Propose Implementation Full Coverage Audit of Oil Corporations

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Abstract: With the development of petroleum industry, oil corporations continue to expand the scale and scope of business. In the other hand, it also brought a lot of problems and risks whereby the companies have to take some measures to deal with. Various innovation strategies are introduced and the oil companies face more challenges in terms of business and management. Thus, auditing requires a greater role whereby to be supported by senior managers within the corporation. In addition, multi-angle auditing will be able to achieve full coverage of the audit approach to promote the realization of the value of the corporation. In this paper, the audit of oil companies made some proposals to achieve full coverage audit in order to assist better development of Corporations.

Keywords: Oil Corporation; audit; full coverage

Introduction

The development of information technology has played a certain role in promoting the internal control and risk management of petroleum corporations. The information technology makes the management system of petroleum corporations better. It has produced a series of innovation and development in audit technology and management. Due of the application of information technology, the audit environment and target also change gradually. Use of digitization and networking will be the absolute development in near future and indirectly the traditional auditing is upgraded to a certain extent and the problems and risks are better revealed. In addition, the management of the corporation also have a better understanding. The worldwide application of information making the audit of the object and the environment is constantly changing network into the inevitable trend of development. The audit department of petroleum corporations must take certain measures to expand the degree of auditing information, implement the omni-directional grasp of corporation information. Application the information means focus on the full coverage of the audit to stimulate the development of oil companies. In the process of data collection and analysis, the relevant auditor should gradually adopt the network and various information systems to ensure the quality and reliability of the result. It improve the quality of the audit so that the audit results are more significant and reach certain role and purpose.

1. Improve the audit function, strengthen the audit supervision

First, supervision need to be carried out in operation power. Internal audit must be carried out systematically. It must
have clear responsibilities and audit program. In addition, it must be strict and any mistake must be penalized so that it will be able to supervise and deterrence the top management within the corporation. Supervision must be carried out to monitor the top management accountability and auditing during and before leaving the corporations. The audit target should concentrate for the departments which have of more problems, refused to correction. The audit shall be attended to those corporations without auditing for quite some time. At the same time, audit should be concentrated for some of the more intensive and more concentrated power, resources are very rich corporations. The person in charge of the relevant corporations shall be monitor closely. The accountability of the personnel shall be classified in related to the relevant economic responsibility to distinguish between the different leaders should bear the responsibility. It should be done according to the economic responsibility of the audit approach to define it.

Second, supervision work shall concentrate on the management efficiency. For the overall operation of the corporation mechanism and development strategy, it should conduct a comprehensive analysis through the implementation of the audit work to expose the risks and problems to achieve the purpose of promoting the management level. For part of the work of corporations such as energy-saving emission reduction, cost control, oil sales, should do a good job of receivables management. Special audit on financial business shall be carried out in order to achieve the relevant policy reform and improvement. To avoid the adverse impact on the operation of the corporation, it should be standardized and constrain the business behavior of the corporation so as to enable the Corporations to further improve their operating efficiency level, and avoid the adverse effects of the internal control which will able to achieve business strategic objectives.

Again, supervision work needs to be carried out in the investment and construction project. For the key investment projects of corporations, auditor should do the whole process of tracking audit and stage audit supervision work in accordance to the different types of projects. Auditor shall take appropriate audit methods to strengthen the engineering design, project bidding, subcontracting, contact changes and other important aspects of the audit efforts to make the construction project to durability, security, on time to complete the construction. It will help increase investment control to ensure the quality of engineering work. In the process of completion of the project, the audit department should arrange to clarify with the internal audit team, preferable appropriate site auditors to have better communicate with the construction side to speed up the audit work the overall process. Attention to the construction during the audit work will put forward problems and management recommendations to promote the construction project to timely completion. Special audit is able to complete, improve the level of corporation project management for the existence of specific construction projects.

Finally, for audit supervision in the overseas investment through the implementation of overseas auditing to speed up the improvement of relevant systems. The training of foreign auditors, language training and overseas anti-terrorism training at the same time shall strengthen the overseas site verification and audit evidence and domestic inspection, review and analysis. The audit work shall be carried out as soon as possible in order to save and effectively carry out the management and supervision of overseas investment. It shall control and reduce the corresponding risks, increase the overseas business management and behavior of the norms. At the same time through the audit, the overall operation of overseas and financial situation supervision would achieve full coverage of domestic and overseas audit so that overseas investment business can develop healthily.
2. Improve audit value and strengthen audit quality management

In order to control and manage the internal audit quality according to the law, the oil industry shall consist internal control manual and other systems such as standards, procedures that strictly carry out the audit work. Through the collection of data and analysis to verify the authenticity of data and information and accuracy, integrity and promote business compliance with the law.

Firstly, we should improve the statistical analysis system in the audit management system. By selection the appropriate statistical analysis method according to the report template and the statistical methods, the oil business audit work statistics standardization comparison, the audit work will be more reasonable and efficient. In addition, to further strengthen and importance to statistical analysis work from the level of the authorities, the rational use of the data through the large data that suggest important and repeated the risk. While the audit report statistical analysis of the work reflected in the problem can also reverse to improve the audit management system so that the results are more realistic and reliable.

