

# The Connotation of Red Auditing Spiritual Culture and Its Contemporary Enlightenment

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**Abstract:** China has a long history of auditing, which can be traced back to the Xia, Shang and Western Zhou Dynasties. Now, under the leadership of the Central Committee of the Communist Party of China, auditing has developed more rapidly. Under the influence of the revolutionary red culture of China, auditing has formed the red auditing spirit of hard work, seeking truth from facts, loyalty and integrity, justice and law, and keeping pace with the times. Under the leadership of the central government, generations of auditors have made efforts to explore, reveal the enlightenment of the red auditing spirit to the contemporary era, continue to deepen and expand the red auditing, inherit the red gene, and carry forward the auditing spirit.

## 1. Introduction

In the Xia, Shang and Western Zhou Dynasties, the budding of auditing came into being. Beginning with the auditing of the chief executive officer in the Western Zhou Dynasty, our government auditing went through the “Shangji” system in the Qin and Han Dynasties, the “Bibu” organization in the Sui and Tang Dynasties, the Auditing Court in the Song Dynasty, and the Yuan Dynasty. The Censorship Supervision Agency in Ming and Qing Dynasties, the Audit Office in the Republic of China (later renamed the Auditing Institute), the Audit office and the National Audit Committee in the Revolutionary Base Area, until the formal establishment of the Audit Office of the People's Republic of China in 1983, auditing has been developing and transforming all the way. Along with the rise and fall of national governance in various dynasties, the whole history of audit development has experienced revolutionary war under the leadership of the Communist Party, advancing in revolution and changing in progress[1-3].

## 2. Red Auditing Spirit

In 1921, the First National Congress of the Communist Party of China was held. Since then, the Communist Party of China has been born, and China has undergone a historic transformation. The Communist Party combines Marxism Leninism with the Chinese revolution, unites and leads the people to fight in bloody battles, passes the test, and gains new life. Red ship spirit, Lei Feng spirit, Yan'an spirit and other red spirits were created during the revolution. During the revolution of the older generation of auditors, they stuck to their posts and marched forward bravely. Many famous Communist Party cadres at the trial level emerged. Under the leadership of the Party and in the process of arduous struggle, they nurtured the red auditing spirit with blood, wisdom and faith, and developed constantly in the changing times, vigorously carried forward and passed on from generation to generation. In general, the red audit spirit includes five aspects: hard work, seeking truth from facts, loyalty and honesty, fairness and law, and keeping pace with the times[4].

### 2.1 Hard Work

Since the First National Congress of the Communist Party of China was held, the Communist Party of China has led the people of the country to harden into steel, overcome difficulties, overthrow imperialism, feudalism and bureaucracy, and establish New China. After the founding of New China, the socialist transformation was carried out smoothly. Along the way, the Communist Party of China worked hard to create one history after another. During this difficult revolutionary

process, the Red Audit led by the Communist Party of China was also gradually carried out. The audit institutions unified finance, clarified economic policies, formulated audit rules and regulations, carried out grain audit, audit of financial revenue and expenditure, and effectively stopped the phenomenon of indiscriminate collection and expenditure, corruption and waste. As a member of the Communist Party of China at that time, Ruan Xiaoxian, He has made great contributions to the audit cause and the revolutionary process[5].

In 1934, the central government established the Central Audit Committee, and Ruan Xiaoxian, as the first director, drafted the audit rule “Audit Regulations of the Central Government Executive Committee of the Soviet Republic of China”, led the audit committee members to establish an audit system, organized anti-corruption “commandos” and “light riding teams”, and severely punished corrupt elements. As the director, he personally led a team to conduct in-depth investigation and audit, Later, when he was the secretary of the CPC Gannan Provincial Committee and the political commissar of Gannan Military Region, he was shot and killed in a raid. His life was dedicated to the Party, the country and the auditing cause. “The audit is painstaking and the political opinion is dignified.” Chen Yi told Ruan Xiaoxian's life in a few words in *Crying for Ruan Xiaoxian and Comrade He Chang*, which made us feel the hardships and difficulties behind it. At that time, the economy was backward, wars were raging, and life would be in danger at any time. There was only one desk, one chair, and an abacus in the office of the audit institution. The auditors did not have enough to eat, wear warm clothes, and lived in a cave. However, they still worked hard, worked hard, conscientiously, carried out all kinds of audit work, actively participated in the revolutionary struggle, and were ready to sacrifice for the country at any time. It was they who shouldered the heavy task with their own thin shoulders, worked hard and never flinched, developed the audit cause, laid the foundation for the development of later audit, and set an example for future generations of auditors. Liu Yansong is also outstanding. As a modern ordinary audit cadre of Zhoukou Municipal Audit Bureau, Liu Yansong has been struggling in the front line of audit for a long time and died in a poverty alleviation audit. At the last moment of his life, he was still concerned about his work and struggling in the audit cause, which moved us[6].

