

Research on Internal Audit Capability of Universities based on SPSS Model

Chengying Zhang*^a and Jiawen Zhu^b
School of Management, Xihua University, Chengdu, China

Keywords: Universities, Internal Audit, Governance Capacity, Modernization.

Abstract: As an important branch of the national internal audit system, internal audit in colleges and universities plays an extremely important role in promoting the improvement of teaching quality, anti-corruption and anti-corruption, and regulating the education and teaching system. However, at present, there are mainly problems such as unsound internal audit program, insufficient audit capability, and not widely applied audit information technology in replacement colleges and universities, which seriously restrict the role of internal audit. Based on this, this paper spss data analysis model as the basis, on the basis of analyzing the linear relationship between university internal audit and university governance, focuses on the proportion and relevance of university internal audit in the university governance system, and finally puts forward the guarantee measures to play the role of internal audit governance in public universities. The study has a non-negligible role for the related research in the field of modernization of university governance.

1 INTRODUCTION

The concept of governance began in the 1990s and was gradually introduced to the field of education with the development of the times. Governance in higher education is the sum of all activities and processes to transform the traditional management system and order system of higher education in accordance with the concept, principles and methods of governance with social values as the goal. In the background that the actual right to run and found the university is separated, university governance is a kind of institutional arrangement that regulates and restrains the exercise of power, so that the university, government and society and other stakeholders can interact harmoniously and jointly govern the university (Zhao, Gao, 2018). The purpose is to build a clean, efficient and balanced governance system to improve the scientific research level and talent cultivation quality of colleges and universities, regulate the bad behaviors of related subjects, and guarantee the equal power and interests of all parties involved in governance. Nowadays, with the continuous advancement of economic globalization

and knowledge integration process, the Party has put forward higher requirements for all aspects of replacement education, which makes internal auditing in colleges and universities face unprecedented opportunities and challenges (Zhuang, Guan, 2016). In the new era, internal audit of colleges and universities should be bold to remove the old and establish the new, seek development in the midst of change, give full play to the role of internal audit as a constraint, supervision and promotion, and escort for the modernization of governance ability of colleges and universities.

2 THE RELATIONSHIP BETWEEN INTERNAL AUDIT AND UNIVERSITY GOVERNANCE

2.1 System of University Governance

The internal governance system of colleges and universities refers to the fact that in order to achieve

^a  <https://orcid.org/0000-0002-1427-9669>

^b  <https://orcid.org/0000-0002-7453-6540>

the goal of building a world-class college with Chinese characteristics, public colleges and universities should adhere to social and spiritual values as the basic value orientation, take the institutional restraint and incentive system formed by the joint action of formal system and informal system as the core, and take the decision-making, implementation (Li 2020), participation and supervision as the basic action mode within the school, through the synergy and interaction of all parties in college governance so as to A good order system is formed through the interaction of all parties of university governance. The internal governance system of colleges and universities is the basic carrier of college governance activities and the means and methods to realize "good governance" in colleges and universities, which is the institutional innovation and mechanism innovation different from the traditional internal management of colleges and universities.

2.2 Relationship between Internal Audit and Governance of Colleges and Universities

Internal audit is born in the governance system of colleges and universities and assumes the function of evaluating and supervising the governance structure and system as well as governance effect of colleges and universities (Wang 2021). It is an indispensable warning sign in university governance. On the one hand, internal audit can regulate the bad behavior of related subjects and prevent potential risks in time to achieve the effect of governance through its supervision function. On the other hand, due to its top-down nature and the participation of multiple subjects, university governance enables internal audit department to carry out audit work relatively independently under a better moral restraint environment.

3 THE STATUS AND ROLE OF INTERNAL AUDIT IN THE GOVERNANCE SYSTEM OF COLLEGES AND UNIVERSITIES

3.1 The Status of Internal Audit in University Governance System

The top-down structure of university governance system is mainly divided into decision-making level

and executive level, and internal audit belongs to the executive level like research centers and departments, but it also belongs to the supervisory level. Internal audit is under the direct leadership of the president, which greatly avoids conflicts of interest with other departments in the executive level, and thus has a strong independence to re-monitor the implementation of the executive level and give full play to its supervisory and control role.

