

Research on the National Audit Model to Promote the Strategy of Rural Revitalization

—Based on the Practice Analysis of Ankang, Shaanxi

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Abstract: The issue of unbalanced and insufficient development in China is particularly prominent in rural areas. Therefore, the report of the 19th National Congress of the Communist Party of China proposed the implementation of the "Rural Revitalization Strategy" and pointed out that effective governance is the foundation for achieving rural revitalization. This paper, based on the comprehensive audit practice in Ankang City, Shaanxi Province, summarizes the specific practices and achievements of Ankang, analyzes its role and the problems that exist. It studies from the perspective of effective governance how national audit at the rural level can promote effective rural governance and thus achieve rural revitalization; on this basis, it proposes relevant policy recommendations from clarifying the leading position of national audit at the rural level, audit subjects, audit forces, audit methods, and the application of audit results.

Keywords: National Audit, Effective Governance, Rural Revitalization

1. Introduction

The report of the 19th National Congress of the Communist Party of China proposed the implementation of the "Rural Revitalization Strategy," setting forth the overall requirements and strategic deployment of "prosperous industry, livable ecology, civilized rural culture, effective governance, and affluent life" from a national strategic perspective. The 2018 Central Rural Work Conference emphasized that following the path of socialism with Chinese characteristics for rural revitalization must innovate the rural governance system and pursue the path of good governance in rural areas. The Central Document No. 1 of 2018, "Opinions of the CPC Central Committee and the State Council on Implementing the Rural Revitalization Strategy," stated: For rural revitalization, effective governance is fundamental.

Currently, the economic development level, geographical conditions, customs, and religious beliefs in rural areas vary significantly across different regions, providing a broad social basis and practical rationale for rural villagers' self-governance. Autonomy and moral governance play certain roles in rural governance, yet they also reveal some drawbacks, such as insufficient authority, weakened supervision in the "semi-acquaintance society" of rural areas, non-compliance and lack of

transparency in village-level organizations, and issues of "minor officials, major corruption," leading to a lack of necessary supervision in the final step of policies benefiting the farmers. The current state of rural governance significantly deviates from the requirements of the rural revitalization strategy. To achieve rural revitalization, it is imperative to strengthen the good and effective governance by combining "three governances" in rural areas. National audit is an important lever and entry point for effective governance, serving as a crucial guarantee for advancing the modernization of national governance [1]. As part of national governance, national audit plays a significant role in achieving effective rural governance and promoting good and effective governance in rural areas.

From a practical perspective, as rural reforms continue to deepen, the demand for auditing in rural areas has become increasingly apparent. Practically, various rural audit supervision models have been actively explored, with many city and county audit authorities conducting rural audits through direct auditing, dispatched agencies, or establishing internal audit departments within township governments, initially forming a multi-audit subject pattern involving national audit institutions, internal audit departments of township governments, agricultural economic departments, accounting firms, and village supervision committees or democratic financial supervision groups [2]. However, due to the current lack of clear institutional safeguards for rural auditing, especially the insufficient legal basis, incomplete audit supervision system, and unclear definition of audit nature, the diversified audit organization system has resulted in multiple and complex audit executing bodies, unclear audit objectives, and ambiguous audit authorization (delegation) relationships, and the insufficiency of audit forces severely affects the effective performance of audit supervision functions in rural governance [3-5].

This paper first introduces national audit and its forms at the rural level, based on the comprehensive audit practice in Ankang City, Shaanxi Province. By summarizing Ankang's specific practices and achievements, analyzing its characteristics, role, and existing problems, it studies how national audit at the rural level can promote effective rural governance and thus achieve rural revitalization from the perspective of effective governance. On this basis, it proposes relevant policy recommendations from clarifying the leading position of national audit at the rural level, audit subjects, audit forces, audit methods, and the application of audit results.

2. Literature Review

The strategy of rural revitalization is a novel topic, and currently, there are not many direct studies in the domestic academic field on the role of national auditing in the rural revitalization strategy, making them quite rare. However, after reviewing and studying the literature, it is found that the related research achievements are quite rich, mainly focusing on the fields of national audit and national governance, rural audit, etc.