Hard work is not only the basis for the victory of the people throughout the country during the revolutionary period, but also the important connotation of the red audit spirit. It is also the traditional virtue of the Chinese nation, and it is the good quality that every generation of us needs to adhere to and carry forward[7].

## **2.2 Seeking Truth from Facts**

The word “seeking truth from facts” comes from “learning from the past and seeking truth from facts “. Seeking truth from facts refers to starting from reality, exploring the internal relations of affairs and the regularity of their development, and understanding the nature of things. During the agrarian revolution, the Central Soviet Area was stable in agriculture, with the rise of industry, handicraft industry, and commerce. With the expansion of the Red Army, the financial demand was growing, the economy was developing, and the Soviet Area's finance was established. The Central Soviet Government proposed a unified financial provision. But at that time, all departments did not receive money, but received more The financial department can not implement various regulations due to such problems as the lack of reporting of money and random expenditure. Later, the Central Soviet set up an audit office based on this actual situation, which is responsible for the review of the budget and final accounts, as well as the expenditure of the treasury cash. Later, in the face of Chiang Kai shek's economic blockade, Chairman Mao issued bonds to raise funds to tide over the difficulties. The Audit Office strictly reviewed, prohibited corruption, carried out economic supervision, published the Audit Regulations, and ensured the implementation of financial policies. This measure was a policy specially formulated for the revolutionary period. Laws and regulations were one of the prerequisites for the victory of the revolution at that time.[8]

Since the restoration of China's national audit system in 1983, national audit has guaranteed and promoted China's social and economic progress all the way. According to the actual situation of our country and the advanced ideas of foreign countries, the state promulgated 38 audit norms in 1996.

After the initial construction of the national standards structure, the National Audit Office continued to issue and revise the Basic Standards for Auditing of the People's Republic of China, the Measures for Quality Control of Audit Projects of Audit Institutions (for Trial Implementation), the National Auditing Standards of the People's Republic of China, as well as a series of general auditing standards and professional auditing standards in accordance with national policies, objectives, economic conditions, etc. Through a series of modifications and updates, the current Auditing Standards are applicable to all audit businesses of audit institutions. The Standards implement the Scientific Outlook on Development, summarize various practical experiences since the establishment of audit institutions, and absorb advanced foreign ideas, becoming a comprehensive auditing standard widely used.

From the revolutionary period to the present socialist modernization, auditing has always followed the actual situation of each period and formulated different laws and regulations to promote national economic development. In fact, not only the laws and regulations have changed, but also the audit mode and audit method have developed with the development of the country. With the expansion of the scope of audit and the development of the audit career, the audit method has gone through a process from simple to complex. Moreover, the audit methods used are also not the same in different audit projects.

### **2.3 Loyalty and Integrity**

The basic functions of audit are economic supervision, economic authentication and economic evaluation. If the audit cannot achieve the basic principle of loyalty and honesty, then the economic supervision and authentication will lose its significance. From the beginning of the revolutionary period, Chairman Mao emphasized that all Party members should be loyal and honest, until President Xi's anti-corruption campaign was vigorously promoted. The state has always attached importance to the integrity of party and government personnel, and enforced the law impartially. On the one hand, the development of audit was imperceptibly influenced by the state leadership, on the other hand, the special functions of the audit profession also determined that auditors should be honest.

A few years ago, the event of “Kangde Xin” spread all over the streets and created a huge wave in all walks of life. As a subsidiary of Kangdexin Group, Kangdexin Composites Co., Ltd. mainly studies the pre coating technology and has made profits for several years. However, in 2019, it was recognized by the CSRC as a fictitious sales business, falsely increasing expenses, falsely increasing profits, forging financial statements, etc. As the audit institution of Kangdexin, Ruihua charged high fees, but did not perform its duties. It only issued an opinion that could not be expressed in 2018. The first five years were standard unqualified opinions. In 2017, Ruihua was found to have many false records and ordered to rectify. In the event of Kangdexin, Ruihua acted favoritism and malpractice, ignoring the problems of Kangdexin's deposit and loan, which led many investors to obtain misleading information. As a third-party audit institution, Ruihua failed to achieve independence and fulfill its duties, and was investigated by the CSRC. The audit of companies and enterprises is a major way for people from all walks of life, shareholders and other stakeholders to understand the company's situation. If the audit institution (personnel) cannot be honest and honest, and cannot ensure independence, it will have a huge impact on the economy.

