

Research on the Construction of Internal Control System in Private Colleges and Universities

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Abstract: China's private colleges started late, but the development is fast, so its internal control construction is still relatively weak. This paper analyzes the internal control status of private colleges and universities from five elements: control environment, risk assessment, control activities, information and communication, and internal supervision. It has sorted out the problems in the internal control system of private colleges and universities, such as the lack of democratic supervision and power checks and balances in the governance structure, unclear authority of the organizational structure, imperfect human resource mechanism, incomplete risk assessment, non-standard teaching management, ineffective implementation of student management, poor information and communication, and inadequate internal supervision. In view of the existing problems, it is proposed to strengthen the balance of rights in the governance structure, set up a scientific organizational structure, improve the human resource management system, comprehensively assess the risk, standardize the teaching work, improve the student management work, strengthen information and communication, and give full play to the corresponding prevention and control measures.

Keywords: Private Colleges and Universities; Internal Control; Governance Structure; Risk Assessment; Control Activities

1. Introduction

With the development of our country's economy, the social demand for education has

been rising, public colleges and universities can not meet the needs of society, private colleges and universities have emerged and developed rapidly. Because of the starting of private colleges and universities lately, their management level needs to be improved, especially many private colleges and universities have not yet established a scientific and effective internal control system, resulting in the development process can not effectively prevent and control risks, therefore, private colleges and universities should strengthen the construction of internal control system to ensure their sustainable and healthy development.

2. The Current Situation of Internal Control in Private Colleges and Universities

2.1 Control Environment

Privately run colleges and universities generally implement the president responsibility system under the leadership of the board of directors (council), and have senior management personnel such as secretary and vice presidents, Because the private colleges and universities have broad funding channels and self financing, the control of the school is actually in the hands of the largest shareholder, who is generally the chairman of the board. The chairman of the board of directors basically decides the major and minor affairs in the school, forming a "only pen writing" phenomenon[1]. The setting of the organizational structure did not take into account incompatible job separation, resulting in the phenomenon of one person holding multiple positions, and some employees' abilities do not match their job positions, with a large number of part-time employees and high personnel turnover.

2.2 Risk Assessment

Private colleges and universities have not yet established a risk assessment mechanism. Because private colleges and universities are limited by funds and the interests of investors, therefore, the risk assessment of private colleges and universities is mainly aimed at financing, investment, procurement, fixed assets management and other capital management risk assessment.

2.3 Control Activities

In the course of teaching activities in non-governmental colleges and universities, teachers relax their supervision of the classroom because the school will take the students' failure rate at the end of the term and the students' evaluation of the teachers as the evaluation indexes, it leads to the bad effect of classroom teaching, many teachers give students the scope of examination at the end of the term, students cram for the final exams, the style of study is not good, the quality of students is not high, the social evaluation is low, affecting the employment of students. Although private colleges and universities set up supervision, but because of the level of professionalism of supervisor and limited number of personnel, supervision work is only superficial, not play its role. In the process of student management, private colleges and universities try to meet the requirements of students under the premise of ensuring students' safety, unable to keep abreast of their responsible student dynamics.

2.4 Information and Communication

At present, all private colleges and universities have implemented information-based construction, such as the examination and approval of various offices through office OA system, the unified management of Students' achievements through educational administration system, and so on, however, there is no effective information communication platform between departments, staff and school leaders.

2.5 Internal Oversight

Private universities usually have internal supervision departments such as Finance Department, Audit Department, Organization Department, Discipline Inspection Office and

Supervision Department, but these departments are lack of initiative in supervision work, not giving full play to the role of supervision.

3. Analysis of Internal Control Issues in Private colleges and Universities

3.1 The Control Environment is Incomplete

3.1.1 The governance structure lacks democratic supervision and checks and balances on power

Because the chairman of the board of directors of private colleges and universities is in sole charge and highly centralized, so the board of directors has little actual power and the principal-agent relationship is vague. Although all private colleges and universities have established Organization Department, and even some secretaries of private colleges and universities are appointed by relevant government departments, there is no financial allocation for private colleges and universities, therefore, the school secretaries can not play an effective role in the actual work of the political core and supervision. Therefore, the governance structure private colleges and universities in is the lack of supervision and power checks and balances.

3.1.2 Unclear organizational authority

The establishment of organizational structure of non-governmental colleges and universities is limited by the size of the school and the number of personnel, so the problem of incompatible posts can not be fully considered when setting up posts, which affects the effectiveness of internal control to a certain extent. Some private colleges and universities will set up secondary colleges, due to the implementation of school and college dual management, schools and colleges often have a conflict of interest, because the organizational structure of authority is not clear, so often in the implementation of the deviation.

