

# Strengthen the Function of National Audit Governance and Promote the Modernization of National Governance System and Governance Capacity

Meiwen Bu

Business School, Yangzhou University, Yangzhou 225100, China

bumeiwen@163.com

**Abstract.** Promoting the modernization of national governance system and governance capacity is the general goal of comprehensively deepening reform, an important strategic measure for the work of the party and the state under the new historical conditions, an important guarantee for realizing the "two centenary" goals and realizing the Chinese dream, and embodies the party's overall vision and strategic vision under the new historical conditions. In the national governance framework, the role of national audit governance tools is reflected in the supervision and restriction mechanism of public power. It is an effective guarantee for the party to further enhance its ability to control risks and deal with various complex contradictions under the new historical conditions. It is a powerful tool to maintain national security, resolve major risks, safeguard the people's livelihood and legal system, and restrict and supervise the operation of economic power.

**Key words:** National governance; National audit; Governance tools.

China's modernization exploration has entered a deep-water area and a crucial period. On the one hand, government agencies should comprehensively improve their ability to perform their duties; on the other hand, they should give full play to the governance function of national audit. The exercise of any public power must be restricted and supervised, which is more importantly reflected in the supervision of supervisors. National governance is the sum of a series of institutional arrangements and mechanisms to monitor the sunshine operation of public power, promote the effective allocation of public resources, and properly handle or balance the interest demands of different interest subjects.

After thousands of years of development, the national audit is facing new situations and new environmental challenges. As early as the 11th century to the 8th century BC, there has been audit behavior in the Xi Zhou Dynasty. According to the records of Zhou Li, the central government office has a "department meeting" to assess the financial revenue and expenditure, and a "butcher" to be independent of the financial department, which audit the entry and exit of property and supervise the execution of court law by officials. The imperial historian system in the Qin and Han Dynasties was the beginning of China's audit legislation. In the Cao and Wei dynasties, there was a capital official and a comparison Department Cao, who was in charge of the audit work. "Comparison" means audit and cross checking, so it was named "comparison Department". During the Sui and Tang Dynasties, the Ministry of comparison was set up under the Ministry of punishment, and a censor platform was set up to take charge of the power of financial planning and inspection. Song Taizong Chunhua set up the audit institute in three years, and the word "audit" came into being. The Constitution adopted in December 1982 stipulates that audit institutions should be established throughout the country. In September 1983, the State Council established the audit office. In August 1994, the ninth meeting of the Standing Committee of the Eighth National People's Congress passed and promulgated the Audit Law of the people's Republic of China. So far, China's audit work has entered institutionalization and standardization, and launched a new chapter of China's socialist national audit. Since the reform and opening up, the national audit has closely focused on the historic mission of building socialism with Chinese characteristics and made a series of major achievements. Its political status and social influence have reached a certain historical height, but also faced great tests. Under the new historical conditions, how to further play the role of governance tools of national audit to meet the needs of

comprehensively promoting the modernization of national governance system and governance capacity is particularly important.

# **1. Give full play to the role of national audit as a governance tool and comprehensively promote the modernization of national governance system and governance capacity**

Regarding audit as a governance "tool" does not mean to belittle the important position of audit. In fact, "tool" as a neutral word, there is no difference between high and low. When discussing the essence of audit, some scholars directly position audit as a tool or means. For example, Li Jinhua believes that "the tool of democracy and rule of law" is the essence of national audit, Gong Jun defines national audit as "the instrumental element in the power control and supervision mechanism", Song Yinghui and An Yaren believe that "the means of information transformation" is the essence of CPA audit, Niu Hongbin et al. put forward that "the management tool to restrict and innovate the government's environmental behavior of leading cadres" is the essence of national environmental responsibility audit. Some scholars use language similar to "tools" or "means" to describe the essence of audit. Zheng Shiqiao proposed that audit is "accountability information guarantee mechanism", Liu Bing et al. proposed that the essential attribute of audit is "information verification system". Liu Shilin and Ma Zhijuan believe that the essence of national audit is "power check and balance information system".

Firstly, national audit serves national governance, and its main way is to play the role of governance opportunism in national governance structure. The so-called opportunistic behavior refers to the behavior of incomplete disclosure of relevant information or empty or false promises and threats for personal interests under the condition of information asymmetry. Public responsibility opportunism such as face engineering, shirking responsibility and abuse of power often appear in real life, Its economic consequence is to reduce the efficiency and effect of public goods allocation or supply. Liu Jiayi pointed out that national audit is a powerful tool to safeguard the rule of law and democracy and ensure national security. It always restricts power with power, improves national governance, gives play to the "immune" functions of prevention, disclosure and resistance, promotes the implementation of the concepts and principles of rule of law, integrity, responsibility, fairness and justice, and effectively improves the level of national sustainable development.

Secondly, national governance is a dynamic process to achieve the goal of national governance. It promotes the realization of the overall governance goal through the coordination of the needs of all levels among the stakeholders. As far as the goal of national governance is concerned, national governance should aim at maximizing public interests and achieving social development, and pursue good governance. National governance system and governance capacity include political, economic, social and cultural aspects. National governance is a dynamic process, which also reflects that the governance function has the characteristics of the times. The state needs to constantly adjust the governance objectives according to the practical needs and the governance objectives according to the needs of social development, so its focus is different under different times. Collaborative governance emphasizes the equal and voluntary cooperation among all subjects. Its purpose is to maximize the promotion and maintenance of public interests, and finally improve the governance effect and ability of social public affairs.

