

# Research on Rural Financial Audit Supervision in the Context of the Rural Revitalization Strategy

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**Abstract:** Amid societal advancement, China has initiated an array of supportive policies to foster rural economic progression, aiming for an enhancement of rural economic frameworks while concurrently setting forth ambitious objectives under the rural revitalization strategy. To ensure the efficacious enactment of this strategy, a methodical and efficacious rural financial audit stands as an indispensable cornerstone. This manuscript delves deeply into the significance of rural financial audit supervision within China's ambit and its contemporaneous position. Given the existing challenges, this paper proffers insights for refining rural financial audit supervision, thereby fostering the progression of the rural revitalization strategy.

**Keywords:** Rural Revitalization Strategy; Rural Finance; Audit Supervision

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## 1. Introduction

Introduced during the 19th National Congress of the Communist Party of China, the rural revitalization strategy emerged as a paramount decision— one influenced by the prevailing nuances of China's countryside. This decision seeks to fulfill the twin centenary aspirations and the monumental rejuvenation of the Chinese ethos. As per the pertinent directives, the rural revitalization's ultimate vision encompasses the promotion of agriculture and the rural milieu, ultimately leading to a thriving industry, refined rural mores, efficacious governance, and opulent living paradigms. Within this backdrop, China remains steadfast in furthering the evolution of its new rural domains, underscoring a sustainable rural trajectory. An adept rural financial audit stands instrumental for the perpetuation of the rural collective economic landscape, marking its significance for the state and administrative purview. However, there exist impediments and vulnerabilities in the rural financial auditing mechanism, potentially undermining the judicious utilization of the rural collective resources, thus inciting disarray in rural fiscal governance and stymieing the optimal growth trajectory of the rural economic fabric. Consequently, it becomes imperative to elucidate the contemporaneous landscape of rural financial audit supervision, discern inherent lacunae, and advocate augmentative measures— all in a bid to bolster audit oversight and catalyze superior rural economic growth trajectories.

## 2. The Significance of Rural Financial Audit Supervision to the Rural Revitalization Strategy

### 2.1 Catalyzing Judicious Resource Allocation

In a bid to galvanize rural economic growth, ameliorate the material well-being of its denizens, and uplift the living standards, the Central Party has promulgated a suite of bolstering directives tailored for the rural landscape, amplifying fiscal impetus. To ensure a seamless policy transposition and judicious resource allocation, fortifying financial audit oversight becomes paramount. This enhanced scrutiny of fiscal sources and allocations permits the state and affiliated bodies to maintain a perspicacious understanding of the milieu, guaranteeing astute resource deployment. Through this rigorous process, every fiscal aid can be meticulously directed towards both the populace and the overarching policy initiatives, genuinely furthering the agrarian community's journey from impoverishment to prosperity.

## **2.2 Augmenting the Rural Financial Disclosure Regime**

Due to variegated regional and ecological determinants, aberrations such as misallocations of state grants and power misuse persist among rural bureaucrats. To ensure the holistic realization of the rural revitalization blueprint, the state has escalated its financial commitments towards fostering new rural edifices. Yet, during this grassroots infrastructural evolution, a pronounced bureaucratic demeanor persists among officials, often accompanied by a paucity of collective oversight. By amplifying rural financial audit supervision, institutionalizing a cyclical review mechanism, and ensuring pervasive financial transparency, rural constituents can partake in active oversight. This not only enhances transparency but also ensures residents actively partake in the oversight mechanism, thus expediting the successful realization of both state and regional policies designed for public welfare.

## **2.3 Cultivating the Salubrious Evolution of Rural Financial Management**

During the execution of rural financial audit undertakings, vigilance in overseeing and appraising the "Four Discussions, One Review, and Two Disclosures" democratic decision-making framework becomes paramount. Such oversight guarantees that assets apportioned by the state are genuinely channeled towards propelling rural economic growth. Concurrently, exhaustive scrutiny of the funds' provenance and allocation aids in curtailing malfeasances such as embezzlement, corruption, and other nefarious actions. This not only amplifies the transparency of rural collective financial metrics but also enhances the veracity and precision of affiliated fiscal data. With the unwavering presence of a proficient rural financial audit oversight throughout the strategic deployment phase, the architecture of the rural financial management system witnesses refinement. Consequently, financial resource utilization grows more judicious, engendering a robust and harmonious developmental milieu in rural domains, thus facilitating the holistic embodiment of the rural revitalization strategy.

