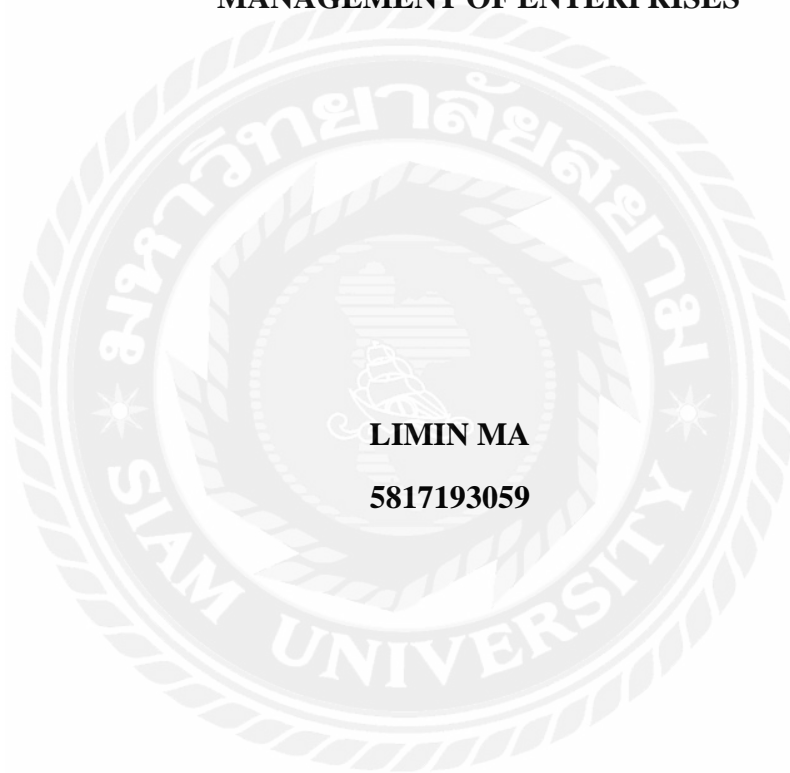




**AN EMPIRICAL STUDY ON INTERNAL CONTROL AND RISK  
MANAGEMENT OF ENTERPRISES**



**AN INDEPENDENT STUDY SUBMITTED IN PARTIAL FULFILLMENT  
OF THE REQUIREMENTS FOR  
THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION  
GRADUATE SCHOOL OF BUSINESS  
SIAM UNIVERSITY**

**2017**



**AN EMPIRICAL STUDY ON INTERNAL CONTROL AND RISK  
MANAGEMENT OF ENTERPRISES**


**Thematic Certificate**

To

**LIMIN MA**

This Independent Study has been approved as a Partial Fulfilment of the Requirement of International Master of Business Administration in International Business Management

Advisor: *Shun-Chieh Chang* Date: *2017 / 12 / 25*  
( Ass. Professor. Shun-Chieh Chang )

  
.....  
(Assoc. Professor. Dr. Jomphong Mongkolvanich)

Dean of Faculty of International Master of Business Administration

Date: *05 / 01 / 2018*

Siam University, Bangkok, Thailand

## Abstract

Title: An Empirical Study on Internal Control and Risk Management of Enterprises

By: Limin Ma

Degree: Master of Business Administration

Major: Business Administration

Advisor: Shun-Chieh Chang  
(Ass. Professor. Shun-Chieh Chang)

2017 / 1 / 12 / 1 / 25

May 2008 and April 2010, the Ministry of Finance, the Insurance Regulatory Commission, the CBRC, the SFC and the Joint Audit Commission issued the "Enterprise internal control basic norms", "enterprise internal control supporting guidelines", is our country began to attach importance to strengthen internal control of the construction milestone. With the continuous development of society, our country not only strengthens the construction of internal control, but also realizes the importance of internal control. China's emergence of a group of companies with worldwide influence, such as Oppo, Huawei, ZTE, these enterprises behind the booming, in the overseas market active layout, for the Chinese enterprises to win a place. However, most of China's enterprises have not formed the system, do not have the corresponding scale effect, also did not realize the whole scientific operation and scientific management, compared with foreign enterprises still have a greater space for rise. How to reduce internal and external pressure by reducing inner control and risk management is the content of this paper.

**Keyword: Internal control, Risk Management, Enterprises**

## 摘 要

题目: 企业内部控制和风险管理实证研究

作者: 马立敏

学位: 工商管理硕士

专业: 工商管理

导师:

*Shun-Chieh Chang*

(助理教授. 張舜傑)

*2017 / 12 / 25*

2008年5月和2010年4月财政部,保监会,银监会,证监会和审计署联合五部门分别发布了《企业内部控制基本规范》、《企业内部控制配套指引》,是我国开始重视加强企业内部控制的建设的里程碑。随着社会的不断发展,我国不但加强内部控制的建设,也意识到了内部控制的重要性。中国诞生了一批又一批具有世界性影响的企业,例如OPPO,华为,中兴,这些企业蓬勃发展的背后,在海外市场积极布局,为中国企业赢得了一席之地。但是,中国大多数企业完全没有形成体制化,不具有相应的规模效应,也没有实现整体的科学化经营和科学化管理,与国外的企业相比仍有较大的上升空间。如何通过减少内部控制、风险管理给企业减少内外部的压力,将是本文探讨的内容。

**关键词: 内部控制、风险管理、企业**

## Acknowledgements

I have been here in Siam University for over one year. It is the end of the MBA course and I would like to express my truly appreciation to my school, parents, relatives, teachers and friends. Thanks for my family supports my studying abroad, International college of Siam University provides me the opportunity to keep studying and enhancing myself and the care and encouragement of teachers and friends. I was touched fully by teachers lectured on the stage and even taught a lot after class, and classmates were sincere in learning and passionate action during my study abroad.

I do graduating design at each stage, from selecting of subjects to access information, determining the outline of the thesis, changing of Mid-term paper and post-paper format adjustment in all aspects that all my teachers have given careful guidance. All the teachers have given me not only careful guidance, but also have delivered their concern to me for the past few months. Therefore, express my sincere appreciation and great respect to Li Zhang, Liu-yuan Li, Guanglei Lu , Lisheng Zhang,

At the same time, I receive enthusiastic assistance from many classmates when doing the research. Thanks for the classmates who work with me well and partners who help me in all aspects. Here, I would like to appreciate those who helped me again!

# Content

Abstract.....	i
Abstract-Chinese.....	ii
Acknowledgements.....	iii
Chapter 1 Introduction.....	1
1.1 Research Background.....	1
1.2 Research Meaning.....	2
1.2.1 Theoretical Significance.....	2
1.2.2 Practical Significance.....	3
1.3 Research methods.....	3
1.3.1 Document Collection Method.....	3
1.3.2 Questionnaire Survey.....	3
1.3.3 Actual Interview.....	4
1.4 The present situation of domestic and foreign research.....	4
1.4.1 Domestic Research Status.....	4
1.4.2 Foreign Research Status.....	5
Chapter 2 Literature Review.....	7
2.1 Relationship Between Internal Control and Risk Management.....	7
2.1.1 Definition of Internal Control.....	7
2.1.2 Definition of Risk Management.....	8
2.1.3 Study on the Relationship between Internal Control and Risk Management.....	8
2.2 The Status Quo of Internal Control and Risk Management in Chinese Enterprises.....	9
2.2.1 Managements Lack of Internal Control Consciousness.....	10
2.2.2 The Risk Management of Enterprises is out of Step with Internal Control.....	11
2.2.3 No Risk Assessment System.....	11

Chapter 3 Research Method.....	13
3.1 Factor Analysis.....	16
3.2 Analysis of Factor Analysis Based on Internal Control Scale.....	17
3.3 Based on Risk Management Scale Analysis .....	19
3.4 Related Analysis.....	21
3.5 Regression Analysis .....	22
3.5.1 regression analysis between satisfaction and internal control .....	23
3.5.2 regression analysis between satisfaction and risk management .....	25
Chapter 4 Resarchfindings-Sample Analysis Of Listed Companies .....	28
4.1 Objectives Setting and Operating Should Remember Profit Analysis .....	29
4.1.1 Study Assumptions.....	30
4.1.2 Sample Selection and Data Source.....	32
4.2 General Descriptive Statistical Analysis .....	35
4.3 Regression Analysis .....	36
4.3.1 Internal Control and Operable Profit Regression Analysis .....	36
4.3.2 Risk Management and Operational Risk Analysis .....	37
Chapter 5 Conclusions .....	38
5.1 Suggestion.....	38
5.1.1 Improve the enterprise's internal control and risk management measures .....	38
5.1.2 Strengthen the position of risk management in enterprise internal control.....	39
5.1.3 Attaching importance to the construction of internal control supervisors of enterprises.....	39
5.1.4 To improve the risk assessment system and establish a dynamic evaluation mechanism.....	40
5.1.5 Establish effective information communication mechanism.....	41
5.2 Conclusion .....	42

References.....	43
Appendix.....	45
Interview Report.....	56





# **CHAPTER 1**

## **INTRODUCTION**

### **1.1 Research Background**

At present, our country is at the pace of the new round of marketization reform, and the management of enterprises is transformed from the original socio-economic conditions into a fully competitive market economy condition, so it brings many uncertainties and operational risks to the enterprise, and these risks are not managed and managed the reasonable treatment, then to the end will give the enterprise a huge management loophole, leading to the enterprise in the fierce market competition, it is very important for each enterprise, internal control and risk management are very important, especially after some western management introduced into China, how to build a perfect internal control system, preventing and curbing the possibility of systemic risk taking place, and the complicated negative impact of external risks to enterprises, becomes the focus of most enterprise research at present, especially in China's listed companies to further standardize the internal control and risk management guidelines. The work in this regard is particularly rigorous and meticulous. After comprehensive risk management, we constructed the perfect internal control system and risk management system according to the corresponding policy conditions and the corresponding legal basis, thus realizing the management of the enterprise and the internal control and internal regulations.

