

# Outgoing Audit of Leading Cadres' Natural Resources Assets and Enterprise Green Technology Innovation

## -- Empirical Research based on Listed Companies in Heavily Polluted Industries

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### Abstract

Based on the event background that the audit system of leading cadres' natural resources assets has been piloted in some areas, this paper studies its influence on the green technology innovation of heavily polluting enterprises. It is found that natural resources audit has increased the investment in green technology innovation of related enterprises. The research of this paper shows that the audit system of leading cadres' departure from natural resources assets can improve the investment of green technology innovation of related enterprises, which is of great significance for understanding the microeconomic consequences of the audit of leading cadres' departure from natural resources assets and how the government can effectively implement economic policies to improve local economic performance.

### Keywords

Outgoing Audit of Leading Cadres' Natural Resources Assets; Green Technology Innovation.

### 1. Introduction

Since the reform and opening-up, the Chinese government's assessment of officials mainly focuses on their economic performance during their term of office, and officials compete fiercely for the economic performance of their jurisdictions. This kind of "promotion championship" of officials has greatly promoted the rapid growth of China's economy (Luo Danglun et al., 2015). However, with the rapid development of economy and the continuous improvement of material level, the natural resources and ecological environment have been seriously damaged, and the problem of sustainable economic development has become increasingly serious. China is the only country in the world that demarcates the red line of ecological protection. It can be said that a large part of the reason lies in the excessive consumption of natural resources by local governments in order to achieve their political promotion goals. Therefore, in order to change the status quo to a certain extent, protect natural resources from being wasted as much as possible, and promote sustainable economic development, the Communist Party of China first put forward in the Decision of the Central Committee of the Communist Party of China on Several Major Issues Concerning Comprehensively Deepening Reform at the Third Plenary Session of the Eighteenth Central Committee, "to explore the preparation of balance sheets of natural resources, and to implement the audit of leaving office of natural resources assets for leading cadres. Establish a lifelong accountability system for ecological environmental damage.", make clear arrangements for the outgoing audit of leading cadres' natural resources assets.

However, with the promulgation of the policy of auditing the departure of natural resources assets, there are also many problems. Take Zhen Wu, Anji County, one of the earliest pilot areas in China to carry out the audit of leaving natural resources assets, as an example, which is the largest producer of bamboo fans in China. Since 2013, Yan Wu has started a large-scale rectification of the fan making industry. However, due to the lack of concentration of pollution sources, the amount of sewage treatment is small and scattered, and the investment is too large and the cost is too high. Make the local government very contradictory. That is, in this year, Zhen Wu carried out green technology innovation, innovated sewage treatment technology, and built a centralized sewage treatment plant, thus effectively solving the sewage problem.

What is Green Technology Innovation? The Ministry of Science and Technology implemented the spirit of the 19th National Congress of the Communist Party of China, and put forward guiding opinions on building a market-oriented green technology innovation system. The opinion pointed out that focusing on the construction of ecological civilization, aiming at solving the outstanding problems of resources, environment and ecology, stimulating the market demand of green technology as a breakthrough, focusing on expanding the main body of innovation and enhancing the vitality of innovation, focusing on optimizing the innovation environment, and strengthening the green management of the whole life cycle of products, Accelerate the construction of a green technology innovation system with enterprises as the main body, deep integration of production, education and research, complete infrastructure and service system, efficient resource allocation and smooth transformation of achievements, and form a green integration of research and development, application promotion and industrial development.

Therefore, this paper puts the two into a framework to explore whether the audit of natural resources can improve the green technology innovation of enterprises.

The contributions of this paper are as follows: This paper perfects the literature on the the economic consequences of natural resource audit for enterprises. At present, there are few empirical studies on the economic consequences of natural resource audit for enterprises, and the study on the influence of natural resource asset departure audit as an external governance mechanism on enterprise green technology innovation has not yet appeared, which also provides a new research logic for this paper, taking natural resource asset departure audit as an external governance factor, which supplements the literature in this field.

## 2. Journals Reviewed

### 2.1. Related Research on the Outgoing Audit of Leading Cadres' Natural Resources Assets

As users of natural resources, protecting natural resources and promoting sustainable development is not only the way to maintain their own survival, but also a responsibility that can not be ignored. Looking back at the relevant research literatures at home and abroad, the academic research of leading cadres' departure audit of natural resources assets focuses on the evaluation system, audit objects and audit methods of departure audit of natural resources assets, and there are few literatures about the impact of departure audit of natural resources assets on the micro-level consequences of enterprises. In the field of the impact of natural resources assets departure audit on the micro-level consequences of enterprises, we can summarize the research perspectives in three aspects by reading relevant domestic and foreign literatures.