3.1.3 The human resources mechanism is not sound

As the power of private universities is in the hands of their funders, government supervision is weakened, the nepotism of the clan is more serious, the employment mechanism is more casual, and even some people with technical secondary education are employed to teach, and as a person in charge of a major, due to

their own low quality, so in the recruitment process often will not recruit high-quality teachers, or even envy, in the daily work of the Gresham's law serious phenomenon, make the overall level of teachers low. In order to reduce costs, the number of private university teachers is far from the ratio of teachers to students stipulated by the Ministry of Education. In order to solve the problem of teachers, private university will even let administrative personnel teach part-time, similarly, teachers will also be part-time administrative duties, resulting in administrative staff and teachers having very heavy workload, and the pay is not proportional to the work. Incentives are inadequate and nepotism performance appraisals are unfair, leading to a serious exodus of talented staff.

3.2 The Risk Assessment was Incomplete

The shareholders of private colleges and universities are often profit-oriented, so they pay more attention to the number of students enrolled, but neglect the teaching quality and the mission of scientific research, which can not only create benefits for the school and society, but also promote teaching, these factors will affect the number of students enrolled, and thus bring huge risks to the development of private colleges and universities. Because of the limitation of funds and the quality of administrators, private colleges and universities lack of comprehensive risk assessment. For example, a private university in Changchun could not predict the risk in time during the epidemic, the prevention and control was inadequate, resulting in an outbreak of the epidemic among students.

3.3 Control Activities Are Not Reasonable

3.3.1 The teaching management is not standardized

Due to the weak student source base and weak self-discipline of private colleges and universities[2], as well as the low quality and responsibility of some teachers, the requirements for students are not strict, but in order to ensure the passing rate at the end of the term, the content of lectures is usually relatively simple, the syllabus is often drawn up solely on the basis of other public schools or directly on the basis of teaching materials,

and is not applicable to the students of the school at all. In the course of teaching, teachers can not strictly comply with the requirements of the syllabus and complete their teaching tasks, some individual teachers chose the teaching materials with relatively backward knowledge for the benefit.

3.3.2 Poor implementation of student management

Because of the fierce competition among private colleges and higher tuition fees, students and their parents have formed a consumer mentality. Schools not only worry that too strict management may lead to students dropping out of school, but also fear that students will resort to the media, in the post-epidemic era, the prevention and control of infectious diseases are neglected. When a small-scale infectious disease breaks out, private colleges and universities adopt a relaxed management attitude in the process of student management, students will apply for sick leave, the school did not take effective remedial measures, affecting the quality of student learning.

3.4 Poor Information and Communication

Private colleges and universities have formed information isolation because of the unsmoothness of information and communication[3]. It is also because private colleges and universities have not established an information communication system between students and the various departments of the school that some of the students' claims can not be resolved, which eventually leads to students overstepping their authority and reporting the situation directly to the president and the President of the board of directors, or even directly to social media or government departments related to the adverse impact. For example, an epidemic broke out in a private university in Changchun, and students and parents were strongly dissatisfied because the epidemic could not take effective measures, and there was also no effective communication with students and parents, so much so that students and parents turn to the internet for help, causing serious damage to the school's reputation.

3.5 Inadequate Internal Supervision

Due to the high centralization of power and the lack of independence of the internal

supervision departments of private universities, it is difficult for them to play a real supervisory role, and the responsibilities of the post supervision of the various functional departments are not very clear, even subject to the constraints of personal quality, financial, audit and other internal supervision departments for work such as infrastructure, procurement, enrollment, such as special audit, lack of effective supervision.

4. Suggestions on Improving the Internal Control of Private Colleges and Universities

4.1 Create a Good Control Environment

4.1.1 Strengthening checks and balances of power in governance structures

In the governance structure of private colleges and universities, we should weaken the investor's control over the colleges and universities, establish and perfect the system of board of directors and the system of president governing the colleges and universities, that is, the board of directors only has the decision-making power, and the President only has the executive power. At least one third of the members of the board of directors shall be educators and members of the education sector with years of teaching experience, who shall be responsible for guiding the education and scientific research work of the school, teachers and parents may be appropriately represented on the board of directors so as to draw on the views of various sectors in the decision-making process. In order to clarify the principal's fiduciary responsibility, the method of open selection should be adopted and the system of term of office and assessment should be established.

4.1.2 Set up a scientific organizational structure

In the process of setting up the organizational structure, private colleges and universities should separate the decision-making, implementation, examination and approval of these incompatible duties, and make clear the duties and responsibilities of the posts, and no one should overstep their authority, all levels, departments and posts should be separated and restrained from each other. Non-governmental colleges and universities should establish and improve such democratic management mechanisms as the system of staff and Staff Congress and the system of Student Congress,

so as to fully mobilize the enthusiasm of staff and students to participate in school management, for major decision-making to widely listen to workers, students and other views, and to adopt a collective decision-making approach to ensure that the correct and scientific decision-making. Regular rotation system shall be established for key and high-risk posts such as finance, counsellors and secretaries of Secondary Colleges. Non-governmental colleges and universities shall set up special epidemic prevention departments, and those who do not have separate epidemic prevention departments shall set up special persons to take charge of epidemic prevention work, and normalize this work.

