

Research on Speeding up Local Budget Execution Performance Audit-A Case Study of City S

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Abstract: Budget performance management and budget execution performance audit complement each other, and with the comprehensive layout of the budget performance management system, the layout of budget execution performance audit should also be accelerated. In addition, with the continued ravages of the New Crown Pneumonia epidemic and the strengthening of the trend of counter-globalization, China's basic strategy has shifted to expanding domestic demand, and the economic pressure on the government is enormous during the period of promoting sustained domestic economic growth. To alleviate this situation, it is extremely necessary to improve the efficiency and effectiveness of government budget funds use, so China must speed up the process of promoting the budget execution audit from truthfulness to effectiveness. This paper analyzes the current situation of budget performance management and budget execution performance audit in S city, and analyzes the unfavorable factors that may affect the overall layout of budget execution performance audit, including audit independence, performance evaluation index system, insufficient audit force, and proposes improvement suggestions accordingly.

Keywords: Budget performance management; Budget execution audit; Performance audit

1. Introduction

China's economy has shifted to the stage of high-quality development, and the comprehensive implementation of budget performance management is imminent. The Opinions on the Full Implementation of Budget Performance Management requires that central departments and provincial levels build a comprehensive, full-process, full-coverage budget performance management system by the end of 2020; and city and county levels build a comprehensive, full-process, full-coverage budget performance management system by the end of 2022, to significantly improve the level of budget management and the effect of policy implementation. As an important monitoring tool for comprehensive budget performance management, the budget execution performance audit is imperative at both the legal level and national financial management level. However, due to the evaluation indicators are still in their infancy, the audit force is insufficient, and the audit coverage is narrow, budget execution performance auditing has been slow to advance. But the current trend of counter-globalization and the global epidemic of the new crown epidemic, China's basic strategy has shifted to expanding domestic demand, and the economic pressure on the government is huge in the period of promoting favorable domestic economic transformation. To alleviate this pressure, it is necessary to improve the efficiency and effectiveness of budget optimization and avoid wasting national resources. At the same time, the onslaught of the new crown epidemic has made China realize the necessity of establishing a national emergency management mechanism. Under the current economic situation, it has become inevitable for China to reserve a large number of emergency reserve funds, which undoubtedly increases the financial burden of China, then ensuring the effectiveness of the use of funds must be an urgent problem. In conclusion, it is extremely urgent to accelerate the layout of China's budget execution performance audit.

2. Basic information of budget execution performance audit in City S

2.1. Current Situation of Budget Performance Management in City S

The Finance Bureau of S City actively accelerates the electronification of financial data and uses the "Finance Cloud" platform to comprehensively manage the general public budget, governmental fund budget, state-owned capital management budget, social insurance fund budget, and funds in special financial accounts. During budget preparation, performance management contents and links are

embedded in the budget management systems by areas and levels, and the performance of budget preparers, public funds, and project expenditures are reviewed.

In January 2019, after the provincial government issued the "Implementation Opinions on the Comprehensive Implementation of Budget Performance Management", the municipal government quickly followed up and implemented the development of regulations and systems such as the implementation plan for budget performance management of the Bureau of Finance, the methods for evaluating the performance of municipal departments' overall expenditures, and the provisional methods for managing the budget performance targets of municipal departments (units).

2.2. Current status of budget execution performance audit in City S

2.2.1. Conduct performance audit in budget execution audit

In response to the shift of audit focus at this stage, combined with audit projects such as the audit of the tenure of economic responsibility of major leading cadres under municipal management, we have sorted out the key funds, large projects, and contents of budget execution performance audit, studied the feasibility and necessity of information-based budget execution performance audit, explored the right path to achieve the objectives of budget execution performance audit, analyzed the performance evaluation indexes that can be used according to the relevant information learned, and Complete budget execution performance audit.

2.2.2. Actively apply big data analysis methods

Focus on changing the concept of using traditional audit methods and computers only as auxiliary procedures, actively carry out the concept of high quality and efficient audit of budget execution performance audit, and continuously explore advanced technologies. By strengthening the application of computer big data analysis technology, we strive to better integrate computer data analysis methods into all aspects and explore the path of digital auditing to improve audit efficiency.

