Macroscopic Fields of Application of Internal Control Integrated Framework in Organizing Activities for University Students

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Keywords: Internal Control, University Students, Framework.

Abstract. Internal control integrated framework has already delivered great results in business management. Faced with the development of modern core students, it is becoming more and more necessary with reference function and strategic value. The paper aims to discuss Macroscopic Fields of Application of internal control integrated framework in organizing activities for university students.

Brief Introduction of Internal Control Integrated Framework of Students

In events which is organized by university students, it is always that “control” can not be implemented effectively which finally leads to errors. Internal Control Integrated Framework is widely applied to business management, and its practical value and strategic significance are Self-evident. Internal Control Integrated System aims to regulate organization levels flexibly and programme five essential components appropriately in order to maximize three chief goals.
Macroscopic Fields of Five Essential Components

Control Environment

Control environment is the macro environment of internal control and the basis on other four components. It affects the implementation of the whole objective. And it is made up of following components

Honesty and Morality

Honesty is the precondition of all activities and behavior. Strong ethical atmosphere of students’ union plays a key role on Organizational regulations and control system. Students’ union is a service provider which is different from business. Set up a strict code of practice and follow the specifications strictly, and its strategic significance will affect the whole atmosphere of school.

Promise of Competencies

It means that managers should equip every cadre's situation with professionals based on fairness. Otherwise control environment of student organizations must loosen seriously. At the same time, professionals should be trained adequately to meet requirements.

Rights and Liabilities

Decentralization of authority or authorization means giving supremacy of some activities to people who are responsible for daily operation. Allocation of power and responsibility is for encouraging student cadres and teams to introduce questions and solve them to a limited extent.

Risk Assessment

Every organization and its subordinates face the risk during activities, and there is no practical way which can remove risks thoroughly. Accordingly, student cadres and major activity leaders must assess risks at a conservative estimate.

Risk Identification

Management needs to investigate matters which may negatively impact organizations and activities on organizational and activity level. In addition, each level should give full consideration to internal factors and external factors.

Risk Categories

1. Inherent Risk. It is the possibility of blunders when internal control system is not steady at all. Causes includes: the complexity of process such as time difference of borrowing procedure; variation of external environment such as temporary modification of sponsors.

2. Control Risk. Mistakes internal control system might not predict or discover. That means the monitor system take now is disabled.

Control Activities

Methods

1. Separation of duties. Handing some relevant important responsibilities to different people to carry out is necessary. The way can reduce risks and cheats effectively.

2. Appropriate authorization. Major principals ought to delegate power and responsibilities to capable student leaders, which makes sure the requirements of every activity can be met. It can encourage students and avoid “bull leadership” as well.

3. Document record. Budget, person in charge and Speed of progress should be taken notes carefully, which provides essential basis for internal control.
Categories.
1 Preventive control. Control activities aiming to prevent errors before unpredictable results appear. It is usually built into operation system to avoid mistakes on a visible way. For example, simulated preview for large show, scheme of open tender, etc.

2 Checking control. Control activities aiming to distinguish emerging adverse consequences. Although it is after preventive control, it is absolutely necessary. That is because it could estimate effectiveness of the former. But its cost is very high. Just like finding the reason after fire means that loss is much higher than investment in prevention.

3 Corrective control. Organizations need to take correctives measures to correct bad results and prevent it from being on again, otherwise the whole control task will become meaningless.

Generally speaking, control begins at prevention and end at correction.

Information and Communication

Getting timely and accurate information and communicating effectively are put into information systems. Its values do not only show on transferring information to users in order to help them carry out their duties, but also can stimulate external relations. Impactful communication could let outside institution understand our organization so that we can grasp the opportunity and rise to the challenge better.

Monitoring Activities

Risk varies with time, therefore leaders should judge whether internal control system can respond to risks continually through supervision. Supervision is usually put into practice in two ways. One is "sustained activity", the other is “Independent evaluation”. The stronger the extent and effectiveness are, the less demand of independent evaluation will be.

Some Problems Ought to be Focused on by Student Cadres under Internal Control.

Obey “SMART” Principle

Internal control needs to pay attention to specificity, measurability, availability, realism and timeliness. Designing and implementing an effective system of internal control can be challenging. And the organization could have greater confidence regarding the achievement of entity objectives.

Avoid Overriding Internal Control System

Student cadres especially project leaders must avoid using privilege. If managers override the management system themselves, effects they have are not only negative income caused by unfairness but also risks ignored easily by control system which may lead to collapse of the whole system.

Lower Cost

In terms of cost-effectiveness, before internal control we should consider that the cost of control (including financial cost and opportunity cost) must be lower than effects it will bring oddly. Otherwise there is no need letting internal control go on. That requires students organize activities to reduce the cost and simultaneously maximize external effects.
References