

Causes and Countermeasures of Internal Audit Risk in Administrative Institutions

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Abstract

Internal audit has a special position in administrative institutions, and its role and risks coexist. It is very important to prevent and control the internal audit risk of the unit, and plays a decisive role in safe and smooth operation, standardization and standardization. Therefore, this paper briefly introduces the main contents of the internal audit risk of administrative institutions, including the causes, characteristics and the main problems in risk prevention and control, and puts forward effective measures for the organization to promote development, ensure safety and give better play to the value-added role.

Keywords

Administrative Institutions; Internal Audit Risk; Causes and Countermeasures.

1. Introduction

As a non-profit organization, administrative institutions do not focus on strengthening management and risk prevention and control. Their risk management and control is mainly to transform the daily capital business and business activities of the unit into reasonable and compliant financial resources. As a result, they are affected by many uncertain factors, which brings many hidden risks to the internal audit work, leading to the audit subject to bear unnecessary losses.

Administrative institutions are the main body of the government's administration according to law in society and the most direct executive body of national policies. Therefore, additional attention should be paid to the internal audit of administrative institutions to control the risk of the daily operation of the organization. With the help of this, we can effectively improve the use efficiency of financial funds, scientifically evaluate and plan ahead before the risk occurs, grasp the national macro development context and the basic situation of the unit, and grasp the direction and rudder for the organizational development.

2. Causes of Internal Audit Risk in Administrative Institutions

2.1. The Concept of Internal Audit is Old and the Level of Informatization is Low

Among the causes of internal audit risk in administrative institutions, the outdated concept of internal audit is an important factor that can not be ignored. At present, many administrative institutions still choose the traditional audit methods in the process of internal audit, mainly completing the review, investigation, verification and other related work in the form of manual. The workload of internal audit is large, and the backward methods are difficult to ensure the quality of internal audit of administrative institutions, which is easy to cause great risks. The informatization construction of internal audit of administrative institutions is an effective means to ensure the smooth realization of audit objectives. With the continuous maturity of information technology and the in-depth reform of the unit, the unit needs to actively use information technology for internal management, such as electronic vouchers, electronic

account books, electronic statements, and the establishment and application of accounting computerization system, which all require the administrative institutions to have a certain informatization level. However, at present, some units do not pay enough attention to the internal audit informatization construction and invest less funds, which seriously restricts the improvement of the internal audit informatization level.

Internal audit is a highly knowledge intensive work, so it puts forward higher requirements for the professional level of audit practitioners. Employees not only need to be proficient in financial knowledge, but also need to have a certain understanding and mastery of relevant business knowledge in the field of the organization. Only in this way can we truly realize the audit and supervision of the organizational structure and economic activities of public institutions. Due to the short development time of internal audit, the overall level of internal audit is low, and the relevant departments do not pay enough attention to internal audit, the internal audit talent team of public institutions in China is relatively weak. This talent team not only can not meet the objective needs of internal audit in administrative institutions in terms of professional structure, but also has faults in age structure and educational background structure. Many senior internal audit practitioners are not familiar with and unfamiliar with advanced audit tools such as big data, blockchain and cloud computing, so it is difficult to effectively improve audit efficiency and effectiveness. Although some new employees have the ability and enthusiasm to learn new audit models and tools, due to the lack of understanding of the actual business development of the organization, they are not accurate in the direction and focus of the audit work, and the implementation efficiency is insufficient, which eventually leads to the low authority of the internal audit work, and it is difficult to effectively empower the operation of the financial activities of administrative institutions.

2.2. Imperfect Internal Control System

Imperfect audit internal control structure or system is easy to cause control risks. The key to controlling such risks lies in paying real-time attention to the scientificity and rationality of the internal control system to ensure that the strength is within the controllable range. Most internal audits are post audit, and there is no preventive mechanism before and during the activities. The real internal audit should have a complete virtuous circle, including pre prevention, in-process monitoring and post control, including financial audit, management audit, economic responsibility audit, performance evaluation, internal control audit and other system projects. However, from the current practice of internal audit, the audit of financial income and expenditure, the audit of special financial projects and the economic responsibility audit of leading cadres transferred are mostly post audit. When the audit finds problems, usually the project has been completed, the economic operation has begun, and has not really played a role in prevention and prevention. Even if there are problems in the early stage, they cannot be corrected objectively. They can only give a weak potential risk warning and put forward suggestions for improving future work. This not only weakens the role of audit in risk methods, but also does not fully reflect the value of internal audit.

2.3. Low Independence and Authority

The independence and authority of internal audit is an important guarantee for it to give full play to its functions. However, some administrative institutions assign internal audit to financial and discipline inspection and supervision institutions. It goes without saying that the independence and authority of internal audit are limited to a certain extent. In contrast, this is not as authoritative and independent as external audit institutions, and it is impossible to deal with some interest relations about audit objects with absolute objectivity and impartiality. In addition, administrative institutions have not established a complete and systematic legal system related to internal audit, The lack of corresponding binding rules, systems and work regulations has affected the working methods of audit work. Based on the audit judgment made

by personal experience and knowledge accumulation, the final evaluation result is not very high in authenticity or authority. The gradually declining audit efficiency will mean greater audit risk.

