

# Research on Problems and Countermeasures in Tracking Audit of Special Funds for Public Health

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**Keywords:** Special funds for public health, Tracking audit, Public health emergencies

**Abstract:** With the occurrence of COVID-19 in recent years, the scientific assertion of "normalization of epidemic prevention and control" is increasingly recognized by more and more countries and the public. Therefore, the urgency and importance of further strengthening and improving the construction of public health system is becoming increasingly prominent. This paper attempts to explore how to effectively carry out follow-up audits of public health special funds under public health emergencies, and analyze the problems and difficulties involved in light of the experience of the Chinese Red Cross Society in responding to and handling the COVID-19 epidemic during its prevention and control in Wuhan in 2020, and propose corresponding measures in terms of improving audit laws and regulations. It is hoped that the government can provide references in playing the role of audit supervision to ensure the reasonable allocation and use of special funds for public health, and contribute to the construction of a standardized and efficient public health system by auditing.

## 1. Introduction

At the beginning of the epidemic, the trend of public health special funds attracted the attention of the broad masses of people. Due to the lack of open and transparent publicity of fund information by relevant departments, the indifference to social events and public voices, and the various news that Wuhan Red Cross Society refused to allow media reporters, it became one of the hot topics in the first half of 2020. The Wuhan red cross incident set off a huge wave of public opinion and shook the people's trust in the Red Cross Foundation. Therefore, the lack of supervision and management of the Red Cross Society by government departments has also caused criticism to a certain extent.

Before the outbreak of COVID-19, the use of public health special funds did not attract enough attention. However, after the outbreak of covid-19, the distribution and flow of special funds became the focus of attention of the public for a while, and the corruption and fraud were seen by "countless eyes of the masses" and openly exposed in people's eyes. This shows that the construction of the public health system needs to be further improved. There are still many problems and drawbacks in the allocation and use management of special public health funds in China, and the expectation of standardized management and efficient management has not been achieved.

In the context of the normalization of epidemic prevention and control, if audit institutions, as a credible third party, can perform the function of supervision in real time during the use of public health special funds and give play to the important role of audit in the field of people's livelihood, they will certainly contribute to the 14th five year plan to build a new highland for people's livelihood.

## 2. Definition and Characteristics of Tracking Audit of Public Health Special Funds

### 2.1 Definition and Relevant Theories of Tracking Audit of Public Health Special Funds

The special public health fund is a special fund set up by the government to purchase public health services from medical and health institutions. Carrying out follow-up audit on special funds

for public health is a practical guarantee measure to ensure that special funds are reasonably allocated and used in a targeted way through the review and supervision of special funds allocated by the government against the background of the current reform of the medical and health system and the normalization of the COVID-19 epidemic.

At present, the academic community has not made a clear definition of the follow-up audit of public health special funds. However, we can try to preliminarily define the follow-up audit of public health special funds by combining the views of many scholars on the use and management of public health special funds, and put forward a framework and ideas on how to effectively carry out the follow-up audit.

According to the use and management of special public health funds, the follow-up audit can be divided into the audit of fund allocation management, the follow-up audit of fund flow, and the later project audit.

To realize the rational allocation and management of the use of special funds, relevant units and departments are required to achieve effective norms and constraints from the system. These include strengthening the standardization and management of financial systems, sorting out and optimizing the allocation process, so as to maximize the social efficacy of special funds(Liu Lei,2017)[1].

However, in order to achieve the target effect of special funds to the maximum extent, it is necessary to implement follow-up audit on the flow of funds and later project audit on the basis of ensuring that they are reasonably allocated and managed. As the public health special funds are allocated level by level, there is also a fiduciary responsibility relationship in the process of their allocation and use, that is, the relationship between the superior financial department and the local government. Under this fiduciary responsibility relationship, both the superior financial department and the local government urgently need the existence of a third party, that is, the audit institution. Since the appropriation and use of public health special funds need a long period of use, the selection of tracking audit can well ensure that the whole process of cash flow of special funds is clear and transparent to the entrusting party, and can also effectively supervise the standardization and rationality of the entrusting party, that is, the local government, in the use of special funds.

## **2.2 Characteristics and Difficulties of Tracking Audit of Public Health Special Funds**

Public health special funds have many characteristics, such as special funds for special purposes, clear objectives and wide coverage. They are directly related to the physical and mental health of the people. They are also an important means for the state to help the development of social security and health undertakings(Zhu Zhihong,2020)[2]. The characteristics of public health special funds lead to the difficulty and complexity of its follow-up audit process. Because public health emergencies are characterized by sudden, social harm, uncertainty in expectations, complexity in handling, etc., such as the COVID-19 epidemic at the beginning of 2020, which occurred very suddenly, prevention and control measures need to be explored in practice, and the mode and mechanism of epidemic infection need to be scientifically tested, etc., the above put forward requirements for the allocation and flow of special public health funds to be efficient and multi-directional(Zhai Xiaomin,2018)[3], This also makes the tracking audit procedure more complex and demanding.

