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Research on Internal Control Optimization of Geological Team A

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Abstract: At present, there are still many areas for improvement in the internal control construction of Geological Team A. The construction of systems, organizations, decision-making, information systems, and other aspects is weak, and the processes of budgeting, revenue and expenditure, procurement, and construction are not standardized. The execution and supervision of internal control are also inadequate, and the effectiveness of internal control is greatly reduced. This has exposed many risks in the business development of Geological Team A, which has long been detrimental to the survival and competition of the unit in the industry. Therefore, this article takes Geological Team A as the research object, based on the framework of "Unit Internal Control Standards", and referring to relevant research on internal control, geological exploration institutions, and internal control of public institutions at home and abroad, analyzes the current situation of internal control of Geological Team A from the unit level and business level, summarizes the problems of internal control, and proposes feasible optimization measures based on the actual situation of the unit, Intended to improve the internal control system of Geological Team A, enhance its comprehensive strength, and provide some reference for the internal control construction of other geological exploration institutions.

Keywords: Internal Control of Public Institutions; Geological Exploration Institutions; Internal Control Standards.

1. Introduction

For administrative institutions, internal control is the main means of effectively preventing risks and regulating the operation of power. It supports the ambitious development of accounting functions towards higher levels and wider fields. It also serves as a long-term guarantee mechanism, constantly promoting China's modernization of governance system and capabilities. Compared to Western countries, the internal control of administrative institutions in China did not start very early, but it has developed rapidly and its importance is increasing day by day. At present, with the promotion and implementation of the Ministry of Finance, the policy framework system for internal control in Chinese units has been preliminarily established and is constantly being improved. Including but not limited to the "Internal Control Standards for Administrative Institutions (Trial)", "Guiding Opinions on Comprehensively Promoting the Construction of Internal Control in Administrative Institutions", "Management System for Internal Control Reports in Administrative Institutions (Trial)", etc. The basis, execution objectives, work tasks, evaluation standards and reporting requirements for internal control construction in administrative institutions in China are all included in the framework system.

Since entering the 14th Five Year Plan period, the internal control construction of administrative institutions still has to face a new round of unknown challenges. This is because the country is continuously deepening the comprehensive rule of law, actively transforming the economic development model, promoting high-quality and green economic development, and various new technologies, new formats, and new models are constantly emerging. Administrative institutions are more sensitive to changes in national policies. In order to contribute public welfare to the economy and society in new models and types of business and transaction environments, as well as in new technological environments such as big data, blockchain, and artificial intelligence, internal control needs to undergo a new round of improvement in order to support an updated management environment and a more modern governance system.

As a public institution under the Provincial Geological and Mineral Exploration Bureau, the Geological Team A is currently facing many opportunities and challenges in its business development. On the one hand, after experiencing the ten-year golden period of the geological exploration industry from 2003 to 2013, China's economy has shifted towards high-quality development, industry investment has declined continuously for many years, and the market has remained sluggish. Geological exploration work needs to be timely promoted for transformation and upgrading. On the other hand, in 2011, the State Council issued the "Guiding Opinions of the Central Committee of the Communist Party of China and the State Council on Promoting the Reform of Classified Public Institutions", and geological exploration units began to follow up on the reform. In 2014, Geological Team A was classified as a public welfare second class public institution, and after a three-year transition period (2015-2017), financial funds began to be subsidized according to the policy of public welfare second class public institutions in 2018. On the surface, Geological Team A has been merged into several geological exploration companies due to its second-class identity, which is more conducive to market operations. However, in reality, the halving of financial funds by second-class public institutions has had an undeniable negative impact on the development of Geological Team A.

2. Internal Control Status of Geological Team A

2.1. Current Situation of Internal Control at the Unit Level

2.1.1. Organizational Situation of Internal Control Work

The captain of the Geological Team A is responsible for the overall internal control work of the unit. The office, disciplinary inspection room, finance department, comprehensive management department, and other departments have played an important role in internal control. The disciplinary inspection room is responsible for testing and supervising the operation of the internal control system. The office is responsible for establishing, improving, and effectively implementing the internal control system of the unit. The Discipline Inspection and Audit Office is responsible for organizing and coordinating the establishment and subsequent maintenance of the internal control system. Every year, the Discipline Inspection and Audit Office inspects the authenticity and completeness of audited financial information, supervises and reviews the implementation of internal control, evaluates the effectiveness of internal control implementation, and reports its work to the team leadership. The Geological Team A has formulated a series of rules and regulations as the basis and norms for carrying out daily work.

2.1.2. Discussion and Decision-Making Mechanism

The Geological Team A has formulated decision-making criteria such as the "Rules of Procedure for the Leadership Team" and the "Implementation Measures for Decision Making on Three Major and One Large" Matters, which respectively stipulate the scope, procedures, and organization of the meeting. The team leadership meeting is responsible for handling and making decisions on the administrative work and geological exploration projects of the entire team. When conducting business, it is generally first necessary to conduct a feasibility study on the project through professional technical personnel from the department. Experts will demonstrate the technical feasibility and cost-effectiveness of the project, and finally issue a feasibility analysis report. Subsequently, the analysis report is first submitted to the team leader and finance department head for preliminary review. Then, a collective meeting of the team leadership is held to discuss the feasibility and profitability of the project, determine the project leader, and form the final decision after the meeting.

