

Analysis of Internal Thieves in Jinhua Group

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Abstract: Internal control is very important to enterprises, which can standardize the operation and management activities of enterprises, improve the operation efficiency of enterprises, and protect the assets of enterprises. In this paper, the problems existing in the internal control of Jinhua Group Company, followed by establishing and perfecting the rules and regulations of the internal accounting control of the Group Company, strengthening the financial supervision and maintaining the financial discipline, perfecting the internal control activities of sales and collection business, strengthening budget management, strictly controlling expenditure, perfecting the internal accounting control activities of money fund business, and strengthening the understanding of the managers of the Group Company to the internal control of the enterprises department control to think.

Keywords: Internal Control, Jinhua Group, Financial Supervision.

1. INTRODUCTION

Internal accounting control is very important to enterprises, it can not only improve the quality of accounting information, but also strengthen the awareness of enterprises to prevent risks, standardize the operation and management activities of enterprises, improve the efficiency of enterprises, and protect the assets of enterprises. In recent years, with the rapid development of China's economy, the position and role of our group companies in the national economy is becoming more and more significant. However, due to the characteristics of the group company itself, once the internal accounting control is missing or invalid, it will then affect the economic benefits of the group company, hinder the development and growth of the group company, and even affect its survival. So study the group's internal accounting control .

2. DEFECT ANALYSIS OF INTERNAL CONTROL SYSTEM IN CASES

Liaoning Jinhua Chemical Group Co. Ltd., a large state-owned enterprise, broke out a rare case of internal theft in the country. In less than four years, the company has stolen more than 3500 tons of propylene oxide and poly, worth more than 39 million yuan. And until the case, the group leaders are unaware! It turns out that through the introduction of advanced technology, the consumption of propylene from the raw materials used in the production of propylene oxide has decreased year by year, and the lack of effective management of this part of the raw materials saved provides an opportunity for crime. Suspect said: business wave The cost is so big that no one hurts, does not take

white does not take. From the angle of internal control analysis of Liaoning Jinhua big case causes and lessons learned.

(1) Lack of control culture is the environmental inducement of the case. Criminal suspects said that such a waste no one heart, not to take white, the reason for such ideas, and the overall corporate culture atmosphere has a great relationship. The enterprise lacks the positive enterprise culture education, lacks the necessary distribution incentive mechanism. It is in such a lack of corporate control culture in the environment, it is possible to produce internal theft cases.

(2) Control activity failures and weak awareness of risk assessment. This case involves dozens of personnel, the crime process involves production, transportation, monitoring, measurement, security, sales and other links. Over the course of four years, managers have wondered why so many people, people, posts, links, and amounts of money has been so large. The internal control system of based on a reasonable division of labor and authorization, mutual supervision and checks and balances. Once each link of people colluded, then the original mutual supervision, mutual control into mutual support, mutual cover, a variety of strict internal control

(3) Lack the necessary information communication. At the time of the crime, the leader of jinhua group was still confused, because from its report, no abnormal production, product consumption quota was found. At the end of each month, six departments participated in the inventory, and no problems were found. So where is the problem? Several workshop directors and section leaders involved in the case leaked the "sky machine ", they said that the " big leaders "of the enterprise look at documents, rarely to the workshop and section, sometimes there are some problems in production, they do not know at all.

3. INSPIRATION AND LESSONS FROM THE INTERNAL THEFT CASE

(1) Establish a positive control culture and create a good control environment. A fundamental element of an effective internal control system is a strong control culture. Generally speaking, the control culture influences the employee's values and risk consciousness through the imperceptible environment edification, helps the enterprise employee to establish the control consciousness, provides the discipline and the structure, the control culture is the starting point of all other internal control elements, is also one of the important components of the enterprise culture. A positive control culture helps to form a good control environment, reduce the inherent risks of enterprises, and avoid the tendency of self-rationalization of fraud. Enterprises in the process of development should pay attention to .

