

Petrochina SYXS Company Research on Internal Control and Risk Management

Luyang Zhang

School of management, Northwest University of Political Science and Law, Xi'an, China

*Corresponding author: 1041181533@qq.com

Abstract

This essay describes the actual situation of SYXS Company, a subsidiary of PetroChina Company Limited. Based on my daily work and thinking, I will analyze the internal control and risk management of SYXS Company in view of the existing problems in SYXS Company's internal control and risk management from the perspective of finance, safety and environmental protection, and take countermeasures for each problem. The brief analysis and discussion are carried out respectively.

Keywords

PetroChina Company Limited; Internal Control and Risk Management; Finance; Safety and Environmental Protection.

1. Background

With the continuous change of international situation, market competition, the change of national industrial structure, more and more attention paid to environmental protection, and more and more strict production safety law, the petrochemical industry is facing great pressure. Effective internal control and risk management, good risk assessment, prevention and response measures are of great significance to improve the management level of enterprises and improve the quality and efficiency.

As an important state-owned enterprise, petrochina is the largest oil and gas producer and seller with a dominant position in the oil and gas industry in China. It is also one of the largest companies in China by sales revenue and one of the largest oil companies in the world. This article describes the actual situation of SYXS Company, a subsidiary of petrochina's refining and chemical sales and new materials sector.

2. SYXS Company Internal Control and Risk Management Status Analysis

2.1. Overview of SYXS Company

SYXS Company is a sales company under petrochina Company Limited, which is mainly engaged in the wholesale and retail business of refined oil products, as well as the sales business of convenience stores, natural gas, methanol, charging, auto service and other non-oil products. The company has a number of functional departments, a number of directly affiliated units, more than 10 branches, more than 20 shareholding enterprises, the total assets of more than 7 billion yuan.

2.2. Financial System Risk Management of SYXS Company

2.2.1. Establish Relevant Bill Management System

SYXS Company has a relevant bill management system, which clarifies the responsible subject, settlement process and assessment provisions of bill management, forming a closed-loop management. The bill is issued in a planned way, the payment is recorded, the ledger is sorted

out on a daily basis, checked on a monthly basis, and the management of all links of the bill business is strictly regulated. The system clarifies the requirements of the bill business management post, determines the responsibilities of the post, and achieves a clear system and clear responsibilities.

2.2.2. Have a Detailed Accounting System

SYXS Company uses the unified standard "XX Accounting Manual" to standardize accounting, and makes detailed requirements on accounting policies, main business accounting, financial and accounting reports, assessment, etc., which unifies the understanding of accounting policies of each branch, establishes a unified financial information management system, standardizes the processing of various businesses, and improves the quality of accounting information of each branch. It provides a unified standard for enterprise accounting, clarifies the division of responsibilities, and in the usual operation process, with the changes of internal and external environment, especially the changes of national policies, constantly supplement and verify the accounting manual.

2.2.3. Develop a Sound Budget Management Method

SYXS Company has formulated annual and monthly budget management methods, clarifying responsibilities, which is conducive to cohesion of branches, coordination, communication and cooperation among branches, standardizes the operation process of reporting, review and approval, coordinates relevant personnel of budget management positions at all levels, and improves management level and operation efficiency. Determined the direction of the next work and the need to achieve business objectives, promote the development of information management.

2.3. Safety and Environmental Protection Risk Management of SYXS Company

2.3.1. Establish a Major Risk Early Warning Mechanism

SYXS Company has established a major risk early warning mechanism to quickly respond to social, political and economic changes at home and abroad and remind of possible oil price changes. To give early warning to the domestic sensitive period to avoid the possibility of risk escalation in the sensitive period, which will bring more losses to the enterprise and bring negative impact to the society; To give early warning of major local natural disasters to ensure smooth operation of enterprises and safety of employees.

Effective tracking of these aspects will help SYXS Company achieve its performance and business objectives, prevent property losses, ensure the safety of employees and maintain its corporate image.

2.3.2. Have a Sound Emergency Plan Mechanism

SYXS Company has established an emergency plan mechanism, including emergency plans for quality emergencies, environmental accidents, safety accidents and other emergency plans, which are uniformly managed through the established QHSE system. Every month according to the plan to carry out emergency drill, team as a unit, according to the actual situation, write emergency drill application form, record form, evaluation form, according to the requirements of the plan in advance, according to the drill record, after the drill according to whether the purpose of the evaluation. The team leader leads the team members to carry out the emergency plan drill, so that each employee can know what to do in an emergency, to ensure that they can deal with multiple aspects of the accident in a planned way, reduce the possibility of bringing greater risk of harm, to ensure the personal safety of relevant personnel and ensure social security.