With the increasing emphasis on "agriculture, rural areas, and farmers" work by the state, there have been numerous studies on building a new countryside. However, the rural audit field has received less attention, with a late start, and most researches remain focused on emphasizing the necessity and role of rural auditing. Peng Jushui and Kang Ning believe that government auditing, as an indispensable institutional design for achieving good governance of the state, should also play a positive role in supporting rural governance [6]. Chen Delin considers rural auditing as "small auditing, significant responsibility," [7] playing an active role in promoting the implementation of national policies for strengthening agriculture and benefiting farmers, maintaining the stability of rural socio-economic order, encouraging grassroots leaders to engage in entrepreneurship, preventing the loss of collective assets, and advancing the construction of a clean government. Strengthening rural auditing can effectively play an irreplaceable role in national governance [3-4]. In practice, different regions have adapted to their conditions, leading to explorations such as the comprehensive audit in Ankang, Shaanxi [8], the "direct audit by village officials, circuit audit courts in villages" in

Zichuan District, Zibo City, Shandong [3], the "three-year audit cycle" in Jiangshan City, Zhejiang, the "independent institution audit" and "joint audit" in Yuyao, Ningbo, the "Rural Accounting Association" in Ouhai District, Wenzhou City, Zhejiang, and the "Village Supervision Committee" in Hou Chen Village, Wuyi County, Zhejiang [5]. The audit forms explored by different regions can be summarized as direct auditing (dispatched) by state organs, auditing by internal departments of town governments, and social auditing (mainly CPA auditing). Currently, more practices involve auditing by internal institutions of town governments, which are led by the town governments with designated full-time or part-time staff to conduct auditing. Their operations are supervised and guided by higher-level audit authorities, formally constituting internal auditing but essentially embodying the functions of national auditing, to a certain extent possessing the nature of national auditing.

Although there are not many direct research documents on national auditing promoting the strategy of rural revitalization, scholars have conducted relatively extensive and in-depth studies on national auditing and rural-level auditing models from different perspectives, achieving significant progress and results. This provides a good analytical foundation and theoretical platform for this paper. However, current literature has not yet studied national auditing at the rural level from the perspective of effective rural governance. This paper intends to combine the background of the rural revitalization strategy and explore the role of national auditing in promoting the rural revitalization strategy from the perspectives of effective governance and strengthening the rule of law, within the governance framework that combines self-governance, moral governance, and legal governance.

3. Analysis of the Comprehensive Audit Model in Ankang, Shaanxi

3.1. Introduction to the Comprehensive Audit Model in Ankang

Since 2015, Ankang City has uniformly established financial audit offices in all townships across the city, taking the lead in the province and even nationwide in carrying out comprehensive financial audits and economic responsibility audits of village officials. The financial audit offices were expanded from the existing financial offices by enlarging their staffing and adding auditing functions. They are primarily responsible for the financial management of town finances, the annual budgeting and final accounting of town governments, development of town-level financial resources, supervision and management of state-owned and collective assets, village-level financial supervision, and auditing of various agricultural support funds and fiscal funds. This aims to promote audit supervision "horizontally to the edge, vertically to the bottom," achieving comprehensive regional supervision. The financial audit office is an internal institution of the town government, with its auditing operations supervised and guided by the county audit bureau. Thus, while formally an internal institution, the financial audit office essentially possesses the nature of national auditing.

Through the exploration and practice of comprehensive village-level financial auditing across the city, Ankang has formed the "Four-Leads" Ankang model: city-level initiation, county-level leadership, township-level responsibility, with the financial audit offices as the main force. The city audit bureau established a village-level financial audit guidance office, responsible for promoting and providing daily guidance on village finance audits across the city. It clarified the main contents, organizational division, and audit processes for the township financial audit offices to carry out village-level financial audits, and conducted centralized training for auditors. The county and district levels strengthened organizational leadership, treating village-level financial audits as a key focus for enhancing Party integrity and clean governance, and promoting social harmony and stability in rural areas. The township party committees and governments strengthened leadership over the financial audit offices, comprehensively arranged and pushed forward the village-level financial auditing, thoroughly researched and properly handled problems identified in audits, and urged corrective actions, effectively implementing the primary responsibility for village finance auditing. The

financial audit offices played a leading role, fulfilled their duties responsibly, and became the main force in village finance auditing.

Ankang City completed the first round of comprehensive village-level financial audits within one year, involving 10 counties and districts, 140 townships, and 1851 villages (communities). This audit identified problematic funds totaling 30.1519 million yuan, illegally obtained financial funds of 2.1927 million yuan, embezzled collective funds of 1.5623 million yuan, cleared off-the-books funds of 13.1289 million yuan, squeezed out inflated debts of 2.9931 million yuan, resolved 116 prominent petition issues, promoted the public disclosure of village affairs in 187 cases, established 542 new systems, made 1216 audit recommendations that were adopted, transferred 100 audit clues, and referred 103 individuals for further action. These achievements fully demonstrate that the comprehensive village-level financial audits have strengthened village financial management, standardized the economic behavior of village officials, improved the efficiency of fund utilization, brought rural social governance onto a standardized track, and played a supervisory role through auditing.

