

Optimization Suggestions for Improving College Internal Audit under the Background of Managing University by Law

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Abstract: In the era of promoting law-based governance comprehensively, the work of managing universities by law is gradually deepening. The article analyzes the theoretical connotation of managing university by law and studies the important role of college internal audit in supervising and verifying internal management through legal methods. Finally, the article proposes optimization suggestions for improving and perfecting college internal audit under the background of managing university by law, in order to further ensure the high-quality development of higher education.

1. Introduction

Rule of law is the fundamental way of national governance. Since the 18th National Congress of the Communist Party of China, China has embarked on a new journey of promoting law-based governance. Strengthening law system construction is the core task for universities to implement the strategy of law-based governance. It has the fundamental function of guiding top-level design and grasping direction for the development of universities.

College internal audit promotes the audit objects in accordance with the law and regulations, and also improves internal governance in universities. Analyzing the importance of college internal audit from the perspective of managing university by law and exploring ways to optimize college internal audit is conducive to promoting the modernization of the governance system and capacity of universities.

2. The definition, connotation and policy background of managing university by law

The requirement of managing university by law was first proposed in the “Opinions of the Ministry of Education on Strengthening the Construction of Education Legal System” issued in December 1999. The Opinion points out that all levels of schools, especially universities, should enhance their sense of responsibility for managing schools by law, carry out educational activities in accordance with the law, and effectively safeguard the legitimate rights and interests of schools, faculty and students.

In July 2003, the Ministry of Education issued “Several Opinions on Strengthening the Work of Managing School by law”, which first clarified the three concepts and connotations of managing school by law. First is to fully implement educational policy, adhere to serving socialist modernization construction, put people first and cultivate socialist successors with comprehensive development in morality, intelligence, physical fitness, and aesthetics. The second is to strictly carry out educational activities in accordance with relevant laws and regulations on education, improve legal awareness and cultivation of school management, and form an educational environment with a strong spirit of the rule of law. The third is to continuously improve the various management systems of the school, and achieve the institutionalization and standardization of school management operations.

In November 2012, the Ministry of Education issued “Implementation Outline for Comprehensively Promoting Managing School by Law”, which further required schools to comprehensively reform and innovate the education administrative and internal management system

based on managing school by law, and proposed specific tasks of how to perform the requirement. It emphasized that managing school by law is an inevitable requirement for education reform and development, and an inevitable trend to promote the scientific and institutionalized internal management of schools.

The Decision of the Central Committee of the Communist Party of China on Several Major Issues Concerning the Comprehensive Promotion of Law-based Governance, passed at the Fourth Plenary Session of the 18th Central Committee of the Communist Party of China, clearly puts forward the concept of building a rule of law China, emphasizing the formation of a “complete legal normative system, efficient law-based implementation system, rigorous law-based supervision system, and strong law-based guarantee system, achieving scientific legislation, strict law enforcement, fair judiciary, and universal compliance with the law”.

In September 2018, the National Education Work Conference once again emphasized the full promotion of law-based education, pointing out the top-level design of accelerating the legislation in key areas of education, continuously enhancing the ability of legal administration under the new changes in education management, and promoting the implementation of managing school by law by making good use of legal methods and establishing legal thinking at all levels through setting examples and learning from them.

In January 2020, the National Education Conference proposed to further enhance the legal governance capacity of schools at all levels and types. In July 2020, the Ministry of Education issued the Opinion on Further Strengthening law-based management in Higher Education Institutions, proposing to integrate legal governance into school education and teaching work, and to guide and drive the reform and development of schools with legal thinking and methods.

The 20th National Congress of the Communist Party of China pointed out that governing education by law is a powerful guarantee for building an education strong country. It is necessary to further accelerate the improvement of the education legal system, promote law-based management in schools and administration, and continuously improve the internal governance structure and system of schools. China's Education Modernization 2035 will adhere to law-based management as one of the basic principles of education modernization, emphasizing the strategic task of promoting the modernization of the education governance system and governance capacity by effectively improving the level of education legalization, establishing and improving the implementation and supervision mechanism of education laws.

After more than 20 years of continuous development, managing university by law has become an important aspect and core task of universities. It is a key link for universities to form an upright educational environment, implement the fundamental task of moral education, and improve the level of modern governance.