Since 2006, the state-owned Assets Committee of the People's Republic of China has promulgated the internal control and risk management regulations of State-owned enterprises, including the guidelines on comprehensive risk Management of central enterprises issued in June 2006 and the basic norms of internal control of enterprises issued by the Ministry of Finance in June 2008. to the last April 2010

issued the "Enterprise internal Control Application Guidelines" and "enterprise Internal Control Evaluation guidelines", through these corresponding policies and regulations and legal basis, from all angles to standardize the internal control and risk management of listed companies. Not only the state-owned enterprises need strict internal control and risk management system, but also the private enterprise needs to build a similar internal control risk management system. Find out the possibility of the crisis of enterprise management, eliminate some uncertainties, build a comprehensive internal control framework, establish the risk of internal control and risk management system, and constantly optimize the organizational structure and management system, and comprehensively improve the management level of the enterprise. In this chapter, we will pass the actual investigation and interview, through the listed company's unlisted company's internal control and the risk management personnel carries on the detailed exchange, the issue questionnaire, investigates the company internal staff to the company internal control and the risk management attitude, through the software carries on the analysis, looks up each system the existence question, Some solutions are proposed to optimize the internal control and risk management of listed companies, and to establish internal control and risk management plans that can be achieved in the future.

## **1.2 Research Meaning**

### **1.2.1 Theoretical Significance**

Internal control and risk management are two important concepts that complement each other. When internal control is more perfect, the risk of an enterprise will be greatly reduced. However, there are fewer documents to combine internal control and risk management. Therefore, in the whole, the research of this paper has improved this part of the research content, and analyzed the close connection between internal control and risk management from the other side, and

promoted the internal level of comprehensive risk management, which is conducive to the enterprise management in the future control and risk management provide appropriate decision-making and solutions, providing more theoretical and guidance programmes.

### **1.2.2 Practical Significance**

Internal control and risk management, in the course of enterprise management, is related to the development of enterprises, especially after the standardization of enterprises, the establishment of a sound internal control system, to carry out the enterprise's overall risk management is the fundamental pursuit of enterprises, as well as the state and government as well as the society for enterprises, the ardent hope that when the enterprise can digest the risk in the house, it will greatly reduce the risk of operation and management of the whole enterprise. Therefore, it will improve the management level of the whole enterprise, reduce the enterprise's errors in the financing and financing of the investment, and improve the operational efficiency of the enterprise.

## **1.3 Research methods**

### **1.3.1 Document Collection Method**

According to the literature collection method, the whole research structure and research ideas of this paper have been established by collecting relevant documents of internal control and risk management in recent years. Internal controls and risk management have become the focus of most businesses, according to the latest disclosures. Therefore, through the collection of relevant documents, we can understand the latest internal control and risk management overview, and enhance the practical guiding significance of this article.

### **1.3.2 Questionnaire Survey**

The method of questionnaire survey is one of the research ideas of

mathematical statistics method, and it is a research focus in the whole paper, especially if the large sample is unable to investigate the whole situation, It is great practical significance to fully reflect the content of the entire Institute and reflect the solutions they have put forward in the face of these problems.

### **1.3.3 Actual Interview**

Actual interview method, the actual interview method is established in the process of face-to-face communication with the enterprise management personnel. The principle of cost and benefit should be considered when using the actual interview method, because for most enterprises, their managers do not always have time to find a suitable time to interview, is a more rigorous and difficult process. But if they can get their opinions, then this paper will be able to reflect the strong practical guidance. In the domestic research process, interviewed five listed companies of the wind control personnel and other departments through their detailed and detailed answers, we understand the division of labor between different industries requirements, for internal control and risk management, the financial industry is the most stringent requirements of one of the enterprises.

## **1.4 The present situation of domestic and foreign research**

### **1.4.1 Domestic Research Status**

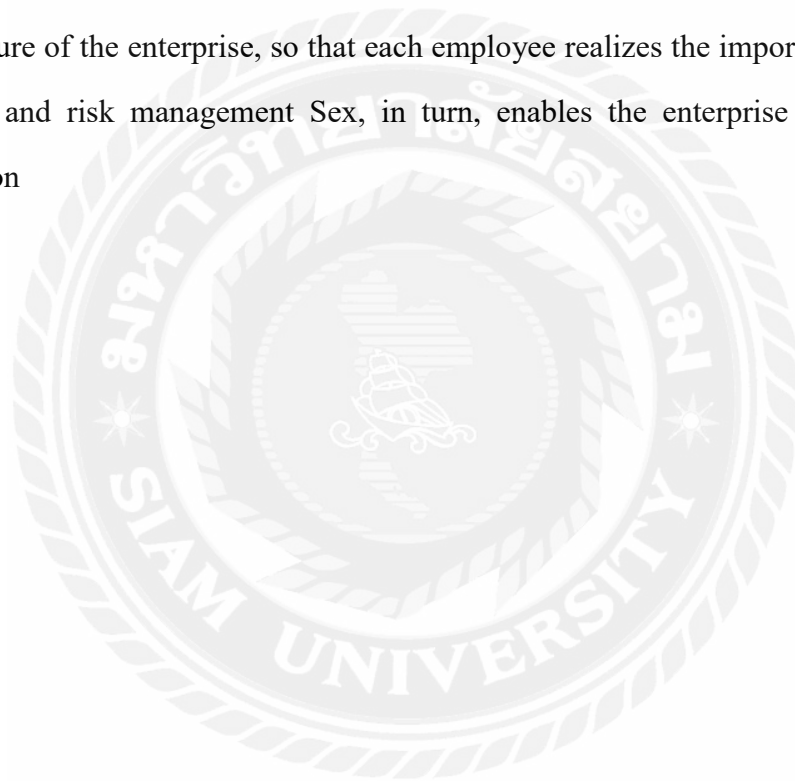
The domestic internal control and risk management research began after the reform and opening up, the foreign advanced enterprise management experience followed suit. At the same time, in the process of the progressive development of our enterprises, the state has issued corresponding regulations and rules and regulations, standardizing the internal control and risk management of enterprises, strengthening their internal control and risk management experience, through the rules and regulations, providing a more sound internal controls and risk management, but this approach also has drawbacks: there is a lack of internal control and risk management

within the enterprise, and many are internal controls and risk management due to external mandatory requirements. Because most of our enterprises are in the first generation of founders development stage, entrust agent theory and information asymmetry theory, therefore, this also causes domestic enterprises to lack internal control and risk management intrinsic motivation. Because of the various ownership of state-owned enterprises under state-owned enterprises, internal control is first put into practice in the management of state-owned enterprises, the money is from state-owned enterprises to mixed ownership enterprises to large listed companies. At present, our country has already popularized one kind of internal control and the wind The idea of risk management. Especially for the certified public accountant, the internal control situation of enterprises has become one of the essential conditions, the situation of internal control must be revised and managed, and also become an important change direction.

