

Internal control elements, accounting information characteristics and internal audit quality: Basis for improved internal audit process

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Abstract

This paper aims to clarify the relationship between internal control elements, accounting information characteristics and internal audit quality by combining relevant literature and investigation and analysis on improving internal audit practice, and then put forward specific strategies to make units pay more attention to internal control and improve accounting information and internal audit quality. Through questionnaire survey and SPSS 24.0 statistical analysis software, this paper discusses the relationship between internal control elements, accounting information characteristics and internal audit quality. Based on the results of literature evaluation and the conclusion of investigation and analysis, this paper designs three scales: internal control elements, accounting information characteristics and internal audit quality, and then completes the questionnaire design. The research shows that the elements of internal control are positively related to the characteristics of accounting information, and the better the internal control is used, the better the quality of accounting information is. At the same time, the elements of internal control are positively related to the quality of internal audit. The better the internal control, the better the internal audit practice. It is further proved that the characteristic quantity of accounting letter is positively related to the quality of internal audit. It can be predicted that the better the quality of accounting information, the better the internal audit practice.

Keywords: control elements, accounting information characteristics, internal audit quality

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1. Introduction

With the country paying more and more attention to higher education, the scale of running colleges and universities is expanding day by day, the development speed is increasing day by day, the sources of funds are becoming more diverse. More and more attention has been paid to the construction of internal control in colleges and universities.

Different definitions can be drawn from different perspectives of accounting information quality. According to the definition of Zhu Lan, a world-famous quality management expert, from the perspective of users' use, the quality of accounting information should be the degree to which it meets the needs. According to the definition of Crosby, another quality management expert, from the producer's point of view, the quality of accounting information should be the degree to which accounting information products meet the requirements of accounting standards (systems), where accounting standards (systems) are the "templates" of accounting information production; According to the definition of quality in ISO8402-94 "Quality Management and Quality Assurance-Terminology" issued by the International Organization for Standardization in 1994, the quality of accounting information should be the sum of features of accounting information's ability to meet explicit and implicit needs. This definition is relatively broad, including all the connotations of practicality and conformity of accounting information. Then, the quality of accounting information can be measured according to whether the quality features of accounting information can meet people's needs and the degree of satisfaction. The earliest literature on the quality characteristics of accounting information can be traced back to APB Report No.4 in 1970. The report puts forward seven items, such as relevance, intelligibility and verifiability, but ignores one of the most important quality characteristics: reliability.

In May, 1980, American FASB Announcement No.2 made the quality of accounting information a special research project for the first time. After that, many countries and organizations began to study the quality of accounting information. The Canadian Institute of Chartered Accountants put forward four main qualities: intelligibility, relevance, reliability and comparability. British Accounting Standards Board divided the quality of accounting information into three parts: the first part is the quality related to the contents of statements, including relevance and reliability; The second part is the quality related to statement, including comparability and understandability; The third part is the restriction of information quality, including timeliness and benefits over costs. At present, American academic circles turn to another important quality characteristic of accounting information: transparency.

Internal audit, internal audit is an independent and objective confirmation and consultation activity, which evaluates and improves the effect of risk management, control and governance procedures by applying systematic and standardized methods, and helps organizations achieve their goals. It is an independent inspection, supervision and evaluation activity established within the organization and serving the management department. It can be used to inspect, supervise and evaluate the adequacy and effectiveness of internal control, as well as the truthfulness, legality and completeness of accounting and related information. Internal audit quality refers to the standard degree of internal audit work and the level of audit function, which is the comprehensive reflection and concentrated embodiment of audit work level. Internal audit quality has two meanings: broad sense and narrow sense. The broad sense of internal audit quality refers to the overall quality of internal audit work, including management and business quality. In a narrow sense, it only refers to the business quality of internal audit.