3. The important role of internal audit in managing universities by law

According to the “Guidelines for Internal Audit Practice No. 4” of the China Internal Audit Association, college internal audit is aimed at improving management control, risk prevention, and benefit creation in universities. It reviews, confirms, evaluates and consults on the appropriateness, legality and effectiveness of business activities and internal controls related to resource utilization in universities, thereby achieving the career goals of universities.

3.1. Supervise budget management and financial revenue and expenditure in universities

The funding for universities mainly comes from financial appropriations, including national special funds, local government funds, school budget funds, and self-raised funds. Auditing and supervising the methods of raising funds, financial income and expenditure, budget preparation and financial final accounts is an important task for universities to conduct law-based management. It is beneficial for universities to identify and respond to financial and management risks.

The daily financial transactions of universities are vast, and if the relevant vouchers do not have clear sources or the records are vague, there may be management risks in fund management. According to the financial management laws of the country, ministries and universities, internal

audit identifies financial risks by verifying the problems in the execution of fund budgets, which is conducive to supervising and regulating the budget preparation and execution of universities, ensuring the legality, safety and effectiveness of various fund receipts and payments. Through the evaluation and supervision of budget management and financial revenue and expenditure, college internal audit is conducive to clarifying the direction of university resources, improving the efficiency of various fund utilization, and ensuring the orderly development of various undertakings in universities.

3.2. Supervise the quality of infrastructure investment and project construction in universities

With the increase in the number of students, the scale of university infrastructure has gradually expanded. Construction projects have grown rapidly in recent years in universities, with the characteristics of strong professionalism and high complexity. Projects such as experimental devices and buildings closely related to scientific research in universities have higher requirements for engineering quality and construction safety. The project quality and management of construction projects will directly affect scientific research and educational activities in universities. The infrastructure projects mainly include student dormitories, offices, canteens, roads, and greenery, which are closely related to the daily lives of teachers and students.

College internal audit is based on the contract law, tendering and bidding law and industry norms for engineering cost. It tracks and supervises the investment estimation, survey and design, construction preparation, construction process, completion settlement, and final financial settlement of infrastructure and maintenance projects, improves the efficiency and effectiveness of university construction project management, ensures the high-quality implementation of construction projects, and thus safeguards the interests of the school, teachers and students.

3.3. Promote the improvement of governance capacity and management level in universities

In addition to specific tasks such as audit supervision, account verification and construction project investment review, internal audit in universities is more important to stand from the perspective of internal control in universities, identify various risks and optimize university governance. Combined with the development planning and decision-making of universities, college internal audit focus on the five functions of "talent cultivation, scientific research, social services, cultural inheritance and innovation, and international exchange and cooperation" of universities. College internal audit specifically carries out projects such as financial management, income management, scientific research management, contract management, asset management, procurement management, construction management etc., to achieve full coverage of auditing.

It can be said that college internal audit is at the forefront of discovering internal management problems, aiming to identify the root causes of problems, provide solutions, promote audit rectification and systematically optimize management mechanisms, thereby enhancing university governance capabilities and promoting modernization of the university governance system^[1].

3.4. The audit results of leadership economic responsibility are important references for cadre assessment

One of the important parts of college internal audit is the economic responsibility audit of leading cadres during and after their tenure, including evaluating of the economic responsibilities fulfilled by leading cadres, revealing audit findings, identifying responsibility and giving audit advises.

College internal audit supervises and evaluates the implementation of national and university education policies, important economic issues, institutional implementation during the tenure of leading cadres. College internal audit also checks financial and asset management as well as scientific research activities^[2]. The audit results of the economic responsibility of leading cadres are important references for the evaluation, selection, appointment, motivation and handling of leading cadres. In the process of promoting the application of audit results and supervising audit rectification, college internal audit helps to build a team of leading cadres with strong work style, excellent quality and strong professionalism.

4. Optimization suggestions for improving college internal audit under the background of law-based governance

Rule of law is a fundamental task for universities to fully implement the basic strategy of law-based governance, which puts higher demands on college internal audit. Based on the requirements of managing university by law, further optimization of college internal audit are needed in four aspects: institutional construction, key aspect coverage, team building and audit rectification.

