

Research on Financial Risk Prevention And internal Control Measures in Colleges and Universities

Cuiwei He

Hunan City University, Yiyang, 413000, China

Abstract: financial internal control management is the main content and link of internal control management, which directly reflects the level and effect of university management, and is an important factor affecting the good sustainable operation and rapid development of colleges and universities. The financial risk exists objectively, once happen, a greater negative impact, therefore, this article from the concept of internal control and risk prevention perspective, analyzes the college financial internal control and management of the condition and current major risks and defects, so how to effectively respond to and overcome these shortcomings and put forward some suggestions and opinions.

Keywords: University; Financial risk prevention internal; Control management

1. Introduction

With the increase of the budget of the University, the scale of the school is further expanded, and the autonomy of the school is promoted, many colleges and universities have two or more campuses at the same time [1-3]. The number of students also increased rapidly, the school funding sources diversified, by the financial allocation, tuition income, Bank loans, social investment and school income and other multi-channel financing combination. University choice the source of funds and the effectiveness of fund delivery should be the important content of financial internal control efficiency management. The efficiency of financial internal control includes improving the environment of financial management, changing and improving the concept of financial management [4-8]. Establish and improve the financial management system, improve the internal control system of colleges and universities, improve the quality of management personnel and staff, improve financial management techniques and means.

In order to maintain the safety and integrity of university assets and ensure the legitimacy, authenticity and integrity of accounting information, colleges and universities should establish, improve and perfect the internal control management system in order to improve the efficiency and efficiency of the use of funds. By improving the internal management and control system of colleges and universities, it is conducive to improving the level of financial management of colleges and universities, and promoting the coordination of financial management, teaching and scientific research in Colleges and Universities

2. Same Development

The connotation of financial internal control management in Colleges and Universities

With the policy of "relying on science and education to rejuvenate the nation", our country's education is booming. The number of private colleges and public universities in various provinces and cities has been expanding. Enrollment and expansion are frequent, which leads to a more complicated problem of financial accounting.

Therefore, it is of great significance and practical significance for colleges and universities in the starting and developing stages to constantly strengthen the charging and perfecting of the soft and hardware strength, and to build an effective financial internal control management system for the good operation of colleges and universities. According to the concept of internal control proposed by COSO in 1992, according to China's financial environment and management of universities, university financial management of internal control can be understood as: the University Party committee, the administrative department of Finance in order to make the teaching activities of higher education, scientific research, business, asset management and other payments to carry out smoothly and efficiently, improve the quality of financial accounting information relevant national laws and regulations, and ensure the policy and strategy to be performed in the daily education activities, thereby inhibiting and restraint, correction, supervision of some illegal practices and transactions, to better resist and deal with all kinds of risks, a series of organization, planning and development

Adjustment and control mechanism, procedures and measures. The financial internal control management system of colleges and universities is an organic whole, which contains five contents in general: internal control environment, assessment risk, control activity, information and communication, supervision.

3. Problems and Causes of Financial Risk in Colleges and Universities

The internal control management environment is not good, and the management is weak in internal control consciousness

Under the traditional mode of thinking, the senior leadership of colleges and universities is influenced by the traditional educational management thought, emphasizing the role and status of teaching and scientific research, lack of financial internal control management, and neglect the construction of financial internal control system in Colleges and universities. For example, some major projects in school decision-making, should be discussed through the school management team meeting, but not discussed, directly by the "top leaders" said. Yes

At the same time, the middle school leaders and even the ordinary staff also believe that the university financial internal control management, that is the school leadership has nothing to do with their own. Even the school management does not engage in internal unity, cliques, disagreement decision. Therefore, the financial control has not received enough attention in the management, which is the direct factors of financial control environment of University poor, led directly to the school management decision-making efficiency and reduce the level of financial risk is not strong, resulting in the school is planning to develop the strategic goal of significant deviation.