2.1.3. Organizational and Job Settings

The leadership team of Geological Team A includes: team leader, deputy team leader, party secretary, disciplinary secretary, and union chairman. There are 10 departments under the organization: Party Committee Office, Office, Trade Union, Youth League Committee, Comprehensive Management Department, Personnel Department, Finance Department, Exploration Safety Department, Production Technology Department, and Discipline Inspection and Review Department; 10 physical departments: Mineral Resources Institute, Geological Survey Institute, Geological and Mineral Exploration Team, Hydrogeological Drilling Team, Engineering Geological Drilling Team, Hydraulic and Environmental Protection Team, Geophysical Exploration Team, Surveying and Mapping Team, High score Center, and Laboratory; Six subordinate geological exploration companies. Geological Team A has established a mechanism for mutual separation and regular rotation. The unit has issued a document called "Job Description", which clarifies job responsibilities, work standards, and competency requirements. At the end of the year, the Human Resources Department will conduct employee assessments, transfer or demote those who fail the assessment, and give honorary rewards to those who excel in the assessment. The Geological Team A competes for talent and has excellent professional and technical strength. Every year, new employees are recruited through public recruitment exams or school recruitment to ensure their comprehensive quality is qualified.

2.1.4. Compilation and Reporting of Financial Information

The Geological Team A compiles financial information at the end of each month and year, and is able to strictly follow government accounting standards, financial management regulations, and other relevant regulations in accordance with the requirements of the Ministry of Finance. The figures are true and complete, and the report quality is high. The finance department prepares both government accounting vouchers and financial accounting vouchers, issues financial statements after settlement, and submits financial reports to the Ministry of Finance on a monthly basis; Submit tax and social security fees and other tax information to the tax bureau; Submit annual final accounting data to the Ministry of Finance at the end of the year. The Comprehensive Management Department is responsible for managing the fixed assets of the entire team. Therefore, at the end of each month and at the end of each year, the Comprehensive Management Department submits asset reports. In order to ensure the quality of reporting, Geological Team A regularly strengthens the professional training of reporting personnel. Regularly convene financial personnel to participate in offline or online training, learn new operations and regulations, ensure that reporting personnel master the reporting process, familiarize themselves with reporting rules, and promote the orderly progress of reporting work.

2.1.5. Information System Construction Situation

The information systems currently used by the Geological Team A include both traditional and network methods. At the same time, we are accelerating the construction of a comprehensive management information platform, aiming to bridge the information barriers between departments and between units and employees, achieve interconnectivity, transparency, and efficiency. In traditional methods, information is mainly transmitted and exchanged offline. For example, using promotional boards and bulletin boards in the lobby of the office building, posting the latest communication and rules and regulations of the unit, or holding a general meeting of all employees to announce important plans and the latest documents to employees, and employees reporting and complaining about violations and fraud through channels such as employee email and complaint hotline. In the network mode, units use official websites, work groups, email and other online methods to release information to employees. Each department uses cloud platforms and OA systems to transfer files and data to each other without interference, assisting in completing work. Especially in the finance department, the degree of electronicization is high, and most of the work is hired through the network, reducing human errors in work.

2.2. Current Status of Internal Control at the Business Level

2.2.1. Budget Business Control

Budget business consists of budget revenue and budget expenditure. The budget revenue consists of three parts: fiscal allocation revenue, operating revenue of public institutions, and other revenue; Budget expenditure consists of two parts: basic expenditure and project expenditure. The personnel expenditure in basic expenses is one of the key contents of budget preparation, as it is a huge amount and generally accounts for 70-80% of the total budget expenditure. In terms of budget preparation, Geological Team A follows the process. In budget execution, the fund utilization plan formulated by the business departments needs to be approved according to the budget issued by the Ministry of Finance, and cannot be taken for granted.

2.2.2. Revenue and Expenditure Business Control

(1) Revenue business control. The income of Geological Team A includes fiscal appropriations, operating income, and other income, with fiscal appropriations and operating income accounting for the vast majority. The revenue from fiscal appropriations is mainly used for basic expenses such as personnel expenses and public funds, with a small amount used for project expenses. The amount of financial allocation for the project is very small, mainly from funds from the Department of Land and Resources and the Provincial Public Welfare Geological Survey Management Center, with a small amount coming from funding from the Provincial Bureau of Geology and Mineral Resources. This type of project funding is used for the expenditure of public welfare tasks, with dedicated funds. The expenses incurred by units in carrying out commercial geological exploration projects shall not be borne by financial appropriations. The business income needs to be directly transferred to the unit, and departments are not allowed to set up external accounts privately. Department heads are not allowed to collect project funds. After receiving the project payment, the finance department promptly enters it into the account and compares it with the contract amount and invoiced amount to timely and closer the collection of accounts receivable.

(2) Expenditure business control. The expenditure business of Geological Team A includes financial allocation expenditure and operating expenditure. The main expenditure of fiscal appropriations is on personnel and public funds, while operating expenses are mainly composed of project costs such as labor and material costs incurred in commercial geological exploration projects. As online payments become more mature, there are not many opportunities to use cash on a daily basis, and the amount of cash held by units is also limited. When each department reimburses expenses, the handling personnel will submit the reimbursement documents that are correctly filled out and signed by the responsible person to the finance department for review. After being signed by the finance department head, they will be submitted to the deputy team leader and team leader for review and signature to complete the reimbursement. When each business department reimburses expenses, the department head, finance department head, deputy team leader, and team leader shall review and sign in sequence. When applying for a reserve fund by a business department, if the amount is relatively small and the single loan is below 100000 yuan, it generally does not need to be approved by the team leader. The business department can decide on its own to apply. However, if the amount of reserve fund applied for exceeds 100000 yuan in a single loan, it needs to first seek approval from the team leader, and the team leader's approval can proceed with the formal application process.