4.1.3 Improve the human resources management system

Private colleges and universities shall improve the system of personnel employment and assessment management. Private colleges and universities should appropriately increase the teacher reserve and employ personnel whose ability and character are matched with their positions, and their character should be put first, and they should recruit talents to the society and introduce high-quality teachers[4], the low-quality teachers should be eliminated gradually. Private colleges and universities should strengthen the training of staff in business and professional ethics in order to improve the overall quality. Private colleges and universities can draw up the strategic map according to the strategic goal from the financial level, the student and the social level, the internal level, the study and the growth four levels, thus making the performance appraisal index, and accountability according to the assessment[5]. Private colleges and universities should reduce the welfare of public colleges and universities, reduce the workload of teachers[6], so that teachers have the energy to participate in scientific research and teaching reform.

4.2 Comprehensive Risk Assessment

Private colleges and universities should take strategic objectives as the starting point, business process as the main line[7], and according to business process chart from the economic situation, inter-university competition, national policy, epidemic situation, financing environment and other

external risk factors, as well as the internal factors such as staff competence, financial status, staff health, professional conduct of management, etc. , from the quantitative and qualitative aspects of the risk of the possibility of rating, according to the different levels of risk to formulate corresponding measures. The contents and methods of risk assessment shall be determined in the form of system, and risk assessment teams shall be established to assess risks regularly[8].

4.3 Reasonably Arrange Control Activities

4.3.1 Standardize teaching work

Private colleges and universities should determine their school-running characteristics according to their own advantages, form their unique school-running ideas and styles, and adapt to and serve the needs of local economic and social development, training competitive application-oriented personnel for the goal of setting training goals. The school should formulate the training plan according to the talent training goal, in which the curriculum design should embody the school's characteristics. According to the characteristics of the school curriculum syllabus to determine the focus of teaching content, to avoid repeated content between courses, teaching materials according to the syllabus to select national quality teaching materials, the teaching content should be expanded according to the teaching outline and practice. Teachers should strengthen the teaching management in order to improve the teaching effect, and to promote the online-offline mixed teaching model, do a good job of online course construction.

4.3.2 Improve student management work

Private colleges and universities should be student-centered, listen to the views of students and parents to formulate student management system, and constantly adjust and improve according to the actual situation. In the process of management, the school can adopt the hierarchical management model of school, secondary school, specialty and class, and make full use of information means to establish efficient communication channels with students and parents[9], through the identification of student behavior patterns accurately grasp the needs of students, teaching students in accordance with their aptitude to develop personalized education

programs. In the process of management, we should not only strengthen the role of counselors, but also give full play to the role of student cadres, so as to find out the abnormal behavior or potential problems of students in time, and take corresponding measures in time. In order to strengthen the management of students, students' files should be set up when they enter school, including students' basic information, family status, interests, special skills, health status and so on[10].

4.4 Strengthen Information and Communication

Private colleges and universities should strengthen the information exchange and communication among departments, establish effective link between the office systems of each department, and break the isolation island of information, and to strengthen the university, media, alumni and with the provincial department of Education and even the Ministry of Education Communication and Exchange, social recognition and government support. Private schools should establish a sound mechanism for information disclosure, and should open multiple channels of information communication for all departments, and promote the participation of all staff in management and listen to the views of all parties, in particular, it is necessary to establish supervision in different directions and reporting channels for academic fraud, in addition to establishing communication channels in different directions, to do a good job in information security, especially the confidentiality of reporting information and academic research.

4.5 Give Full Play to Internal Supervision

Private colleges and universities shall give full play to the supervisory role of the Board of directors, the Organizational Department, the Finance Department, the Audit Department and the Discipline Inspection, and ensure their independence. Schools should hold regular board meetings to review major decisions, so as to supervise the actions of principals and other management, and strengthen the supervision of teaching, scientific research, personnel, student management, logistics and other work. Schools should also fully mobilize all teachers and students to participate in the supervision of school work, and encourage

labor unions, student unions and other organizations to truly reflect the will of teachers and students.

5. Concluding Remarks

With the continuous development of non-governmental universities and the uncertainty of many factors in the post-epidemic era, the activities of non-governmental universities not only become complicated and diversified, but also aggravate the risks of non-governmental universities, only by improving the internal control system, can private colleges and universities improve their anti-risk ability, enhance their competitiveness, ensure their healthy and orderly development, and realize their social responsibility.

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