2.3.3. Develop a Scientific Risk Management Mechanism for Hidden Dangers

SYXS Company has established a dual preventive mechanism of risk classification control and hidden danger investigation and management, scientifically integrating the work of safety and environmental hazard factor identification, risk control, risk evaluation and hidden danger investigation and management, and characteristic combining the audit work method, using "environmental hazard factor evaluation method" and "risk matrix evaluation method" to rate the risk. And use "red", "orange", "yellow" and "blue" four levels to represent the size of the risk, through this risk management method for risk identification and risk assessment, to guide and remind business activities. Each employee will fill in a hazard factor and environmental factor identification and evaluation form according to the situation encountered in their own work, and carry out self-examination and rectification of the existing hidden dangers, cultivate the risk management culture of employees, grasp the key points of identification and control, and effectively prevent and contain safety and environmental protection accidents.

3. Risk Cause Analysis of SYXS Company

3.1. SYXS Company's Financial System Risk Management

3.1.1. There are Problems in the Bill Management System

The function of the billing post in SYXS company tends to be the operation post, and the management function is missing. When issuing invoices, the full-time billing staff will not confirm the authenticity of the transaction, and the front-line staff will independently judge whether the customer information and transaction are true according to the occurrence of business, while the front-line staff often lack the corresponding knowledge of bill management. Therefore, there is a big gap between the bill management system and the requirements both from the knowledge and the actual operation, which increases the risk of employees not issuing bills in accordance with the provisions, and makes the enterprise have the illegal risk of false invoices, which is not conducive to the overall development of SYXS company.

3.1.2. There are Problems in Accounting System

Although SYXS company has a unified accounting system and manages it through a unified financial information management system, the actual situation of using financial management software in each branch company is different, which makes it difficult to connect the data in each branch company[1]. In addition, SYXS company has some problems in the collection and processing of information and data of each branch, such as untimely, unreasonable information classification and heavy workload, which is not suitable for the use of enterprise requirements and brings disadvantages to accounting.

SYXS Company also has a large amount of receivables risk, mainly due to the transactions of different internal enterprises under petrochina, resulting in a large amount of receivables, which increases the cost of debt management, and the difference between the actual repayment period and the expected repayment period caused by policy changes, which increases the operational risk[2].

3.1.3. There are Problems in Budget Management Methods

In the process of operation, SYXS Company lacks effective supervision mechanism on whether branches at all levels follow the budget, which greatly reduces the expectation of benefits generated by expected resource allocation and fails to play the role of budget; For the gap between the budget and the actual situation in one month, the analysis was not thorough enough. Even if the deviation was large and the real reason behind it was discovered, the punishment was not implemented in accordance with the provisions, so that the budget could not meet the established management expectations.

3.2. Safety and Environmental Protection Risk Management of SYXS Company

3.2.1. There are Problems in the Major Risk Early Warning Mechanism

SYXS Company does not have an effective feedback mechanism for whether all employees have received the warning information. Early warning posts can detect major risks in time and make early warnings in time, but not all employees can receive the early warning information in time, and the post personnel who release the information cannot realize this situation, so they cannot avoid major risks well[3]. Or front-line employees do not pay enough attention to the early warning information and cannot fully realize the seriousness of the situation, resulting in the failure of early warning.

3.2.2. There are Problems in the Emergency Plan Mechanism

SYXS Company failed to effectively collect the actual information of all branches, and could not accurately understand the situation of each branch. In particular, it was difficult to grasp the specific situation of each branch, and it could not receive feedback and timely solve the problems arising from emergency plans and emergency drills. Front-line staff lack professional knowledge, can not formulate reasonable emergency plans, can not effectively carry out risk prevention, but will increase the risk of accidents. The evaluation of emergency drills is not professional, and the problems existing in the plan itself cannot be examined, and the real hidden risks cannot be found.

3.2.3. There are Problems in the Hidden Danger Risk Management Mechanism

The assessment method implemented by SYXS company is too subjective and largely relies on employees' risk identification awareness and professional quality, but employees' risk awareness is not enough to support the identification of risks. The study of risk classification evaluation method is not in place, and all hazard risks and environmental factors can not be correctly rated and effectively identified. There is a lack of refined management in the process of rectification of risks and hidden dangers, and the control of hidden dangers is not in place, and there are still great risks.

4. Measures to Strengthen Internal Control and Risk Management of SYXS Company

4.1. SYXS Company's Financial System Risk Management

4.1.1. In view of the Problems Existing in the Bill Anagement System

Strengthen staff training.

The professional quality of the bill management staff has a significant impact on the financial bill management of the enterprise. The bill personnel need to have enough knowledge to issue bills according to the law. In particular, it is necessary to strengthen the training of front-line staff, support staff to learn the knowledge of financial management, taxation and management, do a good job in financial bill management, and reduce the possibility of risks caused by the imprecision of bill management[4].