Loyalty and integrity is the most important guarantee in the auditing spirit. If auditors cannot achieve independence, collude with the audited unit, the auditing will lose its due significance. As auditors, we should not only keep in mind the spirit of the meeting, stick to ourselves, be loyal and honest, but also audit responsibilities, supervise and urge the audited unit, timely disclose the violations of discipline, economic responsibilities and other issues of the audited units, and maintain the social atmosphere.

### **2.4 Justice and Legality**

Since the 18th National Congress of the Communist Party of China (CPC), more and more attention has been paid to the way of doing things in accordance with the law, in a fair and equitable manner, and to the social atmosphere. The audit work should also respond to the call to ensure that

each audit is conducted in accordance with the law and regulations, and the cross examination is fair and open. For data review, property inventory and review process, each step should be detailed and compliant, and every place should be based on evidence. In the 1930s, under the leadership of Comrade Ruan Xiaoxian, Jiangxi Ruijin launched an audit wave to rectify corruption, waste and bureaucracy. This wave quickly rushed all around the Soviet Area with a momentum of overwhelming force, making the government at that time an “unprecedented honest and honest government”. At that time, a ballad was spread in the countryside of Guangzhou: “Ruan Xiaoxian, Ruan Xiaoxian, the peasants laughed when they saw it, and the landlords shouted when they saw it!” It is about Ruan Xiaoxian doing good deeds and practical things for the masses. But this time Comrade Ruan Xiaoxian faced more intractable problems within the organization. At that time, the People's Committee of the Central Government issued the Interim Organization Outline of the Ministry of Finance and set up financial audit institutions according to the regulations. But after visiting the actual situation, Ruan Xiaoxian found that these rules and institutions were virtually non-existent. It is not only that the audit work is not actively carried out and the audit behavior is hindered, but also that the speculators are bold enough to make money inside the organization, fake accounts and fake numbers for their own personal gain. At the same time, the bureaucratic atmosphere of various departments and organizations is permeating, and they do not seek their political affairs in their positions. Take public money and property as their own extravagant and wasteful.

After thinking day and night and sorting out a lot of materials, Comrade Ruan Xiaoxian put forward a series of clear regulations for factories and organizations to effectively curb corruption. In 1934, when the Second National Congress of Workers, Peasants and Soldiers of the Soviet Republic of China was held, he participated as a representative in the reorganization of the “Audit Committee” and the revision of the Central Soviet Organic Law of the Soviet Republic of China. Since then, the “Audit Committee” has been changed to the “Central Audit Committee” belonging to the Central Executive Committee. It is the first time in the Organic Law that the subordination, organizational composition, main responsibilities, work processes and staffing of the “Central Audit Committee” have been legally established.

As the first auditor in New China, Comrade Ruan Xiaoxian set an example for the anti-corruption work and pointed out the direction. Since the 18th National Congress of the Communist Party of China, there have been many auditors who have made contributions to the anti-corruption work, shouting many slogans such as “tigers and flies fight together”, in order to use audit as a means to run through all national policies from top to bottom. Auditing is a sword that complements the law. Auditors are the sword holders who wipe the edge and wield the handle. A good and fair auditing behavior cannot be separated from fair and lawful auditors, nor can it be separated from fair and lawful auditing to safeguard the fundamental interests of the broad masses of the people and a harmonious and transparent socialist society.

## **2.5 Keeping Pace with the Times**

As a technical type of work, audit has the characteristics of the times and foresight. With the constant acceleration of social process and the rapid improvement of economic development, trade transactions are becoming increasingly complex. Whether in terms of technology or rules, every change and development will have an impact on the old audit behavior. Now the reform and opening up has gone through more than 30 years. Under the general trend of world integration, the domestic financial environment is changing rapidly, and the company's business is diversified and spread all over the world. The accounts of the audited units often go through several years, spanning multiple countries and regions. This brings great challenges to auditors. As the personnel who conduct fine audit and find problems, auditors should always be at the forefront of the times, not limited to single subject, single region, single industry and single regulation. On the premise of laying a solid foundation, we should constantly learn new knowledge and lessons from various regions. At the same time, it is also necessary to learn to use new tools, master fast and convenient new algorithms, dare to learn, be willing to learn, and be diligent in learning, so as to contribute to

accelerating the accuracy of audit work, saving and optimizing audit costs, and increasing the sophistication of audit results.

