Research on Internal Control Construction System of Electric Power Enterprise Based on Five Elements of Internal Control

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Abstract. Under the macroeconomic background of national supply-side structural reform and de-capacity, China's power companies are facing unprecedented pressure to survive. In addition, the market-oriented reform of the power industry has not yet been completed, and the construction of the Belt and Road Initiative has brought opportunities and challenges for power companies to “go global”. How to strengthen enterprise management, internal control construction and improve internal control level is of great significance for electric power enterprises to improve the overall management quality. This paper starts with the main content of internal control system, and discusses the internal control system of electric power enterprises to explore the internal control system of electric power enterprises. The construction strategy will promote the continuous improvement of the quality and level of modern management in power companies.

1. Introduction

With the development of the market economy, the competition pressure of power companies has increased, and the reform of the power system has put forward higher requirements for power companies. The documents of the Central Committee of the Communist Party of China and the State Council on further deepening the reform of the power system and supporting regulations have been issued for a long time. The power industry introduces the market competition mechanism. The reform focuses on “managing the middle and releasing the two ends”. The transmission and distribution price is gradually transitioned to the “permitted cost + reasonable income” principle, which requires the electric power production and operation enterprises to adapt to the modern enterprise system and improve. The management system, improve internal control, comprehensively improve the management level of power companies and enhance their competitiveness.

In June 2017, the power companies jointly held an industry forum on the theme of “accelerating the construction of the global energy Internet and services”. The conference believed that the profound connotation of the global energy Internet should be accurately grasped, and the law of energy change should be followed to promote the establishment of “Clean-led, electricity-centered, interconnected, shared modern energy system” will have a major impact on human sustainable development. Building a global energy Internet, realizing the globalization of power energy production, deploying globalization, and globalization of trade are of great significance for China's power companies to get out of the predicament of overproduction, but the new global strategic direction requires China's power companies to establish a comprehensive risk management system. Fully adapting to diversified
market competition, improving business management and management capabilities, and improving the internal control system of enterprises, this is both a challenge and an opportunity for many companies in the industry.

2. The concept of internal control of power companies
The internal control system of a power enterprise, that is, the system of internal control and management of an enterprise, refers to the management of all aspects of the power enterprise, to ensure the integrity and security of the internal economic resources of the enterprise, and to ensure the accuracy of economic information and accounting information. Economic activities that are coordinated, integrated, managed, and controlled within the enterprise. The implementation of the internal control system of a power enterprise is usually a kind of checks and balances formed by different divisions of labor and responsibilities within the enterprise, so as to implement the methods, measures and procedures with control functions within the enterprise, and standardizing, systematizing and completing them. Its content has five main aspects:

First, the internal environment. The optimization of the internal control environment of power companies is the basis for strengthening the internal control system, directly affecting the implementation of internal control, achieving operational and strategic objectives, including organizational structure, management style, management philosophy, development goals and social responsibility. Second, identify risks. It is an important part of the internal control system and the basis for the risk management of power companies. The identification of risks by power companies is to identify and analyze the risks affecting the company's objectives in combination with actual business, so as to prevent and control them in a timely and effective manner. Third, internal control activities, which are important measures to ensure that the operation and management instructions of power companies are well implemented, have a great effect on the prevention of business risks of power companies. The internal control activities of power companies run through all functional departments, affiliated units and the entire business operation process. Fourth, information communication requires power companies to establish a network system that supports the confirmation, acquisition, and exchange of information, so that employees can prepare financial reports according to certain forms and time, and at the same time exercise responsibilities, and all levels and links must be effectively communicated. Fifth, internal control supervision requires power companies to strengthen supervision and control before, during and after the event.

3. Problems in the internal control system of power companies

3.1. The concept of internal control is not strong
The power industry is China's basic industry. At present, it is a highly monopolized industry in China. Power companies generally believe that electricity is a scarce resource in the country, and the benefits of enterprises do not affect the development of enterprises. The development of enterprises depends mainly on national policies supporting, so the company's risk awareness and competition awareness are poor. Either the executives of the power companies or the ordinary employees of the company believe that as long as they can produce electricity according to the plan, they should not pay enough attention to other management and internal control management, and they are not fully aware of the importance of internal control, or stay at each in the traditional situation of separation of posts and positions, the focus of local control of enterprises is still to strengthen financial accounting. It has not established the goal of adapting to the social, economic, sustainable growth of the enterprise and the long-term development of the management environment. The tradition is mostly the development of the field. There is no overall, system internal control concept, resulting in lack of continuous, long-term, dynamic internal control.
3.2. Internal control is not perfect
Any enterprise is ultimately aiming at profitability and development. However, in the course of its operation, some power companies pay more attention to corporate profits than to the establishment of internal systems and related concepts, thus affecting the efficiency of enterprises and lasting development. The imperfections and imperfections in the power enterprise's internal control system bring unnecessary loss of material resources and human resources to the enterprise. The staff of various departments have no clear definition and concept for the content and requirements of their work, which makes the enterprise internal operation lacks a certain order, and it also has a certain impact on the enthusiasm of the staff.

3.3. Insufficient internal control supervision and incentive mechanism
The lack of strong supervision of internal control is difficult to play its due role. The analysis found that many power companies have established internal control, but the actual implementation is not strictly implemented in accordance with relevant regulations, and the internal control system is in the form. The root cause of this situation is the lack of supervision system or inadequate supervision, which is difficult to control effectively. Since internal control management is a systematic project, if there is no corresponding assessment system, it is impossible to timely check the deficiencies in the internal control management process. At the same time, without the assessment mechanism, there is a lack of restraint and the responsibility of the corresponding employees. Consciousness declines and work enthusiasm is not high. Although some departments have established corresponding evaluation mechanisms internally, they do not combine their actual conditions and market conditions in the establishment of assessment content and assessment scope, which leads to the corresponding assessment information not truly reflecting the operation status of the enterprise. At the same time, there are many shortcomings in the incentive mechanism of power companies. For example, power companies have little incentive for employees and incentives are not allowed, which will seriously dispel employees' enthusiasm for learning and work enthusiasm. At present, the level of comprehensive quality of employees in most enterprises is uneven, and if the salary is equal, it will lead to a lack of fairness among the employees within the company.