Secondly, the innovative thinking into the audit organization, to achieve better use of audit results. Audit departments in the conduct of the audit work should be in accordance with certain norms and systems in an orderly manner. While promoting institutional innovation and to adhere to the risk-oriented problem, it is necessary to pursue accountability. However, it is also to seriously find the cause of the problem with a multiplier effect. To reflect the typical universal tendencies, we must promptly study strengthen the institutional mechanisms and system construction and strive to achieve the fundamental correction from the problem.

Finally, strengthen the audit quality control. The impact of audit quality is related to all aspects from the data collection to analysis, audit review of the draft, the audit report etc. Each step directly affect the reliability of the audit results. Therefore, in the data and reports audit should do a certain degree of control and supervision work. The main trial do a good job review and the audit department to do a good job to avoid the audit quality problems. In addition, the auditors should be strictly in accordance with the system and standards to avoid misstatement of the audit.

3. To speed up the construction of audit information, to adapt to the development of Corporations

Firstly is to develop and improve the audit information development of the relevant planning and programs. Audit information construction involves more aspects which management is more complex. For the work of the difficult problems should be implemented gradually. Through the audit system information construction and application, the rational use of information technology to improve the degree of internal audit information. Information work needs to start from the basic work. The use of information technology audit to achieve full coverage of the audit would improve the quality of the audit control to ensure the innovation and development of audit work. For the related work of information, we must do a good job in organizing and coordinating the work, strengthen the training of information talents so that the relevant staff of information technology awareness, audit business ability to improve and gradually realize the construction and application of audit information.

Secondly, speed up the audit data center construction work. In the audit work, to collect all the information including internal and external data, the audit work is mainly for the relevant data for sorting and analysis. Therefore, for the data center construction planning should be strictly managed. The database facilitates the smooth development of the audit work, facilitating the sharing of information and real-time updating of the data information. The effective processing of
Finally, improve the data analysis and management. When facing of large-scale information data, auditors must do a good job of sorting to avoid confusion in the data. Auditors should have data analysis ideas and methods through reasonable information technology and methods for analysis. The integration of audit technology and information technology can make up for the lack of experience in the implementation of audit work. Auditors through the analysis of information data and information sharing to achieve real-time monitoring of online and promote information technology in the whole company to promote according to the relevant departments of the management experience to complement and correct to ensure the accuracy of the data. In addition, you can use the financial system embedded in the audit module approach and through the financial system and other systems combined with the contract management system, procurement systems and other key projects in the centralized audit in order to improve the audit timeliness.

4. To improve the correction capacity of the audit work in a timely manner

In order to ensure the long-term effective audit work, the relevant personnel must recognize the importance of correcting the problem. The audit problem should be correct immediately. Improve the understanding of the relevant units of the audit work in order to achieve comprehensive management and improve the initiative of various departments and strengthen the implementation of correction efforts to ensure that the coordination between departments to ensure the quality of the audit work.

Firstly, in order to achieve the audit correction, all departments shall actively cooperate with the staff. All department shall promote communication in between departments and strive to improve the relevant correction system in order to achieve three levels of audit responsibility system. For the relevant issues related to the audit, such as involving the policy or system problems, the headquarters should be systematically develop and rectify subordinate departments to implement. If the same problem occurs in a number of corporations in the oil industry, two professional corporations should check the whole audit system until the system problems are rectified. For the existence of individual corporations, the relevant corporations should be verified, checked and rectified. When the correction work is carried out, it is necessary to make a clear segregation. Different departments are responsible for different levels and departments to manage together to form large supervision, large force and large epidemic prevention system to improve the transparency of the correction work and make the departments and corporations to ensure the efficiency of correction audit work.

Secondly is to improve the audit system. In collaboration with the business management objectives and adhere to the top management of relevant corporations advise and align with the country requirement on the audit correction work requirements, the audit shall be carried out thoroughly through the improvement of the audit system. The relevant provisions of the corporation system should be refined and identify the relevant responsibilities of various departments to do a good job of supervision and also the implementation of correction reports and notification methods. For those who caused property losses and other issues, the person in charge should be accountable to avoid losses to the corporation.

Finally, a good monitoring and guidance shall be attended to the audit correction. The problem which is found in the audit process shall be verified, analyze and rectified in timely manner. A proper tracking system shall be applied for all audit correction to ensure that the relevant units rectify and report the audit correction timely. Random checking shall be
done for all for the corrective action to avoid correction is not fully in place and not implemented. If it is found that the phenomenon of correction is not carried out, the relevant responsible personnel should be investigated. In addition, the audit corrective action shall be guided to avoid correction direction problems and ensure the audit corrective action quality to ensure that the interests of Corporations.

**Conclusion**

To achieve the full coverage of the audit of oil companies, coordination of various departments of corporations is required with the combination of auditing and information technology integration, continuous improvement in methods and technologies together with the improvement the relevant system, better management and supervision work. In the audit process, attention shall be strengthened in all aspects including audit resources optimization. For the data collection, processing and analysis work must be strictly in accordance with standards to avoid errors, ensure the quality of the audit work and combined with the actual development goals and strategies to develop a reasonable and effective audit program. In this regard, the relevant corporations and departments should pay attention to the development of the audit process. Corporations shall accomplish full coverage of the audit to promote the long-term development of corporations in a timely manner to optimize and improve the economic efficiency.

**Reference**