At present, domestic colleges and universities are actively promoting the construction of internal control system, and begin to focus on internal control. Its internal control system is becoming more and more perfect,

and its importance is becoming increasingly prominent. This paper compares and studies the relationship among internal control, accounting information characteristics and internal audit quality in colleges and universities in China, which will have very important theoretical and practical significance for colleges and universities in China.

China's academic circles have explored the relationship among internal control elements, accounting information characteristics and internal audit quality, but most of them are Daniel theory. This paper adopts a new perspective on internal control research, uses empirical research methods, and comprehensively considers the influence of various factors in the model to verify that the characteristics of enterprise accounting information are related to the perfection of internal control, and companies with high internal control quality can produce more authentic and reliable accounting information, according to the relevant conclusions drawn from the research.

Researchers have been engaged in financial work in colleges and universities for more than ten years, and they are very interested in internal control and internal audit in colleges and universities. With the increasing scale of colleges and universities, there are more and more resources to control and control, which puts high demands on the managers of colleges and universities and brings new challenges and pressures to the management of colleges and universities. Researchers can study internal control in colleges and universities according to the actual work situation and in combination with their daily work. Internal control in colleges and universities is of great significance to the improvement of accounting information quality and the long-term development of schools.

Objectives of the Study - This paper aims to study the influence of internal control elements on the quality characteristics of accounting information, and determine whether the level of internal control has an impact on the quality of internal audit. Specifically, this paper aims at: Determine the internal control elements in terms of Internal control environment, Risk assessment and control activities; Describe the quality of accounting information in terms of comparability, relevance and reliability; Assess the internal audit in terms of audit plan, implementation, and evaluation; Examine the influence of internal control level on the quality characteristics of accounting information; Analyze the relationship between the level of internal control elements and the quality of internal audit; and to develop Improved Internal Audit framework.

2. Methods

Research Design - The study used the research methods of normative analysis and empirical analysis, utilized literature analysis to lay the theoretical foundation and research framework, and then employed questionnaires to collect data. Due to the new crown epidemic, the collection of questionnaire data is carried out through the online questionnaire platform "Questionnaire Star". In terms of research content, the first is the theoretical foundation and the definition of variables, the second is data collection, that is, the design and implementation of questionnaires, and the last is descriptive analysis, correlation analysis and regression analysis. This study utilized a combination of normative and empirical methods, which are summarized as follows: Literature research method, adopting the method of literature research, to find out the shortcomings in the existing research by reading the literature, and determine the research ideas of the thesis. Search for the literature related to internal control, accounting information management and internal audit research in JSTOR, ScienceDirect, China HowNet and other databases, the research ideas of the thesis are determined after combing the existing research.

Using the method of questionnaire survey, through the analysis of relevant references, the direction and scope of the questionnaire interview were formulated, and the final questionnaire questions were formed. The results of the questionnaire are summarized through online distribution. By using the quantitative analysis method, the researcher uses SPSS software to make multivariate statistical analysis on the data content of the questionnaire feedback, including descriptive analysis, correlation analysis and regression analysis. The results

of quantitative analysis are organically combined to form an improved internal audit process.

Participants of the Study - As the questionnaire is distributed through the Internet, it may cross the geographical restrictions. Finally, 300 questionnaires will be distributed. Because the author works for universities, the research object is the internal control of universities, so most of the interviewees are universities and some enterprises. Because colleges and universities are constrained by the system, their internal control level is higher than that of other industries, especially the first-class universities, whose internal control level is at the forefront of the whole country, so this research is typical and representative. The limitation encountered in the study is that some potential respondents refuse to participate in the study. However, researchers did their best to cover a reasonable range to improve the research.

Data Gathering Instrument - In this study, a self-compiled questionnaire was used to collect data, and the Likert 4 scale was used for measurement. The main content of the questionnaire consists of four parts: the first part is the survey of the personal information of the respondents to screen the questionnaire data; the second part is the measurement of the related issues of internal control elements; the third part is the measurement of the related issues of accounting information characteristics; and the fourth part is the measurement of the related issues of internal audit quality.