2.2.3. Actively explore the establishment of a library of laws and regulations

The current stage still needs auditors to find qualitative basis all rely on their collection of laws and regulations, the Bureau to speed up the construction of laws and regulations database, convenient for auditors to query and learn, reduce the degree of difficulty in preparing the draft and for their reasons lead to unknown basis, improve efficiency at the same time, improve the quality of work.

2.2.4 Actively promote the utilization of audit results

First, based on summarizing and refining their working methods and work experience, audit institutions actively explore ways to realize the sharing of audit results, thus improving the effectiveness of audit work. Secondly, strengthening the application of audit results moderately alleviates the contradiction of manpower shortage and avoids duplication of manpower investment, resulting in the waste of audit resources. Finally, we insist on the follow-up inspection after the audit is completed and implement the audit return visit system to supervise the implementation and rectification of problems.

3. Factors affecting the slow layout of local budget execution performance audit

3.1. The existing audit force can hardly meet the audit demand

3.1.1. The number is difficult to meet

S City Audit Bureau is a unit of administration, with an establishment of 57 people and an actual number of 49 people on duty. At the same time, there are 12 internal sections, and the number of people who can be assigned to individual sections is extremely small. The Finance and Finance Section, which is responsible for budget execution audits, has five people on staff, two of whom are unable to participate in the actual execution audits due to secondments from higher levels, resulting in only three people being involved in the actual audit process. In addition, the higher audit department would draw personnel from the grassroots audit department to participate in the audit project every year, making up for its staffing gap while causing the grassroots audit work to be difficult or work pressure to be transferred to other members of the audit team.

3.1.2. Insufficient audit business capacity

As the audit field continues to broaden, budget execution audits often integrate special fund audits, policy tracking audits, and other projects. At the same time, the objectives and focus of the budget

execution audit have changed greatly, and the focus of the audit is no longer limited to the authenticity and compliance of funds, and more attention has been paid to its effectiveness. However, performance auditing is still in the exploration stage, with neither unified standards nor mature cases to draw on, which leads to the need to apply a lot of subjective judgment in the audit process, which requires auditors to have a lot of professional knowledge, including but not limited to financial knowledge. In addition, as the layout of big data audit continues to deepen, the budget execution audit is gradually transformed into big data auditing, while the original personnel of the Audit Bureau and newly recruited personnel are mostly accounting professionals, whose research on computers and big data is limited to a preliminary understanding of databases during training, making it difficult to use databases in practice reasonably and efficiently to assist audit work.

On the whole, the increasing requirements and intensity of budget execution do not match the ability and professional level of grassroots auditors, which restricts the efficient implementation of the budget execution audit. As other auditing projects are carried out one after another, the workload faced by audit staff will continue to increase, and the problem of shortage of audit staff and professional competence will become more serious.

3.2. The independence of budget execution audit is not strong

3.2.1. The organizational form of audit is not independent

This level of audit organization is subject to the management of dual leadership, on the one hand, this level of audit organization also belongs to the subordinate units of the higher audit organization, and also needs to obey the leadership of the higher audit organization. On the other hand, the audit institution is subordinate to the government and is one of the functional departments of the government, so it is under the leadership of the government to carry out its work. The budget execution audit adopts the audit model of peer review, which leads to the audit of government budget execution by the audit institution, and there may be a situation where the government at this level interferes with the conduct of audit work. The government, to maintain local interests, will stop the audit authority to disclose some problems, for the audit authority to propose rectification, the government will also lack attention not to think, can not implement rectification, so that the audit can not be carried out in practice, reducing the role of the audit.

3.2.2. Audit funding is not independent

According to the requirements of the Audit Law, since the operating expenses of the audit institution are the responsibility of the people's government at this level and included in its financial budget, the government's control of the audit department's expenses will constrain the audit institution, thus reducing the independence of the audit institution.

