

Prison Enterprise Financial Management Innovation in the Context of China's Prison System Reform

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Abstract

China's prison system requirement is that the full security, monitoring enterprise separate income and expenditure separately, standardized operation, the real is the separation of prisons and prison enterprises to blend with the original prison sentence production and management functions and management functions of separately, to build two sets of both established by law, a separate operation, but also organically linked closely with the new prison system. The new prison system includes the new jail management system and a new prison enterprises management system. New prison management system's main task is the execution of sentences, rehabilitation of offenders. The new enterprise management system, the prison's main task is to provide jobs for the rehabilitation of offenders and places at the same time based on "Company Law" to carry out production and business activities. In the context of prison reform, prison enterprise financial management has been continuously confronted with new problems, so the prison enterprise financial management needs of financial concepts, financial system, financial system, financial relations and increased financial and cultural aspects of innovation, to adapt to the prison the execution of sentences, rehabilitation of offenders needs.

Keywords: Prison reform, Prison enterprises, Financial management, Innovation, Financial culture

Combining the characteristics of China's prisons and the actual situation, the Ministry of Finance prepared the "prison of financial system", and in January 1, 1997 onwards the Executive. 10 years, in the "prison of financial system" under the guidance of the prison to achieve the implementation of penalties, the task of imposing penalties on offenders, greatly improved the quality of the rehabilitation of offenders. At present, the success rate of re-education of offenders in prisons more than 90%, while the rate of recidivism among released prisoners has remained at about 8%, far below the world average.

In recent years, the state finance, taxation, enterprise property right system and so has undergone a profound change in the financial system, the functions of the tax deduction be replaced; accounting system incorporates business transactions, accounting, elements of the recognition, measurement and other enterprises related to the contents of the financial system; enterprise property right system on a sound financial functions of investors to propose new requirements, the prison enterprise financial management has not suited to the requirements of the actual development of prison enterprises can not be completely scientific and reasonable to fulfill the fundamental functions of education, the rehabilitation of offenders, but is increasingly caught in an embarrassing dilemma attracted more and more experts and scholars concerns. Particular, China's ongoing reform of the prison, the prison the work of corporate financial management has been updated, higher and more comprehensive requirements. Therefore, the prison enterprises must be in the financial concepts, financial system, financial content, financial relations and financial culture, keep up the pace of reform, increase innovation, to adapt to the execution of sentences in prisons, rehabilitation of offenders needs.

1. The concept of innovation in corporate finance prison

The idea is reflected in the form of objective reality is an objective existence of the subjective image. Marx said: "The concept of things is nothing but moved into the human mind and the minds of men transformed the material things, you know." From the content, the prison reform criminals, including the concept of corporate finance concepts, the concept of risk-adjusted returns, social responsibility concept and the concept of financial innovation.

1.1 The concept of rehabilitation of offenders

For a long time, China has been in prison, "prison enterprise in-one" system. In the planned economy era, China's prisons production a "unified purchase and marketing," the supply of funds has mainly taken the "income over expenditure" and "all-round contract" model, the contradictions within the system is not very prominent. Along with the socialist market economic system in China has gradually been established, the internal contradictions of China's prison system and the problem has gradually emerged, but more and more

acute. Because China's prisons, "the supervisor enterprise-one" system, the prison production efficiency of enterprises and police welfare, prisons are funded directly linked, leading to leadership and the majority of the prison guards to bring criminals to prison labor reform in corporate earnings as the protection of an important means of production deviated from the prison for the rehabilitation of offenders in mind. In the context of prison reform, prison enterprise financial management work should always adhere to the "combining punishment with reform and to transform the human purpose" approach, seriously implement the "re-through-labor law to the crime rate as a measure of the primary criterion for regulatory work" requirements, reinforce the theoretical basis, changing concept of work, regulate financial behavior, and strive to improve the quality of the rehabilitation of offenders.

1.2 The concept of risk-reward

From a financial management perspective, the risk is that the financial activities of enterprises in the process, due to various unpredictable factors beyond the control or the role of the enterprise's actual returns and expected returns deviate from occurring, thereby increasing the possibility of economic losses suffered. Thus, the risk is not only the possibility of economic loss, or the possibility of higher than expected returns. Prison enterprises to separate the important part of the prison system. Prison enterprises must establish a risk-adjusted returns of financial management concepts, creating a risk management environment, a sound risk response procedures. At the same time, according to risk-adjusted returns, is incompatible with the principles of separation of duties to develop financial risk management system, specifically the subject and the management of different management levels of management rights and responsibilities and obligations, the establishment of the prison enterprise financial risk early warning mechanism, the formation of a risk management culture and endeavors to risk to obtain benefits.