2.2.3. Procurement Business Control

The procurement business of Geological Team A mainly involves fixed assets, intangible assets, and sporadic procurement. Fixed asset procurement includes electronic equipment such as computer printers, office equipment such as binding machines, electrical equipment such as air conditioning, specialized equipment such as drones, as well as large-scale equipment such as materials and machinery; Intangible asset procurement includes office platforms such as geological mapping software, reserve calculation software, and financial software; Sporadic procurement includes some office supplies commonly used in daily work, such as neutral pens, printing paper, printer ink cartridges, etc., with low value and small amount, generally purchased on demand. The procurement of fixed assets in various departments of the organization needs to apply to the Comprehensive Management Department, which is responsible for procurement; The procurement of daily office supplies needs to be applied for from the office, and will be uniformly purchased by the office. The procurement of fixed assets, intangible assets, and office supplies by the business department shall be compared and purchased by each department. After purchase, reimbursement shall be made to the finance department. Equipment and materials purchased shall be registered and filed with the comprehensive management department.

2.2.4. Asset Business Control

(1) Control of monetary fund business. The control of monetary fund business mainly includes the management of cash on hand, bank deposits, commercial bills, bank accounts, financial seals, online banking, etc. The specific details are as follows: firstly, cash is collected or paid based on settlement documents, and after daily cash inventory and reconciliation, it is stored in a safe. The safe is dedicated to the cashier, and the accountant clears and closes the cash accounts on a daily basis. The second is to conduct bank enterprise reconciliation at the end of the month. Thirdly, the issuance of checks needs to be filled out in accordance with regulations, and the recipient of the check needs to sign and record in the special registration form. The fourth is the opening, modification, and revocation of bank accounts, as well as online banking services, which are uniformly handled by the cashier of the finance department, with the office cooperating in the use of signatures. Fifth, if there is a need for signatures in monetary fund transactions, please apply for the official seal at the office and the financial special seal at the finance department. When handling fund transactions outside, it is strictly prohibited for one person to simultaneously manage all seals to prevent the misappropriation of public funds. The sixth requirement is that bank transfers need to be operated by the cashier, reviewed by the finance department head, and the online banking shield and password should be kept separately. It is not allowed for one person to operate and review at the same time for the sake of convenience, and the review should not be reduced to formality.

(2) Fixed asset and intangible asset business control. The Geological Team A has the following requirements for the acquisition, depreciation, maintenance, inventory, and disposal of fixed and intangible assets. One is that when receiving, the recipient or receiving department must sign and confirm on the receiving form to complete the receiving procedures. The second is to use the straight-line method or accelerated method to depreciate or amortize fixed assets and intangible assets according to the traditional habits of the unit and the characteristics of the assets. The third is uncomplicated daily maintenance, which is the responsibility of the department using the asset. If it is not possible to repair it on its own or requires asset renovation and upgrading, the department using it will first evaluate it in conjunction with the finance department, propose a renovation plan and budget,

and submit it to the team leader for approval before proceeding. The fourth is to conduct an inventory of assets at the end of each year. Personnel from the Finance Department, Comprehensive Management Department, and Discipline Inspection and Review Office are selected to form an inventory team to check the assets in use and in stock of each department. For discrepancies between the accounts and actual assets or inventory gains and losses, an inventory table is prepared and recorded, and the reasons are promptly identified. Fifthly, for assets that have expired their probationary period and are normally scrapped, the using department shall fill out a scrapping application form, which shall be reviewed by the leadership and then processed by the finance department for accounting purposes; For large high-value assets that are abnormally scrapped, the using department needs to provide reasonable reasons for scrapping and accurately estimate the cleaning costs, recoverable residual values, etc. The finance department, comprehensive management department, and external experts will conduct professional appraisal on the scrapping application. After approval by the team leader, the appraisal report will be submitted to the provincial bureau of geology and mineral resources for approval.

2.2.5. Geological Project Control

The geological exploration projects of Team A can be divided into provincial funding projects, provincial geological and mining bureau projects, and market projects according to different sources of funding, which are carried out by financial appropriations and team self raised funds, respectively. According to the business content, geological exploration projects can also be divided into types such as terrain surveying, geological surveying, engineering drilling, mining, and rock and mineral testing. Due to the particularity of geological exploration projects, they are greatly affected by local natural conditions, policy environment, and other factors. Therefore, units generally do not set time limits for geological exploration projects. Each business department is responsible for their own business and arranges technical personnel to participate in projects and field operations reasonably based on different workloads, technical requirements, and funding sources. The project leader regularly reports the progress of the project to the team leader and settles and reimburses cost expenses to the finance department on a regular basis.

2.2.6. Contract Control

The contracts signed by the Geological Team A mainly include geological exploration, engineering construction, surveying and mapping services, and housing leasing. The geological exploration contracts mainly include exploration rights transfer contracts, exploration and development contracts, commissioned exploration contracts, etc. The engineering construction contracts mainly include trenching engineering construction contracts, construction pressure contracts, drilling construction contracts, field temporary employment contracts, etc. Contract control includes processes such as conclusion, re signing, dispute resolution, and filing and organizing. After reaching a consensus through negotiation between the head of the business department of the Geological Team A and the head of the cooperating party, the office, production technology department, business department, etc. jointly draft and review the contract, and submit it to the team leadership for approval. After both parties agree on the content of the contract, the contract is officially established. The original contract shall be archived and managed by the office.

