

# Research on the Economic Responsibility Audit of Leading Cadres in Public Hospitals

-- Take Y Public Hospital as An Example

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**Abstract:** In China, public hospitals, as the key role of the health responsibility of the people and the important practitioner of the implementation of national strategies, their internal economic activities show a development trend of complexity and diversification. In order to cope with this trend, it has become necessary to conduct economic responsibility audit of leading cadres in public hospitals. At the same time, it is also of great significance to promoting the healthy development of China's medical and health undertakings. Case audit project from the perspective of professional practice, the whole process of observation, and in view of the shortcomings of the audit project, around the reality of the economic responsibility audit work needs, on the audit evaluation system, the audit results using three aspects, hopes to help the audit department of public hospital leading cadres economic responsibility audit project.

**Keywords:** Economic responsibility audit, Leading cadres, Public hospital.

## 1. Background

In 2017, General Secretary Xi Jinping pointed out in his report to the 19th National Congress of the CPC to implement the "healthy China strategy", deepen the reform of the medical and health care system, establish and improve the modern hospital management system, and modernize the hospital governance system and management capacity. The party's 20th congress also stressed in the report: "We should promote the construction of a healthy China. We will give strategic priority to ensuring people's health and improve policies to promote people's health." Public hospitals, as a key role of shouldering the health responsibility of the people and an important practitioner of the implementation of national strategy, play a pivotal role in this process.

In June 2018, to better promote the implementation of the "healthy China strategy", improve the modern hospital management system, the general office of the central committee of the communist party of China issued on strengthening the construction of public hospitals, clearly put forward to play a role of public hospital party leadership, public hospitals shall implement the dean responsibility system under the leadership of the party committee. In this context, a comprehensive economic responsibility audit of the main leading cadres of public hospitals can effectively promote the leading cadres of hospitals to implement the central spirit, make them perform their duties and fulfill their responsibilities, and also ensure the smooth implementation of China's "Healthy China strategy".

## 2. Basic Information of The Case Audit Project

### 2.1. Basic information of the auditee and the auditee

Y public hospital is a Grade A general hospital integrating medical treatment, teaching, scientific research and

prevention, which is a differential allocation institution. It has two main hospitals, with 1800 beds and 2023 open beds. The new hospital area covers 356 square meters, with a total construction area of 675,000 square meters, and 3000 beds, which is expected to be put into use in 2023. Hospital on-the-job worker more than 2400 people, has high, intermediate title talent more than 970 people, Dr 18 people, master of more than 290 people, have "enjoy special allowance of the State Council", "provincial health department has outstanding contribution of middle-aged experts", "provincial academic and technical leaders", "city academic technology leader" and other honorary titles of experts more than 80 people.

The audited leading cadres served as the Party Secretary of Y Public Hospital from April 2019 to December 2022, taking charge of the Party Committee, and the administrative work of the hospital between February 2020 and December 2022. The audit covers the comrade's tenure from April 2019 to June 2022, with a focus on 2019 to 2021.

### 2.2. Audit objectives

During the tenure of the Party secretary of Y Public Hospital, the implementation of major economic policies, decisions and arrangements and promote the development of the system (industry), the decision-making and implementation of major economic matters, financial and internal management and other important economic activities, the implementation of the responsibility of building a clean and honest government and compliance with the integrity of the performance of economic responsibility audit, makes an objective and fair evaluation of them according to the law, reflect the problem realistically, to seriously investigate and punish violations of discipline and regulations found in the audit, in view of the problem, the audit suggestions are put forward to improve the system and standardize the management, to further encourage leading officials to be conscientious in accordance with the law, responsible and promising, promote the high-quality development and the

modernization of hospital governance capacity.

### **2.3. Audit results**

Y Municipal Audit Bureau spent two months strictly control the audit quality during the audit period, and widely used the spot inspection method, subjective and objective factor analysis method, big data analysis and statistics and other methods to conduct a comprehensive audit of the economic responsibility of the term of the Party Secretary of Y Public Hospital. In the process of audit and evidence collection, the hospital successfully found many problems, such as illegal rental of vehicles, illegal payment of subsidies, non-standard expenditure of official reception expenses, non-standard procurement process, chaotic management of state-owned assets, and lax management of construction projects.

