

Exploring the Effective Strategies to Strengthen the Internal Audit of Financial Accounting in Universities

Chang Xu

Hunan University of Technology and Business, Changsha 410000, China.

Abstract: Since entering the new era, China's fiscal system has changed. The financial department of colleges and universities should adapt to the trend of the times, adjust the existing financial management system and reconstruct the internal audit mechanism based on the new accounting system, making it adapt to the new institutional environment, correctly evaluating the completion of the budget targets in universities and the use of special funds and predicting the trend of revenue and expenditure. It is to avoid insufficient funds unbalanced revenue and expenditure and other issues affecting the normal operation of universities. The role of supervision and consultation should be played by audit to improve the efficiency of fiscal funds in universities. The main functions of the internal audit of financial accounting in universities have been analyzed. The measures to optimize the internal audit mechanism and strengthen the effect of financial management have been summarized.

Keywords: Financial Accounting in Universities; Internal Audit; Supervisory Function; Audit Mechanism

Introduction

In the financial management of universities, the high position has been occupied by internal audit. The basic functions of independent and objective supervision and evaluation of the authenticity, compliance, effectiveness and internal control of the financial revenue and expenditure have been undertaken by internal audit. Universities' normal operation is widely related to the social and economic environment. Universities' risk resistance capacity has been determined by the efficiency of special funds of universities and the functions of internal audit. Therefore, a sound internal audit mechanism established is necessary. The economic activities of various departments are supervised. Risks are warned in advance. Defects in traditional patterns of work have been detected. Regular audit and inspection of financial vouchers have been organized.

1. Analysis on the role of internal audit of financial accounting in domestic universities.

The internal audit in the financial accounting management of universities is mainly responsible for supervising the efficiency of funds and evaluating the accuracy of financial revenue and expenditure. Through regular review of the accounts and monitoring of fixed assets, there are problems such as devaluation, facticity, and idleness of intangible assets and fixed assets could be inspected. In the new era, China's socialist market economy has achieved rapid development, and property rights transactions are more difficult to be supervised. Domestic universities are the main part to develop modern education, with a large number of real estate and financial investment loans. Affected by the dual factors of external economic environment and internal management system, Higher risk of assets' losses is beard by universities. Therefore, professional laws and regulations must be obeyed as the guidance by universities. The core functions of internal audit, such as management, supervision and verification should be focused based on the financial accounting system of universities. A good internal audit environment should be built. In order to improve the efficiency of the use of funds, the

implementation and supervision functions of internal audit must be strengthened to ensure proper implementation of universities' budgets.

2. Analysis on the Defects of the Internal Audit of Financial Accounting in Universities at the Present Stage

2.1 Weak management awareness

Universities have gradually implemented the strategy of revitalizing the country through science and education, and concentrated resources to launch educational projects with diverse characteristics. While creating certain social benefits, there have had problems such as capital shortage, decline in the value of fixed assets, which is not conducive to turning losses into profits at the financial management level, leading to increased operating costs and decreased universities running benefits. Some financial management do not understand priorities, failed to regularly carry out asset value evaluation and integrity verification, and failed to timely discover illegal behaviors such as employees' private transactions of real estate, replacement and modification of asset ownership certificates, resulting in the loss of some assets or decline in real value, difficult to obtain effective utilization, and greater economic risks. Due to poor effects of internal audit management, the narrow scope of asset audit, the mismatch between some accounts and the actual situation, the difficulty in verifying the asset certification documents and other issues, the authenticity of financial accounting data has declined, and it is difficult to be trusted by the management of university. More severely, there are fewer full-time internal auditors, most of them are temporary auditors whose working methods relatively rigid, not familiar with the asset allocation and trusteeship of universities, and lacking sensitivity to risks in the financial work field.