3. Problems in Internal Control of Geological Team A

3.1. Problems in Internal Control at the Unit Level

3.1.1. Incomplete Internal Control Organization

(1) No internal control work leadership group has been established. According to the requirements of the Unit Internal Control Specification, Geological Team A has designated the Discipline Inspection and Audit Office as the leading department for the implementation of internal control, responsible for organizing and coordinating the overall implementation of internal control. However, due to the lack of a separate functional department for internal control construction, such as the Internal Control Work Leading Group and the Discipline Inspection and Review Office, they are also responsible for supervising and re evaluating the internal control system. This leads to conflicts between the functions of the disciplinary supervision and review room, and the supervisory and evaluation departments of internal control within the unit cannot be separated from the establishment and execution departments. The effectiveness of the supervisory and re evaluation functions of the disciplinary supervision and review room is greatly limited.

(2) No risk assessment team has been established. The external risks of Team A can mainly be summarized as investment decision risk and engineering fund recovery risk. On the one hand, many geological exploration projects of Team A are located in other provinces, even in Africa and Southeast Asia. The geological exploration projects themselves require a certain technical foundation. In addition, the complex situation of the project location often makes the risks of geological exploration projects not to be underestimated. Once decision-making errors are made, they will bring huge losses to the unit, and even affect the survival of the unit's development. On the other hand, the withdrawal of engineering funds directly affects the cash flow of the unit. If the funds cannot be withdrawn, the cash outflow will be greater than the cash inflow in the long term, which may ultimately lead to the rupture of the funding chain, which will inevitably affect the bidding and construction of the unit's projects, restrict the unit's market expansion, and put the unit in a passive state in industry competition.

3.1.2. Inadequate Decision-Making Mechanism

The Geological Team A has established a decision-making mechanism for the team leader's office meeting in decision-making, and major issues such as geological exploration projects require collective decision-making after discussion by team leaders. However, in actual decision-making, the decision-making power is often concentrated in a very few people, and the situation of "top leaders the final say" in business departments is common, and there is no corresponding check and balance mechanism to restrict the power. The "leader" takes over the complex "human, financial, and material" business and directly manages it, which not only consumes a lot of time and energy, but also makes it easy for corruption to breed in decision-making, affecting the quality of decision-making and hindering the long-term development of the unit. In addition, the Geological Team A did not introduce a risk assessment procedure in the decision-making process. Effective risk assessment has not been carried out for each geological project, and in most cases, project risks are judged based on past experience, without scientifically and quantitatively estimating project risks. The phenomenon of insufficient discussion, formality, and going through motions at the leadership level naturally cannot guarantee the correctness of decision-making.

3.1.3. Inadequate Implementation of the Rotation Mechanism for Key Positions

The Geological Team A has established a key position responsibility system, a system for separating incompatible positions, and a system for rotating key positions. However, the implementation has been inadequate for a long time, and the quality and effectiveness have been compromised. Key positions such as asset procurement and management, base construction management, and internal supervision have not been rotated or have no rotation records for over ten years. For key positions that do not meet the conditions for job rotation, special audits have not been conducted in accordance with relevant regulations. This brings many potential risks to the management of Geological Team A and also reduces the effectiveness of internal control. For example, key personnel who are responsible for a certain task for a long time can easily lead to corruption and even result in employees taking money to do things; It can also easily lead to the formation of "empiricism" among managers, who cannot detect potential risks in a timely manner and prevent them in advance.

3.1.4. Insufficient Utilization of Information Systems

Internal disclosure of information can play a role in supervising internal control. By using internal information systems, employees can standardize work processes, improve work efficiency, and enhance work transparency, which can reduce the possibility of illegal and covert operations by employees and strengthen their supervision of the leadership's execution process. At present, the Geological Team A also utilizes information technology tools such as office OA systems, cloud accounting systems, and mobile office terminals. However, there is no centralized management of information system construction, and the utilization of information systems is not deep enough. The functions used only move physical work to the cloud to make electronic data information, without integrating internal control processes into the information system. The automation level of information system office is not high, there is a possibility of human tampering. Employees are also unable to obtain useful information through information systems, making it difficult to supervise the internal controls of the unit.

3.2. Problems in Internal Control at the Business Level

3.2.1. Problems in Budget Business Control

The budget process of the Geological Team A is basically appropriate, and the budget preparation, approval, execution, and decision-making system is basically sound, able to complete budget tasks according to regulations. However, in terms of numerical values, there is often a deviation between the budget execution results and the budget goals, and the difference is not small. This is because there are mainly the following issues in budget business control. One reason is that the annual budget submission is too hasty. The second is the unprofessional operation of the personnel. The third issue is that geological exploration projects have large variables and are difficult to accurately budget.

3.2.2. Problems in Controlling Income and Expenditure Business

(1) The business revenue recognition process is not rigorous. Geological Team A has a situation where the recognition of business income is not rigorous, resulting in long-term outstanding accounts receivable. In the process of confirming operating revenue, sometimes the finance department only recognizes revenue and records it based on the invoiced amount unilaterally calculated by the business department. In fact, the project contract has not yet been signed and confirmed by the investor, and the final pricing has not been agreed upon by both parties. Finally, when the project is completed, only a portion of the invoiced amount can be recovered, resulting in long-term accounts receivable being held up until bad debts are formed. Especially for the companies under the Geological Team A, it is difficult to clear and recover accounts receivable, some of which have become historical legacy issues.