3.2 The Role of Internal Audit of Colleges and Universities in the Governance System of Colleges and Universities

As an important part of the internal control mechanism of colleges and universities, internal audit of colleges and universities plays an important role in monitoring the utilization of limited resources of schools, realizing the reasonable allocation of educational resources and improving the modernization of school management. Sound internal audit can timely and accurately find out the problems in the operation of universities and give early warning and suggestions. Especially with the development of the strategy of replacing education to develop the country, the state financial support for the development of education has been increasing. Under this new situation, the role of reasonable and effective internal audit is more and more important in the management of fund budget, improving the efficiency of resource utilization, controlling internal risks and evaluating economic responsibility.

4 RESEARCH ON INTERNAL AUDIT ISSUES OF COLLEGES AND UNIVERSITIES BASED ON CASE STATISTICS

4.1 Statistics of Internal Audit Cases in Colleges and Universities in Sichuan Province

Capital construction project audit and repair project audit: 20 undergraduate colleges and universities conducted capital construction project audit in 2019, and completed more than 370 items of capital construction project audit; 30 undergraduate colleges and universities conducted repair project audit, and completed more than 2160 items of repair project audit (Ma 2021). There are 13 institutions of higher

education conducting capital construction audits and completing more than 50 audits of capital construction projects; there are 21 institutions of higher education conducting audits of repair projects and completing more than 620 audits of repair projects. The sample colleges and universities have completed more than 3,000 audits of capital construction projects and renovation projects throughout the year, with the amount of audits sent reaching 1.763 billion yuan and 222 million yuan of reductions.

Economic responsibility audit of leading cadres: In 2019, 26 undergraduate institutions carried out economic responsibility audit of middle-level leading cadres and completed a total of 226 economic responsibility audit projects; 12 senior high schools carried out economic responsibility audit of middle-level leading cadres and completed a total of 51 economic responsibility audit projects.

Financial revenue and expenditure audits: 20 undergraduate institutions conducted financial revenue and expenditure audits in 2019, completing a total of 117 financial revenue and expenditure audit projects; 16 senior high schools conducted financial revenue and expenditure audits, completing a total of 50 financial revenue and expenditure audit projects.

Special audit investigation of educational economic activities: taking into account the actual situation of each university, a total of 370 special audit investigations were conducted in 2019, mainly on the audit supervision of education fee charging behaviors, scientific research fund use and financial management of canteens with high risk of integrity. In the same year, the Provincial Department of Education organized internal auditors of some universities to carry out special audit investigations on the management and use of scientific research funds and discipline construction funds of 5 universities. At the same time, the universities also generally carry out auditing and signing work on scientific research funds.

Financial budget execution and final accounts audit: in 2019, 7 undergraduate colleges and universities carried out financial budget execution and final accounts audit, completing a total of 20 financial budget execution and final accounts audit projects; 5 higher vocational colleges and universities carried out financial budget execution and final accounts audit, completing a total of 32 financial budget execution and final accounts audit projects.

Table 1: Audit project statistics table.

Audit Projects	Undergraduate	Senior
Capital Project Audits	20	13
Renovation Project Audit	30	21
Leading Economic Audits	26	12
Audit of financial income and expenditure	20	16
Audit of Educational Activities	5	4
Budget and final account audits	7	5

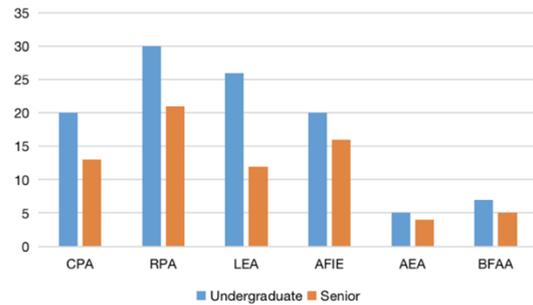


Figure 1: Audit Project Statistics Chart.

4.2 Research on Existing Problems

Insufficient attention to internal audit in colleges and universities: Some colleges and universities internal audit departments are nominally under the direct leadership of principals or party secretaries, but in reality, they will arrange other vice principals to manage directly, lacking audit authority; some colleges and universities have audit system, but there are problems such as auditors are not familiar with audit system and audit system is not in place; some colleges and universities audit has become a subsidiary organization of discipline inspection and supervision, and audit Some colleges and universities have audit become subsidiary organizations of discipline inspection and supervision, and the audit department does not have enough independence. The above situation from the side reflects that the management of colleges and universities does not pay enough attention to the audit department (Yang 2021).