First of all, it is the social level, in which the impact of natural resources assets departure audit on enterprises is concentrated in environmental governance. Under the background of the departure audit of natural resources assets, government officials in the pilot areas will pass on the environmental protection pressure brought by the departure audit to local enterprises,

especially heavy polluting enterprises. Facing the pressure of local government on environmental protection, enterprises will strengthen their investment in environmental protection, especially state-owned enterprises (Zhang Qi, Tan Zhidong, 2019), and at the same time strengthen their governance (Zhang Zhaoguo et al., 2019), which will play an active role in the rational development of natural assets and the protection of ecological environment (Su Li et al., 2021). Environmental information disclosure is one of the important ways for enterprises to carry out environmental management. Outgoing audit of natural resources assets will have a positive impact on environmental information disclosure of enterprises by strengthening local environmental governance. Zhang Tianjing and Professor Li Qiang (2021), the outgoing audit of natural resources assets can improve the quality of environmental information disclosure of enterprises, which shows that the quality of environmental information disclosure of enterprises in the outgoing audit pilot areas is significantly higher than that in the non-pilot areas.

Secondly, on the economic level, Fang Qiaoling and Ji Yiyu (2021) audit of leaving natural resources assets reduced the accrual and real earnings management of enterprises, and the impact was mainly concentrated in non-state-owned enterprises and areas with better institutional environment.

Quan Jin et al.(2018) found that the pilot has no significant impact on the equity capital cost of heavily polluting and resource-based enterprises as a whole, but it has increased the equity capital cost of enterprises without political affiliation in the pilot areas. It is also found that after the pilot, the performance of heavily polluted and resource-based enterprises without political connection declines, while the performance of enterprises with political connection has no significant change, that is, the implementation of audit of leading cadres' departure from natural resources assets will lead to higher cost of equity capital for heavily polluted and resource-based enterprises, but political connection can weaken this influence. Liu Wenjun and Xie Bangsheng (2018) pointed out that the departure audit of natural resources assets reduced the company's earnings management and inhibited the positive and negative profit manipulation. In addition, whether it is a large company or a small company, and whether it is a state-owned enterprise or a non-state-owned enterprise, the departure audit of leading cadres' natural resources assets has an inhibitory effect on corporate earnings management, and there is no significant difference; The influence of leading cadres' departure audit of natural resources assets on earnings management of related companies is concentrated in areas with poor institutional environment. Jiang Qiuju and Sun Fangcheng (2019) systematically investigated the relationship between the departure audit of leading cadres' natural resources assets and the tax evasion intensity of resource-based and heavily polluting enterprises, and the moderating effect of property rights and financial pressure on the relationship between them. It is found that the implementation of leading cadres' departure audit of natural resources assets significantly reduces the tax avoidance intensity of resource-based and heavily polluting industry companies, and this effect exists more in non-state-owned enterprises and enterprises in areas where local governments do not have financial pressure. This shows that the audit of leading cadres' natural resources assets leaving office can play a supervisory role in corporate tax evasion. Li Xiuzhu and Liu Wenjun (2020) found that the departure audit of leading cadres' natural resources assets raised the debt capital cost of resource-based and heavily polluting enterprises and reduced the scale of future debt financing, There is weak evidence that the departure audit reduced the scale of enterprises' commercial credit. This shows that the creditor investors believe that the system increases the operational risks of related enterprises, so it is reflected in the interest rate and scale of corporate debt financing. It is also found that the departure audit of leading cadres' natural resources assets increases both the borrowing cost and the bond financing cost of corporate banks. In addition, it is found that the outgoing audit reduces the company's future cash flow, but does not affect the

company's future investment efficiency and the hollowing out of major shareholders, and even reduces the agency cost of the company.

Finally, at the political level, the consequences of natural resources assets departure audit mainly focus on the improvement of government governance level, which leads to the relevant countermeasures of enterprises, and the promotion of enterprise officials brought about by the change of promotion tournament mode. Muhammad Shahbaz et al,(2021) thought that the audit system of natural resources departure affected the land transfer behavior of local governments by improving the level of government governance, changing local competition objectives and influencing environmental governance, and could alleviate the distortion of land prices.

