Research on the value increment of internal audit of power grid enterprises

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Abstract. Power grid enterprises play an important role in China's national economic construction and assume important social and economic responsibilities. With the further deepening of the reform of the power system, how to accurately grasp the new development stage, implement the new development concept, and build a new development pattern put forward new tasks and requirements for internal audit work, do a good job in the regular "economic examination" work, and realize the value added of internal audit, Accelerate the implementation of the strategic objective of "an international leading energy Internet enterprise with Chinese characteristics" and the development layout of "one body and four wings", and play an important audit role for the high-quality development of power grid enterprises.

1 Introduction

The internal audit of power grid enterprises is a long-term mechanism to further promote enterprises to continuously optimize their internal compliance operations by using scientific, systematic and standardized methods to review and evaluate the rationality and effectiveness of business activities, economic decision-making, internal management, risk prevention and control, etc [1]. In recent years, the internal audit work mainly focuses on daily audit supervision and rectification of problems found [2]. By carrying out various audit projects, we found out the risk signs and prevented the occurrence of major problems. In accordance with the overall layout of "One Body, Four Wings" development of power grid enterprises, we will actively serve the goal of carbon peaking and carbon neutralization. In order to assume the responsibility of the third line of defense of power grid enterprises, internal audit will continue to explore and research from the aspects of effective prevention and control and risk reduction, give full play to the value-added role of audit value, and provide audit recommendations for the professional management of power grid enterprises. Internal audit has become an important link to ensure the healthy development of enterprise strategies.

Entering a new era, new technologies such as digitalization and artificial intelligence are constantly developing, and the world is moving towards the fourth industrial revolution. Technological change, increased risk and the expectations of stakeholders drive the continuous evolution of the internal audit profession. Internal audit is no longer regarded as a simple means of control, but hopes to become a value source to achieve high-quality development and an engine to promote transformation.

It is reported that in order to actively perform the internal audit responsibilities in the new era, the power grid enterprises have organized internal audit work to continue to meet difficulties and cultivate new opportunities, and have the courage to assume the role of opening new bureaus. They have actively strengthened in-process audit, implemented the closed-loop rectification, improved the timeliness of audit results, strengthened the construction of audit teams, and further served the implementation of the enterprise's strategic objectives.

2 Internal audit value-added function

2.1 Value added connotation of internal audit

Internal audit has always been the last line of defense in the "immune system" of enterprise management [3-5]. In order to adapt to the development of the new era, we should use a more systematic and scientific approach, integrate mature big data analysis technology, quickly find the problems and risks arising from enterprise operations, and timely propose solutions [6-8]. In the business process, enterprises should establish a scientific and systematic risk supervision and management system, timely and accurately identify, measure, supervise and evaluate each link of the enterprise value chain, and put forward optimal treatment suggestions for enterprise risk response, so as to realize the value appreciation of internal audit, so as to avoid risks for enterprises, improve management, improve operation quality and efficiency, and promote the realization of enterprise strategic objectives.
2.2 Internal audit value-added attribute

The primary goal of enterprise management is to increase value. The value of an enterprise is to add value to the owner's equity. The value objectives of power grid enterprises in the new era mainly include economic benefits, social benefits, environmental benefits, etc. As a functional department to increase enterprise value and promote enterprises to achieve development goals, internal audit needs to consider diversified objectives as a whole, and always pay attention to the effectiveness, economy and compliance of enterprise operation in work practice\(^{8-11}\). The internal audit of power grid enterprises also has a strong value-added attribute in the company's operation and management. Focusing on the reform deployment of "three major reform tasks" proposed by power grid enterprises, the internal audit makes precise efforts to the most intense and urgent work priorities, difficulties and risk control points in the company's reform and development, further strengthens the restriction and supervision of power operation, reveals the company's mixed ownership reform, group management system reform. The potential universality, tendentiousness and potential problems in the construction of power market have played an effective regulatory value from the perspective of long-term healthy development of enterprises.