Data Gathering Procedure - The questionnaire was done through literature analysis and integrated expert opinions, and then distributed the questionnaire online through the questionnaire star research platform for pre-survey. After the questionnaire was revised and improved under the guidance of the adviser, the questionnaire was distributed online through WeChat and email. After the preliminary design of the questionnaire was completed, eight experts were invited to conduct a pre-test of the questionnaire, which further improved the questionnaire structure and language expression. The pre-test of the questionnaire shows that the Cronbach's α and CR values of each variable are both higher than 0.77, indicating that the scale has good reliability. After the questionnaire was confirmed, researcher prepared a letter of intent as a request by the researcher to collect data from the respondents.

Ethical Considerations - The research was based on academic ethics and is transparent to the research process and findings. The questionnaire used was researcher made based on the research of existing scholarly works and studies. In the course of the questionnaire survey, there have been questionnaire reminders to assure the surveyed that the data provided will be kept confidential. If it is shared with others without the respondents' consent, it is an unethical behavior. When designing the questionnaire, the name of the respondents were not involved, and the number 0 was assigned to the missing data or wrong input.

Data Analysis - The research made use of the different statistical tools to count, code and interpret the data. These include the following: One is the frequency distribution and weighted mean for descriptive statistical analysis, in order to quantitatively obtain the overview of the relevant variables. The second is analysis of variance to test the significance of the difference between the means of two or more samples. The third is the use of Pearson correlation test for all variables to verify the correlation between the variables, which provides a preliminary basis for the subsequent regression analysis. Finally, after the previous descriptive statistics and correlation statistics analysis, the thesis used multiple regression to empirically test the impact of relational trading and earnings management. The use of the above tools was based on research goals. In addition, all data were processed using the statistical PASW version to analyze the research results.

3. Results and Discussion

The above table shows that among the three internal control elements of internal control environment, risk assessment and control activities, the average score is 2.87, and they generally agree. Among them, the internal control environment scored the highest, with 2.88, indicating that the internal control environment of the unit is still quite satisfactory. Control environment is the basic condition for the construction and implementation of internal control in a unit, which dominates the direction of internal control and determines the effectiveness and

results of internal control.

Table 1

Internal Control

Indicators	Weighted Mean	Verbal Interpretation	Rank
Internal control environment	2.88	Agree	1
Risk assessment	2.87	Agree	2
Control activities	2.85	Agree	3
Internal control environment	2.88	Agree	1
Composite Mean	2.87	Agree	

Legend: 3.50 – 4.00 = Strongly Agree; 2.50 – 3.49 = Agree; 1.50 – 2.49 = Disagree; 1.00 - 1.49 = Strongly Disagree

Secondly, the risk assessment score is 2.87, and the risk is objective and controllable in a certain range and period. The lack of risk management will lead to the failure of the unit to achieve the internal control objectives, and serious corruption, waste of resources and loss of assets may occur. The main body of each unit should form a complete risk assessment mechanism to comprehensively, systematically and objectively assess the risks existing in various economic activities. Risk assessment shall be conducted at least once a year. In the face of major changes in the external environment, economic activities or management requirements, the risks of economic activities should be re-evaluated in time, and the evaluation results should be used as the basis for improving internal control (Li, 2019).

Finally, the lowest score of control activities is 2.85, which reflects the logical relationship of each work. There are mainly two types of processes: one is the closed-loop business completed within the department; The other is the business with working relationship between departments. For the first type of process, the question to be answered is "Who does what", focusing on the responsibilities of personnel in each link, so as to avoid the internal control execution being affected by the change of personnel in business nodes. For the second kind of process, we should pay more attention to the business connection and responsibility boundary between departments, pay attention to the problem of "how to do it", find the risk control points between coordinating departments in time, reduce the risk and ensure the control activities by means of process reengineering and making rules. Process control is to classify all business activities into institutionalized organizations with division of labor in the form of processes to ensure that control objectives and control procedures are implemented in all specific business processes. Business process reengineering can be said to be the integration of control objectives, control procedures and business activities.

