Study on the Model of Financial Centralized Management in the Large-scale Construction Enterprises

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Abstract. Based on the research of financial centralized management and project financial centralized management, this paper comprehensively expounds the related theories of financial centralized management and analyzes the necessity of financial centralized management in large engineering construction enterprises. It also explores the financial centralized management mode of large engineering construction enterprises and puts forward some countermeasures.

1. Introduction
Along with social economy development, the construction enterprises have showed the characteristics of scale, the amount of the contract is increasing, the construction process of the project is more complex, and the construction area of the project is scattered. Under the large background of large-scale integration of engineering construction, financial work as an important work of engineering construction enterprises, the development of scale and integration of engineering construction enterprises also puts forward higher requirements for the financial management ability. Based on the theories of financial centralized management, in accordance with the characteristics of large engineering construction enterprises and the financial management status, this paper aims to explore the financial centralized management mode of large engineering construction enterprises, then takes large engineering construction enterprises as an example to carry out case analysis and study, and finally draws relevant policy suggestion.

2. Weak financial control leads to financial risk analysis
According to the actual work, the starting point of the project department's financial work is to reimburse the cost and obtain more expenses and funds. In this way, it is hoped that the headquarters will examine their financial reimbursement projects as soon as possible. However, as a result, the project department is not strict with itself, and there are fake bills which do not conform to the actual payment, so a large number of accounts are not actually reimbursed. As the head office of engineering construction, it should try its best to control and manage the operation of the whole enterprises so that the financial expenditure can meet the requirements, but this requires more effort and labor costs.

Strengthening overall control is an important factor for the headquarters of construction enterprises to adopt "strong control" and the "strong demand" strategy adopted by the project department. In the following section, we will analyze the game relationship between the financial management of the
headquarters of large construction enterprises and the financial audit management of project construction department.

The cost of the "strong control" strategy is $H$, and the cost of "weak control" strategy is lower than the cost of "strong control" strategy, so the cost of "weak control" is $H-I$ ($H-I<H$). The "strong control" strategy can gain a certain benefit, that is $F$, which is the punishment income of project department of the enterprise headquarters. $D$ is the cost of "strong demand" for the project department, and the cost of "weak requirement" is $D-E$ ($D-E<D$) [19,20].

Among them, $F>E$. $H$, $I$, $F$ and $D$ are all positive. Then the game matrix of the headquarters and project department of the construction enterprise is drawn as follows.

Table 1. Financial game matrix between headquarters and project department of large engineering construction enterprises.

| Headquarters of large construction enterprises | Strong control | Weak control |
|-----------------------------------------------|----------------|-------------|
| Strong demand                                | -D, -H         | -D, -H+I    |
| Weak demand                                  | -D+E-F, -H+F   | -D+E, -H+I  |

If the project construction headquarters has long adhered to the "strong requirements", it is obvious that the benefit of the project department under the "strong requirements" and "weak requirements" is -D and -D+E-F respectively. At this point, -D and -D+E-F are the decisive factors, and $F>E$, so -D>-D+E. Under these circumstances, in the long term adherence to the "strong management and control" of the headquarters of the construction enterprises, the project department will adopt the "strong demand" strategy.

If the project construction headquarters has long adhered to the "weak requirements", it is obvious that the benefit of the project department under the "strong requirements" and "weak requirements" is -D and -D+E respectively. At this time, the project department will adopt the "weak requirement", that is to say, the project department will not have a strong demand.

If the project department adopts weak requirements for a long time, whether the construction headquarters will adopt strong control or weak control depends mainly on the input cost $I$ and the fine benefit $F$. Therefore, the intensity of the fines imposed by the headquarters will play an important role in the strong control or weak control of the construction headquarters.

To sum up, it is easy to see that under the condition of weak control of engineering headquarters, the project department must be weak. It is because of the relatively weak control of large scale construction enterprises that the project department's weak demand for financial management leads to the existence of financial risks.

3. The necessity of strengthening financial control in large construction enterprises

With the rapid development of the reform and opening up and the rapid economic social development, our country has begun to develop enterprise groups. It has also become an important symbol of the development of modern enterprise organization and Chinese economic industry. In the meanwhile, with the deepening of reform and opening up, enterprise groups have become the backbone of economic construction. The enterprise groups can play the economic benefits of scale effectively, expand the competitiveness of the market, realize the vertical integration and economize the transaction cost. At the same time, enterprises can diversify their risks by implementing cross-
diversification. However, with the continuous expansion of the enterprise group and its scale, most enterprises have appeared the decline in operating efficiency, the business risks and financial risks are increasing, and the scale benefits and advantages of the group application are not realized. As shown in the figure below.

From the above picture, we can see that the above base model has two feedback loops: "enterprise scale $\rightarrow$ scale efficiency $\rightarrow$ enterprise benefit", "enterprise scale $\rightarrow$ required control capability $\rightarrow$ the difference between actual control capability and required control capability $\rightarrow$ overall enterprise benefit $\rightarrow$ enterprise benefit"[21]. The two feedback loops reveal that with the expansion of the enterprise scale, if the control ability cannot keep up with the change of enterprises scale, the limited control capability of enterprises will restrict the expansion and development of enterprises scale.

