

Exploration of the Origin and Early Development History of China Audit

Wuning Zhang

Nanjing Audit University, Nanjing, Jiangsu,211815

Abstract: This paper discusses the origin of China audit, and believes that the emergence of audit in ancient China is due to the needs of early social and economic development. In this social background, in order to maintain economic order and protect the interests of the country and the people, people constantly sum up experience and lessons in practice, discover some phenomena and laws, and produce some new areas of economic activities. In these fields of economic activity, the earliest audit activity, namely the audit system, emerged. Before the audit system came into being, people began to use various means to supervise financial revenues and expenditures and economic activities. Audit in ancient China has gone through a long historical process from germination to development. The earliest audit historical materials in China appeared in the Spring and Autumn Period. Audit originated in the Western Zhou Dynasty and developed through the Spring and Autumn Period, the Warring States Period, Qin and Han Dynasties, the Three Kingdoms, namely, Wei, Shu Han and Wu, the Wei Jin Southern and Northern Dynasties and the Sui and Tang Dynasties.

Keywords: The origin of audit; Early audit; Development history

1. Audit System in the Western Zhou Dynasty

In the Western Zhou Dynasty, the audit system had developed to some extent. There is "auditor", "audit fee", and "audit of the rent and tax" among the "six officials in charge of the affairs of the emperor" in "Rites of The Zhou". At that time, the audit department was not an independent institution, but an official with the same function as Sikong and Situ, whose nature was similar to that of the current National Audit Office.

In the Western Zhou Dynasty, audit offices generally had examiners who were responsible for examining the performance of officials in the imperial court and supervisors who were responsible for state financial revenues and expenditures. In court, the examiners who assess the political achievements of officials in the court are called "Kaogong", "Kaogong" is mainly to examine whether officials at all levels seriously perform their duties, whether there is corruption and bribery. A supervisor is an official who specializes in the management of financial revenue and expenditure. Rites of The Zhou also mentions supervisors who managed warehouses, money grains, stores, farm implements, and so on. In the Western Zhou Dynasty, the object of audit work was governments and officials at all levels, and the audit results were also included in the assessment of officials' performance. There are also records about reporting audit results to higher levels of government and releasing them to the public. In the Western Zhou Dynasty, audit played a very important role in the state management. It was not only a national supervision system, but also an economic supervision system.

2. The Emergence and Development of Audit in the Spring and Autumn Period and the Warring States Period

During the Spring and Autumn Period, with the development of social productive forces, the communication between countries and regions became more and more frequent, and some new production fields and business projects continued to appear, which requires specialized personnel to supervise and manage these emerging areas of economic activity in order to ensure their smooth progress. Therefore, in this period, there appeared some specialized persons to supervise and manage economic activities—"Lijia". "Guanzi · Riding

Horse”said:”Those who serve the country must first manage their own internal affairs before they can deal with external affairs. Only by handling internal affairs well can they better handle external affairs and thus contribute to the country.”Guan Zhong said in Guanzi·State Savings:”Anyone who rules the country must first manage the family,and then can rule the country.”It shows that when countries and regions supervise and manage economic activities,they must first do a good job of internal governance.In order to ensure the smooth progress of these new fields and new projects,it is necessary to establish a specialized institution for supervising and managing economic activities.

3. Audit Activities Were Widely Carried Out in Various Fields During the Qin and Han Dynasties

The Qin Dynasty established the first unified feudal state in Chinese history.In order to consolidate the unified feudal rule,the rulers strengthened the management of state revenue and expenditure and implemented some auditing measures.For example,the Qin Dynasty unified weights and measures,unified the currency,rectified the currency system,and prohibited private coin casting.These measures effectively maintained the social and economic order and laid a good foundation for the development of feudal society.

Audit activities in Qin and Han Dynasties were widely carried out in various fields,mainly reflected in the following aspects:The first is the supervision of financial revenue and expenditure management;The second is to audit the tenure of government officials;The third is to audit the state-owned assets;The fourth is to audit the government’s financial revenues and expenditures.The development of audit activities in the Qin and Han Dynasties marked the gradual maturity and perfection of the audit system in ancient China.The audit activities in this period have achieved fruitful results in various fields,and laid a solid foundation for the audit work of future generations.

4. During the Wei,Jin,Southern and Northern Dynasties,Due to Frequent Wars and Social and Economic Depression,Some People Began to Use Legal Means to Protect Their Interests

In the history of our country,the earliest audit law is the Han Law.After establishing the Han Dynasty in Guanzhong,Liu Bang,Emperor Gaozu of the Han,formulated a series of laws,including the Han Law,in order to consolidate his power.The Han Law stipulates:”If an official commits a crime but refuses to atone for it with money or property after receiving the order,even if the circumstances of his crime are serious enough to be sentenced to death,he will be dealt with in accordance with this provision.”In addition,the decree stipulates:”If an official,a county magistrate,is unwilling to perform his duties,and refuses to atone for his crime with money or property after receiving the order;Or,if a chief commander refuses to perform his duties,and refuses to atone for his crime with money or property after receiving the order,even if the circumstances of his crime are serious enough to be sentenced to death,he shall be dealt with in accordance with this provision.”This law is formulated to address economic violations such as officials using their power to embezzle people’s property,corruption,and bribery.It is a kind of sanction against the corruption and bribery of officials,and it is also the earliest legal provision on audit in China.It shows that our audit already had certain legal nature at that time.In the law of the Tang Dynasty,there is a clause that”officials in charge accepts money and commodities”.