Table 2

Quality of accounting information

Indicators	Weighted Mean	Verbal Interpretation	Rank
Comparability	2.90	Agree	1
Relevance	2.85	Agree	2
Reliability	2.84	Agree	3
Composite Mean	2.86	Agree	

Legend: 3.50 – 4.00 = Strongly Agree; 2.50 – 3.49 = Agree; 1.50 – 2.49 = Disagree; 1.00 - 1.49 = Strongly Disagree

The table 2 shows that among the three accounting information qualities of comparability, relevance and reliability, the average score is 2.86, and they generally agree. Comparability got the highest score of 2.90. Comparability means that accounting information should be comparable horizontally and vertically, that is, different enterprises in different periods and the same period of an enterprise should be able to compare with each other. Comparability is beneficial for enterprise managers to understand the changes and trends of financial status, operating results and cash flow of enterprises. Linking comparability with relevance can make accounting information more real and useful (Bao, 2019). Secondly, the average score of correlation was 2.85. Relevance requires that accounting information should be relevant and useful to the final decision, which means that accounting information has the value of prediction, decision-making and feedback. Finally, the average score of reliability is the lowest, which is 2.84. To regard reliability as an important information quality feature, only by

providing reliable accounting information can the client correctly evaluate the entrusted responsibility, which is an important basis.

Table 3*Internal Audit Practices*

Indicators	Weighted Mean	Verbal Interpretation	Rank
Audit plan	2.82	Agree	3
Implementation	2.84	Agree	2
Evaluation of audit results	2.88	Agree	1
Composite Mean	2.85	Agree	

Legend: 3.50 – 4.00 = Strongly Agree; 2.50 – 3.49 = Agree; 1.50 – 2.49 = Disagree; 1.00 - 1.49 = Strongly Disagree

The above table shows that in the three internal audit practice procedures of audit plan, audit execution and audit result evaluation, the average score is 2.85, and they generally agree. Among them, the evaluation audit results got the highest score of 2.88. The final evaluation results, adjusting and optimizing various factors that affect the internal control system, and accurately and timely understanding the problems existing in internal control can greatly promote the establishment of a reasonable and objective internal control evaluation system.

Secondly, the audit execution got an average score of 2.84 points. The audit team draws audit conclusions, forms audit reports, evaluates internal control risks and puts forward audit suggestions. At this stage, we should focus on preventing the risk of improper evaluation. The audit team should do a comprehensive analysis to prevent the problem from being superficial. The audit conclusion should be well-founded and the audit report should be high-minded. We should make overall consideration from the macro level and evaluate the internal control and risks of the business activities of the audited unit from all aspects. After issuing the audit report, we should also pay attention to the implementation and rectification of audit conclusions, establish risk files, and record the whole process from risk identification and evaluation to risk prevention and risk-oriented internal control audit of its effectiveness, so as to accumulate experience for the in-depth development of internal control audit in colleges and universities (Lou, 2017).

The average score of the final audit plan was the lowest, which was 2.84. The audit team conducts pre-trial investigation, collects relevant information, identifies risk factors and occurrence probability, and determines key points. The audit team conducts tests according to the audit plan and identifies risks and defects. At this stage, we should focus on preventing the risk of test failure, ensuring that the test scope is complete, the key points are accurate, the methods are appropriate, and a comprehensive review is conducted from different roles (Wang, 2022). As seen from the table 4, the computed r-values indicates very strong direct correlation and the resulted p-values were less than the alpha level. This only shows that there was significant relationship between the treated variables and implies that the better the internal control utilized, the better the quality of accounting information.

