

Analysis on Economic Budget and Cost Control of Enterprises

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Abstract

Do a good job of enterprise economic budget and cost control is the key point to ensure that enterprises achieve sustainable development. Economic budget and cost control work are the main component of enterprise economic management, but also it is the premise to ensure that enterprises can obtain more economic benefits scientifically and reasonably. This paper first analyzes the importance and function of economic budget and cost control, and then analyzes the basic principles of economic budget and cost control. At the same time, in-depth discussion of the corresponding measures for enterprise economic budget and cost control is conducted, including: improve the competency and quality of economic budget and cost control personnel; strengthen organizational leadership and sense of responsibility; strengthen cost control construction; build corporate culture strategy, providing the economic budget and cost control with spiritual motivation; establish corresponding supervision and inspection system; play the role of assessment; maintain good cost management, etc., which has a certain reference value.

Key words: Construction project; Economic budget; Cost control

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INTRODUCTION

With the gradual deepening of the reform and opening up process, enterprises are facing accelerating market competition, and all enterprises are facing a problem that is “seeking survival and development”. And do a good job of enterprise economic budget and cost control work, is the key to ensure that enterprises achieve sustainable development. Economic budget and cost control work are the main component of enterprise economic management, but also it is the premise to ensure that enterprises can obtain more economic benefits scientifically and reasonably. This paper conducts an analysis on enterprise economic budget and cost control.

1. THE IMPORTANCE AND FUNCTION OF ENTERPRISE ECONOMIC BUDGET AND COST CONTROL

1.1 Importance of Economic Budget and Cost Control in Enterprises

Effective economic budget and cost control are the basis for enterprises to obtain the greatest economic benefits, enabling enterprises to “survive” and “seek development” in the fierce market competition. If the enterprise economic budget is too high and the cost control effect is poor, it may lead to the economic profit of the enterprise less; if the enterprise economic budget is too low, and the cost is too tightly controlled, then although the enterprise can increase economic profits, it is possible the quality of products and services cannot be guaranteed, and then emerges the problem of “fake profit”. It can be seen that the realization of accuracy and scientific enterprise economic budget and cost control is not only the premise to protect the quality of products

and services, but also the basis to provide economic benefits for the enterprise.

1.2 The Role of Enterprise Economic Budget and Cost Control

First of all, in the enterprise accounting stage, economic budget and cost control will often play a more important role. Generally speaking, the economic budget of the enterprise will affect the operating costs, therefore, the relevant departments should do the preparatory work based on pre-determined economic budget and cost control requirements, such as materials procurement, equipment selection, sites rental, etc. Second, companies should strengthen the staff management based on economic budget and cost control requirements to maximize the effect of “energy saving”. Third, enterprise economic budget and cost control has strong properties of policy and economics, and it must be controlled in the economic, rational and scientific range, and then it can provide a good foundation for financial and accounting work of enterprises.

2. BASIC PRINCIPLES OF ECONOMIC BUDGET AND COST CONTROL IN ENTERPRISES

2.1 Comprehensive Principle

Economic budget and cost control is comprehensive, involving a lot of factors, including intangible asset management, cost management, time management, quality management, etc. Enterprises cannot regard economic budgeting and cost control as simple cost management and spending. Therefore, enterprises must pay great attention to economic budget and cost control, and comprehensively carry out related work.

2.2 Thorough Principle

In the whole process of enterprise operation, we always carry out the economic budget and cost control, including daily work arrangement, financial management, material procurement, site leasing, facility maintenance and personnel matching. Therefore, the economic budget and cost control work should be carried out thoroughly to all aspects of the enterprise, such as bidding, acceptance, material procurement, construction, capital preparation and so on.

2.3 All Staff Participation Principle

Economic budget and cost control require all the departments of the enterprise, all employees to participate, rather than can be completed by a person, a department. Be sure to establish “full participation in economic budget and cost control” awareness within the enterprise, and take various measures to improve the initiative and enthusiasm of the staff.

3. THE CORRESPONDING MEASURES OF ENTERPRISE ECONOMIC BUDGET AND COST CONTROL

3.1 Improve the Ability and Quality of Economic Budget and Cost Control Personnel

With the increasingly fierce market competition, improving the economic budget and cost control of the ability and quality is particularly important. As we all know, the establishment of economic budget and cost control system is a strong arduous, innovative, long-term, systematic job, only through continuous education, continuous training, we can be able to train a number of talents with rich professional background, high comprehensive quality and strong business ability to provide solid foundation for enterprise economic budget and cost control work.

