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## Practical Problem and Reform Path of the Departure Audit of Natural Resources Assets: Based on China's Practice

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# Practical Problem and Reform Path of the Departure Audit of Natural Resources Assets: Based on China's Practice

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**Abstract.** With the continuous practice of the concept of sustainable development by the Chinese Government, the protection of natural resources and the optimization of the ecological environment have received unprecedented attention in China at present. In order to further speed up the construction of ecological civilization and promote the sustainable development of resources, the Chinese government has begun to implement the departure audit of natural resource assets, and has strengthened environmental protection and resource management. This paper analyses the practical problems existing in the practice of the departure audit of natural resource assets at the present stage, systematically dissects its causes, and puts forward its reform path.

## 1. Introduction

In recent years, China's economy has achieved rapid development that has attracted worldwide attention. At the same time, it has also been accompanied by problems affecting sustainable development, such as excessive consumption of resources, air pollution, and environmental damage. To this end, the Chinese Government began to carry out a pilot departure audit of natural resource assets in 2015, and has carried out promotion and implementation in Zhejiang, Anhui and other provinces. Starting from 2018, the system has entered the stage of full implementation from the pilot stage, marking the formal establishment of a new audit system, which is conducive to improving the performance evaluation mechanism for leading cadres and the system of environmental accountability, and promoting the modernization of national governance ability and governance system. However, judging from the current situation of the departure audit of natural resource assets in various places, there are still many practical problems in the audit process, including imperfect evaluation indicators, lack of big data's technical support in audit methods, and inadequate communication of audit information, and so on. The root cause is that the departure audit system of natural resources assets in China is not perfect at the present stage, which leads to the lack of effective basis for audit process and audit accountability. Therefore, starting from the practical problems existing in the audit evaluation system, this paper puts forward the reform path of the departure audit system of natural resources assets in China at present.

## 2. Practical problem of departure audit of natural resources assets in China

### 2.1. Imperfect audit evaluation indicator system

#### 2.1.1. Lack of uniform standards for audit evaluation indicators



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The evaluation index is the basis of carrying out the departure audit of natural resource assets, but the state auditing administration has not issued a specific guide to the operation of the audit indicator system. At present, all provinces and cities are also in a state of active exploration of the audit evaluation indicator system, and no unified evaluation standards have been formed. The reason is that, on the one hand, it is difficult to unify the evaluation indicators. Because of the difference of natural resource endowment and the difference of development orientation, conditions and opportunities, it is difficult to find the equilibrium point in the two aspects of responsibility for the protection and utilization of natural resources, which leads to the unity of evaluation indicators is more difficult; On the other hand, the evaluation indicator is difficult to quantify. Due to the long implementation cycle of environmental protection policies, the slow appearance of ecological benefits, and the uneven economic development of various provinces and cities, there are great differences in technical means and statistical systems. It is difficult to obtain comprehensive, accurate and comparable statistics on natural resource consumption and output, which makes it difficult to quantify evaluation indicators.

### *2.1.2. Scientific nature of audit evaluation indicators to be improved*

At present, some provinces and cities have gradually explored some evaluation indicators suitable for regional development, such as the indicators constructed in Fujian Province, including marine resources, water resources, forest resources and mineral resources. The index system of these provinces and cities is mainly based on the local natural resources and environmental protection, taking into account the functional positioning, natural resource endowment characteristics and carrying capacity and other elements, but the scientific nature of the index system needs to be improved. For example, in the assignment of indicators, some provinces and cities evaluate according to the current value of natural resource assets, while some provinces and cities adopt incremental values, and the evaluation based on the present value can report the current situation of environmental protection and resource utilization, but it does not reflect the efforts made to improve the resources and environment. It is not fair enough to the areas where the original resource management is poor and the environmental pollution is serious; The use of incremental value evaluation can fully reflect the improvement of environmental protection and management of leading cadres during their term of office, but cannot report the specific situation of those areas where the original resource management is more perfect and the environment is good. In addition, there are some provinces and cities do not fully consider the regional differences, blindly apply other regional evaluation indicators, which affect the scientific nature of the evaluation indicators.

### *2.2. Audit data base are difficult to obtain*

When carrying out the audit of natural resources assets, audit technology is the key to obtaining natural resource data. Many pilot provinces and cities have put forward the application of big data audit, and the application of geographic information technology is also more common. However, due to professional limitations, it is difficult for most auditors to master complex technology in a short period of time. How to provide technical support for audit has become a key issue in the audit of natural resource assets. Some provinces and cities have proposed to build big data platform for the departure audit of natural resource assets, but the construction of these platforms requires a lot of time and cost investment, which cannot achieve effective data collection in a short period of time. Secondly, the backwardness of audit technology and methods leads to the lag of data statistics, which requires huge data acquisition and accounting work in the audit process. The backwardness of technical means is easy to cause the lag of data acquisition and the error of statistical inference, and cannot meet the requirements of accurate, effective and comparable data quality, which causes difficulties to the audit work. Thirdly, the comprehensiveness of natural resource assets cannot be reflected. Based on the current division of the functions of government agencies, the authority and responsibility of each regulatory department is relatively solidified, the data provided often cannot truly and fully reflect the changes in natural resource assets, and is not convenient for auditors to carry out analysis and comparison.