## 2.2. Research on Green Technology Innovation

At the beginning of the 21st century, a new green growth mode emerged, which emphasizes promoting economic growth and development while ensuring that natural resources can provide us with resources and environmental services for survival, This green growth mode is green technology innovation (Yao Jun et al., 2020). Looking back at the relevant literature on the influencing factors of green technology innovation at home and abroad, we can see that it can be roughly divided into policy factors, market factors and enterprise factors at present.

First of all, in terms of policy factors, the government's environmental supervision policy plays a leading role in the process of implementing green technology innovation practice. At the beginning of the 20th century, scholars such as Porter of Harvard University thought that proper environmental supervision could encourage enterprises to adopt green technology innovation behavior, which is the famous "Porter Hypothesis". After that, Yalabik et al,(2011) made an in-depth study of Porter Hypothesis, which confirmed the driving role of environmental supervision on enterprises to adopt green technology innovation behavior. Deng et al,(2019) found that political competition not only directly affects the optimal level of green technology innovation of enterprises, but also indirectly affects enterprises by affecting the optimal investment ratio of environmental governance. Qin Yu and Wang Yihong (2020), based on the Chinese government's vigorous promotion of green transformation and upgrading of manufacturing industry in recent years, show that strengthening environmental regulations will encourage enterprises to replace environmental protection investment with more technological innovation, but financing constraints will weaken this alternative behavior. Further research shows that the above influence mechanism is prominently reflected in state-owned enterprises.

Secondly, in terms of market factors, market factors are regarded as one of the main driving forces of green technology innovation. Green technology innovation is characterized by market failure, so the government needs to take mandatory regulatory measures to promote enterprises to invest in green technology (Lee et al., 2011). Yalabik et al,(2011) thought that market factors such as consumers and competitive pressure outside the supervision had interaction with enterprises to adopt green technology innovation behavior.

Finally, in terms of enterprise factors, Fan Baoxue and Wang Wenjiao (2019) think that coal enterprises have invested in environmental protection, such as carrying out energy conservation and emission reduction projects, purchasing and using environmental protection equipment, which has changed the original process flow, facilities and equipment to a certain extent and enhanced the ability of green technology innovation. In addition, the development of green technology innovation activities has enhanced the environmental awareness of enterprises and promoted enterprises to increase investment in environmental protection. Coal enterprises' environmental protection investment and green technology innovation can promote each other.

To sum up, we can find that there are abundant researches on the influencing factors of green technology innovation at home and abroad, but the research combined with natural resources assets departure audit, a property right system with Chinese characteristics, has not yet appeared. The departure audit of natural resources assets chooses leading cadres as the audit object, and associates the audit results with the interests of leading cadres, thus playing a role in enterprise green technology innovation from both policy and market.

### 3. Research Design

#### 3.1. Research Hypothesis

From the perspective of relevant influence mechanism, first of all, the implementation of natural resources assets departure audit brings the responsibility of natural resources and environmental protection into the performance evaluation indicators of government officials, which makes the government promotion no longer rely solely on economic development indicators, but also refer to the relevant factors of natural resources protection indicators. The implementation of this measure makes leading cadres have strong motivation to protect natural resources and ecological environment in their jurisdiction, because the destruction of resources and environment will not only affect political promotion, but also be held accountable for life. Therefore, officials in the pilot areas will put forward more environmental protection requirements for relevant enterprises in their jurisdictions, and will increase supervision and punishment (Liu Wenjun and Xie Bangsheng, 2018), so as to pass on the pressure of ecological environment to enterprises. When the local government exerts great pressure on the environmental governance of polluting enterprises to a certain extent, especially when the punishment for pollution discharge is greater than the income brought by pollution discharge, the rational decision of polluting enterprises is to change their production decision and resource allocation mode, and adopt a cleaner way to produce products by improving production lines and technological processes (Zhang Qi and Tan Zhidong, 2019), which ultimately reflects that enterprises increase green technology innovation, accelerate enterprise transformation and upgrading, and improve resource utilization rate.

Secondly, under the situation of leading cadres' departure audit of natural resources assets, heavily polluting enterprises will adopt a green development model, that is, to achieve sustainable development by increasing environmental protection investment (Li Xiuzhu, 2020). The environmental protection investment of enterprises is mainly used for pollutant treatment, green improvement of products and production processes, etc., and the optimization of production processes cannot be separated from the support of green technology innovation (Bao Gang, 2019). Therefore, it will encourage enterprises to actively carry out green technology innovation, help enterprises master advanced production technology in time, effectively improve resource utilization efficiency, and ensure the maximization of environmental protection input.