In addition, we can use reasonable incentive mechanism aligned with the actual situation of the enterprise to the economic budget and cost control personnel which can guide the economic budget and cost control personnel in accordance with the established goals of the enterprise to work to ensure the smooth completion of the work of the enterprise. At the same time, the use of incentive mechanism can also guide the economic budget and cost control staff correct world outlook, values, outlook on life, can simultaneously improve their business skills, professional knowledge and ideological quality, fulfill their duties to do their work. As we all know, everyone has the hope to pursue the goal, and to achieve these goals, then you need to have enough power, and incentive mechanism happens to be the main source of motivation, incentives are to meet their individual needs to guide them in their daily work Behavior, to improve their work initiative, enthusiasm, and the key is to meet the economic budget and cost control personnel in the emotional, interest, psychological, physical and other needs, so that the potential to fully tap, so that full of work power.

3.2 Strengthen the Organization and Leadership, and Strengthen the Sense of Responsibility

Economic budget and cost control are a highly professional and complex work. In order to better strengthen the enterprise economic budget and cost control work, business leaders should attach great importance to the middle of the leading cadres in the enterprise office and staff meeting To make the appropriate mobilization of the deployment, clearly put forward the economic budget and cost control of the specific implementation of the program, and set up by the enterprise head of the director, the financial sector led the various units involved in the enterprise economic budget and cost control committee.

At the same time, business management should continue to change the management philosophy,

strengthen the consciousness, pay attention to the learning of accounting-related professional theories, earnestly study a variety of related systems and regulations, such as *Regulations of the People's Republic of China on the Internal Control of Financial Accounting*, *Enterprise Accounting System of People's Republic of China*, *Accounting Law of People's Republic of China*, *Internal Accounting Control Specification of People's Republic of China* and so on, and establish an effective economic budget and cost control system combine with the actual situation of the enterprise, which is jointly responsible, implemented, mutual restraint, mutual supervision, mutual contact by all staff of the enterprise.

3.3 Strengthen Cost Control Construction

First, strengthen expenditure control. The enterprise should combine with their own actual situations to clear the roles and responsibilities of various positions and various grass-roots departments. Set up reasonable positions to ensure that incompatible positions (such as payment settlement and audit, audit and implementation, approval and application, etc.) are separated from each other. All positions shall effectively play a role of mutual supervision and mutual restraint. The expenditure of construction project must strictly abide by the financial management system formulated by the state and the enterprise.

Second, strengthen the income control. Enterprises must establish a sound job responsibility and refund, bills, income, advance receipts and a series of rules and regulations. The charge personnel should pay the checks, cash and so on to the finance department before the work, and the financial department shall appoint the full-time auditors to check the bills and bills of charge that occurred on the day, and the fees and charges of the collectors Bill usage, refund, charges should be detailed records.

Third, the purchase of large-scale equipment, or infrastructure projects, decoration works, materials procurement, etc. must comply with the corresponding rules and regulations of the enterprise, the office meeting project, according to the prescribed procedures; enterprise accounting personnel, financial departments, financial approval staff cannot be individually Materials procurement work, nor to participate in any of the internal contract business related work. Enterprises of low-value consumables, construction materials, instrumentation, etc. should have a procurement plan and a valid contract, and signed by the leadership of the enterprise leader. It is worth noting that the financial sector should regularly inventory materials, equipment, equipment, etc., but also to monitor the various departments of the material inventory, procurement, use, custody of the situation, to avoid material waste, backlog and other issues.

3.4 Build a Corporate Culture Strategy, for the Economic Budget and Cost Control to Provide Spiritual Incentives

Enterprise economic budget and cost control need to be finalized to each employee. And corporate culture is the corporate credit system and the value of the system, not only to the behavior of the majority of workers play a restraint, maintenance, incentives, oriented role, but also to better meet their spiritual needs, play people's active role in order to be able to better serve the enterprise, voluntarily participate in the enterprise economic budget and cost control work, we can see that corporate culture strategy in the enterprise economic budget and cost control often play a very important role in the economic budget and cost control to provide spiritual incentives.