#### **1.4.2 Foreign Research Status**

Foreign enterprises have more research on internal control and risk management, focusing more on entrusted agency theory and information asymmetry theory, as foreign enterprises are a more mature capital market, and the SEC has strict requirements for internal control and risk management of listed companies, and in the United States. At the beginning of the establishment of the developed capitalist countries such as Europe and Japan, a large number of professional management consultancies have been established at the same time to build internal control and risk management. As a result, more mature and rigorous internal control and risk management methods have been developed abroad, but foreign large enterprises have been bankrupt in recent years. Especially since the 2008 financial crisis, a series of scandals also let us see that foreign internal control and risk management also exist a lot of problems, still have a lot of room to improve. Therefore, in the process of combing and finishing the research status of foreign countries, some foreign scholars

are rethinking their internal control and risk management problems. Why internal control and risk management have been improved, or will there be such a large number of business failures, corporate fraud generation? They are constantly making progress. At the same time internal control and risk management are also deepening. In the future, the SEC will be more strict with the enterprise to conduct internal control and risk management, not only to strengthen the internal and external supervision system, but also to embed such internal control and risk management into the culture of the enterprise, so that each employee realizes the importance of internal control and risk management. In turn, enables the enterprise to stabilize the operation



## **CHAPTER 2**

### **LITERATURE REVIEW**

Internal control and risk management are closely related, the quality of internal control is related to the condition of the enterprise's risk management, and once the internal control of the enterprise is out of line with risk management, then the organizational structure of the enterprise will be imperfect and the supervision price will be subject to problems. Fixed a corresponding risk assessment system, while excluding its potential problems from the management of business management, building a shared platform for information, enabling the internal control and risk management of the final enterprise to operate steadily.

#### **2.1 Relationship Between Internal Control and Risk Management**

##### **2.1.1 Definition of Internal Control**

Internal control within the general reference document and the theory of some systems refers to an overall internal control objective performed by an enterprise from the board of directors to the management level and the general staff. The aim is three, the first is to ensure the accuracy of the enterprise accounting information quality. The second is to ensure the economy of enterprise operating activities, that is, under the principle of cost-benefit, to guide the management of enterprises in the most healthy and efficient way, finally the operation of some post constraints and specific details within the enterprise. From the production and development of the enterprise to the sale, and to the final details of the processing are internal control links. Internal control can be said to be the whole soul of an enterprise. If an enterprise does not have internal control, then the enterprise will have no way of healthy development. Whether a company is qualified, from an enterprise's internal

control point of view, it contains five important components of each other. These five elements cover multiple project indicators, including control environment, risk assessment, company activity information, communication and monitoring. Through these five indexes, the information flow and development profile of the whole internal control of an enterprise can be described better.

### **2.1.2 Definition of Risk Management**

Risk management more performance is a prevention, prevent some of the possibility of occurrence, to minimize the possible harm to the enterprise. Risk management is carried out by the direct leader of the enterprise's board of directors, which shall be carried out by the management, and the relevant staff shall carry out a comprehensive implementation and management of a business guarantee. The thought of risk management runs through the daily management of enterprises, is an important performance of the firm operation, and is also an indispensable factor in the course of enterprise development.

### **2.1.3 Study on the Relationship between Internal Control and Risk Management**

The relationship between internal control and risk management is mutually reinforcing. Essentially, internal control risk management has a higher degree of consistency. They are mainly reflected in the following aspects: first, the internal control and risk management of the enterprise is the enterprise management plan under the leadership of the board of directors. It is reflected in the organization structure of the whole organization and runs through the whole enterprise in every aspect of the industry, there are specific provisions in the state-related legal policy, and it is hoped that enterprises can construct a reasonable internal control price and risk management system and be directly led by the board of directors. The second is internal control risk management, completely through the enterprise from production to sales to the last service, including all aspects of the enterprise production and



operation, is a comprehensive management link, is also the enterprise's entire organizational structure of the soul. For enterprises, although there is a different target, internal control risk management is consistent, but in specific implementation aspects are a comprehensive framework system. The third is internal control risk management, their goal is to ensure the enterprise value of the strong realization, its fundamental purpose is to let the enterprise reduce external uncertainties in the course of operation, to the enterprise. In order to achieve business results or to translate these results into the real capital of the enterprise, it is necessary to expand and re-produce. Therefore, from internal control and risk management. In order to maintain the true value of the enterprise, the enterprise's operating results are equally important.

## **2.2 The Status Quo of Internal Control and Risk Management in Chinese Enterprises**

For a long time, Chinese companies have been impressed by some crude or low-cost producers, and have not established a full range of brand operations and world clout. However, with the deepening of reform and opening up and the development of marketization process, China has created a number of enterprises with worldwide influence, such as Huawei, OPPO and ZTE, which have developed vigorously in overseas markets, and have won the Chinese enterprises a place. But we also want to see that most of China's enterprises are completely unstructured, do not have the corresponding scale effect, nor realize the overall scientific management and scientific management and foreign enterprises still have larger space. After the listing, Chinese enterprises often carry out internal control and risk management in accordance with the provisions of the PRC securities exchange through a series of listing guidance and practice, and further details their detailed rules to reduce internal and external pressure arising from internal control risk management.

In the most recent white paper on internal control and risk management

reporting for 2016, more than 30% of the enterprise internal control and risk management division was in a failing grade. They are mainly in the internal control of enterprises, risk management is not truly implemented, reflected in a form of internal control risk management. The structure of the organizational structure is different, but the enterprise fails to implement the actual internal control and risk management rules and regulations, and has not established a risk management control system based on the project. The board of directors does not attach importance to the employees' enthusiasm, which is a series of problems which Chinese enterprises have exposed to internal control and risk management during the long-term development process. At the same time, the combination of internal salary distribution and management is also an important reason. Some operators believe that internal control is merely a focus of the enterprise's organizational structure, but it is not aware that internal control and risk management are mutually reinforcing and that internal control can only be done as an organizational structure, and it is unable to perform its risk control functions. If risk management is only independent of risk management, there is no way for internal control to form a certain economic benefit.

### **2.2.1 Managements Lack of Internal Control Consciousness**

After the reform and opening up, China has formed the first class of rich entrepreneurs. They have not received the training of the formal management of the company, during the later course of the operation, the operation and development of the enterprise is more obvious by virtue of personal charm, and there is no sound external force that can restrain the operation of the enterprise. Management did not take much notice of internal controls and risk management, arguing that over the years it had not been so much internal control and risk management that it was not possible to recognize the importance of an enterprise's risk management system for internal companies. This leads to the fact that the hierarchy of the board of directors and the owners of the business don't care about internal control and risk management.

Not only management does not attach importance to internal control and risk management, it is also an important issue to implement and implement the relevant system of internal control and risk management. Under the guidance of mistaken ideas, the overall internal control and risk management of the enterprise have a bigger problem. Although the system is set up more detailed, but no one carries out, there is no special responsibility for the management of the problem, there is no one to pursue the question of who caused this problem, this is the current China's internal control and risk management responsibility system is not clear.

### **2.2.2 The Risk Management of Enterprises is out of Step with Internal Control**

The government and the regulator issued corresponding guidelines for internal control and risk management, and the enterprises went into effect, but the final result was not satisfactory, mainly due to the enterprise's internal control and risk management, more is to create a policy level to do, but not in accordance with the actual situation of the enterprise. As a result, there is a disconnect between internal control and risk management, and the result is an important issue in the implementation of the system's system. On the other hand, neither the supervisors nor the internal and external auditors nor the introduction of third-party oversight bodies lead to a series of problems. Only continuously and improve the governance structure of the company, strengthen internal and external supervision, can make the enterprise's internal control and risk management perfect, achieve a final standardization level.

### **2.2.3 No Risk Assessment System**

Internal control and risk management require certain evaluation criteria to provide feedback on specific implementation. At present, our country despite the establishment of the appropriate internal control guidelines and risk management pricing system, but did not constitute a relatively perfect risk management and

internal control evaluation standards, but did not have corresponding feedback and improvement methods on this criterion, more depends on their own experience and method, continuous improvement. This depends solely on personal management experience and results, which seriously affect the daily operation and operation of the enterprise. Therefore, we believe that it is very important to constitute a complete risk assessment system and internal control standard, and it is also the focus of our enterprises in the future development of internal control risk management.

For enterprises, internal control of information communication and transmission is quite important because internal control and risk management is integrated, the operation process without corresponding information transfer platform, between the two can not carry on a better circulation, will lead to the final information clogging, thus to mitigate the role of internal control and risk management of enterprises. Therefore, we believe it is necessary to build an integrated platform for internal control and information management in the future to allow the Internal Control and Risk Management Service to communicate in one level of information.

## CHAPTER 3

### RESEARCH METHOD

The internal control and risk Management department, through the study of the corresponding literature, and according to the internal control and risk management implementation rules, design the corresponding questionnaire, the enterprise executives of the management staff conducted a field investigation and interviews, and finally get a questionnaire 248 points. The actual distribution Questionnaire 280, the overall effective rate of the questionnaire reached 88.2%, in line with the large number theorem general statistical questionnaire requirements for higher sample representation.