Financial control is the core of corporate collectivization development control. Because of the characteristics of liquidity, regional and long period of production, the financial control of the construction enterprise has its commonness: the financial work runs through the production, operation and investment of enterprises, and it is the main line of the engineering construction enterprises. However, the current financial management is not perfect in the construction enterprises of our country. The limit of the scale efficiency growth of the above enterprises reveals that the strengthening of the financial management and control of the construction enterprises can effectively promote the improvement of the overall management and control capacity, then promote the continuous development and expansion of the engineering construction enterprises.

At the same time, we summed up the problems of the financial management of large engineering construction enterprises, and there are three main problems that restrict the development of engineering construction enterprises in the financial management: insufficient understanding, money across, weak financial control. Therefore, it is necessary to strengthen the financial control of enterprises.

4. Exploration of financial centralized management mode for large construction enterprises

4.1. Organization framework for financial centralized management
According to the basic principles and main contents of the financial centralization of the above-mentioned construction enterprises, the basic framework of the financial centralized management mode of large construction enterprises is as follows.
As you can see from the figure above, the corporate headquarters set up the finance department, the audit department, the project department, the branch office and the human resources department. The finance department has set up the financial management department, the fund clearing department, the accounting operation department, the project department and the branch office.

The financial management department consists of the budget section and the financial management section. The budget team is responsible for the organization and coordination of the budget management, the establishment of relevant systems and plans, the budget of the cost, the budget of the project department or branch, the supervision and inspection of the budget execution control, and the analysis of the budget and its implementation. Finally, a budget report is formed. On the other hand, the financial management section is responsible for the formulation of the financial system, the analysis of the financial situation, and the formulation of the financial statements. Another important content is the prediction of profit and cash flow. Of course, as the functional department of the headquarters, it also requires guidance and supervision of subsidiaries, branches or project departments, as well as the construction and management of the team.

The fund settlement part is composed of four groups. The cost group is responsible for the examination of the expense documents and the designation of expense reimbursement and other relevant system. The fund group, which is responsible for the management of the fund payment data, the fund allocation, the management of the exchange certificate, the opening and approval of the account and the construction of the fund system. The payroll group is responsible for the management of sales expenses and personnel salaries. The business fund group is responsible for the management and confirmation of the business income funds, financial audit and payment.

The accounting department is responsible for the management of business accounting. The accounting team is responsible for the accounting management of headquarters and project departments or branches. The report group is responsible for the formulation and examination of
external reports and the report management of the whole system. The tax team is responsible for the study of fiscal and taxation policies and the handling of tax related matters[37]. The system management group is responsible for the development and maintenance of the centralized financial data system. The document group is responsible for the formulation, issuance and related system formulation and management of valuable documents.

The financial management department of the project department or branch should also be set up, the financial officer of the project department or the branch office is appointed directly by the headquarters finance department, according to the needs, the relevant financial posts are set up, and the Department of finance management of the headquarters will be effectively docked.

4.2. The approval process of financial centralized management

Under the framework of financial centralized management mode, the approval process is the core link of financial centralized management and control, which mainly includes financial budget expenditures and reimbursement approval process. The approval process of financial budget and financial reimbursement process of project department or branch office are as follows.

![Figure 3. Flow chart for approval of financial budget expenditure in centralized financial management mode of engineering construction enterprises.](image)

From the above picture, we can see that under the centralized financial management mode of the large construction enterprise, the project department or the branch office submits the budgetary application in the budget operational support system. The headquarters finance department is audited according to the relevant system and standard, the sales process will be refunded if the audit is not passed. The final approval authority for financial budgeting belongs to headquarters, which ensures the centralization of financial management.

After budget action, the financial reimbursement process will be reimbursed, and the financial reimbursement process is as follows.
As can be seen from the above picture, the financial reimbursement process of the financial centralized management mode is carried out after the budget has been approved. First, the engineering construction project department or the branch office input the financial voucher to submit the application for reimbursement. Then, the project department or the branch responsible person audit again and then submit to the headquarters financial department. After the headquarters financial department reviewing and approving the application in accordance with the financial system and related system, the project department or the branch reorganize the voucher to submit it. Finally, the system payment and financial reimbursement documents are archiving. In this way, the final authority of the whole financial reimbursement audit is at the headquarters of the enterprise, ensuring the relative centralized management of the financial affairs.

5. Conclusion
Under the large background of large-scale integration of engineering construction enterprises, financial work as an important work of engineering construction enterprises, the development of scale and integration of engineering construction enterprises also puts forward higher requirements for the financial management ability. Based on the theoretical basis of financial centralized management, combining the characteristics of large engineering construction enterprises and the financial management status of large engineering construction enterprises, this paper explores the financial centralized management mode of large engineering construction enterprises, and takes large engineering construction enterprises as an example to carry out case analysis and study, finally draws relevant policy suggestions.
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