In general, the difficulties are mainly reflected in the following three aspects:

### **2.2.1 Laws and Regulations**

Based on the characteristics of public health emergencies and public health special funds, it is not difficult to find that the tracking audit of public health special funds needs to carry out compliance audit on the allocation and distribution system of public health special funds, and put forward targeted modification opinions on existing problems and difficult systems.

However, in the existing laws and regulations related to the follow-up audit of public health special funds, such as the Audit Law revised in 2006 and the implementation regulations of the audit law issued in 2010, there are no explicit statements about public health events. In terms of audit rules, the newly revised national audit standards in 2011 only pointed out in Item 3 of Article 45 “implementation process of annual audit project plan” of the standards that “if a major public

emergency needs to be audited, it shall be adjusted according to the original approval procedures”. This shows that at the level of laws and regulations related to follow-up audit, the audit plan, information disclosure, quality control rules and detailed rules for responding to public emergencies are still blank.

Due to the uniqueness given by the field of public health, a set of standards, rules, methods, internal control and risk prevention and control systems applicable to traditional audit cannot be mechanically copied to deal with the tracking audit of public health special funds. In the absence of established and standardized audit laws and regulations, relying only on the audit methods, risk control system and audit mode in daily audit work, how can we safely and timely carry out follow-up audit in response to major public health emergencies.

Therefore, in the stage of audit preparation, implementation and reporting, we should follow the audit objectives, contents, methods and procedures of the tracking audit of public health special funds, as well as the opportunity of audit intervention, audit procedures, collection of supporting materials, preparation of audit reports, and performance evaluation and evaluation standard rooms. We should find out the key points, take all-round consideration, and seek scientific and standardized breakthroughs.

### **2.2.2 Mechanism and Method**

As the first country in the world to face the epidemic crisis, China has no precedent to follow in the face of the COVID-19 epidemic. The same is true of audit work. When dealing with such public health emergencies, due to its wide range and complexity, many factors need to be considered in the planning stage and deployment stage of follow-up audit. Therefore, the follow-up audit of public health emergencies requires the audit team to quickly establish a set of working mechanisms that can adapt to the current situation under complex circumstances, including the response time and level of emergency audit Legal status, object and scope, organization and management, procedures and methods(Liu Lina,2010)[4].

In the traditional audit process, the business processes such as plan approval, project implementation, problem disclosure and report submission from the preparation stage to the implementation stage and then to the report stage need to be carried out in accordance with the strict and standardized unified format and specific requirements(Zhen Shiqiao,2020)[5]. In the follow-up audit of public health emergencies and public health funds, several audit links, audit procedures and audit methods, such as the establishment of audit projects, access to financial books, establishment of audit teams, service of notices, personal investigation, disclosure of audit information, request for opinions on reports, and approval of penalties, need to serve the general requirements of emergency response. Clarify the responsibilities of each functional department and make preparations for the orderly acceptance of donations.

### **2.2.3 Competence of Auditors**

After the Han Red Cross incident, public opinion on the Internet continued to brew, and the social impact was bad. To deal with such incidents, auditors need not only professional ability in the field of public health, but also social event handling ability. Professional competence in the field of public health needs to be understood in advance or experts in relevant fields should be invited to train auditors, so as to cultivate comprehensive auditing talents across fields and specialties. However, the ability to deal with social events needs long-term training and exercise. With the rise of the frequency of sudden public health events, in the face of the resulting negative public opinion, auditors need to change their work ideas when implementing audit work, put forward forward forward-looking improvement measures in time from the perspective of risk prevention and control, and continue to promote the continuous optimization of the unit's governance system and governance capacity, The traditional idea of post event supervision has been changed into the idea of real-time dynamic emergency handling.

### **3. Problems in the Follow-Up Audit of Public Health Special Funds**

Because public health special funds were not well supervised in the past traditional audits, and follow-up audits were only frequently implemented in recent years, there is no mature and standardized standard for the allocation and use management of public health special funds, so the standardization of allocation and the effectiveness of use are restricted to a certain extent. The problems are as follows:

#### **3.1 Corresponding Laws and Regulations Still Need to Be Improved**

In the process of audit, due to the lack of legal definition of follow-up audit of public special funds, auditors lacked a programmatic guidance. Moreover, the follow-up audit of public health special funds is evolving at a high speed, and even if there are rules, they can not be implemented consistently. At the same time, auditors are also faced with the problem that the management methods of public health special funds are outdated and lack of reference value when obtaining audit evidence and carrying out audit.

#### **3.2 Audit Mechanism and Method Need to Be Explored and Established**

As China's audit is an administrative system, the audit institutions at all levels and the corresponding audited units at all levels are at the same level, which inevitably restricts the implementation of audit. In the face of major public health emergencies, the performance of relevant audit institutions reflects that they do not have enough understanding of public health in their daily work. Constrained by the inadequacy of existing information technology, traditional manual audit methods make auditors unable to carry out projects. They should sort out data through several major public health events, compile them into a volume, and summarize methods from them, Summarize the shortcomings and experiences in the audit process, gradually establish a public health special audit case archive, set up a data model, eliminate the dependence on paths and experiences, and achieve unified and standardized management of process standards. In the later work, if the actual situation is similar to that recorded in the archives, you can refer to the previous archives to constantly improve the audit method.