**Table 3-1 Basic Information Statistics**

Item	Option	Qty.	Proportion
Gender	Male	166	66.94%
	F	82	33.06%
Age	18-25 years old	55	22.18%
	26-35 years old	78	31.45%
	36-45 years old	63	25.40%
	46-65 years old	52	20.97%
PERIOD	Less than 1 year	58	23.39%
	1-10 years,	88	35.48%
	11-20 years,	59	23.79%
	21-30 years,	27	10.89%
	Over 31 years,	16	6.45%
Your position in the company	Executive	16	6.45%
	Middle Management	116	46.77%
	grass-roots management personnel	72	29.03%
	Common Staff	44	17.74%
Your department	production and development	37	14.92%
	Sales promotion	42	16.94%
	Service Support	49	19.76%
	Finance Department	76	30.65%
Your Personal Education	junior high school and high school	75	30.24%
	undergraduate and specialty	131	52.82%
	Postgraduate and Doctor	31	12.50%
	Doctorate & above	11	4.44%

Types of Your Company	Agriculture	21	8.47%
	Industry	44	17.74%
	Services	137	55.24%
	Others	46	18.55%
the ownership system of your company	Private Corporation	102	41.13%
	collectively-owned enterprises	22	8.87%
	mixed ownership enterprises	79	31.85%
	State-owned	45	18.15%

### Gender

In the area of gender research, because most of our respondents are listed companies, large enterprises of the wind control managers and enterprises of the internal grass-roots personnel, so men in the total number of people accounted for a large, 166, the popularity ratio reached 66.94%, and the number of women accounted for less than 82, The popularity ratio accounted for 33.06%. The difference between men and women in the respondents depended on the distribution of the whole career. In general, men are more sceptical in their work, so the number of males is significantly greater than that of women.

### Age

In terms of age, as the main object of our investigation is internal control and risk management of the company, in comparison, grass-roots employees are not particularly familiar with this, so our survey focuses on older people, ranging from 26 to 35 year old middle aged people. This part of the company is the grass-roots management personnel, while 36 to 45, this part of the company as the backbone of the company and senior management personnel more familiar with the company's business situation, 46 to 65 years old, because of long working in the company, the entire transformation and development of the company more have Look at it in detail. Overall, the age distribution in our samples is mostly between the ages of 26 and 65.

### Working years

In terms of working life, fewer than 58 people, were employed less than a year. Most of our interviewees are concentrated in the work of the enterprise for one to twenty years, this part of the group is more familiar with the actual situation of the enterprise, has a more precise voice in the real situation of the enterprise, so this part of the group is our follow-up investigation key. The sample also embodies this feature.

### Position In Company

In the company's position, senior managers were able to get in touch with

fewer jobs, so only 50 were handed out to top management at the time of the questionnaire, but the last 16 were a relief. And middle managers and grass-roots managers, we have a lot of time to communicate and communicate face to face with them, and they are happy to answer some questions about the company, with the exception of confidential issues.

#### Department

In terms of department distribution, as we study internal control and risk management, the departments of finance and services support the two departments that we cover most, and the finance department includes some specific implementation rules and implementation of internal control risk management personnel, and the service support department also includes some of the internal controls and risk management personnel. In addition, we have a detailed list of the company's production and development, but also with sales promotion and other departments to discuss their internal control of some ideas and ideas.

#### Personal Education

The respondents' personal qualifications directly relate to the quality of our questionnaire. In terms of education, most of our respondents are undergraduate and professional, the proportion is 52.82%, accounting for 130 people, followed by secondary and high school, the ratio is 30.24/300, accounting for 75 people. Therefore, in general, our respondents have higher scientific and cultural knowledge and technical level.

#### Business Type

In the company ownership system, because our country adopts the state-owned economy under the dominant mixed ownership economic system, so we interviewed some state-owned enterprises mixed ownership enterprise employees, but the private enterprise is the focus of our investigation, because after the reform and opening-up, The development of private enterprises has been the main force in the national economy, their internal control and risk management status represents China's most common enterprise development situation, the overall sample accounted for 41.13% of the number of 102 people, while mixed ownership enterprises ranked second, 79 people in the container speed was diverted 31.85%.

### **3.1 Factor Analysis**

Factor analysis is one of the key points in the analysis of the whole article, and we analyze the many factors that affect internal control and risk management by factor analysis, greatly reducing our shortcomings in the analysis and data investigation of the questionnaire, and can focus more on the needle. The main

problems are discussed, and the analysis quality and analysis goal of the whole questionnaire will be improved.

Prior to factor analysis, a KMO and Bartlett spherical test were first performed on all the scales of the whole questionnaire. If the overall scale score of the questionnaire is greater than 0.7. If the overall score of the questionnaire is less than 0.7. Note that the file is not suitable for factor analysis.

**Table 3-2 KMO and Bartlett Survey**

Kaiser-Meyer-Olkin measurements are applicable.	.736
Da Yueca Fang	798.783
Bartlett's spherical test	df
	253
	Xian Zhuxing
	.000

The KMO test value of the survey data is 0.736, which is greater than 0.70, which indicates that the questionnaire is suitable for factor analysis. The results of Bartlett Ball degree test show that the approximate card square value is 798.783, the numerical value is larger, and the significant probability is 0. \$number (P-05), so rejecting the 0 hypothesis of Bartlett Sphere test, it is considered that the validity of the work value scale is well structured and suitable for factor analysis.

### 3.2 Analysis of Factor Analysis Based on Internal Control Scale

**Table 3-3 Factor score matrix**

	TOTAL	Contribution Rate	Accumulated contribution rate	the president's plan	Contribution Rate	Add	the president's plan	the percent of the change	Add
1	11.52	52.364	52.364	11.52	52.364	52.364	5.447	24.76	24.76
2	2.455	11.159	63.522	2.455	11.159	63.522	4.281	19.457	44.217
3	1.402	6.374	69.896	1.402	6.374	69.896	4.122	18.738	62.955
4	1.239	5.633	75.529	1.239	5.633	75.529	2.766	12.574	75.529
5	1.323	5.117	76.125	1.177	5.117	16.125	1.117	76.125	76.125

The table above is the rotated factor matrix, which can be categorized into 4



class factors and named Factor one, induction named "Internal Environment", factor two, induction named "Risk Assessment", factor three, induction named "Control Activity", factor four, induction named "Information and communication", factor five, internal supervision.

**Table 3-4 post-rotation component matrix**

Propertie s	Factor 1	Factor 2	Factor 3	Factor 4	Factor 5
1	0.71	0.276	0.191	0.2	0.148
2	0.833	0.123	0.169	0.376	0.835
3.	0.31	0.411	0.48	0.381	0.382
4	0.087	0.162	-0.044	0.75	0.163
5	0.737	0.041	0.129	0.418	0.116
6	0.438	-0.401	0.421	0.414	0.853
7	0.22	0.156	0.462	0.576	0.197
8	0.4	0.206	0.354	0.59	0.068
9	0.521	0.336	0.361	0.373	0.472
10	0.323	0.223	0.527	0.579	0.365
11	0.761	0.159	0.473	0.037	0.551
12	0.796	0.118	0.364	0.157	0.241
13	0.774	0.235	0.366	0.004	0.268
14	0.318	0.329	0.783	-0.051	0.725
15	0.287	0.137	0.803	0.234	0.251
16	0.431	0.286	0.716	0.152	0.443
17	0.195	0.467	0.607	0.234	0.25
18	0.568	0.692	0.122	-0.056	0.205
19	0.496	0.665	0.147	0.29	0.889
20	0.062	0.857	0.186	0.311	0.754

Methods: The main component analysis. a Remove 5 elements,

Through factor analysis, we get five factors, and the scores and proportion of all components are shown in the analysis of factor analysis. Here are our next analysis.

### 3.3 Based on Risk Management Scale Analysis

**Table 3-5 Elements of risk control**

Element	initial characteristic value			Retrieve the sum of squares and access		
	the	the percent of	Add%	the	the percent of	Add%

	president's plan	the change		president's plan	the change	
1	18.094	45.235	45.235	18.094	45.235	45.235
2	1.665	4.162	49.397	1.665	4.162	49.397
3	1.415	3.537	52.934	1.415	3.537	52.934
4	1.224	3.06	55.994	1.224	3.06	55.994
5	1.198	2.996	60.99	1.198	2.996	60.99

The table above is the rotated factor matrix, which can be categorized into 4 class factors and named Factor one, the inductive name is "risk management structure", factor two, the induction named "Risk Management Execution", factor three, induction named "Risk Management goal", factor four, inductive name "Risk management control", Factor Five, " Risk Management Corrections ".