(2) Strengthen the analysis of control activities and implement the system of regular rotation of key posts. Because the transfer of work when employees leave the post will be supervised by others, the opportunity to implement and cover up fraud will be greatly reduced, and many fraud phenomena are found in the process of job handover in reality. Generally speaking, the main reason for the realization of collusion is that the group that carries out the fraud is fixed in the specific position for a long time, which facilitates the formation of the alliance of attack and defense that cooperate with each other and cover each other. On the one hand, it can prevent the formation of small groups that harm the interests of the company and increase the cost of collusion To reduce the possibility of fraud, on the other hand, we can also find out the problems and errors in the work of employees through the essential handover links in the rotation, so as to prevent trouble and reduce the losses caused by fraud.

If, in the case of enterprises, a system of periodic rotation is implemented, allowing production, transportation, monitoring, measurement, security and other posts to rotate between workshops and departments, these criminals can not carry out internal theft unless the relevant personnel of the whole enterprise are colluded. In addition, the regular rotation system has more positive and positive effects, which can expose department personnel to the whole work flow, exert their subjective initiative and improve their performance quality of employees, which is helpful to the development and management of human resources in enterprises.

(3) Establish unimpeded information communication channels and establish a safe information system. The smooth flow of information communication channels in enterprises is based on the provision of real, reliable and timely data. Therefore, the construction of enterprise information system becomes the top priority of internal control. From the point of view of internal control, information communication must make a comparative analysis of various business data, because there is a strong hook-check relationship between these data itself, through simple ratio calculation and analysis of the compound program can find a lot of fraud clues, early detection of the risk. In the modern information system construction at the same time, should also change the enterprise's original ditch Practice and review procedures, in this case, if leaders at all levels out of the office, timely to the production line for field visits, on the one hand has a deterrent effect on fraud, on the other hand, through inspection can also find fraud clues.

4. EXTENSION OF THE INTERNAL CONTROL ISSUES OF THE GROUP

(1) Companies should emphasize the active participation of grass-roots operators

The key point of internal control is extracted from the actual work operation found two. If the first-line operators do not actively participate in the implementation of internal control and dynamic improvement, the enterprise internal control can not be reasonably designed and effectively implemented.

(2) Companies should motivate grass-roots operators to participate in internal control self-assessment For the employees who can find out the inefficiency and waste in the operation process in time, and can put forward the effective way to improve, the enterprise should take the drastic measures which can stimulate their enthusiasm, such as giving the reward of material and spiritual use, so as not only to encourage each employee to develop the habit of caring for the work and its benefit, but also to brainstorm ideas, make full use of the wisdom of the grass-roots operators to improve and improve the internal control, and provide the basis for the dynamic improvement of internal control.

(3) The company shall establish and improve the rules and regulations for the internal accounting control of the group company

The rules and regulations of internal accounting control include not only the management system formulated uniformly by the competent department of the state and group company, but also the management system formulated by the group company to strengthen the internal accounting control itself. But the latter can be the concretization or necessary supplement of the former, but can not conflict with the former. Group companies should generally establish and improve the relevant funds, income, cost and expense management system and internal economic accounting system, and conscientiously implement. The implementation system should not only adhere to the principle, but also have certain flexibility, and some special circumstances in production and operation should be

solved realistically and reasonably within the scope permitted by the system. Sound internal accounting controls At the same time, it is necessary to strengthen the management of the property and materials of the group company, and to establish the necessary management system for the work of receiving, receiving, withdrawing, scrapping and checking the fixed assets and various materials of the group company.

5. CONCLUSION

Internal control is very important to enterprises, it can not only improve the information quality of enterprises, but also strengthen the awareness of enterprises to prevent risks, standardize the operation and management activities of enterprises, improve the efficiency of enterprises, and protect the assets of enterprises. In recent years, with the rapid development of China's economy, the position and role of China's group companies in the national economy more and more significant. However, due to the characteristics of the group company itself, once the internal control is missing or invalid, it will then affect the economic benefits of the group company, hinder the development of the group company, and even affect its survival.

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