1.3 The concept of social responsibility

With regard to corporate social responsibility, there are different definitions. Corporate social responsibility to the world's most prestigious scholars in the field, one of Carol (Archie B. Carroll) that corporate social responsibility is similar to a pyramid-shaped structure, at the tower base is the economic responsibility of enterprises, in the middle followed by a legal responsibility, ethical responsibility, at the top of the tower is the conscious responsibility. Enterprise four kinds of responsibility are not mutually contradictory, arrangement is not disordered, this order represents the order of development of social responsibility. Because the prison is different from the general prison enterprises and enterprises, but also different from the general non-profit organization, but as a carrier of the enforcement of sentences, whose function is to provide labor for criminals workplace and labor positions, has a strong legal mandatory. At the same time, as a special type of organizational form, prison enterprises have a certain degree of economic responsibility. Therefore, in the context of prison reform, prison architecture is based on corporate social responsibility, legal responsibility as the core, the economic responsibility for the auxiliary concentric circles. At present, China's implementation of corporate social responsibility in prisons there are more problems: social responsibility and economic responsibility for the relationship between the cart before the horse; not be able to able-bodied offenders to provide adequate labor jobs; offender labor in the economy on the legitimate rights and interests have not been fully respected, etc. . Therefore, it should be innovative concept of corporate social responsibility in prisons, improve work performance and work performance and the interests of a combination of criminal offender rehabilitation of offenders incentives.

1.4 The concept of financial innovation

Schumpeter's view that "Innovation (Innovation)" is to rearrange the original combination of factors of production as a new mode of production in order to improve efficiency and reduce the cost of an economic process, namely, "to establish a new production function", which aims to In order to obtain the potential profits. With the advent of the Internet age, the rapid development of Internet technology is affecting and changing the traditional prison corporate financial management work methods, management models and development concept, based on Internet / Intranet in Web technology, network database technology and three-tier structure of the Organization's technical The successful application of enterprise financial management innovation for the prison provided a solid technical foundation and strong material support. On the other hand, China's ongoing prison reform, prison enterprise financial management is still in the exploratory stage, all kinds of new businesses, new situations and new problems will in large numbers, the prison often in corporate financial management changes and update the status, many new working methods, the guiding theory for the development of models and corporate finance needs of the prison staff have been learning and summarized. Accordingly, the financial officer must update the traditional financial management concepts, dynamic management, information financial management, risk finance, financing first, the concept of scientific development, financial innovation, and strive

to improve the quality of the rehabilitation of offenders.

2. The prison system of innovation in corporate finance

System is the rules of human interaction. It inhibits the possible, opportunism and erratic personal behavior, so that people's behavior more predictable and thus promotes the division of labor and wealth creation. But our country is currently no molding prison enterprise's financial system and financial system, the only "prison financial system" is only a matter of principle require prison enterprises with their own actual situation, self-grasping, self-organization, self-imposed, self-dealing. This has led to the prison enterprise financial management of the difficult problems encountered in practice by a lack of available reference to the provisions of, or even if there is also disorder in scattered in various documents, while also subject to external audit department to monitor the sector, the judiciary questions difficult to implement, greatly inhibited the prison personnel to be innovative finance initiative and work enthusiasm.

Enterprise Financial Management System of China's prisons should be open-ended financial institutional system. Specifically, it should be in accordance with relevant state regulations, in the prison administration's leadership and assistance of the prison and its subsidiaries or branches of state-owned sole proprietorship can try to establish their own company's internal financial management system, to form an effective internal financial management level and extent of, in the institution building has a certain right to choose and right to speak, to ensure that prison enterprises according to changes in the environment, industry characteristics and the object of labor and other factors to adjust the production and business activities, in order to achieve the rehabilitation of offenders in prisons to provide labor jobs, in order to service the task of rehabilitation of offenders. China's prison system, the design of corporate finance can be divided into the following three levels:

2.1 The enterprise of basic financial system

Main content is to require the state prison enterprises the relationship between the macro-financial management, business stakeholders, the rights and obligations. This was the prison enterprise financial management, basic, outline of the system.