**Table 3-6 spin-transfer element torque**

Options	Element				
	1	2	3	4	5
1. The perfect risk management system is constructed	0.69	-0.36	0.13	0.01	0.13
2. Risk management is deeply rooted in people's hearts	0.63	-0.01	0.03	0.50	-0.02
3. The whole staff is involved in the risk management system	0.67	0.10	0.29	-0.17	-0.04
4. Be familiar with the risks within the scope of business	0.62	0.30	0.15	0.14	-0.23
5. The Company has a sound risk management mechanism	0.55	0.47	0.06	0.03	0.33
6. Based on audit, law and budget management, the Company establishes a comprehensive risk management system	0.67	0.16	0.22	0.02	-0.05
7. The company has a clear risk appetite	0.65	0.13	0.07	0.12	0.24
8. A sound risk management objective has been developed	0.67	0.10	-0.10	0.12	-0.04
9. The Company establishes risk management based on the internal control framework	0.57	-0.33	0.46	0.03	0.00
10. The company has framed the risk management system of internal and external linkage	0.66	0.07	0.10	0.33	-0.05
11. The company constructs an emergency risk management emergency mechanism	0.67	0.03	0.29	-0.01	0.03
12. The company's risk management system is positively related to the strategic objectives of the Company	0.67	0.22	0.13	0.03	-0.17
13. The Company establishes the risk management standard from the chairman to the grass-roots staff	0.57	0.21	0.35	0.18	-0.01
14. The company actively uses futures, insurance and other methods to carry out analysis and management	0.63	0.16	0.10	0.02	0.14

15. The Company has been working with other institutions to construct an emergency capital mechanism	0.67	-0.06	0.17	0.07	-0.37
16. The company has built a sound risk supervision mechanism and monitoring mechanism	0.73	0.09	0.20	0.08	0.09
17. The Company will regularly issue reports on risk management and evaluate the risk management of the Company	0.72	-0.37	0.06	-0.13	0.17
18. The Company will put risk management into performance evaluation	0.66	-0.10	-0.08	0.02	-0.44
19. The company's risk management is better adapted to the company's actual operating condition	0.70	0.05	0.07	-0.02	0.24
20. The company's risk management is highly effective	0.67	0.20	0.03	-0.12	-0.17

Methods: The main component analysis.

a Remove 5 elements,

Through factor analysis, we have five risk management factors, and the score and proportion of all components are shown in the analysis of factor analysis. Here are our next analysis.

### 3.4 Related Analysis

**Table 3-7 Relationship of the Relationship Moment**

a professional case		Risk management framework	Risk management execution	Risk management target	Risk management control	Risk management amendment
internal environment	Display sex (double tail)	1	.853**	.823**	.805**	.760**
	N	248	248	248	248	248
Risk Assessments	Display sex (double tail)	.853**	1	.850**	.841**	.775**
	N	248	248	248	248	248
Controlling Activities	Display sex (double tail)	.823**	.850**	1	.906**	.892**
	N	248	248	248	248	248
information	Display sex (double tail)	.805**	.841**	.906**	1	.909**

n and supervisory	Display sex (double tail)	.000	.000	.000	.000	.000
n	N	248	248	248	248	248
		.760**	.775**	.892**	.909**	1
internal oversight	Display sex (double tail)	.000	.000	.000	.000	
	N	248	248	248	248	248

\*\* . Phase correlation is 0.01 meter, reads (double ends).

Through the relevant analysis, we analyze each factor of internal control and risk management, and see the correlation between them. In the process of follow-up analysis, we will further widen our analytical thinking and analyze the control by regression analysis The relationship between satisfaction and internal control and risk management.

### 3.5 Regression Analysis

The regression analysis is based on regression analysis, which can better understand the factors of internal control and the effect of risk management on the satisfaction of internal control and risk management, but also to explore the various regression relationship between them This regression relationship is used to evaluate and predict the company's internal control and risk management.

#### 3.5.1 regression analysis between satisfaction and internal control

Based on internal control and risk management satisfaction, internal environment, risk assessment, control activities, information and supervision, internal supervision are regression analysis for independent variables.

**Table 3-8 Model Summary**

model	R	R-square	adjust the rear R square	standard deviation error
1	.892 <sup>a</sup>	.837	.812	.753

a Forecast: (constant), internal environment, risk assessment, control activities, information and supervision, internal oversight

The results show that: the correlation coefficient of the model is 0.892, the decision coefficient is 0.837, the adjusted coefficient is 0.812, and the interpretation degree of the selected independent variable is 30.6%, greater than 30%, so the argument of the model selection is higher.

**Table 3-9 variance analysis**

model	Sum Of Squares	DF	mean square	F	significance
Regression	4.251	5	.850	1.500	0.001 <sup>b</sup>
Residuals	110.506	195	.567		
TOTAL	114.756	148			

A. Are you satisfied with the Company's internal control and risk management?

B. Forecast: (constant) internal environment, risk assessment, control activities, information and supervision, internal oversight

The results of model fitting goodness test show that the F value is 1.50, and its significant probability value is less than 0.01, which has significant statistical significance when the regression equation contains different independent variables. It is concluded that the final regression equation is well fitted.

**Table 3-10 Factor**

model	B	non-normalized coefficient standard error	coefficient of standardization Beta	t	significance
(constant)	2.368	.053		44.600	.000
internal environment	.015	.110	-.020	-.140	.889
Risk Assessments	.008	.122	-.011	-.068	.946
Controlling Activities	.182	.151	.504	2.525	.012
information supervision	.099	.157	-.263	-1.264	.208
internal oversight	.061	.140	-.212	-1.148	.252

The results of the regression analysis show that: internal environment, risk assessment, control activities, information and supervision, internal supervision of the regression coefficients are respectively. 015, 0.008, 0.182, 0.099, 0.061, t values are-.140, 068, 2.525, 1.264,- 1.148, the corresponding p value is less than 0.05, with significant statistical significance, indicating that internal environment, risk assessment, control activities, information and supervision, internal supervision will have a significant positive impact on the company's internal control and risk

management activities satisfaction. That is, internal environment, risk assessment, control activities, information and supervision, internal supervision higher, the company's internal control and risk management satisfaction is correspondingly

Higher.

Therefore, regression analysis equation can be established:

Company's internal control and risk management satisfaction = 0.15 Internal environment + 0.008 Information and Supervision + 0.182 Internal Oversight Services + 0.099 Information and Supervision + 0.061 The higher the internal oversight

### 3.5.2 regression analysis between satisfaction and risk management

The risk management structure, risk management implementation, risk management objective, risk management control and risk management modification are regression analysis for independent variables.

**Table 3-11 Model Summary**

model	R	R-square	adjust the rear R square	standard deviation error
1	.0.776 <sup>a</sup>	.737	.712	.753

a Forecast: (constant) risk management framework, risk management implementation, risk management objective, risk management control, risk management amendment

The results show that the correlation coefficient of the model is 0. 776, the coefficient of determination is 0. 737, the adjusted determination coefficient is 0. 712, the explanation of the selected variables reached 30. 6%, more than 30%, so that the self-variable interpretation of the model is higher.

**Table 3-12 variance analysis**

model		Sum Of Squares	DF	mean square	F	significance
1	Regressi on	7.251	5	.931	5.500	0.000 <sup>b</sup>
	Residual s	127.122	167	.665		
	TOTAL	137.116	248			

Are you satisfied with the Company's internal control and risk management?

Forecast: (constant) risk management framework, risk management implementation, risk management objective, risk management control, risk management amendment

The results show that when the regression equation contains different variables, the F value is 5. The significance probability of its significance is less than 0.01. It has significant statistical significance. Therefore, the final regression equation fitting effect is very good.

**Table 3-13 Factor**

model	B	non-normalized coefficient standard error	coefficient of standardization	T	significance
(constant)	2.368	.053		56.600	.000
Risk management framework	.075	.110	.020	.151	.0001
risk management execution	.0113	.122	.012	.123	.006
Risk management target	.285	.151	.734	2.526	.002
risk management control	.0112	.157	.468	-1.475	.008
risk management amendment	.031	.140	.512	-2.348	.052

The regression analysis results show that: risk management structure, risk management implementation, risk management objectives, risk management control, risk management correction regression coefficients are respectively. 015, 0.008, 0.182, 0.099, 0.061, t values are-. 140, 068,- 1.264,-1.148, the corresponding p value is less than 0.05, which has significant statistical significance, which indicates that risk management structure, risk management execution, risk management target, risk management control, risk management target supervision, internal supervision will have significant positive effect on the internal control and the satisfaction of risk management activity. That is, risk management structure, risk management execution, risk management objectives, risk management control, risk management target

supervision, internal supervision higher, the company's internal control and risk management satisfaction is correspondingly higher.

Therefore, regression analysis equation can be established:

Company's internal control and risk management satisfaction = 0.15 Internal environment + 0.008 Information and Supervision + 0.182 Internal Oversight Services + 0.099 Information and Supervision + 0.061 The higher the internal oversi





## CHAPTER 4

### RESEARCH FINDINGS-SAMPLE ANALYSIS of LISTED COMPANIES

After analyzing the samples in general, we have chosen a large number of listed companies as blue books, according to the relevant requirements of internal control and risk management, a number of evaluation indexes and evaluation systems have been designed, and corresponding data indicators are selected to design the data obtained from the whole evaluation system The result is as follows.

