance Newsletter*, 2021 (30): 112–116
- [4] Wang Zexia, Li Bin, Liu Yuqing. Analysis of Audit Failure Cases of Non-standard Inventories - An Empirical Study Based on Kaile Technology [J]. *Journal of Finance and Accounting*, 2022 (18): 98–104
- [5] Yang Mingzeng, Chen Gaocai, Wang Shouhai. Research on the Characteristics of Systematic Financial Fraud and the Paths of Audit Failure: An Analysis Based on the Cases of Kangmei, Kangdexin, and Kaile [J]. *Accounting Research*, 2023, 42(3): 45-60
- [6] Yang Mingzeng, Zhang Jixun, Cao Hui. Causes of Audit Failure and Path to Penetrating Audit in Kaila Technology [J]. *Audit and Economic Research*, 2023, 38 (2): 23–33
- [7] Wang Aiguo, Liu Yuyu, Zhang Ming. Research on the Application of Graph Algorithms in Related-party Fraud Auditing [J]. *Audit Research*, 2023 (3): 68–76
- [8] Zhou Wei, Zhang Junsheng, Lin Bin. Research on Audit Identification of Cyclical Fraud in Bulk Commodity Trading [J]. *Accounting Research*, 2020 (7): 36–43
- [9] Zhang Jiaxing, Liu Qiliang, Lei Qianhua. Research on the Micro-Mechanism of Auditor Professional Skepticism: An Empirical Analysis Based on Cognitive Psychology [J]. *Nankai Management Review*, 2023, 26(2): 78-92
- [10] Liu Xing, Zhang Jian, Wang Yue. The Institutional Roots of Independent Director Governance Ineffectiveness: Reflections Based on the Kangmei Pharmaceutical Case [J]. *Economic Research*, 2021, 56 (10): 127–143
- [11] Zhang Ran, Wang Shouyang, Liu Qin. Barriers and Solutions to Cross-departmental Data Sharing in the Development of Regulatory Technology [J]. *Management World*, 2022, 38(8): 101-115
- [12] Li Yingqi, Wang Fan, Chen Yangyang. Application bottlenecks and breakthrough paths of big data and blockchain technology in auditing [J]. *Audit and Economic Research*, 2022, 37(5): 32-43
- [13] Zhang Min, Chen Lirong, Wang Fan. Research on the Impact of Electronic Evidence Reliability on Audit Risk [J]. *Audit Research*, 2023 (1): 75–83
- [14] Wang Aiguo, Zhang Lin, Zhao Ziyi. Emerging Technologies Empowering Audit Evidence Collection: Potential, Practice, and Challenges [J]. *Audit Research*, 2023, 39(4): 15-25
- [15] Li Ruoshan. Audit Challenges and Countermeasures for Systematic Financial Fraud [J]. *China Certified Public Accountant*, 2022 (10): 56–60
- [16] Zhang Jiaxing, Li Bin, Wang Fan. An Experimental Study on the Path to Enhancing Auditors' Professional Skepticism [J]. *Audit Research*, 2023 (4): 55–63