4.1. Pay attention to the construction of internal control systems in universities, and provide institutional basis and support for college internal audit

A sound internal control system is the environmental foundation for implementing internal audit and improving school governance structure. Due to the absence or weak links in the construction of relevant internal control systems, some universities have incomplete internal control systems, and internal audit lacks audit basis, failing to achieve full coverage of internal control, which can easily lead to unsatisfactory audit results and insufficient reflection of the supervisory role of audit institutions^[1].

Universities should attach great importance to internal audit at the institutional and governance levels, and provide a basis and guarantee for internal audit through institutional construction. Pay attention to various aspects of internal control such as financial management, budget management, asset management, construction management, and scientific research management. Universities can modify existing school policies and regulations based on their own current situation, and introduce new relevant regulations in accordance with institutional gaps to effectively regulate the implementation of various economic and business activities in universities.

At the same time, periodically revise the internal audit system of universities, based on the responsibility, work content, work flow and human resource etc. of the internal audit department. In addition, the importance of internal audit should be emphasized among audit objects, and the audit results and rectification of the audit objects should be used as one of the key reference criteria for year-end assessment.

4.2. Highlight audit supervision in key areas, adhering to a problem and risk oriented approach

Based on the major audit findings reported by the current audit departments, the main types of problems are concentrated in enrollment management, construction management, bidding and procurement management, research funding management, personnel selection and appointment, etc. College internal audit should focus on two factors, which are the use of funds and the operation of power. Internal audit should highlight the auditing focus and avoid the absence of auditing supervision. Auditing supervision effect should be achieved where relevant personnel cannot deviate, dare not deviate, and are unwilling to deviate^[3].

For the new trends that continue to emerge in the reform and development of universities, college internal audit should adhere to problem and risk orientation, pay attention to common, emerging and biased problems that arise in the audit process. Collaborating with the disciplinary supervision department, the internal audit department will use the audit findings as the basis for the disciplinary supervision department to grasp relevant information, verify discovered problems, and carry out typical problem case reports, and work together to promote audit rectification work^[4].

4.3. Strengthen the construction of college internal audit teams, fully utilize modern audit methods, and promote innovative development of internal audit

With the continuous expansion of the scale and types of business in universities, the audit objects of college internal audit have become more complex and diversified. In this context, it is particularly important to build an internal audit team with high legal literacy and strong business capabilities.

Firstly, it is necessary to optimize the personnel structure of the internal audit team. In addition to financial and auditing professionals, professional talents in various fields such as engineering,

law, management and computer science should be allocated to build an internal audit team with high professional coverage and complementary collaboration. At the same time, by encouraging continuing education and vocational qualification training, we can enhance the professional and technical level of internal auditors, enhance their professional quality, moral quality and work ability. In addition, the college internal audit departments should vigorously carry out the construction of audit digitization and promote the innovative development of internal audit. Internal audit department should also accelerate the development of internal audit software and audit digitization platforms, and incorporate modern technology such as information technology, computer-aided and statistical software^[5].

4.4. Promote the application of audit results, effectively promote audit rectification, and fully guarantee the effectiveness of legal governance in universities

The application of audit results is a key link in addressing management loopholes, improving the level of legal governance, and continuously enhancing the educational effects. The college internal audit department should work together with the disciplinary supervision department, human resource department and other departments to classify common problems, and systematically form an audit rectification ledger corresponding to the problem lists. Effective audit rectification plans should be formulated to strengthen the main responsibility. The discovered problems should be decomposed layer by layer according to the division of responsibilities of the audit object, and the progress of rectification work should be followed up.

The audit results and rectification situation should be made public within a certain range. The audit results should also be combined with cadre assessment, personnel selection and appointment, year-end assessment and professional title evaluation. The common problems found in internal audit should be public promoted, and the rectification work should be urged to be implemented in place.

5. Conclusion

Managing by law is the fundamental task for universities to fully implement the basic strategy of governing the country according to law. Under the background of comprehensively strengthening managing university by law, the role of college internal audit in promoting the lawful development of universities and optimizing the governance capacity of universities is becoming increasingly important. By improving the construction of internal control systems in universities, highlighting audit supervision in key areas of university business, strengthening internal audit teams, and actively promoting the application of audit results, college internal audit can be improved and its function of “immune system” can be continuously enhanced, which will contribute to improving the modernization level of university governance system and governance capacity.

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