## **3. Challenges Confronting Rural Financial Supervision in the Landscape of the Rural Revitalization Strategy**

### **3.1 Absence of Legal and Normative Backing for Rural Financial Audit Oversight**

As it stands, China is devoid of a dedicated national legislation or State Council edict that prescriptively elucidates the mandates and granular directives for rural financial audit supervision. The primary modus operandi orbits around the routine mandates of oversight entities, eluding the constitution of a multi-faceted architecture or synergistic inter-departmental endeavors. Multiple locales communicate responsibilities through documents, introducing intricacies in ensuring uniformity in message dissemination, application of evaluative standards, or rule establishment. Furthermore, during endeavors such as archival evaluations, data vetting, or issue rectification, instances of non-cooperative departments frequently emerge. The stewardship of rural assets transcends a singular departmental purview and mandates collaborative oversight from several departments. Mere intra-governmental deliberations fail to ensure punctual and efficacious partnerships. Additionally, auxiliary departments grapple with an absence of legal and normative pointers in their operations.

### **3.2 Inconsistencies in Rural Financial Accounting Practices**

In tandem with the accelerated momentum of the prevailing rural economy, the magnitude of fiscal assets governed by townships witnesses expansion. Both the objectives and functional horizons of these funds are burgeoning. Such an evolution poses complexities for accounting professionals, making it arduous to eschew oversights and discrepancies during the documentation of fund transitions. Furthermore, many of those presently involved in rural financial accounting may lack an adept grasp of specialized acumen and competencies, inadvertently amplifying the vulnerabilities of financial scrutiny and thereby influencing audit integrity. Predominant challenges encompass delays in revenue documentation, lapses in earmarked funds and alternate incomes, and incongruities between fiscal budgetary aspirations and actualized disbursements. Such malpractices, once institutionalized by personnel, drastically impinge on the audit's caliber, leading to misalignments in ensuing evaluations and injecting uncertainties into rural auditing processes.

### **3.3 Enhancement Imperative for the Proficiency of Rural Financial Auditors**

At present, the proficiency of rural financial auditors in China, particularly within the economically challenged western precincts, remains inadequately aligned with the rigors of rural financial auditing. During tangible audit undertakings, certain audited entities, in their endeavors to safeguard their stakes, may procrastinate in supplying requisite data or even proffer distorted or partial information, thereby imperiling the accuracy of auditor evaluations and verdicts. If auditors fail to exhibit stringent professional discernment to pinpoint such anomalies, the integrity of the audit can be gravely jeopardized. Disturbingly, some auditors, upon unearthing inconsistencies within their auditing purview, may capitulate to internal inducements, thereby obfuscating these indiscretions— an action tantamount to ethical transgressions. As such, to fortify the reliability of audit determinations, it is pivotal for auditors to be endowed with robust professional attributes and competencies.

### **3.4 Deficit of Rigorous Internal Control Frameworks within Rural Financial Bureaus**

Several townships in China have not instituted cogent internal control protocols, thereby relegating them to a status marked by systemic insufficiencies. This lacuna translates into financial personnel being incapacitated in the timely enactment of fund governance schemas. The nonexistence of a resilient fund management framework, coupled with the dearth of internal control modalities, impinges on the efficacy and caliber of financial audit oversight. Engagements in affiliated realms often culminate in blurred demarcations of duties and entitlements. In addition, if the internal control system is not effectively implemented, it will also impede the financial department's ability to rigorously process and control various aspects of fixed assets, such as acquisition, verification, storage, and utilization, in strict accordance with relevant regulations.