2.3 Value added significance of internal audit

The value added of internal audit does not lie in strengthening supervision, but in controlling risks and promoting management. In the new era, the internal audit of power grid enterprises should broaden the scope of risk analysis, and promote both internal risk prevention and supervision and external major risk monitoring and early warning. In accordance with the concept of sustainable and healthy development, the value-added internal audit focused on the implementation of major policies and measures, continued to optimize the power business environment, paid high attention to clearing up the arrears of private enterprises, helped win the three major battles, and was active at all levels of enterprise management and business activities, expanding the scope of supervision; By carrying out confirmation and consulting services, we will deepen our understanding of the internal functional system and external competitive environment of the enterprise, pay attention to the needs of the enterprise from various aspects, and put forward suggestions for the enterprise to improve management and prevent risks from the perspective of audit, so as to enhance our own value added, help improve the innovation and competitiveness of the enterprise, and promote high-quality and healthy development of the enterprise.

3 Internal audit environment of power grid enterprises

In recent years, the normal development of internal audit in power grid enterprises has played a positive role in strengthening the establishment of internal control and improving the lean management ability of enterprises. However, from the current point of view, the internal audit of power grid enterprises needs to be guided by the audit objectives of the new era and continue to optimize the internal audit environment.

3.1 Task requirements of internal audit in the new era

Internal audit should be based on the new development stage, practice the new development concept and serve the new development pattern, actively carry out "highly sensitive, short and smooth" supervision services, and play an important role in strengthening the enterprise's internal security system and governance capacity, and improving the regulatory system and mechanism. Promptly reveal the weak links in the operation of state-owned enterprises, deeply analyze the root causes of the problems, accurately put forward reasonable suggestions, and promote the ability of audit to remedy weaknesses, strengths and weaknesses, prevent risks, and improve long-term value added. We will normally carry out accountability for illegal operations and investments, and conduct accountability and accountability in accordance with the law and regulations. We will further standardize the management of state-owned enterprises' operations and investments, effectively reduce the risk of loss of state-owned assets, and constantly improve the operation quality and economic benefits of state-owned enterprises.

3.2 Traditional audit vs. internal audit transformation and development

With the deepening of the reform of state-owned enterprises and the gradual improvement of the company's rules and regulations, power grid enterprises have built a relatively perfect company supervision and governance system. However, the internal audit in enterprises also has a false high functional orientation and a low level of work.

There are still some uneven and insufficient contradictions in the audit work, which are mainly reflected in the following aspects.

First, the internal audit department has a low status and authority. Senior leaders hope to supervise all businesses through internal audit, and find risks and problems in operation and management timely, while the leaders in charge and business departments hope that the audit can provide more suggestions and fewer problems. If the internal audit function of the enterprise is not accurately positioned, the audit content and business scope will be limited, the problems found will not be deep enough, and the internal audit will be difficult to deepen from supervision and evaluation to consultation and suggestions.

Second, the rectification work was not systematic and comprehensive enough, and the phenomenon of repeated violations occurred from time to time. Although the audit rectification work has achieved some results, the in-depth analysis of the causes is not enough, and
there are few systematic rectification measures. Seen from the audit results in recent years, there are still widespread, systematic and repeated problems.

Third, the rectification supervision of business departments was unbalanced, and the audit results were not fully used. Although a horizontal coordination and linkage mechanism has been established, the role of professional departments in the rectification and supervision is not balanced. Some departments do not pay enough attention to the problem rectification and participate in it, and audit recommendations cannot be effectively implemented. As a result, audit rectification has become the "one-man show" of the audit department, which affects the transformation of audit results and the performance of audit.

Fourth, the four capacity-building tasks are arduous, and the construction of the audit team needs to be strengthened. With the continuous development of "Yunda intelligent chain of material transfer", there are higher requirements for the professional level and digital audit ability of internal auditors. The work level of accurately responding to problems and deeply revealing potential risks needs to be improved, and the audit quality needs to be further improved.