2.2 Loopholes in the internal control system

The internal control system of colleges and universities has problems such as failure in operation, low authority, and difficulty in obtaining the latest accounting information in a timely manner, which leads to a poor internal audit atmosphere. Some university managers pay too much attention to the school running situation and students' learning effects and other main businesses, neglect the internal audit work, fail to allocate available resources in a timely manner, and build a more scientific and reasonable management system, which leads to increased financial risks of the school. The internal control system is not strict in the management of such phenomena as white slip advance of assets, misappropriation of funds or mortgage assets. Illegal operations are common. There is less information about asset transactions recorded in the accounts. A large number of documents and temporary vouchers have not been delivered to the financial institutions in time. The internal auditor has no professional certificate of auditor, is not familiar with the internal audit standards of administrative institutions, has problems such as unclear audit standards, non-standard audit methods, etc. The procedure for testing asset transaction documents is not rigorous, and is prone to human exchange, tampering with documents without permission, etc.^[2]

3. Research on effective adjustment measures to strengthen the effect of internal audit

3.1 Evaluating fund utilization efficiency

In order to improve fund utilization efficiency and avoid the problems of capital waste and excessive consumption of financial resources, it is necessary to strengthen the management of asset utilization, exert continuous supervision and control over economic activities involving the use of large amounts of capital or the ownership of mortgaged assets, and indirectly strengthen the core competitiveness and capital dispatching ability of universities. In infrastructure construction, teaching equipment procurement, education talent recruitment and cultivation projects, strict internal audit management, supervise the core business work organized and

carried out by the secondary units, comparing with the budget arrangement and implementation, and do a good job of audit supervision. In scientific research projects, assets purchase, sale projects, and human resource deployment projects, accountants can start with budget preparation plans and fund application documents. The compliance of procedures and the tightness of processes should be evaluated. The use of funds should be supervised. The changes in the amount of funds in financial records at different stages should be recorded. Key points should be found and financial risks and asset loss could be avoided as much as possible. For example, in asset sales or purchase projects, financial management can perform their own audit functions based on the responsibility system, timely report and the available information summarized based on accounting standards when capital risks occur, so as to keep pace with the times, make reasonable use of scientific and technological equipment emerging in the information age, collect account transaction records and asset voucher information, and evaluate data changes in capital activities.

3.2 Establishing a new financial management system and strengthening audit

In order to reduce the management cost and ensure the rational use of the universities' assets, internal audit function, especially the independence, should be applied with professional internal audit team established. Therefore, it can conduct an all-round and full process internal audit on the main forms of assets, such as capital and fixed assets, grasp the dynamic use of capital and the development law of the projects involving capital, according to the actual situation of the school. At the same time, the strength from the financial management department and the front line business department should be gathered and clear and detailed internal audit processes and legal procedures should be formulated according to the development status and business objectives of the school. The activities of the accounting personnel are restricted and controlled by the management rules, so that they can scientifically allocate financial funds, and achieve the full use of financial resources^[3]. The financial should review the financial information formed in the daily business process based on the financial review system. At the same time, the management of universities should adjust the relationship between financial accounting and internal audit, crack down on illegal and illegal economic activities, actively introduce independent audit, effectively perform audit functions, find potential corruption, misappropriation of funds and other problems, maintain the economic order of colleges and universities, and provide institutional guarantee for the healthy development of higher education.

3.3 Establishing responsibility audit system

In order to indirectly strengthen the enthusiasm and sense of responsibility of auditors, the supervision of internal auditors may be strengthened according to the internal audit rules. The responsibilities and work contents of auditors clearly divided in different posts. The characteristics of various economic businesses should be evaluated in the internal audit work. All secondary units to timely transfer the standing books and asset transaction information to the accounting personnel according to the business processing should be required with timely registering and entering into the account. When the department head signs and approves, the assets or special funds can be used. The responsibility audit system can be linked the audit results with the performance appraisal, and promoted the high concentration of administrative supervision. The university audit committee can evaluate the work achievements of the auditors according to various indicators, so that they can carry out the economic responsibility audit work according to the requirements, and highlight the authority and rationality of the audit work. Universities should start from the system according to the norms, establish and improve the working process system of the internal secondary units. The internal audit institutions should strengthen the monitoring of risk points and key links in the working process. The previous rules and regulations should be revised and improved according to the specific situation.

Auditors should take the initiative to learn more audit knowledge, regularly check original accounting documents and account vouchers. Meanwhile, the function of internal auditors about supervision should be undertaken with their sense of service strengthen. Internal control leaks should be detected timely with advanced audit means and be fixed.

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