#### **3.3 The Ability of Auditors Needs to Be Strengthened and Improved**

The difficulties have described the importance of auditors' audit ability, professional ability in the field of public health and public opinion handling ability, but in the implementation process, the coordination and communication ability of auditors among departments is indispensable. More often than not, our society presents a human society and a relationship society. The independence of the government's internal audit is not as good as that of social audit. If the auditors are not firm enough in their political position, it is inevitable that they will cast fear on the mouse and engage in malpractices for personal gain. Therefore, in the case of such risks, the government needs to transfer a part of the competent force of certified public accountants and auditors to the audit team of audit institutions when dealing with major public health events, and give full play to the independence of social audit and the professionalism of audit institutions through coordination, so as to form a strong driving role in the audit process of special public health funds. This requires auditors to have a certain communication and coordination ability, and ensure the independence of audit while cooperating with and communicating with various departments.

### **4. Solutions to Problems in Special Audit of Public Health Funds**

First, in view of the inadequacy of the current audit system of public health special funds, we should ensure the internal constraint and supervision of the use of such funds through legislation or the formation of coordinated and unified audit norms in a timely manner. At the same time, we should also emphasize that the key task of audit supervision is to find audit problems in time and strengthen the initiative and consciousness of audit rectification.

Second, in the process of tracking and auditing public health special funds, we can't rely on account figures alone. We should pay attention to collecting relevant supporting materials in the

process of fund remittance, appropriation, expenditure and other circulation. By sorting out and summarizing the supporting materials and combining with relevant documents and notices, we can clarify the internal logical relationship of the data, and then find out possible doubts.

Third, the audit team needs to communicate and consult with experts in various industries through the establishment of an expert database and other forms, so as to ensure that auditors have a sufficient understanding of the knowledge necessary before and after the occurrence of major and special events. At the same time, the audit team should adhere to the spirit of reform and innovation, and innovate and reform the working system in accordance with the actual situation in the process of public health management audit, Make it more in line with the actual situation of audit work, so as to ensure the smooth progress of audit work and improve the efficiency of audit work.

Fourth, government departments should strengthen the construction of the comprehensive capacity of audit institutions. In recent years, with the in-depth reform of the medical and health system and the proposal of the “six stability and six guarantees” policy, audit institutions under the relevant policy background need to focus on special audits in combination with the recent national policies. Before conducting audit, audit institutions should organize special training on policy learning to consider how to apply policies to the audit process and the direction of policies for audit objectives. At the same time, audit institutions should use big data technology to build a public health special funds audit data platform, realize data connectivity, and better play the role of audit.

Fifth, efficiency audit and economic responsibility audit of leading cadres should be promoted as the focus of public health special funds audit. The ultimate purpose of the audit of public health special funds is not to find out more and more serious system loopholes and problems, but to ensure the implementation of policies benefiting the people and special medical funds on the basis of ensuring the authenticity and reliability of the flow of funds and data, and to ensure the safety of people's lives and health. We should take doing practical things, improving efficiency and ensuring results as the means. When auditing special funds for public health, the audit department must improve the evaluation mechanism for the use of public health funds and comprehensively consider the relevant indicators of such funds. Combing through many special fund audit cases, it is not difficult to find that a large part of the illegal and illegal use of special funds is the decision of local leading cadres to “pat their heads”, and even there is confusion such as power money transactions. Therefore, it is essential to audit the economic responsibility of leading cadres in the process of public health special fund audit, which can not only clarify whether the use of special funds is gradually carried out according to the relevant budget preparation Whether the results of the use of funds meet the expectations at the beginning of the formulation of policies can also force leading cadres involved in special funds to keep a clear head, effectively improve their political position, and properly control the “flow switch” of special funds.

## **5. Conclusion**

In the Wuhan red cross incident, when the public's attention focused on the special public health funds, and when opinion leaders questioned the audit institution's tracking audit process, the problems in the flow of China's special public health funds and related tracking audit were suddenly exposed in people's attention. It is not difficult to realize that in order to ensure that the national public health policy takes root, effectively enable the people to enjoy the dividends of reform and development, and ensure the people's right to know and supervise the flow of public health funds, the relevant systems of China's special public health funds and the supporting follow-up audit norms need to be improved urgently.

On China's road to embark on a new journey of building a socialist modern country in an all-round way, relevant departments should improve the public health information disclosure system, fill the loopholes in the process of fund allocation, audit institutions should establish the concept of whole process tracking audit, start to formulate special audit norms for public health funds, and make use of professional advantages on the basis of tracking audit without falling behind, It is also of great significance to the construction of the public health system of the whole society in the future to provide suggestions for the government's public health fiscal revenue and expenditure

from the perspective of auditing profession.

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