Finally, the implementation of the departure audit of natural resources assets can effectively improve people's awareness of the protection of natural resources and cultivate consumers' awareness of the demand for green products. Under the background of increasing public awareness of environmental protection, enterprises, as users of natural resources, also need to improve the use efficiency of natural resources, meet the market demand for green products, and contribute to environmental protection by means of green technology innovation, so as to enhance the social image of enterprises (Tian Cuixiang and Sun Xiaoting, 2018).

Based on the above analysis, this paper puts forward the research hypothesis:

H1: With other conditions unchanged, there is a positive correlation between the departure audit of natural resources assets and the green technology innovation of heavily polluting enterprises.

### 3.2. Sample Selection and Data Sources

In this paper, the data of resource-based and heavily polluting industries listed in China's A-share market before 2010 in 2012-2020 are selected as the research objects, among which, the heavily polluting industries mainly include 16 industries such as coal, mining, textile, leather making, paper making, printing, petrochemical, pharmaceutical, chemical, metallurgy, nonmetal and thermal power. We use Guotai 'an database to obtain relevant financial information, build an empirical model, and use statistical software such as Stata16.0 to make descriptive statistics, correlation analysis, multiple regression analysis and robustness test on the data, and draw relevant conclusions according to the empirical results.

### 3.3. Definition of Variables

**Table 1.** Variable Definition Table

Variable property	Variable identification	Variable name	Variable definition
Interpreted variable	RD	Green technology innovation	Natural Logarithm of Internal Expenditure of R&D Funds
Explanatory variable	TREAT	Is it a pilot area	Virtual variable, if it is the sample of the experimental group, take 1, otherwise take 0
	POST	Is it a pilot interval	Virtual variable, if it is the sample after the pilot, take 1, otherwise take 0
	TREAT×POST	Is the policy implemented	Virtual variable, if it is the sample of the experimental group after the pilot, take 1, otherwise take 0
Control variable	SIZE	Company size	Natural logarithm of assets
	LEV	Asset-liability ratio	Total liabilities/total assets
	ROA	return on asset	Net profit/total assets
	GROWTH	Growth ability	The sales revenue of the current year changed incrementally compared with the previous year
	CFO	cash flow	Net cash flow from operating activities/total assets of the company
	YEAR	year	Virtual variables, with 7 virtual variables in 8 years; 1 in the current year, otherwise 0
	INDUSTRY	Industry attribute	Virtual variables, 15 virtual variables for 16 heavy polluting industries

### 3.4. Model Design

Using the practices of Quan Jin et al,(2018), Liu Wenjun and Xie Bangsheng (2018) for reference, double difference is used to test the research hypothesis.

Study the test model of hypothesis H1 (1);

$$RD = \alpha + \beta_1 TREAT + \beta_2 POST + \beta_3 TREAT \times POST + \beta_4 SIZE_t + \beta_5 LEV_t + \beta_6 ROA_t + \beta_7 GROWTH_t + \beta_8 CFO_t + \sum YEAR + \sum INDUSTRY + \varepsilon_t$$

Where x is the imaginary variable of the experimental group, and if it is the test site, it will be given a value of 1, and if it is negative, it will be 0;  $\Sigma$  is the imaginary variable in the experimental period, and the sample before the trial point is 1, and the negative value is 0 . RD is the green technology innovation of enterprises. At the same time, the control variables include company

SIZE, company asset-liability ratio, company performance and company GROWTH, and we also control YEAR and INDUSTRY. In order to solve the endogenous problem, all control variables are delayed by one period.

## 4. Empirical Results and Analysis

### 4.1. Descriptive Statistics of Variables

The table is descriptive statistics, The average input of green technology innovation is 16.713, and the median is 17.822, The average value of government environmental protection subsidy is 8.715, the minimum value is 0, and the maximum value is 20.163, which shows that there is a big difference between the sample enterprises studied; The mean value of TREAT was 0.065, indicating that the treatment group accounted for 6.5%, The average value of POST is 0.75, indicating that the sample after the pilot accounts for 75%, the average value of LEV is 0.434, and the median value is 0.431, indicating that the average asset-liability ratio of sample companies is 43.4%, and the debt level is moderate; The standard deviation of enterprise scale is 1.12, which indicates that the scale of different enterprises is quite different, the distribution is relatively scattered, and the distribution of other control variables is also relatively reasonable, so it is not repeated here.