2.4. Imperfect Supporting Laws and Regulations

The current situation of low-level legal provisions of internal audit is far from meeting the urgent expectations of China's economic and social development for internal audit and the internal needs of the development of internal audit itself. In the internal audit work of administrative institutions, due to the lack of laws and regulations, the reference and operability are not strong, which affects the development of the audit work, makes the audit work unable to follow, there are no rules to follow, and it is not standardized and reasonable in the actual internal audit work. At present, although there is also the support of laws and regulations such as the audit law and the provisions on internal audit, these laws and regulations are not clear enough in the actual provisions and their operability in the audit work is not strong. The imperfect and imperfect laws and regulations make the audit staff have no direction and guidance in the actual work, and there is no strong basis in the evaluation and inspection of the audit work. Many legal provisions on internal audit are put forward by the state for enterprises, but there is no complete set of norms for the internal audit and control of administrative institutions. Coupled with the lack of systematic legal system guarantee, internal audit problems are common. The construction of internal audit environment is seriously insufficient, and the function can give full play to the effect of post prevention, which can not solve the problem from the source. In addition, administrative institutions also lack certain supervision over internal audit. Many units do not have a set of scientific and reasonable audit supervision system and accountability system, and can not strictly control the audit process and problems. In addition, the construction of external audit supervision environment is not strong enough, resulting in the inability of internal audit to be carried out efficiently.

3. Prevention and Control Countermeasures of Internal Audit Risk in Administrative Institutions

3.1. Improve the Management Mechanism of Administrative Institutions and Strengthen the Restrictive Role of Internal Audit

The basis of internal audit prevention of administrative institutions is to improve the relevant management mechanism, and the important task is to strengthen the restrictive role of internal audit. First, internal audit is supervision, but for administrative undertakings, it is more important to have a perfect management system. The management system and internal audit system need to be highly coordinated and accurately matched to enhance the binding effect of internal audit. Therefore, it is necessary to establish a perfect internal control system. Define the internal control objectives, reasonably set the post responsibilities and rights of each department of the unit, establish the post responsibility system, realize internal control by improving the centralized decision-making system and the authorization and approval system, optimize the financial management process, determine the annual key expenditure plan of funds, guide the financial management of the financial Department through audit, review, fund allocation, index release and summary, and realize the internal funds to be collected and disbursed, Improve the efficiency of the use of financial funds. Second, put the independence of internal audit in a higher position, clarify the key nodes of internal control, and realize the efficient supervision of internal audit on the organization. For example, in the budget audit, we should pay more attention to the audit of unit budget preparation, approval and final accounts. In the income audit, we should pay attention to the audit of post authority and bill management. In particular, we should pay attention to the investigation and supervision of the specific

information of income and the separation of accounting posts; Third, strengthen the weak links in the financial management of administrative institutions, highlight the use and management of special funds, explore the possibility of special accounting of special funds, speed up the formulation of scientific project management plan and accurately record the expenditure information in the process of operation, so as to realize the efficient management and operation of audit work and projects. Fourth, strengthen the supervision and audit of the use of project budget funds, strengthen fund management and reduce the risks in the operation of the unit. In this process, the financial audit department of administrative institutions shall, in strict accordance with the relevant policies and regulations of the government, improve the financial management system, standardize the financial reimbursement system and approval process, allocate funds in strict accordance with the budget content, give full play to the professional advantages of the financial audit department, and ensure that all economic activities of the unit can be carried out smoothly.

3.2. Promote the Informatization Construction of Internal Audit and Explore the Application of Big Data Audit Mode

Promoting the information construction of internal audit is the key to strengthening the prevention of internal audit risks. The focus is to actively explore the application of big data audit model. On the one hand, actively explore the big data audit model, form a big data audit idea in line with the specific work practice within the organization, form a big data audit team with audit practitioners and information technology personnel, study the key data within the unit, focus on the internal relationship between the data (time relationship, ratio problem, etc.), and calculate, arrange, analyze and evaluate the data through electronic language, Thus, we can detect the problems contrary to the existing laws, regulations and rules in a short time, and carry out internal audit more targeted on this basis. On the other hand, increase the investment in the construction of internal audit information, including the upgrading of hardware equipment and the improvement of software level, accelerate the implementation of big data audit mode, make full use of the internal value and role of data computing, incorporate various internal financial activities and other miscellaneous information into the system, input them into the management information system for standardization and informatization, and then set corresponding verification rules, Use information technology for intelligent operation, so as to find out loopholes timely and accurately, improve the efficiency and accuracy of internal audit, and make the information provided by internal audit more reliable.