3.5 Establish the Appropriate Supervision and Inspection System

(a) Strengthen the supervision and inspection of internal audit institutions. Enterprises should establish and improve the corresponding internal control supervision, inspection system, internal control supervision, inspection system implementation in the enterprise designated full-time internal audit personnel responsible. The internal audit staff should focus on the internal audit work to pre-audit and in process audit, rather than post-audit; focus on performance audit and internal control system audit, to maximize the corporate funds flow mechanism to straighten out, and also strict audit the effectiveness, compliance and legality of the financial work of the enterprise. In addition, enterprises can also pay a professional accounting firm and audit firms to evaluate the enterprise financial accounting internal control system, and ask these professional bodies to identify problems and risks in order to be able to better play the role of internal control system.

(b) Strengthen the supervision and inspection of government departments. On the one hand, the government departments shall regularly assess and check the implementation of economic budget and cost control in various enterprises, once found the problem, then promptly urge the relevant enterprises to improve and amend. On the other hand, the government departments should do a good job of corporate leadership cadres to leave the economic responsibility audit, enterprise major project audit, enterprise special project work audit, which is conducive to improving the responsibility of business managers.

3.6 Play the Role of Assessment

Strengthen the economic budget and cost control, is to ensure the safety of enterprise assets, to ensure that there will be no unreasonable financial expenditure, and thus achieve business objectives. In the implementation of enterprise economic budget and cost control, it is necessary to attach great importance to the role of

assessment and evaluation, through a series of assessment and evaluation to the interests of enterprises and personal achievements tied together. The purpose of the assessment and evaluation design is to make the wages of the majority of employees get a positive correlation with the contribution of their work, the company can increase the income as a promotion or downgrade between the quantitative indicators of the assessment data, so that the staff can concentrate on the energy to the quality of work, work efficiency and work performance, making the role of assessment and assessment to be fully play. At the same time, enterprises should also assess the results of the assessment and welfare effective link. In the premise of fairness, the benefits should be based on the contribution of employees as the main basis, try to pull the grade. Of course, in considering the above factors at the same time, assessment and evaluation system design must be combined with the actual business itself, do not copy the copy, be sure to choose an objective, reasonable and scientific way to gradually implement the assessment program, to avoid over-radical or making rough decision.

3.7 Maintain Good Cost Management

3.7.1 Budgeting

Budgeting should choose the method of compiling up and down. First, the finance department should provide a preliminary forecast for the enterprise budget period of the economic situation and development strategy report; Second, the financial sector to put forward the overall cost of business goals and sector sub-goals; again, the grassroots units with their own actual situation In addition, the financial department of the grassroots units of the draft budget review, communication, balance, and ultimately develop an operational budget program; Finally, within the enterprise and then several times with the budget program related to the discussion And communicate with each other to form a final budget for approval.

3.7.2 Budget Contents

The focus of the budget is cash flow, consumption, income, cost, investment, etc., the feasibility and rationality of the entire budget will be a greater impact on the income budget, and the investment budget is significant, related to the future development of enterprises and costs the cash flow budget is the enterprise to achieve all business science, reasonable and effective protection; consumption budget, the cost of the budget will directly affect the operating costs of the enterprise. In the process of enterprise cost budget management, make sure to adhere to the basic principles of “everything within our capabilities” and “make ends meet”.

3.7.3 Budget Assessment

Whether enterprise cost budget management can really be implemented and achieve tangible results, it relies on whether the rational use of budget assessment results to a large extent. First of all, budget assessment results should be used in the enterprise staff salary adjustment and payment distribution. As we all know, the remuneration is one of the main measures to motivate employees. In order to be able to better improve the incentive for the employees, it is necessary to pay part of the salary of the employees and the results of the budget assessment. It's worth noting that for the employees of different positions, the results of the budget assessment linked to the proportion of remuneration will be different.

Second, the budget assessment results shall also be used in the staff changes and post deployment process. From the current point of view, different positions will have different requirements on the incumbent, showing a difference, variability, dynamic characteristics, which requires based on the budget assessment results to the appropriate staff in the appropriate positions, so that “people are commensurate with”, “personnel appropriate”. As the results of the budget assessment can objectively examine the performance of employees, work level, work attitude, work behavior, etc., so whether employees can be promoted, is suitable for this post, whether the promotion can refer to the budget assessment results. Based on budget results, the enterprise HR department can make a relatively fair, objective and correct personnel decision-making for enterprise employees downgrade, promotion, demotion, promotion and so on to help.

In short, the sustainable development of enterprises cannot be separated from good economic budget and cost control, and economic budget and cost control play a decisive role in the enterprise operation and management. Strengthen the enterprise economic budget and cost control, then it will be able to achieve long-term development of enterprises.

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