4.1.2. Aiming at the Problems Existing in the Accounting System

1) Accelerate the construction of information technology

Further establish the financial management system in the front-line units of each branch, realize the fine management of costs, strengthen the unified management of enterprises, ensure the timely transmission of data, strengthen the process management, and share the information of each branch in real time. In the enterprise shortage of staff, lack of funds under the environment, saving manpower, financial expenditure, improve the efficiency of staff, so that the information more timely circulation, convenient for the company's unified organization plan, to ensure that the accounting work in an organized, orderly.

2) Strengthen the internal business accounting

Specify the settlement methods and regulations between internal enterprises, clarify the process of internal transactions of each affiliated company, standardize the internal settlement statement, and make accounts in time, clarify the responsibilities of the related processes of each affiliated company, avoid unclear accounting of internal company transactions, shirk responsibility when problems occur, and ensure that accounting work can be carried out smoothly between each branch company.

4.1.3. In View of the Budget Management Problems

1) Establish a budget control system

The budget should make a good prediction and planning of the project budget, classify, sort out and strictly review the daily expenditure, so as to realize the adaptation of the financial budget and the business budget, and the budget is consistent with the development planning road of the enterprise. The management of each branch undertakes the organizational responsibility, and organizes all departments to prepare budgets according to the requirements, examine and approve the business matters occurring in the budget, and dynamically monitor the implementation and deviation of the budget[5]. It can investigate the actual situation of deviation from the budget, link the completion of the budget with the performance, establish the responsible person, analyze and report the deviation by the person in charge, focus on the analysis of controllable factors, and evaluate and give timely feedback, so that the enterprise develops towards the direction expected by the managers.

2) Improve the audit and supervision mechanism

In strict accordance with the requirements of enterprise budget management, the whole process of budget combined with audit work. From budget preparation audit, to budget process audit; Starting from the effect of the budget, audit each process of budget implementation, step by step to improve the budget management system, make the budget accurate and reasonable, ensure the smooth implementation of the budget, and finally achieve business objectives.

4.2. Safety and Environmental Risk Management of SYXS Company

4.2.1. There are Problems in the Early Warning Mechanism for Major Risks

Establish a feedback mechanism based on the actual management situation.

In the face of changes in multiple environments, employees in early warning positions need to respond actively, analyze risks, evaluate risks faced by enterprises comprehensively, timely and accurately, make full judgments and timely warnings, make corresponding references for decisions of companies at all levels, and take risk response measures according to early warning information. And timely feedback on the accuracy and measures of early warning information, to ensure that each branch can respond in time, cause enough attention to deal with risks[6].

4.2.2. There are Problems in the Emergency Plan Mechanism

Enhance staff emergency knowledge training.

Formulate feasible feedback regulations, collect the information of each branch's plan and drill, find out the existing problems, communicate and solve them in time, train the staff's emergency ability, so that every employee can predict the risk before the accident, and have enough quality to deal with the accident, and reduce the possibility of greater loss risk when the accident occurs.

4.2.3. There are Problems in the Hidden Danger Risk Management Mechanism

Improve the hidden danger risk management system.

According to the management requirements, employees regularly carry out self-examination and self-reform, separate the hidden danger identification target for each part, set up a ledger for the hidden danger existing before and remind all employees to pay attention to it[7]. Train

employees to use the hierarchical evaluation method, cultivate employees' risk awareness, comprehensively identify possible risks, constantly summarize themselves, and incorporate them into daily supervision and management, so as to ensure that employees have the ability of safety risk identification, hidden danger investigation and emergency response required by the post, and ensure that the risk management system can operate continuously and effectively.

5. Conclusion

The risk assessment of enterprises needs to focus on the aspects that have the greatest impact on the enterprise, so as to achieve the whole process management of major aspects before, during and after the event, identify financial risks and safety and environmental protection risks, summarize the lessons of daily work problems, and carry out key risk control and standardize procedures for the links and parts prone to risks. Establish reliable risk assessment regulations, carry out effective risk assessment in each business link of the enterprise, draw lessons from the case of heavy loss caused by the failure of internal control, establish risk database, timely early warning and prediction.

Strengthen the system construction, keep pace with The Times, constantly use new methods to supplement the risk prevention and control system, increase the investment in risk control, adjust the internal control and risk management system according to the actual situation, do a good job in the corresponding prediction before the occurrence of risks and arrange a series of preventive measures, and constantly strengthen the construction of internal control and risk management system.

Cultivate the risk prevention and control awareness and professional quality of employees, establish regular daily quantitative training standards, improve the overall risk response ability of employees, and give real feedback to the learning of employees, improve the enthusiasm of employees, enhance the action of employees, so that all employees work together for the company's same goal.

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