2.2 The firm-specific financial systems

Mainly in the context of national macroeconomic policies and financial management needs of corporate financial behavior of specific norms. This level is mandatory, and stage.

2.3 Enterprise Financial Management Guide

The main contents of the internal financial management of the enterprise provide guidance to facilitate the formation of the prison within the enterprise and advocacy of an appropriate "financial culture" (that is, the informal system).

3. The prison system of innovation in corporate finance

China's current implementation of the "prison financial system", including general principles, budget management, revenue management, expenditure management, asset management, debt management

Li, prison transfer dismantling and merging of financial management, financial reporting and financial analysis, financial supervision of nine chapters 40, the relevant content has shown signs of aging phenomena, can not guide the financial management of the actual prison enterprises, the prison enterprise's financial system reform and innovation should be in-depth sustained implementation of the "Accounting Law," the new accounting and auditing standards and other rules and regulations of the publicity and implementation to push and promote enterprises to improve their financial management of the prison level (Han Dong, 2007; Xia, 2007; etc.).

From the macro level, the prison enterprise financial management system is necessary not only provide a forum for the rehabilitation of offenders and job functions, but also to reflect the profitability of the purpose of production; not only have a certain theory, but also has a strong operational. From the micro level, the prison enterprise financial management system of enterprise financial management system, including prisons, the prison enterprise's financial capital raising system, the prison enterprise's financial assets, operating system, the prison enterprise's financial cost control system, the prison enterprise's financial income distribution system, the prison system, corporate financial restructuring liquidation, the prison enterprise's financial information management system, the prison enterprise's financial supervisory system of eight parts. Specifically, the context of prison reform, prison reform and innovation in enterprise financial system reads as follows: First, the prison enterprise financial management system innovation. Prison, prison enterprises involved in enterprise management system, the main financial management, managed object, the management level, management system, management functions, requirements in respect of property right configuration; second, the prison enterprise's financial fund-raising system innovation. Capital financing prison enterprises involved in Prison

Authority (investors) in financing methods, capital contribution measurement, time, funding, financing procedures, return on investment and so on. In addition, the funding required to comply with different purposes by different rules, prison enterprises shall be in accordance with the provisions of accounting and the use of funds, good faith implementation of contracts, supervision according to law; third, the prison enterprise's financial assets, operating system innovation. Prison enterprise asset management is how the prison enterprises to raise funds for investment in access to benefits at the same time to complete the transformation of places for offenders and job tasks. Prison enterprises should be based on the principle of balanced risk and return, combined with the practical and operational needs of the enterprises themselves, determine a reasonable asset structure, the establishment of the contract's financial audit system, internal capital movement control system, the loss or impairment of the asset management system, etc. and implement a dynamic management of enterprise asset operation; fourth, the prison enterprise's financial cost control system innovation. Prison enterprises shall establish a cost control system, the implementation of cost centralized, hierarchical management, and reducing savings and budget constraints, the pilot cost control methods, and establish the scope of expenses, standards and reimbursement approval system. Meanwhile, the prison enterprises shall be in accordance with law for offenders to pay labor remuneration and insurance costs, the cost of needed special account management; fifth, the prison enterprise's financial income distribution system innovation. Prison enterprises range of distribution of income related to earnings, revenue risk control, revenue metering, the order of distribution, distribution based and so on, also need to comply with the relevant national laws and administrative regulations; Sixth, the prison system of corporate financial restructuring liquidation. Prison corporate restructuring, including reorganization proceedings, liquidation, restructuring, asset valuation, liquidity in order, etc.; 7th, prison enterprise financial information management, financial early warning mechanism should be established first of all, the establishment of warning criteria, propose solutions; followed shall be in accordance with national laws, administrative regulations, and accounting system, preparation of financial statements on a regular basis to the competent financial authorities and managers submit; 8th, prison enterprise's financial supervisory system innovation. Report regularly to the prison enterprises staff with basic information, including the remuneration of workers, medical insurance, allowances and benefits. Prison corporate financial oversight, including prison enterprises according to law in charge of financial supervision of financial institutions and national audit institutions of the financial audit, development of prisons and prison business enterprises.