4 The way to realize the value-added function of internal audit

4.1 Realize value added through reconstruction of internal audit system

In order to increase the value of internal audit, power grid enterprises need to constantly optimize the internal audit work system in accordance with the development law of the new era.

First, establish an independent and efficient organizational system. The internal audit institution is subordinate to the Party organization and the Board of Directors. It directly reports on its work. The organization has an internal audit committee and the chief auditor, meeting the principles of independence, authority, simplicity and efficiency.

The second is to improve the strict and meticulous audit quality evaluation system, improve the procedure control at each stage of the audit work, and measure the effectiveness of the audit work comprehensively with quantitative indicators, so as to achieve the goal of reducing costs and improving efficiency.

The third is to explore a scientific and strict supervision system, pay attention to industry audit coordination, external communication, supervision information sharing, and strengthen the application of audit results.

The fourth is to build a stable and standardized security system. Security is the foundation of development, and development is the guarantee of security. Internal audit should adhere to the overall security concept, promote the implementation of enterprise security strategy, prevent various risks in the process of enterprise development, and build a solid enterprise security barrier.

4.2 Value added through participation in internal control

In the face of the regulatory requirements of the new era, as well as the profound changes in the operating environment such as the country's strengthening of cost supervision and audit constraints, and the continuous improvement of power supply service requirements, power grid enterprises need to promote development through reform, comprehensively strengthen the construction of the internal regulatory system, and improve the modernization level of governance capabilities. This also requires that the internal audit work must highlight the high-quality development center, accurately lock the prominent contradictions in the reform and development process of power grid enterprises, and perceive, warn, and disclose risks, timely reveal new situations, new difficulties and new problems of the enterprise, and supplement weaknesses and strengths. At the same time, internal audit should continue to achieve the goal of value added by participating in internal control. It can improve the dominant position of value-added value through two main paths by means of assurance services and consulting services: on the one hand, it can evaluate the completion of objectives in the risk management process.

The effectiveness of enterprise risk management is judged mainly by the completion of the risk management objectives set in advance by the enterprise in risk management, and then the effect of risk management is evaluated; On the other hand, the evaluation is carried out through the control measures adopted in the risk management process. Check the economy and effectiveness of the control measures, identify the risk loopholes in the control, and put forward management suggestions, so as to optimize and improve the enterprise risk management methods.

4.3 Value added through the use of information technology

The digital revolution is having a profound impact on all walks of life, all sectors and all links. Information technology, with the focus on big data technology, is becoming an important means to optimize resource allocation and improve resource utilization efficiency. Focusing on the concept of strengthening audit through science and technology, digital audit has developed in an all-round way towards digitalization, networking and intelligence. It takes root in digital audit thinking in audit practice, uses big data technology, strengthens the comprehensive utilization of data, assists in supporting audit problem finding, judgment and analysis, and constantly summarizes and refines digital audit experience to improve digital audit capability.

At the same time, power grid enterprises, based on the core of the digital audit platform, comprehensively promote the digital audit model, guide auditors to analyze and model themselves, help auditors change from traditional data searching to accurate and efficient analysis, carry out remote online data analysis and digital continuous audit on a regular basis, and realize
the unified arrangement, unified scheduling, unified command Unified assessment, comprehensively improve the quality and efficiency of work in terms of audit management and operation mode, and provide comprehensive technical support and guarantee for the value added of power grid enterprises.

5 Conclusions

The internal audit of power grid enterprises in the new era will take it as its responsibility to promote the effective implementation of major decisions and arrangements of the Party and the state, uphold the sense of active service, actively integrate into the overall situation of enterprise development, continue to optimize the construction of the internal audit system, strengthen internal control, prevent risks, promote management and increase benefits, and play a value-added role in promoting the overall development and safety of power grid enterprises.

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