The unit should further strengthen the interconnection between information systems, gradually establish the unit's audit data center, uniformly store relevant data, increase the source channels of data acquisition, collect and sort out the relevant index information in the industry while obtaining the unit's information, constantly supplement and improve the financial data, indicators, management objectives, risk control and other information in the industry, and gradually build and improve the performance evaluation database. What cannot be ignored is to further clarify the confidentiality requirements of big data, eliminate the concerns of the audited unit and restrict the behavior of auditors. Data has become the core resource of the unit. While obtaining data, the audit department has the obligation of confidentiality. For how to ensure the information security of data under the network environment, in addition to technical support, it is more necessary to clarify the authorization of auditors and the responsibility of data confidentiality at the institutional level. We should also grasp the degree, further study the risks brought by big data to audit, further standardize the evidence acquisition and identification in big data audit, and further standardize the discretion of auditors in the audit process.

3.3. Pay Attention to the Professional Cultivation of Auditors and Continuously Improve the Quality of Internal Audit

Strengthening the guarantee of internal audit risk is to pay attention to the professional training of auditors, and its goal is to continuously improve the quality of internal audit. First of all, we must pay attention to the selection of internal audit team personnel. We should not only highlight the evaluation of auditors' professional knowledge and qualification, but also comprehensively consider the auditors' professional experience, knowledge structure and moral quality, ensure that the staff engaged in financial audit have noble moral quality, and conduct a comprehensive evaluation and review of auditors; Secondly, we should highlight the professional training of internal audit practitioners, establish a multi-level audit training system through the way of "audit instead of training", and continuously improve the theoretical level and practical ability of auditors. Especially when it comes to audit professional projects, we should increase targeted professional training in advance, strengthen auditors' understanding of business, and effectively avoid audit loopholes; In addition, we must fully consider the development trend of audit in the future. We must focus on the introduction and training of talents with interdisciplinary backgrounds, such as computers and manual functions, give full play to the application value of audit tools, enhance the intelligence of audit work, and empower the internal audit of administrative institutions with science and technology. Auditors should standardize, institutionalize and normalize internal data collection, strengthen contact with computer professionals and technicians, jointly collect and share data, make full use of information system positioning to obtain peripheral data and related data related to operation activities, conduct multidimensional analysis through network technology, and shift from ledger data mode to data audit mode; Finally, we should adhere to the concept of "both hands should be grasped and both hands should be hard", formulate a parallel construction plan for internal training and external introduction of audit talents, learn from the advanced ideas of other units, improve the vitality of internal audit practitioners, establish an effective restraint and incentive mechanism, stimulate the work enthusiasm and subjective initiative of practitioners, and establish a team of auditors who are honest, proficient in business and pragmatic style, Achieve the purpose of improving the quality of internal audit.

3.4. Attach Importance to Risk Management Audit, Optimize Audit Environment and Improve Audit Independence

With the reform and development of administrative institutions, various businesses within the unit continue to expand, and the scope of various risks also gradually expand. Risks may occur all the time. Therefore, the internal audit department of administrative institutions needs to strengthen its own risk awareness and take risk management audit as an important task. Therefore, the internal audit department of the institution needs to start from the source of the process, incorporate the audit risk assessment into the process of preparing the plan, and take the risk assessment as the basis of the audit plan. Only in this way can we ensure that all audit risks are at a low level and ensure the realization of audit objectives. Otherwise, it may spend higher costs due to higher audit risks, resulting in waste of resources and low efficiency. The unit should actively carry out risk assessment and problem identification activities, comprehensively inspect the enterprise using various methods, assess its potential risks as a whole, and carefully analyze the internal problems that may be caused by the risk and the resulting economic losses. It should also comprehensively evaluate various risk elements in the organization's operation and business development, so as to help the unit find potential operation risks and formulate corresponding solutions according to the actual situation.

At the same time, for administrative institutions, internal audit is an important part of their work, standardizing the internal power operation of the unit in their daily work, and enforcing various laws and disciplines. In order to improve their political status, based on the height of

comprehensively and strictly administering the party, deeply understand the importance of internal audit and realize the importance of audit work to the development of the whole unit, the staff of the unit must use legal thought, strategic thought and overall audit work view, and actively crack all kinds of restrictive factors in the audit process, so as to better ensure the orderly development of audit work. At the same time, administrative institutions also need to strengthen publicity work to create a good environment for internal audit. Therefore, leaders of the units should set an example, take internal audit as an important task of their own units, and correct the problems existing in the audit work in time.

Internal audit can effectively ensure the efficient operation of administrative institutions in the development process, and plays a key role in the rapid development and progress of the organization. Therefore, organizations of all units need to further improve the ability of audit risk identification and prediction, establish risk oriented awareness, and do a good job in risk measurement and evaluation. Establish and improve the internal audit system, constantly improve the internal audit system, speed up the selection of high-level employees, optimize the audit environment, pay attention to audit legislation, change ideas, and escort the further improvement of audit quality and the scientific and rational use of financial funds.

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