## **3. The Deficiencies and Causes of The Case Audit Project**

### **3.1. Deficiencies of the case audit project**

#### **3.1.1. The evaluation results of the economic responsibility audit are not transparent**

Although Y city audit bureau successfully completed the audit task of leading cadres of public hospitals, and wrote a more comprehensive and more important reference value of the audit report, but the report is not open to the public, lead to the lack of understanding of the audit results, the behavior directly reflects the current audit work, the economic responsibility of public hospital audit report is still only for the government "internal", illustrates the current audit work of transparency, information openness is not enough. In addition, the opacity of the audit results will also lead to the delay or neglect of the problem rectification of the audited units and the audited personnel, which indirectly leads to the low effectiveness of the audit results.

#### **3.1.2. Failure to form an effective linkage mechanism with other functional departments**

Because the audit work is only for the examined subject of the relevant audit investigation, does not have any more mandatory measures implementation, therefore, the development of this work also needs the timely cooperation of other institutions to complete successfully. In view of the audit work is limited to the relevant audit investigation of the subject under examination, the audit institutions lack the authority to implement some mandatory measures, so the smooth development of the audit work also needs the timely cooperation of other institutions. In this case, the audit team after completed the review of the party secretary of the public hospital, the relevant functional departments did not according to the results of the audit institutions review follow-up tracking supervision, which may make the public hospital and its leading cadres after the review, did not make positive measures correct related problems, so that the audit work lost certain utility.

#### **3.1.3. Failure to make effective use of the audit evaluation index system**

In the audit, although Y city audit bureau in the audit plan made clear the focus of the economic responsibility audit, and the audit content to determine the specific audit ideas and methods, not completely in accordance with the national health committee and a contact unit directly under the main leading personnel economic responsibility audit regulations of audit point audit, the evaluation range is not enough. In

addition, in the audit process, Y Municipal Audit Bureau did not set up an evaluation index system for the audit project, but only summarized the problems found in the inspection of each audit team, which to some extent, the economic responsibility evaluation results were not comprehensive and accurate.

## **3.2. Causes analysis of case audit problems**

### **3.2.1. The relevant system of economic responsibility audit is not yet sound**

At present, China's laws and regulations do not clearly stipulate how to select specific indicators when conducting the economic responsibility audit, and the principle of index selection is still in the stage of discussion and research. Provinces and cities in the economic responsibility audit mainly rely on to explore and reference issued some indicators and issued by the central relevant measures for the administration, such as: the party and government main leading cadres and state-owned enterprises and institutions main leaders economic responsibility audit regulations (hair [2019] no. 45), the economic responsibility audit objects classification management method ", etc., Which led to the audit institutions in choosing index, facing index weight imbalance, target uncertainty and scoring method are not perfect, these problems to a certain extent, hinder the economic responsibility audit.

At the same time, due to the particularity of the economic responsibility audit of public hospitals, we should not only pay attention to the financial revenues and expenditure, but also the specific audit items such as the hospital, the progress of the evaluation index of the public hospital, thus the audit results cannot reflect the problems existing by the auditee and the auditee.

### **3.2.2. Lack of coordination and follow-up audit between organs and departments**

Due to the lack of compulsory measures by audit institutions, it is very important for the audit institutions and the relevant functional departments such as the commission for Discipline Inspection, the tax bureau, the municipal SasAC to cooperate in information communication, planning and joint examination and consultation in the economic responsibility audit of the directors of public hospitals. Audit institutions can establish a cooperative cooperation mechanism with relevant functional departments to ensure the smooth progress of audit work in the verification and verification of audit problems. In addition, the correct use of follow-up audit is also the focus of our audit work. Audit institutions, by tracking the whole process of some audit matters, can effectively avoid the problem of "although the problems are found, but it has come true, and it is difficult to correct". At the same time, after the end of the audit site, audit institutions can also use the follow-up audit to understand the follow-up rectification of public hospitals, and gets feedback in the first time to ensure that the economic responsibility audit suggestions are implemented.

## **4. Countermeasures and Suggestions for Problem Improvement**

### **4.1. Improve the economic responsibility audit and evaluation system**

The audit department should actively learn the latest research results of economic responsibility audit, and make full use of the economic responsibility evaluation system to

carry out economic responsibility audit based on the characteristics and current situation of the economic responsibility audit hospitals. In the actual use of a balanced scorecard for economic responsibility audit evaluation index system in the process of building, can to hospital leading cadres financial management responsibility, internal control management responsibility, medical quality assurance responsibility and hospital economic benefits, clean politics and other main responsibility as the breakthrough point for evaluation index selection, and according to the responsibility of the importance of the indicators of empowerment, reconstruction for the hospital leading cadres economic responsibility evaluation index system. In the audit evaluation stage, the definition of the responsibility of economic responsibility audit should strictly follow the principle of unity of power and responsibility, and the organizational management responsibility and individual behavior responsibility that the leading cadre should undertake should be determine to accord to law and regulations.