With the development of science and technology, there are many technologies such as cloud computing, mobile communication technology and big data, which are of great help to the sampling, calculation and derivation of audit work. For these technologies, auditors should be committed to the understanding and learning of new technologies with the belief that they will contribute to the audit cause. While accepting the development of things, we should connect with the old and original models. If there are more convenient and faster technical methods, we should try boldly to bring forth the new. Apply new technologies and methods to audit work.

Now is the age of big data, which has a profound impact on the country's economy, society and life. As a guarantee means to promote the modernization of national governance, audit cannot be separated from audit big data to achieve full coverage of the country. Big data brings the storage capacity of massive data, reduces the dependence of sampling analysis, and pays attention to the efficiency of data utilization instead of pursuing high-precision data. This brings great convenience to audit sampling and certification. However, cloud computing, which is based on big data and advances and retreats, has strong computing power. In the past, when audit focused on causality and post audit, cloud computing paid more attention to mining the relationship between the two by relying on powerful algorithms and database comparison, providing great convenience for the pre prevention and investigation of audit work. Under the new normal of a country where everything is developing rapidly, new trends and changes have also emerged in audit. In the face of new opportunities and challenges, auditors must keep pace with the times, constantly adapt to new changes, make changes and adjustments in audit functions, concepts and methods that conform to the new normal, take objective development as the guidance, and take the red audit spirit as the guidance to better, faster and more accurately grasp the new audit opportunities.

### **3. Contemporary Enlightenment**

Reviewing the history of auditing in the light of Chinese civilization, there are countless bright auditing pearls in the endless river, and the red auditing spirit tempered in the gathering of countless shocks and tribulations in modern China is more brilliant. The centennial history of the Party and the centennial red auditing spirit should not forget the past, remember the story and look forward to the future. The awe and remembrance of the audit, the sincere longing for the cause, and the endless thirst for development are all the lights of faith that support generations of auditors to get out of difficulties and move towards the bright future.

Holding the sharp tool of audit, we should be in awe. In the past 40 years of reform and opening up, China's society has witnessed rapid economic development. At a time when the audit environment has become more complex, the audit demand has become more changeable, and the audit policy has become more perfect, only the audit requirements always contain a sincere red heart. China's red auditing spirit requires us to be audited for the interests of the country and the people, and to safeguard the fundamental interests of the people. Auditors in the new era should combine the red auditing spirit advocated by the previous revolutionary ancestors with modern auditing business, keep in mind their responsibilities, strengthen their identity as public servants and guardians of state property, adhere to auditing according to law, adhere to the respect for the legal system, carry out auditing from an objective and fair standpoint, and maintain the independence of auditing. Only in this way can we achieve the first pass of economic security. Today, the contemporary red audit spirit inspires auditors to combine politics with audit, adhere to the political position, clarify the political goal, make good use of the political yardstick, and play a political role in the audit work. Take audit as a powerful tool to handle the country, eliminate corruption for the development of Chinese characterized society, put aside speculation and profiteering, bring tax evaders to justice, and punish those who manipulate the market. Auditing is an important means of helping the government to clean up itself. Under the guidance of the central government to fight corruption and promote integrity, auditors should first ensure their own integrity and fairness. With the unique independence of auditing, they should not be affected by power or eroded by temptation.

The predecessors told us with practical actions that auditing can well combine the supervision within the party with the supervision outside the party, and the good use of auditing can help the party to form the operating mechanism proposed in the 18th National Congress, which is “can't be corrupt, don't want to be corrupt, don't dare to be corrupt”.

#### **4. Conclusion**

The national flag of the People's Republic of China, the five-star red flag, has a profound meaning everywhere: the red background symbolizes the revolution with blood and sweat, and the five pointed star is the revolutionary unity under the leadership of the Communist Party. The revolutionary road of the People's Republic of China is long and magnificent. Before us, countless heroes shed their blood and gave birth to various revolutionary spirits. The red audit spirit, which perfectly integrates revolution, the Communist Party and audit, is the belief that generations of auditors adhere to. The red auditing spirit, which includes five aspects: hard work, seeking truth from facts, loyalty and integrity, fairness and legality, and keeping pace with the times, is an excellent auditing spirit refined and summarized by countless revolutionary predecessors with their bodies, actions and beliefs. With the development of the times, audit has become more and more brilliant with the prosperity of the People's Republic of China. Under the leadership of the Communist Party, the auditor should be willing to be a child. Under the leadership of the Communist Party, he/she should earnestly perform his/her duties, conform to the times, and develop together. At the same time, he/she should not forget his/her original intention, firmly carry forward the red auditing spirit, and march forward with the revolutionary spirit and the wisdom of the older generation!

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