In reality, some colleges and universities have internal audit institutions, but due to the unsound institutional settings, there is a situation that audit and discipline inspection and supervision departments work together, and even the audit department is directly listed in other departments. Internal auditors lack independence. As internal staffs of colleges and universities, their personnel relations are still under the system of colleges and universities, so they are easily restricted by the system and policies of colleges and universities, and there are complex

interpersonal circles in colleges and universities, which are easily influenced by human feelings and worldly affairs, which to a certain extent also lead to the lack of independence of auditing work.

The internal auditing system of colleges and universities is not perfect: Although the relevant guidelines for the construction of internal auditing system of colleges and universities have been issued at the national level, very few colleges and universities integrate it with their actual situation. At present, some universities still lack basic systems such as economic responsibility audit and internal audit work regulations.

There is a shortage in the supply of human elements with higher ability level: At present, the internal audit team of Chinese universities generally has a single knowledge structure, insufficient ability and insufficient number of personnel, which makes it difficult to offer constructive opinions on the problems encountered in the audit process in time, and the overall quality of the team fails to meet the development needs of university governance, which greatly affects the audit quality.

The means of internal audit in colleges and universities are relatively backward: At present, most colleges and universities still adhere to traditional audit methods, due to the small investment in capital, technology and talents, which leads to the less application of information technology. The current auditing methods are backward, lack of necessary funds and technical support, backward information construction, low sharing of audit information and resources, and serious information "silo" phenomenon, which leads to low audit efficiency and uneven audit results.

5 SAFEGUARD MEASURES TO UTILIZE THE ROLE OF INTERNAL AUDIT GOVERNANCE IN PUBLIC UNIVERSITIES

5.1 Adhere to the Leadership of the Party to Improve the Audit Work Environment

The newly revised Internal Audit Department Order No. 11 of January 12, 2018 clearly puts forward that "the internal audit organization shall carry out audit work under the direct leadership of the party organization and the main person in charge of the

unit", emphasizing the importance of the party leading the audit work. Universities should accelerate the establishment of a sound system of internal audit mechanism under the leadership of the party committee and set up an audit committee to be responsible for making audit plans, listening to audit reports and dealing with irregularities and violations. At the same time, the party committee of colleges and universities should give full play to its role of coordinating all parties, handle the relationship between audit work and other work, actively mobilize relevant departments to cooperate with the audit work, and create a good atmosphere for internal audit.

5.2 Enhancing the Independence of Internal Audit Work

First, the independence of the internal audit organization is a prerequisite for internal auditors to carry out objective and impartial auditing work. Therefore, a separate audit department must be established to clearly regulate the scope of audit work and avoid the involvement of the audit department in the economic activities of the school, which affects the quality of audit work. Second, audit staff should not be involved in the specific work of other departments, such as financial management, accounting, or other production, operation, or management activities. They should not have economic interests with the main person in charge of the audited department. The audit staff should strive to be clean, independent and objective, without yielding to any threats or making any compromises that would lower the quality of the audit, and inspect and supervise the work of each department from an objective and impartial third-party perspective. Third, in the process of audit plan formulation, independence is maintained regarding the determination of audit techniques, procedures, and application scope; in the stage of audit plan implementation, independence is maintained regarding the determination of audit policies, audit objects, and audit scope; in the stage of presenting audit reports, independence is maintained regarding the presentation of audit results and the presentation of opinions and recommendations.

5.3 Improve Internal Audit System and Strengthen the Supervision of System Implementation

Establishing a sound internal audit system in colleges and universities is conducive to improving the efficiency and quality of internal audit work. Based

on the original auditing system, universities should make more specific auditing specifications according to the setting of school units and the actual situation of school economic activities, so as to clarify the scope, subject, content, process and implementation method of auditing work and further standardize the auditing procedures. In a word, we should make the auditing work lawful, lawful, strict and illegal in order to give full play to the supervisory role of internal audit in colleges and universities. Clarify the work positioning of internal audit in university governance, establish and improve the mechanism of supervision, accountability, discipline and error correction for the implementation of internal audit system in universities, and continuously improve the construction of university governance system. Establishing and improving the effective feedback mechanism of system implementation is the only way to give feedback to the problems arising in the process of implementation of internal audit system in colleges and universities, so as to promote the adjustment and optimization of the system.