Table 4*Relationship Between Internal Control and Quality of accounting information*

Internal control environment	r-value	p-value	Interpretation
Comparability	.941**	0.000	Highly Significant
Relevance	.938**	0.000	Highly Significant
Reliability	.934**	0.000	Highly Significant
Risk Assessment			
Comparability	.927**	0.000	Highly Significant
Relevance	.933**	0.000	Highly Significant
Reliability	.934**	0.000	Highly Significant
Control Activities			
Comparability	.938**	0.000	Highly Significant
Relevance	.938**	0.000	Highly Significant
Reliability	.932**	0.000	Highly Significant

Legend: Significant at p-value < 0.05

First of all, internal control and accounting information have a common theoretical basis. Coase believes that the existence of enterprises is to replace transaction costs, that is, enterprises are black-box mechanisms equivalent to price mechanisms, that is, markets and enterprises are good means of resource allocation, and there is some equivalence between them. The enterprise owner transfers the management right to the enterprise manager. The enterprise system of separation of ownership and management right determines that the capital owner cannot directly participate in the production and operation activities of the enterprise, so there will be an information asymmetry between the manager and the owner, and the manager holds more timely and comprehensive enterprise information than the owner. Therefore, driven by interests, he may act opportunistically against the requirements of the enterprise contract, that is, seek personal gain for himself and harm the interests of the owner. The main function of internal control based on the organization establishment of an enterprise or the contractual relationship at the same level is to check and balance, and the main function of internal control based on the relationship between different levels of an enterprise is to supervise. No matter what kind of internal control is established, the purpose is to make up for the incompleteness of the enterprise contract.

From this point of view, the checks and balances and supervision of internal control make up for incomplete contracts, reduce the possibility of managers' earnings management and earnings manipulation, and ensure the quality of accounting information. In the unequal situation, owners need to read relevant accounting information to obtain the management level of enterprises, and managers also need to provide high-quality financial reports to confirm their work results, so true and reliable accounting information is particularly important. According to the school of accounting target management responsibility, the value of accounting information is to respond to the owner's entrusted management responsibility in a reasonable way. Combined with the above analysis, we can find that internal control and accounting information have the same theoretical origin, and both exist to solve the entrusted agency problem and reduce the agency cost.

Secondly, internal control and accounting information have the same goal. According to the definition given by COSO, the objectives of internal control can be defined as: the reliability of financial report, the efficiency and effectiveness of operation, the compliance of relevant laws and regulations, the reasonable guarantee of enterprise assets safety and the promotion of enterprise development strategy. The Basic Standard for Internal Control of Enterprises issued by China is basically consistent with it, and it will also ensure the authenticity and reliability of financial information as the primary goal. According to internationally recognized accounting principles, reliability means seeking truth from facts, and the actual and verified transactions will run through the whole process of accounting information formation, transmission and recording. Based on this, it is one of the two basic quality characteristics of accounting information quality system. The core view put forward by the decision-making useful school is that accounting information should meet the relevant needs of use, and the primary need is to provide practical information support for investors to make decisions, that is, the purpose of accounting information is to protect assets and prevent fraud. This shows that internal control and accounting information have the same goal.

Thirdly, all aspects of the formation of accounting information are closely related to the operation of the five elements of internal control, which play a supporting role in the framework of accounting information. The control environment factor of internal control is the primary factor that affects the quality of accounting information. As the basis of accounting information formation, the corporate cultural spirit, the honest level of management and their understanding and attitude towards accounting information directly determine whether accounting information is true and reliable, and a good mechanism can play a balancing role. In a good control environment, management will consciously reduce opportunism motivation, take a cautious attitude towards accounting information confirmation, and avoid the interference of unfavorable factors in the measurement process of accounting information formation, transmission and confirmation, thus improving the robustness of accounting information and earnings quality.