4. Because the Internal Control Management is not Perfect, Causing Risk

First of all, tuition fees and other income uncertainty is not up to the expected goal, the current competition area inside and outside the university enrollment increased, new registration rate is low, usually only about 80%, while 80% of students and 40% students tuition arrears (including student loans), sometimes up to 50% of the arrears rate. Therefore, tuition income is only about 40% of the budget. Secondly, the school of business assets management, operating income (such as the facade of rental income, income, rental income canteen contractor, students and other units of hot water hydropower contract income into the joint operating income) in the school of financial accounts, or extra accounts, little Treasuries, resulting in the loss of state-owned assets. Finally, the basic construction of blind expansion, and strive to improve the quality of teaching in schools, and adjust the professional setting, a substantial increase in the school

infrastructure construction investment, such as large-scale construction of student apartment building, teaching building and laboratory building, built many kinds of specialized laboratories, purchasing large quantities of teaching and experimental equipment to "rigid" expenditure. Because of serious spending, lack of funds, had to borrow money from the bank, also need to pay the high cost of the use of funds. In addition, it is to attract foreign investment, construction of teaching buildings, student apartments and other projects, investors require high return on investment, investment recovery period is long (about 30 years). Therefore, the higher the cost of investment and financing, the greater the financial risk.

5. University Financial Risk Prevention Internal Control Management Measures

Strengthen internal control management, and financial risk into the internal control management system, is an effective measure to prevent the risk of colleges and universities. Strengthening internal control management and preventing financial risk should start with the elements of internal control management.

The control environment plays a leading role in the internal control system of colleges and universities. Therefore, colleges and universities should form a control environment conducive to the development of colleges and universities according to their own actual situation. plus The strong control of environmental management, should first raise awareness of university internal management of university administrators, secondly to establish a corporate governance structure is consistent with the situation, once again to establish a standardized management system, finally in the cultivation of culture in Colleges and Universities under the act as Kung Fu, principles of internal control, pay attention to the program. In order to prevent financial risks, colleges and universities should implement collective decision making in formulating annual budget plans, making major decisions and signing major contracts. In order to guard against risks, colleges and universities should also improve their own corporate governance structure, and prohibit a few people or a person to say that the situation occurred. Colleges and universities should also actively advocate a just and healthy university culture.

Colleges and universities are faced with a variety of risks at all times, and risk assessment is to assess the possibility of occurrence of risks and the extent of harm, so as to adopt appropriate strategies. Risk assessment is of great significance to guard against risks. Strengthening the management of risk assessment mainly includes two aspects:

6. Conclusion

To sum up, there are still many problems in the current internal management of many colleges and universities,

such as the internal control consciousness is not strong, lack of power, poor risk awareness and control department is not independent, college financial risk prevention, there are also many problems, mainly including financing risk, investment risk and internal control brought by the bad and so on. The college should strengthen the risk prevention, enhance their competitiveness and ability to resist risks, we should strengthen internal management, including strengthening the control of environmental management, strengthen the assessment of risk, strengthen the control of activity management and strengthen communication and exchange of information, strengthen internal supervision in Colleges and universities. Only in this way can we guard against the University Financial risk, enhance the competitiveness of colleges and universities, to provide better guarantee for the development of colleges and universities.

References

- [1] Muhammad J. Mirza, Nadeem Anjum. Association of Moving Objects Across Visual Sensor Networks. *Journal of Multimedia*, Vol 7, No 1 (2012) pp. 2-8
- [2] Xin Huang, Xiao Ma, Bangdao Chen, Andrew Markham, Qinghua Wang, Andrew William Roscoe. Human Interactive Secure ID Management in Body Sensor Networks. *Journal of Networks*, Vol 7, No 9 (2012), 1400-1406
- [3] W. Ahmed, J. Gao, S. Saleem, et al. An access technique for secondary network in downlink channels. *IEEE, 22nd International Symposium on Personal, Indoor and Mobile Radio Communications*, 2011: 423-427
- [4] Isabel González, Ismael Sánchez . "Variable Selection for Multivariate Statistical Process Control ". *Journal of Quality Technology* . Milwaukee: July 2010 . Vol. 42, ISS. 3; p. 242,
- [5] Ram TS Ramakrishnan, Anjan V. Thakor. "The Review of Economic Studies: 51 Information Reliability and a Theory of financial intermediation", Vol.51, No. 3, p.415-432, 1984.
- [6] Rick Sloop. "Preventive Maintenance your SPC" *Journal of Quality Technology*, Automated Precision Inc., Dec 2010
- [7] William, R., Kinney, JR., "Information Quality Assurance and Internal Control", 2000, McGraw-Hill, USA.
- [8] M. Backes, M. Berg, and D. Unruh. A formal language for cryptographic pseudocode. In *15th International Conference on Logic for Programming, Artificial Intelligence and Reasoning, LPAR 2008*, volume 5330 of *Lecture Notes in Computer Science*, pp 353–376. Springer, 2008.