

Research on Internal Control of JK Restaurant Company

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Abstract: With the steady growth of the national economy, people's income level is higher and higher, and consumers are willing to spend more money to enjoy material life. A large number of overseas catering enterprises has flooded into China's market, which has brought unprecedented competitive pressure, and also made the catering enterprises in China realize their shortcomings. This paper takes JK Restaurant company as an example to study the internal control.

Keywords: JK Restaurant Company; Internal control; Operation risk

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1. Introduction

Internal control is the inevitable outcome of social and economic development. It is the realization of the enterprise to ensure its strategic objectives, and the management enterprise develops the system of strategy and operation risk.

2. Internal Control Theory

2.1 The Concept of Internal Control

Internal control is a dynamic system which develops continuously with the development of society and is the basis of all work. Management at all levels in order to protect the security, integrity of their economic resources, to ensure accurate and reliable economic and accounting information, coordinate economic behavior, control economic activity, use the unit internal division of labor and mutual restriction, mutual connection relationship, form a series of methods, measures, procedures, and standardized, systematic with control function, making it become a rigorous, relatively complete system.

2.2 The Principle of Internal Control

1) Comprehensive principle. When building an internal control system, consider the independence and interconnection between each system, making it unification and cooperating with each other.

2) Importance principle. During the establishment of internal control carefully screened, and according to their own

enterprises need to select suitable elements, subsystem and the status of the control process, find out the process control key, with clear policy, indirect process frame out the key control program.

3) The principle of equity. Internal control shall, in the governance structure, institutional setup and responsibilities distribution, business process, etc., to form mutual restriction, mutual supervision, if excessive restriction on power distribution and setting up the business process will affect the enterprise the management efficiency.

4) Adaptive principles. The internal control should be adjusted to the size, scope of business, competition and risk level of the enterprise, and adjusted accordingly.

5) Principle of cost-effectiveness. The internal control is only reasonable guarantee to prevent the wrong and risk of enterprise activities. It should weigh the implementation cost and expected benefits, and realize effective control at the appropriate cost.

3. Internal Control Analysis of JK Restaurant Chain Co., LTD

JK restaurant chain co., LTD, founded in 2006, is a fast food chain selling rice noodle is as its main product in China, combing Chinese traditional rice noodle, the internationalization of fast food chain management concept, and the global food industry. The main products of the restaurant are provided by the central kitchen to support all store sales products made from the food industry standard.

3.1 Business Process

Waiter arrives an hour earlier before store opens, cleaning, set the tableware to meet customers, customers choose seat, transmit the order to the cashier and pass-through after founding order by order machine, pass-through member tells the kitchen to prepare food, after pass-through Ramadan according to the order to the customer's table, finished eating, choose cash or credit card for payment, obtain the invoice. The cashier will send the summary and cash to the supervisor at the end of the day, the supervisor will check the documents and calculate the total amount of the documents, count the cash and check the sum of cash and remittance.

3.2 Internal Control Analysis

Through the investigation of the company, the following problems are found in the internal control of the company, and the following analysis is made on these problems:

3.2.1 The Cost Control is Weak

Inconsistent pricing for raw materials procurement of headquarters and the division, no strict examination and approval system for fees, no expense budgets or without according to the budget implementation, frequent over budget cost.

3.2.2 Weak Income Control

Income control, established by the company scientific and effective control measures, in order to prevent a catering income decreases, is to reduce the production cost, improve profits and take a management control measures. Improper storage of accounting information, internal audit cannot be carried out in depth, funds are embezzled, stolen or misappropriated.

3.2.3 The Management Mode to Be Adjusted

The management right is concentrated in the hands of the general manager, which greatly reduces the enthusiasm of other management personnel in the company to participate in the management. The manager is likely to take the wrong decision and make the wrong decision because he is not clear about the specific operation of the company, or not to have a thorough understanding of the company.

4. Internal Control Construction of JK Restaurant Chain co., LTD

4.1 Organizational Structure

By adopting the combination of centralized and decentralized management mode, the new organization is composed of five departments of purchasing department, service department, administration department, finance

department and supervision department, the decentralization of the general manager to the department supervisor, department manager should set up a team to facilitate management and regularly report to the general manager of the business.

4.2 Human Resources

Enterprises must continuously train employees to develop the habit of self-learning. To formulate the corresponding incentive measures, all contents of enterprise internal control activities, to cultivate employees master the sense of responsibility, team cooperation and common struggle of team spirit, to give full play to their initiative, enthusiasm and creativity, to achieve the best effect of internal control.

4.3 Internal Supervision

To the supervision of the internal control, effectively protect the interests of the company, improve the efficiency of management, the department directors in the supervision of each store, check the scientific rationality of the internal control according to the requirements of the enterprise management, discover the problems existing in the internal control mechanism, and put forward feasible improvement opinions and suggestions according to these problems.

5. Conclusion

To sum up, the construction of enterprise system, only within the scope of the system, and fully reflecting the will of the legal system and requirements, can achieve the goal of internal system construction, if the enterprise system separates from the specification of the legal system, the information generated by system will lose its authenticity, reliability and usefulness, which cannot meet the needs of the national macroeconomic regulation and control, as well as the investors, creditors, and the company's internal management.

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