Accounting transactions and events run through all aspects of the enterprise, and any department has the

motivation to safeguard its own interests and harm the interests of the enterprise. In order to avoid this situation, risk assessment, control activities and supervision are needed to ensure the production of high-quality accounting information from the institutional level. Risk assessment needs to collect a series of accounting information for analysis and response, and relevant accounting information plays a supporting role, and reasonable and effective risk assessment can identify the interference factors. Through the improvement and implementation of relevant control measures, enterprises can avoid risks or give warnings in advance to a certain extent, which will adversely affect the whole process of accounting information formation, improve its transparency and earnings quality, and promote each other to achieve a virtuous circle. At the same time, the coverage, frequency and intensity of top-level internal control directly affect the operation of enterprise internal control and the quality of accounting information provided, and information and communication are the bridge for the effective implementation of the above mechanism.

Perfect internal control can supervise and restrain the management from the enterprise's system flow, improve the difficulty of earnings adjustment, reduce the beautification of accounting information and ensure the quality of accounting information. Sound internal control can reasonably divide the rights and responsibilities of enterprises, make accounting data and information follow a set of strict and cautious processes, and avoid accounting information from being divorced from the actual situation (Zhou & Zhao, 2020). The company's internal control has a positive impact on the quality of accounting information, which can also be seen from increasing the control of earnings management (Fang, 2019). Internal control can promote the improvement of accounting information quality, but this positive influence will be limited by the internal rights structure of enterprises to a certain extent, and excessive centralization will easily weaken the internal control function. In addition, better internal control can encourage internal auditors to perform their duties more actively, thus effectively controlling earnings management and improving the quality of accounting information (Lou, 2017). From different angles of internal control, domestic studies have concluded that internal control has a significant impact on improving the quality of accounting information (Fang, 2019).

After reviewing the relevant laws and regulations at home and abroad, pointed out from the perspective of internal control factors that the key to improve the quality of accounting information is to improve internal control, which is a powerful guarantee to prevent accounting information distortion. Controlling environmental factors plays an indispensable role in it. The authenticity of accounting information is closely related to the management's business philosophy. The design and implementation cost of internal control system determines the process of accounting information formation, transmission and recording and measurement. The correlation between internal control and timeliness of accounting information is studied, and it is found that there is a positive correlation between them. The research results show that enterprises with weak internal control are more prone to undetectable accounting misstatement, and the corresponding auditors need to perform more audit tests, increase audit workload and perform more substantive tests, so that the timeliness of annual reports of enterprises is lower (Zheng, 2020).

This paper studies the correlation between internal control defects and accrued quality, and holds that the problem information generated in the internal control process may result in unintentional mistakes or omissions in the measurement and confirmation process, and the deficiencies in the internal control environment and supervision may lead to the inability to effectively curb the fraudulent behavior of management or internal employees, and artificial manipulation may occur (Xiao, 2020). The same research is carried out based on the internal control defects of financial reports. After using the multiple linear model, it is concluded that the internal control defects of financial reports and the low quality of accounting information are more likely to appear in the same enterprise, while enterprises with higher quality of accounting information tend to disclose their internal control more comprehensively (Lou, 2017).

Based on game theory analysis, this paper discusses the positive correlation between internal control and accounting information disclosure by constructing external static game model and internal dynamic game model in order to find a balanced solution (Haixin & Jun, 2016)

Table 5*Relationship Between Internal Control and Internal Audit Practices*

Internal control environment	r-value	p-value	Interpretation
Audit plan	.939**	0.000	Highly Significant
Implementation	.941**	0.000	Highly Significant
Evaluation of audit results	.920**	0.000	Highly Significant
Risk Assessment			
Audit plan	.940**	0.000	Highly Significant
Implementation	.942**	0.000	Highly Significant
Evaluation of audit results	.928**	0.000	Highly Significant
Control Activities			
Audit plan	.939**	0.000	Highly Significant
Implementation	.945**	0.000	Highly Significant
Evaluation of audit results	.936**	0.000	Highly Significant

Legend: Significant at p-value < 0.05

Table depicts the association between internal control and internal audit practices. Result reveals that all computed r-values indicates a very strong direct correlation and the resulted p-values were all less than the prescribed alpha level. This only shows that there is a strong relationship between the two and can be concluded that the better the internal control, the better is the internal audit practices. Under the new normal of economic system reform, it is of practical significance for administrative institutions to play the role of internal audit, which is conducive to accelerating the transformation of government functions and continuously promoting the transparency of administrative power. Strengthen the governance of administrative organs, effectively improve the budget implementation level and fund use efficiency of administrative institutions, and realize the self-appreciation of internal audit (Zhi, 2018).