4. The relationship between corporate finance innovation in the prison

Prison is prison, the relationship between corporate finance business in the organization in financial activities that occurred with all aspects of economic relations, corporate financing activities, investment activities, business activities, profit and its distribution activities with the various aspects of prison enterprises have extensive links. Prison Enterprise Financial Management is a financial activity and financial relations unity. Corporate finance activities in the prison described the characteristics of enterprise financial management in the form of prison reveals the relationship between corporate finance corporate finance business in real terms in prison. Prison Enterprise Financial Management from the face of capital raising, investment, operations, and activities such as collection of income distribution is essentially different from the interests of the principal-driven process in the coordination of a variety of financial relationships and processing. Thus, only the economic interests of different subjects is guaranteed, the prison enterprise financial management activities can proceed smoothly, the quality of reforming criminals through labor can be guaranteed. Specifically, the prison

4.1 Prison Company's financial relationship with the prison administration

According to the party's Shiliu Tai's "building and administering assets, personnel and other affairs of combining state-owned assets management system," the spirit of the provincial people's governments at the prison management company, supervision, management rights granted to the provincial prison Authority, Provincial Prison Administration will be granted the right to operate the prison production of state-owned sole proprietorship. Provincial Prison Administration on behalf of the Government to exercise the rights of investors, the prison of state-owned sole proprietorship of the provincial prison Authority. Prison Prison Administration businesses and at the same level in their respective areas of competence to fulfill duties, the common services reform criminals. Prison Enterprises and at the same level of financial relations between prison administration, which embodies the nature of ownership, reflecting the relationship between management rights and ownership.

4.2 The prison business and financial relationship between the prison

"Full protection, monitoring enterprise separate income and expenditure separately, standardized operation" is the goal of prison reform. Supervisor is to separate firms with prison prison enterprises separate state dictatorship to restore the prison authorities as it is. Separate income and expenditure is required for a variety of prison expenditures into the budget by the state and local finances together to be in full protection. December 29, 1994

promulgated "The People's Republic of China Prison Law" explicitly provide that state requirements for protection of the prison rehabilitation of offenders, the provision includes prison police funding, funding for the rehabilitation of offenders, criminals living expenses, prison facilities, funding, Prison labor necessary production facilities and production expenses, and other special funds. The prisons apply for additional funding on the way to solve the lack of funds. Prison enterprises need to establish a special account for the allocation of funds between the prison and settlement. Prison enterprises provide jobs for the rehabilitation of offenders and places, with prison rehabilitation of offenders together to fulfill responsibilities. At the same time, the two joint meetings should be established, or sign contracts or agreements to resolve financial disputes between them.

4.3 The prison business and financial relationship between the offenders

China's "Prison Law" provides that: able-bodied offenders must participate in work. Criminals through labor the right to choose careers such as the right to choose the right post have been strictly limited. Labor is an important means of reforming criminals, reflecting a mandatory obligation. Prison enterprises accord to the requirements of the prison reform, prison reform offenders for the workplace and production jobs, while labor costs paid to the prisons of criminals, mainly for the offender labor compensation and insurance costs. Criminals through labor reform, recognizing the dangers of crime, subject to the law of the decision, turn over a new leaf. Prison enterprises for offenders through the workplace and transform positions to achieve profitability. Prison company's financial relationship with the offender in prison reflects the enterprise and the "special workers" in the relationship between the distribution of labor achievements.

4.4 Prison enterprises and other stakeholders of the financial relations

Front of stakeholders, including creditors, debtors, are investment units, internal units, employees and government departments. Prison enterprises operating in the production process, must be scientific and rational way to deal with other stakeholders of the financial relationship. For example, employees are participants in the labor prison enterprises, the financial relationship between the two is the relationship between labor remuneration fund settlement. Prison Enterprises should develop rules and regulations, assessment methods and incentives, on schedule in full payment of wages, allowances, bonuses and so on, strive to improve the level of benefits employees, motivating workers and their master's enthusiasm for work.

5. The prison culture of innovation in corporate finance

Financial Culture is the soul of the prison enterprise financial management, financial management to improve the level of motivation. In the prison reform process, prison enterprises need to continuously strengthen the financial culture of innovation.