(2) Formalize the approval process for expenditure business. The problem of formalizing the approval process for Geological Team A's expenditure business has long existed. The reimbursement of expenses by Geological Team A needs to be signed by the leader first, and then transferred to the finance department. This process is top-down, which will make the finance personnel believe that the reimbursement signed by the leader is approved without error. However, in reality, leaders who are not in charge of finance may not be able to determine the authenticity of financial reimbursement documents and can only approve them based on the oral instructions of the reimbursement personnel, which may result in reimbursement invoices not meeting the standards or reimbursement expenses not meeting the budget. In addition, some expenses and risks of the Geological Team A are high, but due to the involvement of subordinate companies, they skip the collective decision-making approval process and have the top leader directly make the decision, which adds a lot of financial risks to the Geological Team A

3.2.3. Problems in Procurement Business Control

In the procurement of office supplies for government departments, Geological Team A adopts a unified procurement approach. Each department applies for office supplies on a monthly basis, and the office purchases them uniformly. During this process, it is possible to designate suppliers based on personal interests and choose products of high quality and affordability, which may not meet the needs of the user department and affect office efficiency. For example, when a department applies to purchase a printer, the performance of the printer purchased by the unit is poor, and the copying effect cannot meet the department's requirements. In the end, the department also needs to go to the team's printing room to make copies, which seriously slows down work efficiency.

Furthermore, the acceptance procedure is virtually non-existent. The inspection personnel are not independent, usually the procurement personnel who apply, which can easily cause the purchased items to not comply with regulations. At the same time, in the payment process after purchasing goods, the payment method is relatively arbitrary, and the audit of the payment object is not strict, which can easily cause asset losses and bring legal risks.

3.2.4. Problems in Asset Business Control

(1) The management of monetary funds is not standardized. Firstly, the job positions are not standardized. The operator reserved by the bank and the actual employee responsible for

monetary fund work are not the same person, resulting in unclear job responsibilities. There may be a phenomenon of inaction and laziness among employees during work. If errors occur, employees will shift blame to each other, which is not conducive to ensuring the quality of monetary fund management work. Secondly, there is a lack of supervision over monetary funds. Accounting and cashier positions are not rotated year-round, and cash inventory and bank reconciliation are merely formalistic. No spot checks or verifications are conducted on cash inventory tables or bank statements. Finally, when paying funds, it is common for the person in charge or the payee to confirm without signing and reviewing, and the cashier has already transferred the funds, which actually puts a significant risk on the unit's funds.

(2) The management of fixed assets is not standardized. Firstly, the responsibility for the use of fixed assets is unclear. Geological Team A purchases a large number of fixed assets such as pipes and equipment, which are stored in a certain old factory area and managed by the comprehensive management department. However, the purchase of pipes dates back a long time, and the registration process was not standardized. Many fixed assets can no longer be clearly identified as the recipient or department, or the original recipient has retired, and the current business department is no longer willing to use them. Secondly, there is a discrepancy between the accounts and reality. The annual asset inventory of Geological Team A is just a formality, and some inherent problems are shelved. The phenomenon of discrepancies between accounts and reality is assumed to exist. Finally, asset disposal is not standardized.

3.2.5. Problems in Geological Project Control

(1) Insufficient project management level. The technical core department of Geological Team A is the Mining Institute, which is also the business department with the most projects and the largest project amount, and also the department with the largest number of employees. However, the management level of the mining institute is poor, and positions are only set up based on administrative positions, without separating administrative and technical positions, resulting in administrative and technical responsibilities being shouldered by the responsible person. Employees also need to be assigned some administrative work while designing projects. The general management of the mining institute itself makes it impossible to achieve refined project management, which leads to inefficient and low-quality situations during the project.

(2) The technical skills of the project personnel are not up to standard. The geological exploration project of Team A is a technology intensive project that needs to keep up with the latest technical standards and adopt innovative methods to ensure quality and efficiency. Moreover, the locations of geological exploration projects are mostly in the wild, with complex terrain and frequent emergencies, which require extremely high requirements for safety production. This requires technical personnel not only to have rich experience, but also to have advanced professional skills. However, the current Geological Team A has a serious loss of technical talents, and the technical level of the employees is uneven. The skills of the employees cannot keep up with the latest technological development, and there is also a shortage of manpower. The unit hires external technical personnel to participate in project execution and construction. This leads to unreasonable design of project drawings in the early stage of Geological Team A, which is not in line with the actual construction situation. The department's supervision of the project execution process is also superficial, ultimately dragging down the construction progress of the project, and even causing expenditure overruns, reducing business profits, and posing hidden dangers to the quality and safety of the project.

(3) Fake salary costs for project personnel. The identity of employees in the Geological Team A is divided into two categories: government management and geological technology. The salary of technical personnel in geological exploration projects is divided into two parts: one is the basic salary determined by their position and title, and the other is the field subsidy determined by the number of days of field attendance. Therefore, the longer the project duration, the more days technical personnel may attend field work, and the higher the field subsidy will be. In practice, technical personnel may delay project progress and fabricate field attendance rates in order to obtain higher salaries, resulting in a negative work style of the project team, exceeding project timelines, and increasing project costs.