The internal audit of administrative institutions has incomparable advantages over the external audit, which can straighten out the economic activities of the unit in a targeted, comprehensive and systematic way, improve the efficiency of the use of funds in the unit, predict various risks in advance, and coordinate and solve various risks in the unit (Li, 2019). Strengthening the internal audit work is helpful to supervise and control the budget funds, to supervise the budget funds of the unit and to improve the efficiency of fund use (Lan, 2019). Internal audit can effectively supervise whether the organizational structure is scientific and whether the operation mechanism is perfect by mastering the use of unit funds and understanding the distribution mode and direction, which can improve the efficiency of the use of financial funds, is also an effective supervision mode to punish and prevent corruption, and also provides data support and theoretical support for unit leaders to make scientific decisions (Qi, 2016).

It is necessary to give full play to the supervisory function of internal audit, let the unit check and feedback the implementation of relevant national laws, policies, regulations and systems, point out and correct some unfavorable factors and difficult problems in time, restrain some irregularities and protect some illegal activities (Li, Liao, & Kang, 2022). Internal audit can put forward rectification opinions when problems are found, so as to avoid the continuous expansion of the situation, provide effective basis for the assessment of the unit and the decision-making of the leaders, evaluate and analyze the risk factors of the unit, and minimize unnecessary economic risks. It can also provide targeted rectification opinions for the leaders to make scientific decisions through the problems found by internal audit, thus forming a relatively complete control system (Zhang & Li, 2018).

Table presents the association between quality of accounting information and internal audit practices. Result reveals that all computed r-values indicates a very strong direct correlation and the resulted p-values were all less than the prescribed alpha level. This only means that there is a strong relationship between the two variables and can be predicted that the better the quality of accounting information, the better is the internal audit practices.

Table 6*Relationship Between Quality of accounting information and Internal Audit Practices*

Comparability	r-value	p-value	Interpretation
Audit plan	.935**	0.000	Highly Significant
Implementation	.931**	0.000	Highly Significant
Evaluation of audit results	.921**	0.000	Highly Significant
Relevance			
Audit plan	.937**	0.000	Highly Significant
Implementation	.939**	0.000	Highly Significant
Evaluation of audit results	.924**	0.000	Highly Significant
Reliability			
Audit plan	.936**	0.000	Highly Significant
Implementation	.939**	0.000	Highly Significant
Evaluation of audit results	.929**	0.000	Highly Significant

Legend: Significant at p-value < 0.05

As an essential element of corporate governance, internal audit can help enterprises to establish a better corporate governance mechanism. At the same time, its objectives and functions are greatly influenced by corporate governance, and the implementation of internal audit is restricted by the overall corporate governance environment of enterprises. Therefore, a high level of corporate governance can reduce the cost of internal audit and promote the realization of internal audit objectives. By comparing the earnings management level of listed companies before and after the government audit is handed over to the CSRC for punishment, it is found that the effective play of government audit depends largely on whether the punishment information is made public. The mechanism of transferring the government audit to the CSRC for punishment and publicly punishing it can effectively improve the quality of accounting information disclosure of listed companies, thus achieving good results (Wang, 2018).