3.4. Lack or imperfect risk assessment mechanism
Under the influence of the market economy, electricity is also deeply affected by China's traditional industries. Market competition is increasing. Uncertain risk factors in external markets are diversified. Corporate pressure is increasing. Timely and effective risk assessment must be based on effective control and management. Risk assessment is also an important part of the company's achievement of goals and sustainable development. Before the reform of the power system, the power industry was a state monopoly industry. The risk was concentrated on the production process. The risk of operation and management was small, and the risk assessment mechanism was lacking. At present, the external environment changes and the competition is intensified, which can threaten the economic benefits of enterprises. Therefore, it is necessary to change the traditional concept urgently.

4. Suggestions on improving the internal control system of power enterprises

4.1. Improve internal control and risk awareness
The internal control system of power enterprises is not a one-step thing, but a long-term work of the system. Business leaders should deeply understand the importance of internal control and recognize the important role of internal control construction in business management, production and management. We provide strong support in management, staffing, and system construction. In addition, ordinary workers should be aware of the importance of internal control and actively participate in system construction and implementation to promote the smooth development of business activities. Enterprises may have multiple risk points in the operation process. Under the market economy environment, power enterprise personnel should also establish risk awareness, control risk
points, scientifically identify, analyse, report, process, and comprehensively enhance enterprise risk management and control, establish and improve the risk assessment system, and actively do a good job of risk prevention.

4.2. Gradually establish and improve the internal control system
In order to give full play to the internal control function, we should first establish and improve the internal control system, so that the system can play the role of behavioral constraints and supervision. The business activities are based on the principle of institutional constraints, and it is necessary to continuously construct a risk-based supervision system based on prevention. Good control, such as accounting control system, the implementation process should cover different positions of the department, do a good job in financial accounting, and regularly check financial activities and report in a timely manner; finally, an after-sales inspection mechanism should be established to strengthen post-event supervision, for example, in business leadership. Under the leadership of the committee, a committee can be set up to conduct regular inspections by personnel with impartiality, strong execution of work. Various professional sub-committees are set up to sort out the professional risk points, conduct regular audits and inspections, and carry out work and effectiveness. The results of the inspection are linked to employee performance. The management system based on the life cycle is constructed to realize the closed-loop management and control of the whole process of the project and assets from purchasing to receiving to scrapping.

4.3. Strengthen internal communication
The communication of power companies should encourage each employee to clearly understand their tasks and the relationship between their work and the work of others, understand the internal control regulations and how they will take effect, and clarify their responsibilities and roles in internal control. At the same time, employees should be clear that not only should they pay attention to the exceptions, but also pay attention to their causes, identify potential defects and take timely actions to effectively prevent recurrence of exceptions. In fact, many major business management problems of power companies are discovered and handled by front-line personnel. They can quickly obtain accurate information, so management must communicate channels to understand information as soon as possible. However, employees generally only provide information when they are convinced that the leader has the sincerity to accept the information. Therefore, the leader must not only open the communication channel.

4.4. Strengthen internal control activities
The internal control activities of power companies mainly include power trading, marketing management, operation management, dispatch control, and financial management. According to the idea of “controlling the middle and letting go of the two ends” of the power system reform, the goal of the power system reform is that the power transmission part is responsible for the power grid company, and is released on the power distribution side and the power sales side to encourage social capital to participate in the competition. Faced with the new situation in the future, power companies are bound to face new competitive pressures in power trading, marketing management, and dispatch control. In order to effectively cope with this situation, it is necessary to improve the existing control activities in light of the actual situation of the power companies. In general, the effective design of internal control activities needs to be carried out in accordance with the process of control target determination, main risk analysis, business process analysis and control activity monitoring and evaluation.

4.5. Strengthen internal control supervision
Under the premise of taking the core leadership position of the party organization, the electric power enterprise should improve the company's governance structure, establish internal supervision integrating internal audit, internal supervisor and discipline inspection, and realize rational and coordinated development of the division of supervision. Compared with ordinary enterprises, power
companies have many structural links, such as production and power supply, which are more complex and have more management assets. Therefore, good enterprise asset management is also a major aspect of internal control management, such as accounts, funds and other non-physical assets. Managed by professionals, strengthen the responsibilities of personnel, regular accounting, inspection, to avoid the occurrence of bad debts. In addition, we will also supervise and manage at the same time, such as regularly reviewing financial reports, reviewing the effectiveness of internal control systems, checking the scientific nature of the system, using tenure economic responsibility audits, leaving audits, inspections, and special inspections to continue to supervise and improve, for the long-term development of the company is escorting.

5. Conclusion
In the market economy environment, internal control is a key means for enterprises to strengthen management. It plays an increasingly important role in enterprise management and has been valued by many enterprises. The power industry is one of the pillar industries of China's national economy. In order to strengthen enterprise management, we should also focus on internal control in the new period, strengthen internal control system construction, change the traditional power supply operation mode in a market-oriented manner, and change in an increasingly fierce environment. The enterprise management model promotes transformation. It can be said that upgrading management level has become an important link to improve enterprise efficiency and promote long-term sustainable development of enterprises.

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