Thirdly, national audit belongs to the accountability system in the construction of state power. Among them, information function is an important function of national audit. Information assurance is the natural attribute of audit. As an information system, national audit mainly provides assurance information. Under the framework of national governance, national audit plays a key role in promoting the information communication of governance subjects, standardizing the behavior of governance subjects, and promoting the improvement and innovation of national governance. Under the condition of national modernization, we must constantly adjust and improve the system of thinking and use of public resources, and form our own ability of governance and evaluation.

## **2. National Audit promotes the innovative development of national governance model and governance concept**

First of all, the essence of the state lies in the construction of the intervention mechanism of public and private rights. The important feature of modern state governance is decentralization, which is the process in which the highest power of the state manages and controls social behavior through the decentralization of administration, legislation and judicature, as well as between the state and local governments. The government is an institution that implements public power and handles economic and social affairs. Power is an indispensable factor to protect property rights and contract system. In order to achieve governance objectives and rectify bureaucratic problems, the state must restrict and supervise the operation of public power and maintain a high ability of error correction. The structural elements of modern state governance include the core value system recognized by the public, authoritative decision-making system, effective government implementation system, orderly political participation and benign political interaction, moderate economic growth and social welfare security system.

Secondly, from the perspective of economics, the state itself is an organizational form to save transaction costs. The purpose of various systems in national governance is to reduce the uncertainty of transactions and make effective allocation and use of scarce resources. National audit is the primary or fundamental task to promote the effective performance of public entrusted economic responsibility. It is an important endogenous part of the national governance framework and an irreplaceable governance mechanism in the national governance mechanism. National audit serves national governance, which is mainly reflected in the evaluation and supervision of governance behavior, and the transmission of audit results to governance subjects, so as to safeguard national security, coordinate the interests of governance subjects, and promote the modernization of national governance system and governance capacity.

Thirdly, national audit is an important part of the national governance system. As a special economic supervision, national audit plays the functions of supervision and evaluation, further strengthens the construction of democratic politics and improves the level of national governance. The independent audit supervision power of national audit institutions is protected by the Constitution and relevant laws. Modern national audit goes deep into the whole process of the operation of public power, covers all public power departments, puts the operation of public power under the supervision of audit, and seriously investigates and deals with all kinds of violations of law and discipline. Through national audit and supervision, promote administration according to law, and put forward suggestions for the improvement of policies and systems, so as to ensure the effectiveness, standardization and scientificity of public policies.

## **3. National Audit collaborative governance has become a new audit organization model to meet the needs of national governance development**

Promoting the national governance system and governance capacity emphasizes the dual operation of power and the benign interaction between the government and society. Its essence is to maintain order and meet the needs of society within an established scope. Management process, governance structure, governance mechanism and governance behavior are the key elements to promote social and economic development.

First, in the process of serving national governance, national audit institutions not only rely on coercion, but also establish cooperative partnerships through communication and consultation with governments at all levels, non-governmental organizations and enterprises. The focus of the civilized development of China's power system in the new era is to focus on the institutional innovation of the power structure relationship between the political party, the state (government) and society, scientifically standardize and divide the functions of the political party, the state and society, form a benign complementary and interactive relationship, and reform and improve the democratic political

structure suitable for the socialist market economy. Therefore, collaborative governance is the proper meaning of national governance. The collaborative governance of national audit results is to form a collaborative governance network led by audit institutions, so as to fully integrate the audit supervision system, resources, processes and technology, give full play to the advantages of audit information exchange and communication, so as to improve the utilization efficiency and effect of audit results.

Secondly, the content and types of national audit result information mainly include the identified illegal and disciplinary problems and clues, the mechanism and system problems and management system problems existing in the overall development of industry, region and economy and society. Due to the different departments using the audit result information and the various types of audit result information, in order to give full play to the national audit function, the audit institution should fully consider the differences and emphases of the information required by the governance requirements of each governance subject, so as to ensure that the audit result information can be fully and effectively used by the judicial organ and relevant functional departments.

Thirdly, China is in the stage of improving and deepening transformation. At present, the main task is to promote the modernization of national governance system and governance capacity to support the operation of modern market economy. The new pattern of public management requires that the use of public power should be interconnected and diversified, including government power mechanism and non-governmental and informal authority mechanism based on the consensus of public interests, so as to realize the consultation and cooperation of public interests in public affairs management. At the same time, by coordinating the needs of different stakeholders, national governance emphasizes the allocation of public power in a coordinated and interactive way to promote the realization of public interests. In the process of national governance, national audit exchanges information with the outside world, gives full play to the role of signal disclosure, information transmission, evaluation and supervision, and improves and expands audit technology and methods, so as to constantly adapt to the new requirements of the modernization of national governance system and governance capacity.

To sum up, effective monitoring of public power is a complex systematic project. In the supervision and control system of monitoring power with power, national audit plays a synergistic governance role with relevant governance subjects in the public power supervision system by obtaining audit information objectively and fairly, and curbs power corruption from the source. It is an important guarantee for improving the political system and promoting political civilization, and an important support for promoting the modernization of national governance system and governance capacity.

## References

- [1] Dahl, modern political analysis [M], Shanghai Translation Publishing House, 1987.
- [2] Li Jinhua: essence and strategic thinking of national audit [J], science news, 2003(15).
- [3] Dong Dasheng. Deepening the research on the basic theory of audit and promoting the reform of audit management system [J]. Audit research, 2018 (2).
- [4] Liu Jiayi, editor in chief. Research on audit theory of socialism with Chinese characteristics (Revised Version) [M]. Commercial Press, China Times Economic Publishing House, 2015.