#### **4.2. Improve the correct cognition of the economic responsibility audit**

Whether the economic responsibility audit of leading cadres in public hospitals can be carried out smoothly is inseparable from the correct cognition of the economic responsibility audit by auditors and the hospital staff. In the audit work, due to the lack of sufficient cognition, a considerable number of people are prone to resistance, or even perfunctory, resulting in the audit process is hindered. In this regard, in order to improve the cognition and understanding of leading cadres and staff of public hospitals, we can adopt a variety of publicity means, such as symposium, media publicity, etc., so as to make them become the backbone of economic responsibility audit. At the same time, it is suggested that the competent departments of hospitals should incorporate the participation in relevant educational activities into the evaluation system of leading cadres in public hospitals, so as to stimulate the sense of responsibility of public hospital leaders and make them pay enough attention to the sense of economic responsibility from their own interests.

#### **4.3. Strengthen the openness and transparency of the economic responsibility audit result**

The core of the disclosure of the economic responsibility audit results of leading cadres in public hospitals is to enable the public to fully understand the economic responsibility audit situation through the public audit results, let the public intuitively evaluate the economic responsibility audit results, and promote the audit institutions to improve the audit quality. However, at present, the audit of economic responsibility in most regions is only in the stage when the audit report is only for "internal" use, and it is not disclosed to the public. With the development of The Times, the way of audit results of the communique is no longer limited to a single way. Audit institutions at all levels can also disclose the audit results to the public through official websites, TikTok, microblog, wechat public accounts, press conferences and other ways.

When disclosing the economic responsibility audit results of leading cadres in public hospitals, audit institutions should avoid using the professional wording in the audit work, but should use a simple and objective language as far as possible to ensure that the public can fully understand the audit situation. On the premise of ensuring compliance with the

confidentiality regulations, the audit results should be made public to the public as far as possible to stimulate the public to conduct democratic supervision of public hospitals.

#### **4.4. Improve the efficiency of the application of economic responsibility audit results**

At present, the problem of the economic responsibility audit is often due to the failure of the audit institutions to require the compulsory rectification of the audited units; or the government and other regulatory departments rarely use the audit suggestions of the audit institutions, so that the audit results can not fully play their effectiveness, resulting in the final effect of the hospital leadership economic responsibility audit is far from the expectation. In this case, the audit institutions can link the audit results with the evaluation, rewards and punishments and even the appointment and removal of the audited leading cadres, so as to ensure that the audit results can be highly valued and the problem rectification of the audited units can be implemented. At the same time, audit institutions should further improve the audit accountability system, maintain close contact with a discipline inspection, taxation, medical insurance and other relevant departments for the problems found in the audit, and actively explore the working mechanism of departmental linkage, in order to give full play to the supervision force and improve the application efficiency of economic responsibility audit results.

### **5. Conclusion**

Taking the economic responsibility audit project of Y City as the case basis, this paper analyzes the problems and forming factors in the economic responsibility audit of Y City Audit Bureau, and puts forward four targeted countermeasures on the practical needs of the work, which provides a reference for audit institutions to improve the quality of economic responsibility audit of public hospitals in the future. The main improvement countermeasures are as follows: first, the evaluation indicators should be selected according to the main responsibilities of financial management responsibility, internal control management responsibility and medical quality assurance responsibility undertaken by the hospital leading cadres, and the economic responsibility audit evaluation system should be improved. The second is to stimulate the sense of responsibility of public hospital leaders and improve the correct cognition of economic responsibility audit. Third, strengthen the openness and transparency of the economic responsibility audit results, so that the public can intuitively evaluate the economic responsibility audit results, and promote the audit institutions to improve the audit quality. Fourth, actively explore the working mechanism of departmental linkage, in order to give full play to the supervision force and improve the efficiency of the application of economic responsibility audit results.

To sum up, public hospitals, as the "logistics support" of the current society, is indispensable in the process of high-quality development of the country. Our audit institutions should conduct economic responsibility audit of the leading cadres of public hospitals from time to time, and constantly summarize in the audit work to improve the audit quality, so as to conduct comprehensive and effective audit to promote their implementation of the spirit of the Central Committee and perform their duties in accordance with the law, so that public hospitals can develop in a healthy and stable direction

with high-quality, and better facilitate the smooth implementation of the national "Healthy China strategy".

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