3.3. Performance evaluation index system is still in the exploring stage

After the provincial government issued the "Implementation Opinions on the Comprehensive Implementation of Budget Performance Management" in 2019, the municipal government issued specific measures, work points, performance management evaluation methods, and other documents to promote the comprehensive implementation of budget performance management in 2020. At the same time, regulations such as the implementation plan of budget performance management work, provisional measures for managing budget performance targets, provisional measures for evaluating overall expenditure performance, and provisional measures for monitoring and managing municipal budget performance operation were formulated and introduced, and pilot units were selected for piloting, and the dual evaluation of performance self-evaluation and external evaluation was adopted to ensure the effectiveness of using funds. However, as far as the government's public account reports are concerned, performance self-evaluation has not yet been carried out. At the same time, the performance evaluation index system is still in the exploration stage nationwide. Since the economic development of each region has very local characteristics, the budget performance issue also has very regional characteristics, which makes it difficult for the state to introduce a unified budget performance evaluation index system, and only a range of optional indicators can be given. However, if the evaluation index system is formulated at the provincial and municipal levels, it is difficult to ensure the consistency of evaluation standards among provinces and municipalities. In addition, it is still a problem to choose the most suitable evaluation indexes for units at all levels in the selection process.

3.4. The lag in the promulgation of laws and regulations

The Audit Law, the Budget Law, and the Opinions of the Central Committee of the Communist Party of China and the State Council on the Comprehensive Implementation of Budget Performance Management, while providing a theoretical and legal basis for performance auditing of financial funds, do not have a broad guiding significance. In addition, the current existing audit process first finds the suspicion, then finds the evidence to identify the problem, and finally finds the qualitative basis and penalty regulations. This audit process makes many problems found by the audit team, but it is difficult to find the corresponding qualitative basis and penalty regulations. Qualitative questions are extremely difficult. For example, China is at a critical moment in the development of performance auditing layout, and there are many and diverse problems, but in practice, due to the lack of qualitative basis, auditors give up in-depth investigation and research of such problems out of caution and risk avoidance.

3.5. Data systems among administrative units are complicated, and data are not interoperable

In the actual audit process, the project often involves multiple departments, and the audit requires access to data from multiple units for integrated analysis. Auditors often send inquiry forms to relevant units to obtain relevant evidence, and each unit exports relevant data from its system to the auditors, which is time-consuming and inefficient to obtain evidence. Auditors also need to organize and clean the data before they can use it, which seriously reduces audit efficiency. In the present time of accelerating the layout of budget execution performance audits, special funds are even involved in many departments, and if the data cannot be integrated, it is difficult for auditors to analyze the data as a whole from a macro perspective and to find abnormal information hidden in many data, which will become an obstacle for auditors to evaluate the performance of special funds.

4. The realization path of accelerating the layout of local budget execution performance audit

4.1. Widely apply big data audit technology and strengthen the training of audit talents

At a time when China is vigorously promoting full audit coverage, the application of big data audit technology has created opportunities for the full implementation of performance auditing in China. The powerful data processing capability of big data auditing can effectively analyze a large amount of financial data, thus improving the efficiency of auditing work and reducing the rigid requirements for auditing work. This database model enables auditors to exchange data at the same time and in different regions, realizing data sharing and business collaboration among auditors at the same time and in different regions, thus effectively preventing auditors' work from being unsustainable due to temporary transfers.

Of course, although big data auditing can solve the problem of staff shortage to a certain extent, the requirements for the professional ability and computer level of auditors have also increased, so it is imperative to strengthen the audit team talent building. First, we should explore the establishment of a mature audit talent training mechanism to get rid of the current problem of surprise training for auditors and fragmentation of lecture content. Secondly, accelerate the introduction of diversified talents and carry out follow-up organizational training and learning.

4.2. Accelerate the reform of the audit system of financial budget execution to ensure audit independence

Many scholars have proposed that higher-level audit organs audit lower-level departments, but the feasibility of this audit model is open to question. Although on the surface, independence has been strengthened and the organization and funding of audits are no longer subject to the constraints of the same level of government and finance. However, since the higher-level auditing authorities are not based in the lower-level departments, they do not understand the actual situation on the ground, which makes it more difficult to audit and easy to overlook major problems. Therefore, the author believes that independence should remain the root of the problem.