From the perspective of earnings management degree of listed central enterprises, this paper compares and analyzes the central enterprises that have not been audited, and finds that the government audit has played a good role in external supervision, that is, the earnings management degree of audited central enterprises has decreased significantly (Chen, Huang, & Lu, 2021). It is pointed out that the function of government audit on state-owned enterprises, in detail, can be manifested in the basic level of monitoring and the derivative level of prevention, prompt, correction and improvement: the monitoring function is embodied in monitoring the financial revenue and expenditure of state-owned enterprises and collecting relevant information about their business activities, the prevention function is mainly embodied in the warning function to avoid illegal activities, the prompt function is embodied in giving timely signals to risks existing in operations, the correction function is embodied in the discovery and punishment of violations, and the improvement function is focused on repairing the design and punishment of internal management system (Cui, 2017).

As can be seen from Figure 1, the improvement of internal audit process is based on internal control elements, accounting information characteristics and internal audit quality. First of all, perfect internal control can supervise and restrain the management from the enterprise's system flow, improve the difficulty of adjusting earnings, reduce the beautification of accounting information by enterprises, and ensure the quality of accounting information. Secondly, all aspects of internal audit are closely related to the operation of internal control elements, which support the internal audit framework. Finally, accounting information is the core of economic information, which is very important for all kinds of development. The standard accounting information characteristics are the basis for improving the quality of internal audit and improving the internal audit process.

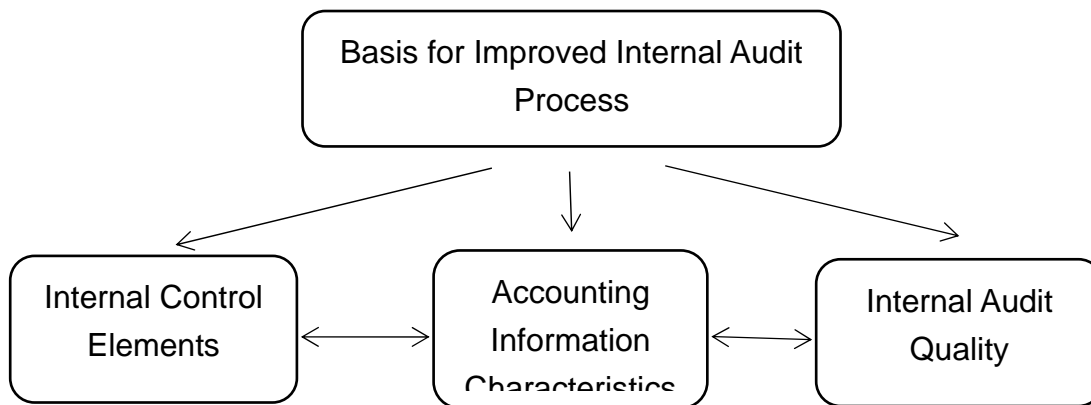


Figure 1. Framework for Improved Internal Audit Process

4. Conclusions and Recommendations

The respondents agreed in the internal control elements through internal control environment, risk assessment and control activities, it can be concluded that the company has a strong internal control system in place. The respondents agreed on the quality of accounting information through comparability, relevance, and reliability it indicates that the company's financial information is of high quality and can be used by users to make informed decisions. The respondents agreed with the evaluation of internal audit practice procedures through audit plan, audit execution, and audit results it indicates that the company's internal audit function is effective in providing assurance on the company's internal controls and financial reporting. There is a significant positive correlation between internal control elements and the quality of accounting information the better the internal control is used, the better the quality of accounting information. There is also strong direct correlation between internal control elements and internal audit practice. The proposed framework has been developed to improve the internal audit process.

The management of colleges and universities may improve their understanding of internal control elements, attach great importance to internal control from the perspective of development strategy, and form a complete risk assessment mechanism. Colleges and universities may improve the transparency of accounting information and emphasize the full disclosure of the quality characteristics of accounting information. Internal auditors in colleges and universities may give full play to their supervisory functions, implement full coverage of internal audit process tracking, strengthen professional training of auditors, and strengthen their professional ability. The developed framework may be used to improve the quality of internal audit in colleges and universities. For future researchers, consider other variables that have an impact on the quality measurement of accounting information and the efficiency of internal audit practice.

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