**Table 4-1 Index System Construction**

Type of variable	Variable	description of meaning
interpretive variable	Y	operational accrued profit
explanatory variable	ICI	internal control index
	IE	risk management index
	SIZE	Scale
	WD	No loss for 15-16 years, is 0 Loss 1 in, 15 years Loss for 16 years, 2 All losses of 15-16 are lost 3

In the sample investigation process, there are 158 A,-share listed companies listed in the Shanghai Composite Index. Through consulting the information disclosed by listed companies in recent years, the following indicators are used to examine the relationship between internal control and risk management, so as to enable the operating accrued profit to be interpreted as variable. The operability and profit of listed companies are a system of index system, operability and profit outside internal control and risk management, which means that the greater the likelihood of loss of the listed company in the future course of development, the greater the possibility of

operating profit as an explanation variable, It has great guiding significance. Second, the size of the internal control index and the risk management index and the extent of the listed company's losses are interpreted as variables. Under the construction of these indexes system, the corresponding data is selected by using Guotai Junan database, and the model of the whole evaluation system is constructed. In addition to the questionnaire, the actual operation condition of listed company is investigated through a new method.

#### 4.1 Objectives Setting and Operating Should Remember Profit Analysis

The objective set here refers to the target setting for the internal control and risk management of a listed company, whether the listed company has a clear internal control and risk management objective, directly related to the company's internal control quality and the actual situation of risk management, so in large sample size Among them, the objective of the internal control and risk management of listed companies is to set up and cause the loss of listed companies, namely, the analysis between the listed company's ability to operate accrual profit.

**Table 4-2 Analysis, of Goal Setting and Operational Taxes**

VARIABLE	Noiaaion	normalized coefficient/ value	Sig (significance)
AM	·	0.563***	0.000
Size	+	0.282***	0.001
WD	+	0.417	0.027
R Square		0.179	
F value		44.791	

We set the goal of an enterprise in the internal control as AM, and by quantifying the data of the investigation, we demonstrate the relationship between the target setting and the operating accruals, and, through the analysis of spss, it is proved that the operation should be reversed between profit and target creation Relationship, for the enterprise's accounting information quality, an enterprise in the daily

management, if the accounting objective is relatively clear, then in the specific accounting policies and internal control implementation, there will be strict thinking and logic, so for the enterprise, it has a higher internal Control allows businesses to manage well, so there is a reverse correlation between the target setting and the operating accruals.

#### **4.1.1 Study Assumptions**

There are more important relationship between internal control and accounting information quality, but because the role of the two is more complicated and the factors influencing each part are more complicated, the theoretical circle has not found a reasonable method to define the relationship between the two The method of analyzing the model will influence the reasonable quantification of the parts of each factor, and the data analysis can be obtained from the relevant factors, and an accurate relationship can be obtained in the quantitative structure. By constructing the corresponding mathematical model, it can analyze the relationship between the two The improvement of control and the improvement of accounting quality provide some more perfect suggestions. This article focuses on the internal control mainly from the quality of accounting information, and the most important factor in the quality of accounting information is the authenticity, the real relationship between accounting information and whether the enterprise can achieve healthy development in the future course of operation. Therefore, we pay more attention to the authenticity of accounting information, the authenticity of accounting information is mainly measured by the internal operation of the enterprise. Accordingly, we present the following two hypotheses:

Hypothesis 1: In the case of other conditions, the better the internal control quality, the smaller the enterprise's ability to manipulate, the smaller the profit, the smaller the internal control function, the smaller the profit in the enterprise's internal control.

The higher the internal control quality, the enterprise's organizational

structure is more rigorous, each department checks and balances each other, can guarantee the rationality of accounting information in a large extent, the internal employee can reasonably abide by the law and keep the rules, thus ensuring the consistency of accounting information in the maximum extent Reason.

Hypothesis 2: The better the environment in which internal control is under other conditions, the lower the enterprise's internal control.

The implementation of internal control requires the coordination of several departments and personnel, especially within the enterprise, and there should be a correct and reasonable understanding of the implementation and implementation of internal control, and the internal control activities can be achieved to a greater extent while fully recognizing the internal control of the enterprise. The internal and external control quality of the enterprise can also be improved significantly.

In influencing the quality and internal control of accounting information, management is an important influencing factor for business management. Management is an organization driven by results and a process-driven organization, which relates to the quality management of internal control and accounting, if managed the layer is a result not driven organization, so the whole company in order to maximize the results of the work in the atmosphere, it can not be able to avoid the company's company operating performance fraud phenomenon, this greatly increased the enterprise's internal control and accounting information quality management requirements. The final result may be a strong internal control and quality management of accounting information, but in the result-oriented company, the effect is not particularly good, while the management management of an enterprise is in a process-driven business management strategy, then in the enterprise Internal departments will pay more attention to the whole department in the implementation of an end process, this process is true to realize the cost minimization, profit maximization; whether to pay more attention to the reasonable, compliance and legal requirements of each operation phase, so in such internal control environment,

enterprises The internal control quality of the industry is higher, and the quality of accounting information is also better.

Second, whether the role of the audit department within an enterprise is truly played, it is also an important criterion for internal control and promotion of information quality.

#### 4.1.2 Sample Selection and Data Source

The main objective of the data selection in this paper is the internal control index score of each big listed company. It is necessary to make statistics and research on the relevant contents of internal control according to the annual financial report disclosed by listed companies in China, so the preparation of the index is for the listed company's annual report the information disclosure level and quality have higher requirements, so the paper decides to select the internal control scoring index of listed companies to be disclosed in 2016 as the research object on the basis of full consideration of various factors.

**Table 4-3 Statistics**

Item	Target Setting	internal environment	Risk identification	risk assessment ent risk response	Controlling Activities	Information exchange,	MONITORING
N	Valid	128	128	128	128	128	128
	miss	0	0	0	0	0	0
	Mean	.65	.39	.55	.45	.47	.52
	Standard deviation	.479	.490	.499	.499	.501	.501
	variance	.230	.240	.249	.249	.251	.251
	Minimum Value	0.23	0	0	0	0	0
	Max. value	1	1	1	1	1	1

Goal setting: In the enterprise's internal control and risk management, the goal setting is always a core problem, it is important for an enterprise to set a clear internal target only after it has set the relevant internal control objectives to be able to

manage the internal control according to the internal control objectives and the enterprise strategic objectives. After detailed investigation and evaluation of 128 listed companies in a-share market, we found that only 65% of the enterprises set the target of the corresponding internal control and risk management in the target setting. This fully illustrates that a large number of listed companies in a-share market, not to carry out the corresponding internal control objectives, leading to the internal control management and accounting information, quality management is not clear, making the company's internal control and accounting information quality is in a call after a more backward management mode.

Internal environment: the internal control of the environment, covering a number of aspects of enterprise management, mainly enterprises in the interior has not formed a relatively perfect internal control environment, so that enterprises can in this atmosphere to carry out effective internal control and accounting information quality management, in the actual investigation process we found that Of all listed companies in a-share, about the internal environment of the construction of only 39% of enterprises. Fully explain the internal environment, in the enterprise construction plays a small role, enterprises in the internal control and accounting information quality of the promotion of the main focus on the method of inspection, not actively provide an effective internal control environment for enterprises, so in most of the listed companies, Only when the enterprise establishes a perfect internal control environment, Enterprise's internal control work can be reasonable expenditure, without a more sound and reasonable internal control environment, the enterprise's internal control activities will be more obstacles, and there is no way to ensure that the internal control of a more reasonable environment.

Risk confirmation: The confirmation of the internal control risk is the confirmation of all the quantified targets covered by the listed companies, how does the enterprise confirm the risk? How to observe risk? How to measure and manage risk? Has become a listed company for risk management of a core requirement and

core issues. Therefore, the risk recognition in the listed companies should be a universal important subject, but in the actual investigation and evaluation, we found that in a-share, all listed companies only 55% of the enterprises, the risk has been effectively identified and take appropriate measures to suppress and control the occurrence of risk, There are still more enterprises do not carry out any risk control and management, so that the risk of continuous occurrence and occurrence, finally leading to the enterprise in the management process of major problems, to decline.

Risk Assessment and risk response: Risk assessment and risk response are the actions taken by the enterprise after the risk identification. We found in the above investigation process in a A-Share 128 sample survey, only 55% of the enterprises carried out, the risk of listed companies confirmed, but in the risk assessment and risk response for listed companies only 45% of the enterprises took measures and actions, so there are still 10% Enterprises in the risk after the confirmation did not take any measures to allow further amplification of risk, making the enterprise in a relatively dangerous business environment. Therefore, for the enterprise to carry on the internal environment assessment management risk, confirms the most important step is carries on the risk appraisal and the risk response. If the quality department is not done, then the work in front of the equivalent of waste.