## **4. Strategies for Refining Rural Financial Audit Oversight**

### **4.1 Strengthening Legal Frameworks in Rural Financial Audit Supervision**

Given the heterogeneity across various townships, it behooves the central government to advocate that local administrations codify a comprehensive set of rules and regulatory frameworks governing rural financial audit supervision, thereby ensuring uniformity within distinct regions. In crafting these regulations, local bodies should elucidate the conceptual definitions, overarching objectives, operational purview, and criteria for staff appointment pertaining to rural financial audits. Collaborative synergies with regional financial units, disciplinary inspection entities, and public grievance redressal bodies should be fostered to facilitate synergistic oversight. Further, the audit process within the rural financial landscape should be rendered more streamlined, entailing a greater standardization of audit methodologies and report structures. Audit tenets and mandates should be distinctly demarcated, consistent with legal protocols. An efficacious punitive system needs to be instituted, ensuring that culpable individuals face appropriate legal ramifications in instances of financial malfeasance. In events of misappropriation, it's imperative for the government to trigger legal apparatuses, mandating restitution of misused funds, safeguarding the collective welfare of the agrarian community, and assuring the judicious deployment of resources.

### **4.2 Fostering Transparent Practices in Rural Financial Information**

In contemporary times, a significant portion of industries within our nation have adeptly integrated information technology, aiming to augment both work efficiency and quality. Paradoxically, rural financial and audit procedures persistently adhere to more antiquated methodologies, rendering them ill-equipped to cater to evolving public expectations. It is of paramount importance that pertinent financial bodies harness the prowess of advanced information technology, tailoring their services for heightened efficiency. To champion the cause of financial data transparency, the inception of an IT-centric platform dedicated to village affairs is advocated. This would empower local inhabitants with the privilege to

seamlessly access, scrutinize, and oversee financial datasets in real-time via mobile applications. Moreover, auditors tasked with rural assignments should be entrusted with the responsibility of uploading their conclusive reports to the relevant auditing bodies, ensuring their public availability on the designated village platform. Such an initiative would not merely bolster public supervisory mechanisms over financial dealings but also act as a catalyst in fostering the systematic evolution of rural financial audits.

### **4.3 Augmenting the Professionalism and Ethical Commitment of Rural Financial Auditors**

The institution of regularized training regimens emerges as a viable strategy to fortify both the professional expertise and the ethical commitment of rural financial affiliates. Within the ambit of such training endeavors, it is imperative for the overseeing departments to proffer specialized course content, encapsulated in video format, catering to the learning needs of the financial workforce. Concurrently, an evaluative mechanism should be instantiated, meticulously gauging the efficacy of learning outcomes. This stratagem is poised to facilitate finance personnel in the acquisition of a comprehensive array of specialized insights, refining their professional prowess whilst also kindling their intrinsic fervor and accountability. In a supplementary move, orchestrating periodic seminars led by luminaries from the audit domain, specifically focusing on rural audit paradigms, can be instrumental in fostering a milieu of collaborative learning and experiential sharing, thus ensuring more streamlined audit engagements in forthcoming ventures.

### **4.4 Establishing an Integrated Rural Financial Internal Control Ecosystem**

The principle of "one issue, one discussion", which holds considerable sway in internal control schematics, mandates the unequivocal delineation of parameters encompassing fund-raising dynamics, procedural deliberations, and established norms of resource utilization. A special note of attention should be accorded to the "other income" segment within the rural financial matrix, advocating for its rigorous oversight and sanctioning. Foregrounding the roles of payees and authorizing entities is essential, supplemented by a thorough statistical and role-centric dissection of all participating entities, thereby ensuring the foolproof efficacy of control mechanisms. Stringent guidelines must be articulated vis-à-vis the procedural dynamics and authoritative mandates associated with transferable monetary resources, thereby upholding the sanctity of fund transition protocols. Delving into the realm of fixed asset-centric internal control, it is indispensable to meticulously craft regulatory frameworks and holistic control interventions, taking into cognizance facets such as asset proliferation, extant assets, and their custodial statuses. By amalgamating methodologically sound and efficient managerial techniques, the traditional paradigms of financial project oversight can undergo a transformative overhaul, pivoting towards a more dynamic fiscal control mechanism and maximizing the consequential utility derived from resource allocation.

## **5. Conclusion**

An analysis of the current state of rural financial audit practices in our country reveals many issues. These challenges severely impede the implementation of the rural revitalization strategy and slow down the pace of rural economic development. Therefore, in light of the actual circumstances, we should fully recognize the problems in rural financial auditing and devise proactive and effective solutions, enhancing the level of rural financial audits, expediting rural economic development, and ensuring the smooth progression of rural financial audit work.

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