3.2.6. Problems in Contract Control

(1) The contract management system is not standardized. The contract management system of Geological Team A is not sound and lacks centralized management. Although the Geological Team A has established a contract management system in accordance with the regulations of the superior unit, there has been no dedicated department responsible for contract management in the Geological Team A for a long time. Each business department has independent interpretation rights for their respective contracts, resulting in inconsistent standards for contract formation and management. There is a lack of strict approval during the contract formation process, and some contract formats do not comply with the regulations of the superior department, which poses a certain risk of fraud.

(2) The contract formation process is not standardized. The Geological Team A lacked due diligence before the contract was signed, resulting in a low-quality contract being drafted. Before drafting a new contract, the Geological Team A often did not conduct necessary investigations and understanding of the cooperating units according to standardized procedures in order to save time. Instead, they drafted a new contract based on previous contracts as templates, resulting in incomplete contract content and imprecise wording, which affected the normal performance of the contract.

(3) Lack of supervision in contract performance. The Geological Team A has been failing to supervise the performance of the contract for a long time. The contract performance of the Geological Team A was not followed up and supervised, and only the project leader was aware of all the execution status. The project leader could selectively report the progress of contract performance, and the unit could not timely detect suspected fraud, delay, and other behaviors during contract execution, which put the unit in a passive state and could not guarantee the recovery of economic benefits.

(4) The construction of contract archiving is incomplete. The Geological Team A's archive management of contracts is not standardized, and some early contracts were not included in the archive room or electronically archived, making it difficult to access the project information later on. When reviewing archived contracts, the handling personnel do not register according to regulations in order to save time, which can easily lead to the loss of the contract.

4. Optimization Measures for Internal Control of Geological Team A

4.1. Internal Control Optimization Measures at the Unit Level

4.1.1. Establish and Improve Work Organization

(1) Establish a separate internal control leadership group. Establish a separate internal control leadership group, which includes an internal control working group and an internal control evaluation and supervision group. The team leader serves as the team leader, members of the team party group serve as deputy team leaders, and heads of various departments and business departments serve as team members. The leadership group is responsible for uniformly deploying and organizing the implementation of internal control construction work. Including researching, establishing, and improving the basic system and work standards of internal control in the unit; Plan and formulate the work priorities and plans for internal control construction; Research and address major issues encountered in the execution of internal controls; Supervise the overall progress and perfection of internal control mechanisms, adjust work plans in a timely manner, and ensure the healthy operation of the internal control system. The Internal Control Evaluation and Supervision Group is responsible for conducting internal supervision inspections and self-evaluation on the establishment and implementation of internal control.

(2) Establish a working mechanism for the internal control leadership group. One is to establish a meeting system, hold regular meetings and special meetings. The preparation, time and location, participants, meeting agenda, and other specific matters for regular meetings are the responsibility of the internal control group. The leader of the leadership group presides over the meeting, and all members of the leadership group attend. The second is to establish a supervision system to supervise the resolution of matters decided by the leadership group meeting. The specific implementation situation will be tracked and understood by the working group, and the situation will be reported to the leadership group in a timely and timely manner.

4.1.2. Improve the Deliberation and Decision-Making Mechanism

(1) Establish a sound leadership decision-making mechanism. The construction of unit decision-making mechanisms should be improved from the following two aspects. One is to establish a sound decision-making and deliberation system, and to make full use of methods such as collective research and consulting with technical experts. Decisions related to major issues, appointment and removal of important cadres, investment decisions for major projects, and the use of large amounts of funds, such as the "three major and one major" matters, should be held at a joint meeting of the Party and government or a team leader's office meeting, which should be collectively discussed and approved by the leadership team to increase the objectivity and scientificity of the decisions. The second requirement is to record decisions and truthfully reflect the decision-making process and opinions of members of the leadership team.

(2) Introduce risk assessment in the decision-making process. As is well known, the risk of a project cannot be reduced to zero. Therefore, it is necessary to qualitatively and quantitatively evaluate the risk, compare the risk and return, and evaluate whether the risk is within the acceptable range of the unit. Before carrying out the geological exploration market project, a risk assessment working group should be established, with the team leader serving as the team leader. When conducting risk assessment, the likelihood of risk occurrence and the degree of impact on risk events need to be accurately measured. The risk assessment working group, various business departments, and hired technical experts conduct quantitative scoring, and the scores of the two are multiplied to obtain the overall risk score of the project. Evaluate the level of risk by referring to existing risk assessment forms. Subsequently, a risk assessment report will be issued and submitted to the team leader for review. The team leader will hold another work meeting to make scientific decisions based on the level of risk that the unit can bear. For some particularly significant projects, professional consulting firms can also be hired to conduct risk assessments and issue feasibility reports.

4.1.3. Clarify Key Job Responsibilities and Division of Labor

(1) Establish a Business Development Department. The newly established Business Development Department is mainly responsible for supervising and managing the initiation and progress of various production projects such as geology and drilling; Supervise, manage, and coordinate the application, maintenance, transfer, cooperation, and acquisition of mining rights; Supervise and manage the application, upgrading, annual inspection, and use of various qualifications; Organize and manage bidding for geological exploration projects, geological exploration and other engineering projects; Research project background, coordinate and participate in business contract negotiations.