5.4 Build a Composite Audit Team and Enhance Internal Audit Capability

Strive to build a high-quality professional internal audit team: universities should give full play to the advantages of talents and cultivate a professional audit team with strong belief, proficient in business and excellent style. First, strengthen the professional ethics education of auditors. The characteristics of internal audit work determine that auditors must have high audit professional ethical quality and political quality. Always maintain integrity, resist corruption, and prevent interference in the audit work from the external environment. Objective and fair handling of audit issues, make recommendations to ensure the normal operation of the school's economic work and safeguard the interests of the school. Second, improve the level of business knowledge and ability of auditors. Develop a long-term plan for the development of the audit team. Auditors themselves should also establish a "lifelong learning" thinking, and actively participate in higher training, take the initiative to learn new knowledge, constantly update the knowledge base, only their professional knowledge is excellent, in order to better serve the audit work. Third, to strengthen the follow-up education of auditors, auditors at least once a year to participate in continuing education and training. Through political learning and business learning or send personnel to participate in various audit training courses, learning audit theory, policies and

regulations, professional ethics education. "Training by audit", dispatching personnel to participate in auditing institutions and relevant departments on campus audit, inspection work, and constantly improve the ability of auditors to adapt to the integrity of governance.

5.5 Improve the Means of Internal Audit Informationization in Colleges and Universities

Firstly, internal audit workers in universities should make good departmental budgets, strive for more financial input, prepare comprehensive and complete scientific and compliant budget statements, and strive for more special funds for the introduction of advanced auditing techniques. Secondly, the application of information technology should be strengthened. Universities should accelerate the combination of information technology and auditing technology, such as computer-aided auditing, artificial intelligence and networked auditing, to innovate the concept of auditing and change the traditional auditing methods. Finally, a network infrastructure platform featuring cloud computing and mobile terminals should also be built as a way to collect data and conduct early warning analysis so as to better play a supervisory role. Traditional audit methods and modern audit technology tools are fully integrated to build on their strengths and avoid their weaknesses, thus maximising audit efficiency and quality levels.

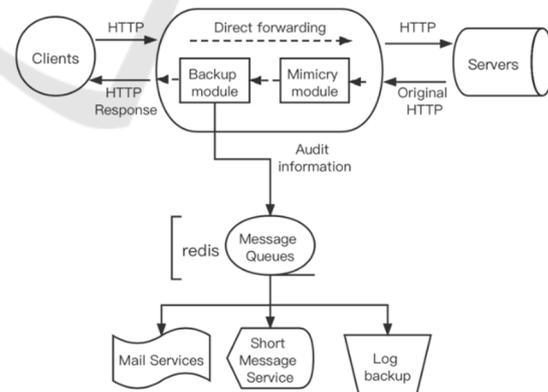


Figure 2: Smart Audit System Flow Chart.

6 CONCLUSION

Facing the new historical opportunities and challenges, colleges and universities should fully

realize the important role of internal audit in supervising, evaluating and advising the governance system of colleges and universities, regulating the business activities of colleges and universities, and improving the construction of internal control. The only way to give full play to the role of audit supervision and service and promote the healthy and sustainable development of universities and the modernization and improvement of governance ability is to adhere to the Party's leadership and keep pace with the times, continuously improve the internal audit mechanism and system, cultivate a high-quality professional audit team and innovate the methods and means of audit work.

REFERENCES

- Li Guofei. Research on the ways of internal audit playing an important role in serving university governance. Education and Teaching Forum. 2020(32):354-355.
- Ma Qiqi. Problems and optimization measures of internal audit work in colleges and universities. Investment and Cooperation,2021(11):38-39.
- Wang Bin. Discussion on the problems of internal audit in colleges and universities and strategies to cope with them . Business News,2021 (30): 148-150.
- Yang Hui. How to strengthen the information construction of internal audit in universities under cloud audit. Hebei Enterprise,2021(11):76-78.
- Zhao Xianning,Gao Yan. The development status, dilemma and optimization of replacing internal governance in universities. Heilongjiang Higher Education Research,2018,36(06):69-72.
- Zhuang Li, Guan Xiaomin. Research on internal audit based on university governance system. Journal of Minnan Normal University: philosophy and social science edition, 2016, 30(4):5.