Control activities: control activities are in the process of establishment, in the internal environment and internal risk control process of the internal control activities, control activities mainly emphasize the different positions of mutual control, the different rights of each other constraints, the enterprise control activities are essential elements of all activities, So for internal control to set up a reasonable internal control system, the realization of the internal control structure of the rational control has developed into an important core. We have selected a stock listed companies in 128 of the enterprises have adopted control activities, so in the process of enterprise construction, should actively strengthen and build control activities.

Information communication: In the internal control and internal information

quality management, information communication is the first essential, the transmission of internal control information directly related to the enterprise internal control and accounting information quality, so as to build a sound internal control information transmission system, has become the internal control and accounting information quality control of an important way, the enterprise in the process of information transmission is safe, smooth, is the enterprise information system construction of a core issue. In the survey of a-share market, 128 companies as listed companies in the sample capacity of only 40% of the company set up information communication platform, fully explain the information communication within the enterprise is not taken seriously. Therefore, enterprises should pay more attention to the communication of information, realize the internal control of enterprises and the good management of the quality of accounting information.

Monitoring: For enterprises, monitoring in the internal control and accounting information quality management is particularly important, whether to establish a perfect control system to the control of the various processes in-depth implementation of the enterprise, the relationship between internal control and accounting information quality standards, Monitoring here is more of a covert monitoring and real-time monitoring, it's not like internal control. It is mainly through the establishment of some posts and the collection of information on the internal control of enterprises and the quality of accounting information to monitor, is a sampling method, so for most enterprises to establish a perfect monitoring system, Can play an important role in the internal control and the quality of accounting information of enterprises.

## **4.2 General Descriptive Statistical Analysis**



**Table 4-4 descriptive statistical analysis of indicators**

Indicator	Project quantity	Max. value	Minimum Value	AVERAGE	Variance
Y (10,000 yuan,)	128	498772.78	112	249442.39	352606.419
ICI	128	87.67	45.78	66.725	29.62070306
IE	128	0.78	0.11	0.445	0.473761543
Scale	128	29.89	13.78	21.835	11.39149024
WD	128	0	3	1.5	2.121320344

From the above chart, we can see that the operations should be accounted for as large as the overall space of profit, and that, regardless of the maximum and minimum value, it is explained that for a listed company in our sample, the space for which it can be operated shall be relatively large, except for non-ST companies After that, the overall performance of the company in the market is relatively good, so in the overall operational space to see is relatively large, from the internal control of the information evaluation index, the highest corporate information evaluation index is 87.67, the worst information-rating index in listed companies was 45.78. In general, the listed company has adopted the corresponding internal control measures and information evaluation measures, so the overall score is at a higher level, while in the analysis of the internal environment, the internal environment construction and construction have shown a more remarkable two Extreme, some of these enterprises pay attention to the internal environment to create a problem, the score as a whole reaches 0.78 points,, while some enterprises tend to watch out-of-the-table oversight of internal controls, the overall focus on internal controls is insufficient, resulting in two extremes on the score.

### **4.3 Regression Analysis**

#### **4.3.1 Internal Control and Operable Profit Regression Analysis**

Based on the regression model construction and regression equation, we adopt spss22. The software builds a perfect regression analysis model to analyze the

relationship between profit and internal control.

**Table 4-5 Regression analysis of internal controls and operating accruals**

VARIABLE	Noiaiiion	normalized coefficient/ value	Sig (significance)
ICI	-	-0.223	0.000
Size	-	-0.562	0.013
WD	+	0.341	0.084
R Square		0.798	
F value		44.789	

As can be seen from the above regression analysis charts, internal controls and operations should bear a negative correlation with profit, and a significant 0. In the case of 0.00, there was a significant negative correlation between the two, and the effect of internal control was further explained by regression analysis. The smaller the effect of internal control, the smaller the scale of operational emergency profit, and vice versa.

### 4.3.2 Risk Management and Operational Risk Analysis

**Table 4-6 Analysis, of risk management and operational accruals**

VARIABLE	Noiaiiion	normalized coefficient/ value	Sig (significance)
IE	-	-0.723	0.005
Size	-	-0.441	0.003
WD	+	0.563	0.084
R Square		0.381	
F value		37.983	

As can be seen from the chart above, there is a negative correlation between risk management and operation. In the case of a significant negative correlation between the two, the effect of risk management is further explained by regression analysis. The more effective the risk management is, the smaller the operational emergency profit will be.

## **CHAPTER 5**

### **CONCLUSIONS**

In the course of the analysis, we adopted three methods, the first interview method, and some of the company's internal personnel, including wind control, sales, production and other large number of company departments to undertake a large number of interviews, selected a number of interview clips and put him into the paper, so that the thesis has real Interregional reference, through the actual interview, we have learned that listed companies in the internal control and risk management has many problems, some listed companies do not want to do some listed companies, willing to do what is not good, so we design these existing problems into questionnaires. For some of the listed companies and some non-listed companies, the actual data collection and interview, and get a lot of real data. Through data analysis, we get the correlation between internal control and risk management. It is not enough to use such a method for the relationship between the overall satisfaction of the enterprise. After that, we also took practical analysis of internal control and risk management, collected data from a large number of listed companies, and selected key indicators to carry out empirical research on internal control and risk management, and some of the most recent data, including 1 Data, on the actual disclosure of listed companies in 16 years.

#### **5.1 Suggestion**

##### **5.1.1 Improve the enterprise's internal control and risk management measures**

The most important factor in internal control and risk management is human factors. Therefore, for a business, with a large number of professionals as a guide, the enterprise's internal control and risk management can do better. In particular, under the constant establishment and perfection of modern enterprise system, enterprises face more choices and opportunities, how to balance these choices and the

relationship between opportunities and risk management, how to reduce the risk through internal control, and become the hot spot for today's enterprises. If the enterprise has a large number of qualified personnel to provide corresponding guidance for the enterprise, it is tantamount to providing a strong protective umbrella in the fierce market competition, so that the enterprise can focus on the operation and development of the enterprise without undue attention to the enterprise Department control and risk management situation. Therefore, the enterprise first should do is to introduce a large number of internal control and risk management personnel, second in the internal training of a large number of risk management and internal control personnel, only so, can create more and better economic benefits for the enterprise, provide more for the future development of the enterprise Intrinsic motivation.

#### **5.1.2 Strengthen the position of risk management in enterprise internal control**

The failure of internal control and risk management arises from the failure of an enterprise to carry out internal controls and risk management in accordance with the appropriate top-level design, particularly in some small businesses, where risk management is near zero, and in such a state, How to build a relatively important internal control risk management state through a well-established process. For a large number of enterprises, through internal control and risk management, it is an important way to improve the status of enterprises through internal control and risk management, through the specific rules and regulations of the enterprise and the relevant provisions of the internal constitution, continuously expand the technical surface of the rules, so that the enterprise's internal control and risk management integration The value of the body is rising, the overall efficiency gains promotion, continuous optimization, and thus reduces the risk.

#### **5.1.3 Attaching importance to the construction of internal control supervisors of enterprises**

The construction of appropriate restraint and supervision mechanism can not conflict with the whole structure of the enterprise. This is mainly manifested in the

failure to allow athletes to be both athletes and referees, and if in this case, enterprises carry out internal control and risk management, then this is an act of complete failure. Therefore, it is important for enterprises to have active external oversight and internal constraints to improve the overall internal control and risk management framework, especially in the context of today's internal control and risk management framework, because of the enterprise itself, enterprises The industry is a product of maximizing profits, and they see only profit risk in their eyes, which are hampering their stumbling block to the pursuit of profit maximising. Therefore, whether enterprises will pay much attention to the problems of risk and internal control, this becomes a pseudo-problem pseudo-proposition, attaches importance to the construction of internal control and oversight bodies of enterprises, just to solve this problem. The intervention of third-party institution includes the interaction of internal supervision mechanism of the enterprise. In this case, it can improve the internal control and risk management of the whole enterprise.

#### **5.1.4 To improve the risk assessment system and establish a dynamic evaluation mechanism**

Internal control and risk management can not be separated from the standards that are constructed based on the actual situation of the enterprise, especially for a large number of small businesses, their operations are more complex, so that in line with the principle of quantitative and qualitative, a number of things that gather data and experience the actual scene In the process of implementing internal control and risk management, we should pay attention to the principles of cost and benefit and the internal control and risk management of the construction. The enterprise's risk control, improve the management level of the enterprise, the benefit should be significantly higher than the internal control and risk management effectiveness of our implementation. Second, adhering to the principle of comprehensiveness, any enterprise has failed to build a complete internal control and risk management framework, especially in some large enterprises, if one of the departments has no internal control and risk management, then The internal control

and risk management of the entire enterprise can be considered invalid. How to set up internal control and risk management according to the actual situation of the enterprise, this should actively start from the three processes of financing and financing of enterprises, implement internal control and risk management methods based on the project, internal and external linkage, continuous supervision and monitoring. The actual situation of internal control and risk management of enterprises.