### *2.3. Poor communication of audit information*

The audit of natural resource assets involves a wide range of departments, and there is a great intersection of responsibilities between departments, and the business is self-contained, so it is hard to achieve effective communication. So far, there is no government-led coordination and communication agency for natural resources assets auditing in all provinces and municipalities, and the exchange and communication mechanism for information and experience has not yet been formed. The data registration and management of land, mineral resources, water resources and other resources in China involve a number of government functional departments, enterprises and scientific research institutions. Because the data information exchange channel of each department is not smooth, the data collection and storage of the same kind of natural resource assets are scattered and separated in the same period. For example, natural resources such as forests and water are supervised by different departments. From the administrative point of view, the audit department does not have the authority to require other departments to take the initiative to provide relevant data and information. If coordination is not in place, it will cause greater difficulties to the audit work, making it difficult for auditors to obtain reliable data on a certain type of natural resource assets.

### *2.4. Inadequate use of audit findings*

Currently, the provinces and cities have not established the corresponding accountability mechanism for natural resource assets and environmental protection, and the audit results are difficult to be effectively applied. Although China has taken environmental protection and ecological civilization construction as an important part of the assessment of local government leading cadres, on the basis of problem verification, the departure audit of natural resource assets has attempted to issue a research report and carry out an overall evaluation. However, there are still many obstacles in practice. On the one hand, the decision-making of local governments during their term of office has lag on natural resource assets and the environment. In the audit process, it is difficult to define which government should be responsible for this issue; On the other hand, whether the results of departure audit of natural resource assets are accountable or evaluated, the provinces and cities should choose according to the specific circumstances of the audit resources and audit environment everywhere. The current audit results can only act as a deterrent to the behavior of officials, and it cannot stop the occurrence of illegal and disciplinary acts from the source.

## **3. Reform path of the departure audit of natural resource assets**

### *3.1. Improvement of audit evaluation indicator system*

First of all, a unified and flexible evaluation indicator system should be established for the departure audit of natural resource assets. According to the data reported by various localities, the relevant state departments can determine some relatively stable and unified evaluation indicators for the reference of various regions, and then combine the positioning of functional areas, the characteristics of natural resources and assets, and the key points of ecological and environmental protection, and so on, determine flexible evaluation indicators to enhance the objectivity, unity and scientificity of the audit evaluation indicator system.

### *3.2. Using big data technology to reform audit methods*

In terms of audit methods, it is necessary to make full use of computer audit technology, actively carry out big data's audit, and establish a natural resources asset audit database as soon as possible through the cooperation of local governments, comprehensively collect the basic data of natural resources, environmental protection and other aspects of provinces and municipalities, as well as the financial and business data of relevant units, and obtain audit evidence through data association, analysis and comparison. In the aspect of resource mapping with more complex technology, the relevant state departments should take the initiative to provide relevant mapping data to local government auditing organs by virtue of technological advantages, so as to avoid wasting audit resources and costs. In

addition, the provinces and cities should organize training courses on audit technology to enhance the capacity of in-service auditors to use new technologies to carry out audit work. With the help of geographic information system, satellite remote sensing data mapping system and other spatial data means, improve the efficiency of audit work, achieve the transformation and upgrading of natural resource assets audit methods.

### *3.3. Gradual establishment of audit coordination mechanisms*

It is necessary to gradually explore and improve the joint meeting system of the departure audit departments of natural resources assets led by local governments, and set up a special coordinating body to coordinate and organize the work of the relevant departments, thus forming a mechanism for coordination and cooperation among statistics, finance, taxation, land, agriculture, forestry, water conservancy, environmental protection, and other departments, realizing the sharing and exchange of information and data resources between audit departments and relevant departments, and opening up "isolated islands of information"; When necessary, services may be purchased from units that master the information and technology of natural resources assets, such as survey, design, surveying and mapping, scientific research, etc., and special experts in relevant fields may also be brought in from the community to participate in the audit, so as to improve the efficiency and quality of scientificity. In the way of organization, a unified working mechanism should be established with the participation of audit, environmental protection, finance and other relevant departments, the work plan and objectives should be jointly formulated under the unified and coordinated deployment, and the audit department should be responsible for the specific organizational implementation. Meanwhile, it can also explore the integration of natural resource asset audit and a variety of audit types, in the development of finance, investment, foreign capital, state-owned enterprises and other professional audit can include the content of natural resource asset audit.

### *3.4. Enhanced application of audit findings*

The results of the departure audit of natural resource assets should be used as an important assessment content for the promotion and appointment of officials, combining the accountability of audit results with the evaluation system to expose problems such as waste of resources, environmental pollution and loss of state-owned assets caused by wrong decision-making, inadequate responsibility, administrative inaction and weak management. For the problems found, the relevant responsible personnel should be held accountable and the effectiveness of the audit accountability mechanism should be guaranteed. Simultaneously, the audit of natural resource assets should play a preventive role in advance, accountability is not the original intention of the establishment of the audit system, early warning and in-process control are more important, and the audit results should be made public in a timely manner, urge officials to take the initiative to link achievements with natural resources, ecological protection, and so on, and pay more attention to the unity of economic, social and ecological benefits in the development and utilization of natural resources.

## **4. Conclusion**

To sum up, there are still some problems in the departure audit of natural resources assets in China at the present stage, such as imperfect audit index system, difficult to obtain audit basic data, poor communication of audit information, and not effective use of audit results. It needs the cooperation of relevant departments to further improve the audit evaluation index system, make full use of big data technology to reform audit methods to obtain effective data, take the lead of government departments to establish audit coordination mechanism, and strengthen the application of audit results, so as to ensure the effective implementation of the departure audit of natural resources assets in China.

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