To maintain the independence of the audit department, the first step is to realize the transformation of the audit department's independent audit funding and organization. As early as 2014, the Decision on Several Major Issues Concerning the Comprehensive Promotion of the Rule of Law emphasized the need to ensure the separate exercise of supervision by audit institutions at the legal level, strengthen the

leadership of higher audit institutions, improve the rights of local audit institutions, and achieve an equal emphasis on operational supervision and administrative supervision. If the audit department implements the vertical management model, it can reduce the intervention of the government at this level in the audit authority, ensure the use of audit funds, and at the same time play a positive role in promoting the layout of budget execution performance audit. Due to the special nature of performance evaluation, the vertical management mode can eliminate the situation that this level of government hinders the authenticity of performance evaluation due to its interests in the source.

4.3. Exploration of performance evaluation index system

Under the active exploration of local governments, local finance departments have determined the evaluation method of combining departmental performance self-evaluation and other evaluations, but there are still many issues that need to be studied and explored in depth at the level of rationality of evaluation index setting. In this regard, due to the specificity of geographical performance issues, big data networking may be a good way to solve this problem. In the selection of performance audit indicators, full consideration can be given to using modern information technology such as big data to analyze and extract historical data and fund usage data, and to screen numerous indicators to select key performance audit indicators.

4.4. Establishing problem discovery checklist mode to promote system improvement

The enactment of laws and regulations in China has been lagging, which makes it extremely difficult for auditors to find qualitative bases under the existing audit model. Under the existing model of dual leadership, auditors are often unable to report on various issues they learn about during the audit process because there is no qualitative basis and under the obstruction of the municipal government. And the problem can not be reported in the response, but also to a certain extent hinder the rules and regulations to improve. At present, most of the people involved in legislation in China have been detached from practice for a long time, and those who are involved in the practice are unable to participate directly in legislative work, so it is imperative to open up channels for practice workers to reflect problems. The verticalization of the audit department can solve this problem, the auditors can establish a list of problems found, and regularly report to the Audit Office, and the Audit Office can also based on the list of problems around the summary of the relevant rules and regulations continue to improve. Of course, due to the inconsistency of the level of practice and economic development of auditors around the world, the establishment of a public learning and data exchange platform for the audit department should also be on the agenda, which to some extent can reduce the problem of the proliferation of workload under the problem discovery list model, we can learn through case studies around the promulgation of regulations, but also to facilitate the centralized treatment of similar issues by higher audit departments.

4.5. Integrate government data systems and build an interconnected government office platform

Each unit's data systems are independent of each other, not only the efficiency of government implementation will be reduced, but auditors audit pre-audit also need to spend a lot of time doing data cleaning work. In the current lack of human and material resources, the promotion of government systems data networking will effectively improve the situation, namely, to promote the integration of government OA system office, approval, assessment, fund disbursement, etc. in a platform to achieve the whole process of government intelligence. Under the premise of improving efficiency, it is easier for auditors to stand under a global perspective and find abnormal information hidden in numerous data. When it comes to performance evaluation, the unified OA system platform also makes it easy to verify various information, including but not limited to financial stock fund carryover from the previous year and year-end balance processing, non-tax revenue collection, centralized payment by the treasury, government procurement, asset management, etc.

5. Conclusion

Budget execution performance audit is a real demand for China to meet the requirements of the times and promote the transformation and development of the audit business. However, with the global epidemic of the new crown epidemic and the trend of reverse globalization, China's financial pressure is huge, so that open source and cutting expenditure becomes a proven measure, then it is urgent to accelerate the layout of budget execution performance audit. The factors that hinder the slow layout of

the budget execution performance audit in China include the difficulty of the audit force to meet the audit requirements, the weak independence of financial budget execution audit, and the performance evaluation index system is still at the stage of figuring out, the lag of laws and regulations promulgation and the complexity of government system. In this regard, China can promote a faster layout of the budget execution performance audit by widely applying big data audit technology, strengthening audit talent training; accelerating the reform of the financial budget execution audit system; carrying out exploration of the performance evaluation index system; establishing problem list model by the audit team and accelerating the integration of the governmental system.

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