5. Audit Activities Entered a New Stage in Sui and Tang Dynasties

In the Sui and Tang Dynasties,with the further development of the feudal economy,the financial management system of the feudal state was also increasingly perfect,so the national audit system came into being in the early Tang Dynasty(605-756).In the early Tang Dynasty,in order to strengthen the financial management of the country,the imperial court incorporated audit into the administrative system and set up a special”audit department”.In the late Tang Dynasty,with the development and perfection of the feudal autocratic centralization system,the rulers paid more and more attention to the financial revenue and expenditure management.As a result,there was a”supervision department”appointed by the imperial court to be specifically responsible for the management of fiscal revenue and expenditure.After the middle of the Tang Dynasty,the central government also set up official posts such as”financial supervision imperial censor”(later changed to”Duzi supervision imperial censor”)and”salt and iron supervision imperial censor”(later changed to”salt and iron monopoly Supervision imperial censor”).These institutions supervised and inspected fiscal revenues and expenditures.In order to strengthen the audit and supervision of financial revenues and expenditures,the Tang Dynasty also stipulated that officials must regularly report the implementation of budgets to higher authorities.In March of the third year of the Jianzhong reign of Emperor Dezong of Tang(782),the court asked the local officials to submit the annual financial statements to the central government for review.

6. After the Song and Yuan Dynasties,China's Ancient Audit System Was Further Developed and Formed a Complete System

China's ancient audit experienced several development stages,such as pre-Qin,Qin and Han,Three Kingdoms,Wei,Jin,Southern and Northern Dynasties,Sui,Tang and Song and Yuan Dynasties,which not only reflects the history of our ancient audit generation and development,but also reflects the characteristics of our ancient audit development.In the Spring and Autumn Period,due to the improvement of social productive forces,the social division of labor became more and more detailed,and some organizations specialized in managing economic activities appeared.For example,when Guan Zhong presided over the national financial and economic activities,he set up two specialized agencies,the Ministry of Revenue and the Ministry of Works to manage financial revenue and expenditure,project construction,and so on.In Guanzi,there are also records of "Sikong"and "Situ",both of which were official posts specialized in managing financial revenues and expenditures in ancient times.These specialized institutions for managing economic activities are also recorded in Guanzi.For example,when Guan Zhong presided over the state financial and economic activities,he set up the "Da Si Nong Si"to take charge of agriculture and animal husbandry.

7. Auditing Activities in Ancient Times Were Constantly Updated and Advanced with the Development of Social Economy

With the development of history,China's ancient audit gradually formed a unique system.In the Qin Dynasty,special audit officials were set up,such as imperial censor,imperial minister,etc.,they carried out strict audit of the state's financial revenues and expenditures.During the Han Dynasty,the audit system was further developed,and special audit institutions were set up,such as the censorate,to audit the state's financial revenues and expenditures.In the Tang Dynasty,the audit system reached its peak,and special officials were set up in charge of auditing,such as imperial censor,imperial minister,etc.,who carried out strict auditing of the state's financial revenues and expenditures.These audit activities not only ensured the fairness,transparency and effectiveness of national finance,but also provided strong support for the governance of the country and the management of enterprises.

With the development of social economy,audit in ancient China was constantly updated and improved.In the Song Dynasty,special audit institutions appeared,such as Dutang and Ducayuan,which were responsible for auditing the state's financial revenues and expenditures.In the Ming Dynasty,the audit system was further developed,and special audit institutions were set up,such as the Ducayuan and supervisory censors,which were responsible for auditing the state's financial revenues and expenditures.In the Qing Dynasty,the audit system reached its peak,and special officials were set up in charge of audit,such as imperial censor,imperial minister,etc.,who carried out strict audit of the state's financial revenues and expenditures.These audit activities not only ensured the fairness,transparency and effectiveness of national finance,but also provided strong support for the governance of the country and the management of enterprises.

In general,audit in ancient China was constantly updated and advanced with the development of social economy.From the perspective of ancient audit activities,the audit in ancient China not only ensured the fairness,transparency and effectiveness of national finance,but also provided strong support for the governance of the country and the management of enterprises.These audit activities not only reflect the uniqueness of ancient Chinese audit,but also provide valuable experience and inspiration for our development today.

References:

- [1]Xiaoman Wu,Cong Peng,Qiaoyi,Peng et al.Research on the Development Trend and Path of Economic Responsibility Audit in the Era of Big Data[J].Friends of Accounting,2023,(24):28-34.
- [2]Zhiyao Xu,Yixuan Wang,Qihan Wu et al.The Origin,Research Context and New Progress of Overseas Environmental Audit[J].Auditing Review of China,2022,(02):32-44.
- [3]Zhe Zhang.Contributing Our Youth to High-quality Development of Audit[J].Strive,2023,(23):65-66.