The implementation rules are also relatively important, if for a business, although there is an internal control and risk management framework, but the implementation plan is not clear, there is no corresponding standard to carry out, staff can not find a way to depict the internal control and risk management process, so inside Work risk management is also a failure, can not combine the actual situation with timely assessment and feedback, can not establish a dynamic evaluation mechanism. The development of internal control and risk process according to the standardized workflow of enterprises is the focus of internal control risk management in our country, and a key point to change the internal control and risk management of enterprises in the future.

#### **5.1.5 Establish effective information communication mechanism**

Internal control and risk management, information flow in the enterprise is also an important aspect, because the enterprise is involved in the real business situation and some business secrets, information management becomes an important requirement for the enterprise. However, the information communication mechanism can lead to the lack of certain detailed rules for internal control and risk management, and the lack of timely feedback can lead to the emergence of many problems. In the case of internal control and risk management of enterprises, the information gap between the head office and the branches. The communication mechanism is relatively important information flow. According to the characteristics of the enterprise and the enterprise itself, the classification and identification of information shall be classified

according to the confidentiality results, the internal control and risk management are continuously improved and the actual requirements of internal control and risk management in the enterprise structure should be improved comprehensively, and the indicators of internal control and risk management are comprehensively upgraded.

## **5.2 Conclusion**

In short, the enterprise's success and good internal control and effective risk management system are inseparable, in today's fast-changing market environment, in the increasingly fierce competition, enterprises face the risks everywhere. Therefore, the enterprise needs to do is to give enough attention to high risk areas, to continuously strengthen the risk consciousness, to apply risk management idea to internal control. Only by constantly combining internal control with enterprise's risk management and perfecting its internal system can the enterprise establish a bastion of risk management so as to effectively prevent and respond to risks.

## REFERENCES

- [1] Chang, Z.H., & Liu, W. (2012). Logistic Regression Model and Its Application, *Journal of Yanbian University, Natural Science*, 38(1), Retrieved May 9, 2017, from <http://wenku.baidu.com/view/5a6190f3941ea76e58fa04a6.html?re=view>
- [2] CCG. (2015). Annual Report on the Development of Chinese Students Studying Abroad, *Blue Book of Global Talent*, Retrieved May 9, 2017, from <http://www.ccg.org.cn/Research/View.aspx?Id=2850>
- [3] Guangming Online. (2015). *Behind the Data: After keeping popular, what about MBA courses in China?* Retrieved May 10, 2017, from [http://epaper.gmw.cn/gmrb/html/2015-04/16/nw.D110000gmrb\\_20150416\\_1-15.htm](http://epaper.gmw.cn/gmrb/html/2015-04/16/nw.D110000gmrb_20150416_1-15.htm)
- [4] Kotler, P. (1967). *Marketing Management: Analysis, Planning and Control*, Englewood Cliffs, N.J. Prentice-Hall. 3(2), 66-70.
- [5] Liu, Z.Y., & Hu, P. (2014). The Application of the Marketing Theory of 4Ps in MBA Education. *Heilongjiang Education, Higher Education Research & Appraisal*, 6(4), 57-59.
- [6] Ministry of Commerce of the People's Republic of China Comprehensive Department. (2015). *World Economic Situation and Prospects*, Retrieved May 6, 2017, from <http://zhs.mofcom.gov.cn/article/Nocategory/201605/20160501314773.shtml>
- [7] Mercer. (2016). *22<sup>nd</sup> Annual Cost of Living Survey, March & McLennan Companies*, Retrieved May 10, 2017, from <http://www.mercer.com/newsroom/continued-demand-for-mobility-in-the-global-workforce-challenged-by-cost->
- [8] Porter, M.E. (2005). Basic competition strategy. *Competitive Advantage*, 1(1),
- [9] Times Higher Education. (2016). *World University Rankings*, Retrieved May 6, 2017, from <https://www.timeshighereducation.com/world-university-rankings/2016/world-ra>



[nking#!/page/0/length/25/sort by/rank label/sort order/asc/cols/rank only](#)

- [10] Wu, Z.J., Wang, Z.K., & Zou, X.M. (2013). *Fundamentals of Management*, 6(9), 71-72.
- [11] World Bank. (2015). *World Development Indicators database*, Retrieved May 6, 2017, from <http://www.worldbank.org/en/country/thailand><http://www.worldbank.org/en/country/thailand>





## **APPENDIX**

### **Internal Control and Risk Management Questionnaire**

Dear interviewees:

Hello, in order to understand the internal control and risk management situation of the enterprise, we specially designed the academic questionnaire, we hope to understand the actual internal control and risk management situation of your company through this questionnaire, and accordingly design the corresponding indicators, through the construction of indicators and actual data analysis The company's internal control and risk management put forward the corresponding results plan and management process improvement, this questionnaire only for academic research, will not disclose your personal information, hope you can actively cooperate with the answer, your answer is very important to us.

#### **1.basic information questionnaire**

##### **1.Your Gender ()**

A.M B. F

##### **2.Your age ()**

A. 18-25 years old B. 26-35 years old

C. 36-45 years old D. 46-65 years old

##### **3.Your working life in the company ()**

A. One year B. 1-10 years,

C. 11-20 years D. 21-30 years

E. Over 31 years

##### **4.Your position in the company ()**

A.Senior Management B. Middle Management

C Grass-roots management D. Ordinary Employee

##### **5.5. Your department ()**

A.Produce R & D B. Sales promotion

C Service Support D. Finance Department

**6. Your Personal Education ()**

A. Junior high school and high school B. undergraduate and specialty

C Graduate and Doctor D. Doctorate & above

**7. Type of your company ()**

A. Agricultural B. Industry

C Service sector D. Others

**8. The ownership system of your company is ()**

A. Private enterprise B. collectively-owned enterprises

C Mixed ownership enterprise D. State-owned

**9. Are you satisfied with the internal control and risk management situation of your company ()**

A Very satisfied. B satisfied. C general. D dissatisfied. E very dissatisfied

**Internal Control Section**

This section uses the Richter scale methodology for questionnaires and data collection, so you can mark the company's actual situation under the appropriate options.

Option	Agree strongly	Agreed	General	not agree	Disagree strongly
1. The organization design of the organization is reasonable					
2. Effective operation of organizational structure of the company					
3. The company has a clear development strategy					

4. The company's development strategy is suitable for the development of our company					
5. Human resources management mechanism is reasonable					
6. Human resources constraints and the sound supervision mechanism					
7. The company's reasonable protection of the staff's rights and interests					
8. The quality of the products is better					
9. The company has a more active corporate culture					
10. Sound financial system and reasonable fund control					
11. The fund dispatching is in line with the company's management strategy					
12. A relatively sound procurement system has been constructed					
13. The overall quality of suppliers is higher					
14. The company's asset management is more perfect					
15. The company has a sound sales system					
16. Advanced research and development system, strong research ability					
17. The company's financial system is					

sound					
18. The company's budget and audit system are reasonable					
19. The company has strict legal guidance					
20. The company's overall internal control is sound					

## 2. Risk Management Section

This section uses the Richter scale methodology for questionnaires and data collection, so you can mark the company's actual situation under the appropriate options.

Option	Agree strongly	Agree	Neutral	Disagree	Disagree strongly
1. The perfect risk management system is constructed					
2. Risk management is deeply rooted in people's hearts					
3. The whole staff is involved in the risk management system					
4. Be familiar with the risks within the scope of business					
5. The Company has a sound risk management mechanism					
6. Based on audit, law and budget management, the Company establishes a comprehensive risk management system					
7. The company has a clear risk appetite					

8. A sound risk management objective has been developed					
9. The Company establishes risk management based on the internal control framework					
10. The company has framed the risk management system of internal and external linkage					
11. The company constructs an emergency risk management emergency mechanism					
12. The company's risk management system is positively related to the strategic objectives of the Company					
13. The Company establishes the risk management standard from the chairman to the grass-roots staff					
14. The company actively uses futures, insurance and other methods to carry out analysis and management					
15. The Company has been working with other institutions to construct an emergency capital mechanism					
16. The company has built a sound risk supervision mechanism and monitoring mechanism					
17. The Company will regularly issue reports on risk management and evaluate					

the risk management of the Company					
18. The Company will put risk management into performance evaluation					
19. The company's risk management is better adapted to the company's actual operating condition					
20. The company's risk management is highly effective					