**Table 2.** Descriptive analysis

variable	Sample	minimum	maximum	mean	median	sd
RD	2600	0	21.965	16.713	17.822	4.481
TREAT	2600	0	1	0.065	0	0.246
POST	2600	0	1	0.75	1	0.433
LEV	2600	0.015	2.394	0.434	0.431	0.207
SIZE	2600	18.385	26.748	22.352	22.164	1.120
ROA	2600	-2.555	1.126	0.035	0.033	0.089
GROWTH	2600	-0.856	33.370	0.180	0.081	1.021
CFO	2600	-0.762	0.488	0.057	0.055	0.069

### 4.2. Correlation Test

Therefore, firstly, the correlation analysis of each variable is carried out. The results of correlation analysis of variables are shown in Table 3 and Table 4, which are Pearson correlation analysis and Spearman correlation analysis respectively. From the results of correlation analysis, the correlation coefficient between green technology innovation (RD) and pilot interval (POST) is 0.1104, which is significantly positive correlation at the level of 1%, indicating that green technology innovation of enterprises is significantly positive correlation with whether to carry out the departure audit of leading cadres' natural resources assets, which preliminarily confirms the research hypothesis H1 that the departure audit of natural resources assets will have a positive impact on regional enterprises' green innovation; At the same time, government environmental protection subsidy (ESUB) is negatively correlated with enterprise green technology innovation (RD), which also preliminarily confirms the research hypothesis H2. However, the correlation between independent variable and independent variable does not exceed 0.7, which shows that it is reasonable to select variables in this paper.

**Table 3. Correlation analysis**

variable	RD	TREAT	POST	ESUB	LEV	SIZE	ROA	GROWTH	CFO
RD	1.0000	-0.002 (0.91)	0.174*** (0.00)	0.059*** (0.00)	0.103*** (0.00)	0.452*** (0.00)	0.156*** (0.00)	0.071*** (0.00)	0.091*** (0.00)
TREAR	-0.045 (0.02)	1.0000	0.000 (1.00)	-0.042** (0.03)	0.039** (0.05)	0.010 (0.62)	0.021 (0.29)	-0.002 (0.93)	-0.022 (0.27)
POST	0.115*** (0.00)	-0.000 (1.00)	1.0000	0.005 (0.79)	-0.014 (0.47)	0.185*** (0.00)	0.014 (0.48)	0.023 (0.25)	0.047** (0.02)
ESUB	-0.036* (0.07)	-0.027 (0.16)	0.004 (0.85)	1.0000	0.245*** (0.00)	0.349*** (0.00)	-0.081*** (0.00)	-0.070*** (0.00)	0.083*** (0.00)
LEV	-0.081*** (0.00)	0.034* (0.09)	-0.018 (0.37)	0.154*** (0.00)	1.0000	0.450*** (0.00)	-0.463*** (0.00)	-0.062*** (0.00)	-0.170*** (0.00)
SIZE	0.118*** (0.00)	-0.004 (0.83)	0.166*** (0.00)	0.294*** (0.00)	0.416*** (0.00)	1.0000	-0.023 (0.25)	0.014 (0.47)	0.101*** (0.00)
ROA	0.065*** (0.00)	0.017 (0.39)	-0.011 (0.58)	0.016 (0.41)	-0.432*** (0.00)	0.049*** (0.01)	1.0000	0.321*** (0.00)	0.423*** (0.00)
GROWTH	-0.001 (0.97)	-0.011 (0.57)	-0.032 (0.11)	-0.007 (0.73)	0.017 (0.37)	0.032* (0.10)	0.071*** (0.00)	1.0000	0.036* (0.07)
CFO	0.019 (0.34)	-0.018 (0.37)	0.051*** (0.01)	0.090*** (0.00)	-0.208*** (0.00)	0.106*** (0.00)	0.411*** (0.00)	0.036* (0.07)	1.0000

Note: (1) The lower triangle is Pearson correlation coefficient and the upper triangle is Spearman rank correlation. (2)\*\*\*, \*\*, \* mean significant at 1%, 5% and 10% levels, respectively.

