

Public Audit and National Economic Security

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With the development of the market economy, the situation of national economic security becomes more and more serious. Consequently, many countries begin to attach more importance to the economic security.

My thesis contains the following four aspects:

What is National Economic Security;

Functions of Public Audit in Safeguarding National Economic Security;

Efforts China Has Ever Made;

Our Recommendations and Conclusions

What is National Economic Security [U+FF1F]

There are two main viewpoints in academic circles about it, namely, Competence Theory and State Theory. Competence Theory means that national economic security is ability against all kinds of threats and violations, while State Theory means it is an economic state that characterized by stability, balance and sustainable development free of both external and internal threats. In general, national economic security means that the country is capable of taking positive measures to prevent risks when changes take place in the economic situation and developing sustainably against various threats.

Functions of Public Audit in Safeguarding National Economic Security

Now let's discuss about the relationships between public audit and national economic security. Public audit plays an important role in safeguarding national economic security. Specifically, public audit performs four main functions, namely, monitoring, warning, withstanding and rebuilding. Monitoring function helps us discover the hidden problems in the national security area in advance in order to prevent the risks. Warning function has an important meaning for discovering the risks as soon as possible to minimize economic losses. Withstanding function can not only prevent the international market risks from spreading to domestic markets, but also regulate the use and management of financial funds. In other words, it can promote the healthy development of national economy and avoid the risk of social unrest. Rebuilding function means public audit is able to provide the government with the basis for supplying a gap of the economic system and exercise the right to protect the economic policies.

Efforts China Has Ever Made

China comes to realize that public audit plays an important role in safeguarding national economic security. On the National Auditing Conference 2007, Mr. Liu Jiayi, Auditor-general, put forward "Immune System" theory for the first time and emphasized that the first necessity of public audit is to ensure the safety of the national economy. It indicates that public audit has a responsibility to identify risks earlier and then take measures to solve the problems with regards to national economic security. China has been making efforts to make the best of public audit to ensure the safety of national economy in many aspects, such as finance, state-owned assets, people's livelihood, environment and information security. For example, in terms of people's livelihood, public audit plays an important role in the relief work of Sichuan Wenchuan massive earthquake by monitoring the distribution of relief supplies.

Our Recommendations and Conclusions

There is a long way for us to go to improve public audit for the sake of national economic security. Here are several recommendations. Firstly, we should tighten regulation of financial institution and enhance transparency of financial markets and products. Secondly, we have to pay more attention to the training of auditors in a bid to optimize the structure and enhance the level. Last but not least, we should exploit and innovate to improve the performance of public audit system, including idea innovation, technology innovation and management innovation.

To sum up, with the economic globalization, national economic security becomes an important matter. Public audit is to national economic security what water is to fish. Related institutions ought to explore to enhance the capacity of public audit to safeguard national economic security.