(2) Strengthen job management and implement the system of rotating key positions. On the one hand, relevant rules and regulations should be established to clearly define the scope of responsibilities and management authority of each position, assign responsibility for problem-solving to individuals, and avoid mutual buck passing. On the other hand, the nature of the position should be fully considered and the rotation cycle should be reasonably defined. If practical conditions limit the ability to find suitable personnel for certain important positions, such as the position of finance department head, regular special audits need to be conducted for such positions. The job rotation system not only stimulates the work motivation of employees and avoids the boredom and disgust caused by long-term repetitive work, but more importantly, it prevents and reduces corruption problems.

4.1.4. Strengthen the Construction of Information Systems

(1) Strengthen the construction of collaborative office information systems. Develop the Management Measures for Collaborative Office Systems, establish information technology personnel management positions and training mechanisms; Develop an internal control management system for geological exploration, forming a multidimensional and three-dimensional control system. Implement online management functions including contracts, projects, equipment, income and expenses, creditor's rights, license borrowing, and bank enterprise direct online payments, ensuring that the economic activities of the unit comply with laws and regulations, assets are safely and effectively stored, and the use of assets also complies with rules and regulations, providing more authentic, reliable, and complete financial information, improving the efficiency and effectiveness of business management and services, Provide effective

information management tools for internal control management of the unit. The specific approach is as follows: Summarize the online management processes of each department and establish a functional matrix diagram. Innovative information tools for institutional learning, utilizing internal control management systems to establish an online management space for institutions, achieving electronic management of institutional compilation, and updating institutions in real-time. Integrate business processes to truly achieve interconnectivity, data sharing, and accountability among individuals. Deeply explore data associations and continuously strengthen the deep integration of business and data. 5. Strengthen automation control and reduce manual intervention factors.

(2) Internal disclosure of information is reasonable and appropriate. The internal disclosure of information related to the business activities of the construction unit can not only meet the right of internal employees to know, but also play a supervisory role in the overall economic and business activities. Firstly, it should be clarified that internal disclosure of information is selective and not all information is made public. Some information made public can motivate employees to work actively, improve work efficiency, and create a good atmosphere. However, some information layouts are long-term and cannot reflect the current benefits. In such cases, public disclosure may cause confusion and questioning among employees, which not only does not improve work quality and efficiency, but may also disrupt the good environment of the unit. Therefore, it is necessary to consider the characteristics of the geological team and the current efficiency of the unit, as well as the general emotions and understanding of the unit's employees, to study and determine which economic business related information has the conditions for internal disclosure. Then, specific methods and processes for disclosure should be studied and formulated, and finally, internal disclosure should be carried out within a specified period of time.

4.2. Business Level Internal Control Optimization Measures

4.2.1. Strengthen Budget Management and Improve Preparation Level

Strengthen the control and supervision of various links such as budget preparation, reporting, approval, implementation, analysis, and review, identify problems that arise during budget execution, analyze the reasons, and timely improve the budget system. Establish a budget evaluation index system that meets the requirements of unit budget management from three aspects: economic benefits, social benefits, and service quality. To ensure that budget management can run through the entire process of economic activities, budget preparation must be strictly implemented, budget expenditures must be strictly approved, and the use of funds must comply with relevant laws and regulations, especially the use of special funds, which should be executed according to requirements after the approval of the expenditure is completed. Due to the high initial investment in geological exploration projects, it is necessary to strengthen the supervision of budget execution, track and analyze key budget indicators, and ensure that budget funds are not wasted in the early stages of project implementation. In terms of budget preparation, it is necessary to plan and arrange early to ensure the quality and efficiency of the report.

4.2.2. Strict Revenue and Expenditure Management, Implementation of Authorization Approval

Establish a sound income management system and establish a dedicated income management position within the finance department to manage operating income, separating the collection position from the tax and accounting positions. All income of Geological Team A is managed by the Finance Department, and invoices are issued and promptly recorded. All income must be collected and included in the designated unit account. Some business departments have some misconceptions that they do not rely on their units to carry out projects and do not want to submit income, but in reality, business departments only have the qualifications to operate projects based on their unit qualifications. No matter it is any department or individual, no matter in any form, it is prohibited to withhold, misappropriate, or share unit income without authorization, and financial personnel should not be misled or assisted by others to violate the law.

Geological Team A has currently formulated management measures for small vaults, strictly prohibiting the establishment of off book accounts and resolutely cracking down on small vaults. In addition, the opening, modification, or revocation of bank accounts for each unit must be approved by the team leader and authorized by accounting personnel to ensure that the bank accounts are under management and supervision. Strict review and control should be carried out on project expenditures of various business departments. Geological exploration projects are often located in the wilderness, far from unit supervision, and the names of project expenditures are prone to errors. The project team's attitude towards reimbursement is arbitrary, ignoring unit rules and regulations, and "reporting whatever you want" without considering "what can be reported". This can lead to project costs exceeding the limit, budget overruns, or cutting corners, and project funds being misappropriated and not reported, which affects the quality of the project and ultimately affects the reputation of Geological Team A