3.2. The Role of Comprehensive Auditing in Ankang

The Audit Office released "Opinions on Strengthening Audit Supervision in the Implementation of the Rural Revitalization Strategy" on August 30, 2018. The document states that a comprehensive audit covering all types of policies, funds, and all county-level administrative divisions involved in rural revitalization is to be conducted. Achieving comprehensive coverage of audit content and subjects is an important goal for audit authorities now and in the future, and comprehensive grassroots auditing is a necessary requirement for eliminating blind spots in audit supervision. The roles played by the comprehensive auditing in Ankang mainly include the following aspects:

First, standardizing rural finances and the behavior of village officials to promote effective governance.

Currently, the village-level financial system is largely nominal, with some villages lacking a financial system altogether. Leadership officials distribute resources arbitrarily, making it difficult for villagers to participate and for democracy to be realized. Village organizations operate non-compliantly, non-transparently, and inefficiently. By conducting village-level financial audits, the management of village-level economic affairs has been standardized, and systems such as financial disclosure have been implemented. Not only have loopholes in collective financial management been plugged, serving a "cost-cutting" function, but more importantly, audits have compelled the timely establishment of comprehensive village-level financial management systems. This resolves the long-standing issues of absent supervisory bodies, unfulfilled responsibilities, and insufficient capabilities in rural areas, effectively curbing misconduct and corruption among village officials, and driving village financial management towards a scientific, transparent, and public direction.

Second, safeguarding funds to support the revitalization and economic development of rural industries.

With the state increasing its focus on "agriculture, rural areas, and farmers," a significant amount of agricultural funds, poverty alleviation funds, and subsistence allowances have been allocated. Although approvals have been strict from central to local levels, when funds reach the most grassroots level, village officials wield considerable power. By conducting village-level financial audits, issues in the implementation of poverty alleviation policies and the allocation of funds have been timely identified. This ensures that fiscal funds benefiting agriculture are managed scientifically and precisely, ensuring the full implementation of poverty alleviation policies. It is an inevitable requirement for audit work to reach the "last mile" and achieve comprehensive coverage.

Third, reducing petitions and easing tensions between officials and the public; promoting stability in grassroots governance and the construction of clean governance.

Nearly all village officials who have been dealt with were implicated due to economic reasons, with economic discipline violations being a primary cause reflected in petitions. Most petitions reflect issues of unclear finances, inaccurate accounts, false claims, and embezzlement. Due to untimely public disclosure of village finances and asymmetric information, the public distrusts the fairness and authenticity of the outcomes, leading to emotional opposition between villagers and village officials, continuous petitions, and impacting the stability and harmony of rural society. By conducting village-level financial audits with standardized procedures, scientific auditing methods, solid audit evidence, and professional audit functions, root causes can be addressed, promoting the public disclosure of village affairs and compliant operations. Comprehensive audits have clarified financial issues related to petitions, alleviated tensions between officials and the public, corrected the grassroots public's distrust towards village officials, clarified misunderstandings, and effectively resolved rural conflicts, bringing officials and the public closer together.

Fourth, adapting to the new rural context, exercising the professional functions of auditing, and providing institutional support for rural revitalization.

Currently, grassroots rural governance relies mainly on unconventional supervision by higher authorities, with a significant disparity between power and responsibilities. Establishing a comprehensive audit system, a professional and independent force that "supervises without intervening," helps reduce the workload of grassroots institutions, provides institutional support for rural democracy and harmony, and the rural revitalization strategy, establishing a sound mechanism for rural revitalization.

3.3. Problems and Reasons Analysis of the Comprehensive Audit Model in Ankang

The government institutions and audit authorities of Ankang City have adapted to local conditions and innovated the national audit's practice model in rural governance. The audit content mainly includes special funds audit, village-level financial income and expenditure audit, and economic responsibility audit of village officials. Currently, most audits focus on legality, compliance, and financial security, and do not delve much into the effectiveness of funds and other aspects. At the same time, there are some issues, mainly manifested in the following areas:

3.3.1. Unclear Authorization of Laws and Regulations

"The Constitution" and "the Audit Law" stipulate that audit institutions are to be established by people's governments above the county level, to report their work to the people's government of their level and the superior audit institutions, and to exercise audit supervision independently without interference from other state organs, social organizations, and individuals; the audit work is mainly led by superior audit institutions. However, "the Organic Law of the Villagers Committees" stipulates that villagers committees are grassroots mass autonomous organizations established in rural areas, not grassroots state power organizations, not a level of government, nor are they dispatched agencies of township governments. The economic responsibility audit at the end of the term of members of villagers committees is organized by the agricultural and financial departments of the county people's government or the people's governments of towns, ethnic towns. This regulation considers that audit institutions are not the main body of village-level audits, and agricultural departments at all levels have set their own or through provincial legislation similar national audit standards and methods. At the same time, "the Interim Regulations on Internal Audit of Rural Cooperative Economies" issued by the Ministry of Agriculture clearly state that the Rural Cooperative Economy Guidance Division of the Ministry of Agriculture is the guiding institution for the audit work of rural cooperative economies. The lack of clear legal regulations leads to inconsistent legal bases and audit institution setups, seriously affecting the status and efficiency of national audit institutions.

3.3.2. Insufficient Grassroots Audit Forces

The insufficiency of national audit forces at the grassroots level is mainly manifested in the following aspects: First, there are many villages under townships, with a broad scope and large volume of village-level audits, creating a significant disparity between audit forces and audit tasks. At the same time, grassroots audit institutions must first undertake tasks from superior audit institutions, following the same plan and progress, leaving little space for autonomous arrangement of audit work. Second, different institutions, due to differing legal regulations, experience redundant audits, causing a waste of audit manpower and resources, and reducing audit efficiency. Also, the objectives, focuses, methods, and procedures of audits by different departments are not unified, making coordination difficult and leading to significant differences in audit results, affecting the healthy development of village-level audit work. Third, the aging of auditors' age and knowledge structure, lack of professionalism, and the broad requirements of audits do not meet the audit demands. At the same time, the lack of technical skills among auditors cannot adapt to modern audit methods, directly resulting in low audit efficiency.

3.3.3. Incomplete Audit Supervision System

Similar to Ankang, Shaanxi, currently, most village-level financial income and expenditures are unifiedly accounted for by towns and street centers, with financial management and supervision at the village level mainly handled by towns and street centers. The agricultural management department keeps its own accounts and supervises itself. Ankang City has established financial audit offices at the town level, responsible for fiscal work and audit work, which has the suspicion of "the left hand auditing the right hand," seriously affecting the independence of audits, causing many village-level audits to be nominal, and some even have supervision blind spots, making it difficult to comprehensively reflect the situation at the village level.

3.3.4. Difficult Implementation of Audit Accountability Mechanisms

The law does not specify the disciplinary issues of village leaders unless it reaches the level of criminal responsibility stipulated by criminal law. Therefore, when audits find violations by village leaders and issue audit decisions, if the village committee leaders do not comply, the law lacks relevant guarantees, and there are no follow-up measures for non-compliance by village officials. Thus, apart from pursuing responsibility under criminal law, it is difficult to implement audit decisions, lacking relevant compulsory regulations, and there are no specific penalties for village officials' inaction or misconduct leading to collective economic losses.

4. Research Conclusions and Policy Recommendations

4.1. Research Conclusions

The strategy of rural revitalization is a strategic layout proposed by the state under new circumstances. To realize the strategy of rural revitalization, effective governance is fundamental. In the rural governance system, autonomy is the foundation, and the rule of law is the mainstay. To achieve good governance in rural governance, it is essential to strengthen the rule of law and establish a comprehensive rural governance system based on autonomy, morality, and law. National auditing is a major component of China's current supervision and audit system, characterized by its comprehensiveness, professionalism, and wide coverage. Its supervisory role and impact are all-encompassing, throughout the entire process and in a holistic manner. Grassroots national auditing is one of the fundamental institutions of national governance, playing a leading role in promoting

effective rural governance. The realization of the rural revitalization strategy must affirm the leading position of national auditing. Shaanxi's Ankang has adapted to local conditions and explored a comprehensive audit model, establishing financial audit offices at the township level, mainly responsible for village-level financial and economic responsibility auditing of village officials. This has achieved certain effects, playing a role in promoting financial regulation in villages, safeguarding national funds, and easing tensions between officials and the public. However, there are also some problems, such as irregular legal authorization, incomplete systems, insufficient grassroots national audit forces, and an incomplete audit supervision system and accountability mechanism.