### 4.3. Multiple Regression Results and Analysis

**Table 4. Impact of departure audit of natural resources assets on green technology innovation**

variable	(1)	(2)
	T phase	T+1 phase
TREAT	-1.909 (-1.24)	-2.180 (-1.43)
POST	0.862 (1.43)	0.483 (0.85)
TREAT×POST	1.206** (2.21)	1.702*** (3.27)
LEV	-2.536*** (-3.75)	-1.484** (-2.19)
SIZE	2.049*** (10.53)	0.960*** (4.73)
ROA	-1.875** (-1.99)	0.245 (0.25)
GROWTH	0.028 (0.45)	0.129** (1.98)
CFO	0.842 (0.73)	-0.827 (-0.71)
constant term	-27.746*** (-6.08)	-2.575 (-0.54)
industry	control	control
year	control	control
Sample size	2600	2269
R2	0.622	0.643
variance ratio	10.97	10.30

Note: \*\*\*, \*\*, \* mean significant at the level of 1%, 5% and 10%, respectively, and the value of T is in parentheses.



Table 4 lists the test results of hypothesis H1, and the interpreted variable is RD. Column (1) is the full sample regression result considering the control variables; Column (2) is the result of full sample regression considering the control variables, considering that all variables lag by one period. It can be seen from the estimation results that the regression coefficient of the cross-term TREAT×POST is significantly positive at the level of 5% in the current period and 1% in the first period, which indicates that compared with the companies in the areas where the audit of natural resources assets of leading cadres has not been implemented, the companies in the areas where the audit of natural resources assets of leading cadres has higher investment in green technology innovation, and the effect of lagging the first period is more obvious.

## 5. Robustness Test

### 5.1. Placebo Test

Placebo test refers to a method that we artificially set a year before the pilot as a virtual pilot year to test whether the regression results are still significant.

In this paper, the characteristics of pilot areas and non-pilot areas may be different, so our research findings may be affected by some missing characteristics. Therefore, this paper draws lessons from the practice of Quanjin (2018), adopts placebo test, selects 2011-2013 as the observation window, sets 2012 as the virtual pilot time, and takes this as the experimental group sample. At the same time, it selects the heavily polluting enterprises in non-pilot areas from 2011 to 2013 as the control group sample, using model (1) and model (1). The regression results are shown in the table, and we can see that the coefficient of TREAT×POST is not significant in each regression. This shows that the findings of this study are not the regression results caused by the systematic differences between pilot areas and non-pilot areas.

### 5.2. Pairing Test

There may be systematic differences in the characteristics of heavily polluting enterprises between pilot and non-pilot areas, and the samples in the control group are much larger than those in the treatment group, thus affecting the findings. In order to rule out this possibility, we use Tendency Score Pairing (PSM) to test. According to the company size, asset-liability ratio and profitability, we matched a control group company with the closest company characteristics one to one, and then re-examined it with the matched samples. We can find that the coefficient of TREAT×POST is significantly positive at the level of 5%, which shows that the audit of leading cadres' departure from natural resources assets has increased the investment in green technology innovation of enterprises; TREAT×POST×ESUB is not significant, which indicates that the government's environmental protection subsidy is not significant.

## 6. Research Conclusion

Since the reform and opening up, China's economy has made great progress. However, due to over-emphasis on the speed of economic development and neglect of the quality of economic development, China's natural resources and ecological environment have been seriously damaged. Therefore, in order to strengthen the construction of ecological environment, the Party and the government put forward the policy system of leaving audit of natural resources assets, which aims to force local government officials to pay more attention to the construction of regional ecological development, so that enterprises in their jurisdictions can also consciously carry out the construction of ecological civilization. This paper analyzes from the perspective of enterprise green technology innovation, and finds that the departure audit of natural resources assets can effectively increase the investment of local heavily polluting enterprises in green technology innovation. The implementation of the policy of auditing the departure of natural resources assets is a long-term policy measure to control the ecological

environment, which can more effectively improve the green ecological awareness of local consumers and urge local enterprises to increase investment in environmental protection so as to strengthen green technology innovation; At the same time, however, the addition of government environmental protection subsidy will inhibit the green technology innovation of enterprises, because the preferential policy of government environmental protection subsidy will alleviate the ecological pressure faced by enterprises for a period of time, thus making local enterprises shelve the green technology innovation. Therefore, the government's policies on local enterprises' green technology innovation need to be combined more effectively, practiced more, and developed a series of combination punches that can improve local enterprises' green technology innovation and accelerate regional economic development.

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