4.2.3. Clarify Procurement Procedures and Strengthen Procurement Supervision

Establish a procurement application system and clarify the procurement process. Adopt flexible and diverse procurement methods, parallel offline and online procurement, and clarify the management methods and procedures for related inquiry procurement and bidding procurement. For the application for purchase, it is not allowed to purchase at will. It must comply with the prescribed process, and the purchased goods must be reasonable to avoid the requester seeking personal gain. It is strictly prohibited to violate the procurement procedure by purchasing first and then requesting. In special circumstances, an emergency procurement process should be adopted to ensure the standardization of the procurement process. Reasonably set up positions and job responsibilities, with the office, procurement department, and comprehensive management department conducting procurement together. Personnel or departments responsible for procurement information investigation cannot designate suppliers, ensuring that incompatible positions such as procurement information investigation, supplier selection, and evaluation are separated from each other, avoiding one department responsible for the entire procurement process, reducing corrupt behaviors such as kickbacks and substandard products during the procurement process, and ensuring procurement quality. Regularly review and approve supplier evaluation results, publicly, fairly, and fairly determine suppliers. When there is an interest relationship between the merchant and a certain employee or unit, it is necessary to objectively and impartially evaluate whether the supplier's conditions meet the standards, assess and evaluate the supplier's ability to deliver on time, whether the quality, quantity, and price of the product are reasonable, and cannot be influenced by human interests when choosing.

4.2.4. Strengthen Asset Management and Prevent Asset Loss

(1) Strengthen the management of monetary funds. Set a cash inventory limit, within which cash can be stored in the office safe for daily miscellaneous expenses of the unit. Generally, it should not be set too high. Considering that Geological Team A rarely has cash inflow and outflow business, a limit of 500 yuan can be set for miscellaneous expenses. Daily inventory of cash on hand should be conducted, and any excess should be deposited into a bank account on the same day. It is strictly prohibited to deposit unit funds into private accounts. If the unit bears losses due to the negligence of management personnel, compensation liability shall be confirmed in accordance with regulations. Regularly conduct spot checks on cash inventory tables, cash journals, and bank deposit journals to ensure daily and monthly settlement. Clarify the position and responsibilities of fund management, and set up operators and reviewers to handle cash and transfer transactions. Measures should be taken to prevent situations where one person works part-time for transfer and review. Strengthen the management of financial seals. Strengthen the management of accounts receivable.

(2) Strengthen the management and maintenance of fixed assets. Strict procurement procedures for fixed assets. A large part of the fixed assets of the Geological Team A are large specialized machinery and equipment, with a large procurement amount. Unless the procurement basis is sufficient and appropriate, it will not be approved to avoid wasting funds and idle assets. Establish a sound fixed asset delivery acceptance procedure, which is generally carried out by the fixed asset usage department. Technical experts can be invited to participate in the appraisal to ensure that the fixed assets can meet the usage requirements. After acceptance, fixed assets are registered and stored by the Comprehensive Management Department, and fixed asset cards are prepared. Fixed asset cards also need to be carefully stored to avoid loss. Establish a sound system for the use and management of fixed assets, ensuring that management and requisition comply with procedural standards. Standardize the procedures for disposing of fixed assets. Clearly define the scope and standards of disposal. When disposing of fixed assets, it should be handled by personnel unrelated to the asset usage or management department, or supervised throughout the entire process to avoid disposing of assets at too low a price. Strictly manage unit buses.

4.2.5. Strengthen Geological Project Control

Establish sound rules and regulations, and improve business processes. For geological exploration projects, institutional constraints are imposed from project initiation, budgeting, implementation, and conclusion. Refine the business process to each stage of the project, ensuring that the entire process of project implementation is well organized. Establish a project initiation team consisting of geological and financial personnel, and arrange expenses for each stage according to the project's overall process plan to avoid any impact on project progress and accounting due to expenses during construction. After the project is completed, relevant personnel such as the project leader, technical backbone, finance, and disciplinary inspection room should be organized to hold a meeting to conduct an internal evaluation of the project performance goals. Pay attention to collecting and organizing project contracts, materials, and achievement reports. At the same time as obtaining approval for the project, a project file should be established, including project approval materials, approval materials, various contracts, supplementary indicators, decision-making materials, expert review materials, meeting materials, etc. The retrieval of archived materials must be registered in accordance with regulations to avoid loss of materials. A complete, detailed, and accurate submission of project information can improve the success rate of the next application for geological exploration funds. Therefore, it is necessary to prioritize the submission of project information and project performance evaluation to ensure the continuity of geological exploration fund projects.

5. Conclusion

The emphasis and implementation of internal control in practice is not achieved overnight, but has witnessed the gradual establishment and development of relevant theoretical foundations for internal control in administrative institutions in China. It is a series of experiments in which the country implements the theoretical concept of internal control into the management of administrative institutions. The special nature and system of administrative institutions result in numerous traps for violations in economic activities. Internal control can keep the units away from the "red line" of laws and regulations, reducing the probability of violations occurring. In the administrative management of the unit, internal control will also continue to be integrated, ultimately achieving the integration of management and control, and improving the administrative efficiency and quality of the unit. This is especially true for geological exploration institutions. Given the current worrying financial situation of the Geological Team A and the sluggish but fiercely competitive geological exploration industry, optimizing the internal control of the Geological Team A is beneficial for improving the unit's management level, standardizing financial management, and even related to the future survival and development of the Geological Team A.

This article analyzes the current situation and discusses the problems of Geological Team A, and proposes improvement measures that can be taken in its internal control construction from both the unit level and the business level. By establishing a sound internal control organizational system, improving decision-making mechanisms, clarifying key job responsibilities, strengthening the construction of information systems, and optimizing internal control at the unit level; By optimizing budget control, strengthening revenue and expenditure control, standardizing procurement procedures, strengthening asset management, strengthening project control, and strengthening contract management, internal control at the business level is optimized.

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