4.2. Policy Recommendations

Based on the analysis of the role of national auditing in the rural revitalization strategy and the exploration of the audit practice model in Ankang, Shaanxi, and considering the actual needs of grassroots national audit work, the following policy recommendations are proposed:

4.2.1. Improve the Rural Supervision System and Clarify the Legal Status of Rural-Level National Auditing

Aim to establish and perfect a rural governance system combining autonomy, morality, and law. Construct a rural supervision system based on village supervision committees, led by national auditing, and supplemented by other forms of supervision. National auditing should identify entry points and focuses, starting with village-level financial income and expenditure and focusing on economic responsibility auditing, integrating compliance and efficiency auditing to better exercise audit functions. “The Constitution” and “the Audit Law” stipulate that audit institutions should be set up by people’s governments above the county level to report their work independently and without interference. Therefore, key to empowering national auditing in supporting the rural revitalization strategy is granting rural-level national auditing a legal status. It's recommended to refine relevant laws and regulations to clarify the status of rural-level national auditing and select grassroots national audit models that align more closely with local customs.

4.2.2. Establish Independent Grassroots National Audit Institutions and Clarify Audit Entities

Analyzing Ankang’s comprehensive audit model and theoretically demonstrating the positioning of national auditing in the rural revitalization strategy, it’s crucial to clarify the responsible entities for national auditing to aid rural revitalization. Under the rural revitalization strategy, the entity for rural-level national auditing should be an independent grassroots audit institution. Firstly, decentralize audit institutions and, considering the specific circumstances of each region, establish independent grassroots audit institutions at the township level, clarify national audit entities, fully leverage national audit functions, legally confirm its legitimacy and authority, and ensure the quality and effectiveness of national auditing. Secondly, grassroots audit institutions should be responsible for audit work comprehensively and full-time, completely separate from functions like finance, discipline inspection, petitions, agriculture, etc., clarifying their professional independence. Maintaining the independence of rural auditing requires separating audit responsibilities from other duties at the township level, based on maximizing cost-effectiveness.

4.2.3. Strengthen Rural National Auditing Forces and Integrate Government Department Resources

To function effectively, national auditing requires independent and professional grassroots auditors. Given the broad scope and volume of rural auditing, to address the disparity between audit forces and

tasks, auditing strength should be bolstered from two aspects: separating fiscal and audit functions within finance offices, allocating some staff to fiscal work and others to audit work, optimizing audit teams, enhancing audit resources, and solving the challenge of dispersed audit subjects and limited auditors. Due to the broad scope of rural auditing, relying solely on auditor strength is insufficient. It's advisable to leverage forces from agriculture, civil affairs, finance, tax, and village-level democratic supervision, integrating government department resources to lead with national audit institutions at all levels, and when necessary, engage external professional audit organizations, clarifying responsibilities, expanding audit forces, strengthening audit efforts, deepening audit content, and broadening audit coverage.

4.2.4. Innovate Rural National Audit Methods and Promote Information Technology Construction in Rural Governance

Traditional auditing, due to its significant lag, can no longer meet modern development demands or identify and address potential risks in a timely manner. It's necessary to shift audit philosophies, innovate audit methods from post-event, critical supervision to dynamic, preventive, scientific auditing, explore new audit methods suitable for the big data era, enhance information sharing, improve audit informatization, and increase the capability of leveraging information technology in auditing. Information technology is a crucial aspect of modernization, and the development of science and technology and informatization have profoundly impacted rural governance. Audit technology must also evolve to meet the demands for effective rural governance, with a focus on accelerating the application of information technology in rural-level national auditing. In the future, national auditing in rural areas should further accelerate the construction of audit informatization, implement data sharing among departments like agriculture, finance, petitions, discipline inspection, and supervision, increase the comprehensive use of data, and speed up the construction of audit informatization centered around "big data."

4.2.5. Enhance the Utilization of Rural National Audit Outcomes to Ensure Improved Rural Governance

Strengthening the use of rural audit outcomes is a fundamental strategy for enhancing rural financial management and an economic guarantee for the realization of the rural revitalization strategy. Firstly, use national audit means to identify, extract, and summarize existing problems in rural financial management and their causes. Utilize rural audit results to promote the public disclosure system, establish village-level financial supervision systems, increase the utilization of rural audit outcomes, improve the adoption rate of rural audit suggestions, thereby urging relevant departments to improve management and corresponding system construction, enhancing governance effects. Secondly, establish accountability targets, content, and procedures based on rural audit results, clarify the basis for responsibility determination, leverage rural audit results to strengthen administrative management, enhance public trust in the government, and advance rural democratic construction. Lastly, in China, after national audit results are obtained, audit institutions transfer violations of national laws and regulations regarding financial income and expenditure and fund use to judicial, discipline inspection, supervision agencies, and other relevant departments for processing. Thus, the attention and implementation level of grassroots departments to rural audit results are crucial. Correct handling of audit results and strengthening the use of audit outcomes by the aforementioned agencies are the final guarantees and necessary conditions for audits to play their intended role.

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