5.1 The composition of the prison culture of corporate finance

Financial culture refers to the entire staff of prison enterprises in certain socio-economic, political, and cultural environment, has gradually fostered the financial material and cultural, financial regulations and financial culture, spiritual culture combined. It includes corporate finance activities in the prison the application of technologies, tools, facilities, digital, information, products, and other financial material culture, but also including basic financial system, relevant laws and regulations, professional ethics, financial operating mode, member behavior, organizational body composition and changes in financial rules such as culture, but also values, ideals and beliefs, values, psychological, sense of community, traditional customs, behaviors and work style, and other financial spiritual culture. Financial material culture, financial regulations and cultural and financial spiritual culture of the prison, together constitute the culture of corporate finance. Three complementary, integrated, indivisible, constitute a comprehensive, multi-level, there is an organic three-dimensional culture system in prisons corporate finance. Among them, the financial spiritual culture is the soul of the prison culture of corporate finance; financial rules of the prison culture is the culture of healthy development of the enterprise's financial security; financial material culture in the prison culture, the external appearance of corporate finance.

5.2 The functions of the prison culture of corporate finance

Prison enterprise's financial culture has different functions, both positive features, there are negative features. Specifically, the financial records of culture, cognitive, cohesion, motivation, integration, indoctrination, reverse guide functions.

5.2.1 Logging

Financial culture is a kind of cognitive style. It is consciously or unconsciously, to record the accumulated history of a variety of linguistic signs and non-verbal symbols and to understand the unique way affect the principal, intermediary systems and understanding of the object, constraints and norms of financial personnel in the prison business values and behavior specification.

5.2.2 Cognitive Function

Financial culture is a knowledge carrier. With the financial and cultural records, financial officers can understand the historical development of the prison enterprise financial management of the whole process of a comprehensive in-depth study of prison culture, corporate finance, corporate financial management activities to grasp the spiritual essence of the prison reform and actively explore the context of corporate financial management of the prison operating mechanism and development of the law.

5.2.3 Cohesion function

Prison Enterprises is a "charger." Prison, there is a two-way enterprise's financial and cultural interaction of radiation phenomena. This phenomenon of radiation, including the proliferation of radiation and absorption of radiation inside. The proliferation of radiation is outside the radiation, the expansion of radiating; in the radiation absorption radiation is to produce centripetal force. The proliferation of radiation and absorption of radiation within the prison culture of corporate finance patterns remain relatively independent and relatively complete with the times of inherent dynamism.

5.2.4 Stimulants

Financial Culture is an "accelerator." McClelland (David.Meclelland) that people, after the physical needs have been met, as well as for power, attribution, and social, achievement needs. Culture contains ideals and development goals and the specific stage, the results of the field of struggle. In a people-oriented culture of the prison in corporate finance, prison enterprises to put their long-term development and to link the personal development of staff so that they produced a strong sense of honor and pride.

5.2.5 Integration

Financial culture is a "cage." Prison culture of enterprise financial integration, including the value of integration, consolidation and structural integration of behaviors. The value of integration is integration a function of the most important. Prison enterprises financial staff value system, but after the financial and cultural co-influenced work in financial management must form a consistent philosophy in general. Behavior integration of financial and cultural integration of the important part. Through the financial and cultural integration of the prison enterprise financial officer's action was largely incorporated into a certain track and models easier to form certain financial order, and can reduce the financial cost. Structural Integration is an important part of integration. Prison Enterprise Financial Management is a multi-structure system. Financial management of the heterogeneity of the more intense the higher the degree of differentiation, financial and cultural integration of the role of the structure will be.

5.2.6 Educational Function

Correctional function is achieved through constant criticism. Prison enterprises generally accepted social values, ideals and beliefs, values, and other financial culture as the coordinates of the other different financial culture screening, evaluation and critical absorption. The prison culture of corporate finance correctional functions reflected in the criticism is not a subjective negative, but a financial update and the creation of cultural systems, with a strong value-oriented.

5.2.7 Inverse function derivative

Prison enterprises have a positive derivative financial culture is not only functional, but also the inverse guide function. U.S. sociologist RK Merton believed that social integration is not always in a state of non-integration of the state are also always exist. Individuals or groups do not always conform to societal norms, violation of norms is often the case occurred. This non-integration of state and irregularities are not accidental, but a manifestation of cultural functions. Derivative function is to promote a balanced development of the prison enterprise's financial system, while the inverse guide function is to break this equilibrium.

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