

Contents

**Part I Value and Integral Design of Standards
for Enterprise Management Control**

1 Value and Integral Design of Standards for Enterprise Management Control	3
1.1 The Background of Formulating the <i>Standards for Enterprise Management Control</i>	3
1.1.1 The Formulation and Development of COSO Frameworks	3
1.1.2 The Establishment and Implementation of <i>Standards for Enterprise Internal Control</i> in China	5
1.1.3 The Demand for <i>Standards for Enterprise Management Control</i>	6
1.1.4 The Supply of <i>Standards for Enterprise Management Control</i>	9
1.2 The Connotation and Status of <i>Standards for Enterprise Management Control</i>	12
1.2.1 The Connotation of <i>Standards for Enterprise Management Control</i>	12
1.2.2 <i>Standards for Enterprise Management Control</i> and Current System of Laws and Regulations	13
1.2.3 The Status of <i>Standards for Enterprise Management Control</i>	14
1.3 The Value of the Establishment of <i>Standards for Enterprise Management Control</i>	15
1.3.1 Theoretical Value of the Establishment of <i>Standards for Enterprise Management Control</i>	15
1.3.2 Practical Value of the Establishment of <i>Standards for Enterprise Management Control</i>	17

1.4	The Integral Design of the Establishment of <i>Standards for Enterprise Management Control</i>	19
1.4.1	The Legal Basis and Reference Template of <i>Standards for Enterprise Management Control</i>	19
1.4.2	The Modes of Management Control System in <i>Standards for Enterprise Management Control</i>	20
1.4.3	The Structure and Content of <i>Standards for Enterprise Management Control</i>	21
1.5	The Implementation and Application of <i>Standards for Enterprise Management Control</i>	23
1.5.1	The Range of Application of <i>Standards for Enterprise Management Control</i>	24
1.5.2	The Choice of Modes of Enterprise Management Control.....	24
1.5.3	The Assessment of the Implementation of Management Control	25
	References.....	27

Part II Basic Standard for Enterprise Management Control

2	Basic Standard for Enterprise Management Control	31
2.1	General Provisions	31
2.2	Management Control Elements.....	34
2.3	Management Control Contents	37
2.4	Management Control Procedures.....	39
2.5	Management Control Modes.....	41
2.6	Monitoring and Assessment	43
2.7	Supplementary Provisions.....	45

Part III Application Guidelines for Enterprise Management Control

3	Application Guidelines for Enterprise Management Control No. 1—Regulation Control System	49
3.1	General Provisions	49
3.2	Objectives and Principles of Regulation Control System	50
3.3	Rules of Strategic Control	52
3.4	Rules of Management Control	56
3.5	Rules of Task Control.....	62
3.6	Procedures and Methods of Regulation Control System	66
3.7	Environments and Conditions of Regulation Control System	69
4	Application Guidelines for Enterprise Management Control No. 2—Budget Control System	73
4.1	General Provisions	73
4.2	Objectives and Principles of Budget Control System	74

4.3	Organizations and Responsibilities of Budget Control System	75
4.4	Categories and Contents of Budget Control System	77
4.5	Procedures and Methods of Budget Control System	81
4.6	Environments and Conditions of Budget Control System	86
5	Application Guidelines for Enterprise Management Control No. 3—Evaluation Control System	91
5.1	General Provisions	91
5.2	Objectives and Principles of Evaluation Control System	92
5.3	Organizations and Responsibilities of Evaluation Control System	93
5.4	Ranges and Contents of Evaluation Control System	95
5.5	Procedures and Methods of Evaluation Control System	97
5.6	Environments and Conditions of Evaluation Control System	102
6	Application Guidelines for Enterprise Management Control No. 4—Incentive Control System	105
6.1	General Provisions	105
6.2	Objectives and Principles of Incentive Control System	106
6.3	Categories and Contents of Incentive Control System	107
6.4	Procedures and Methods of Incentive Control System	113
6.5	Environments and Conditions of Incentive Control System	116
Part IV	Cases of Implementing Enterprise Management Control	
7	Regulation Control of China Southern Airlines Company	121
7.1	Case Introduction	121
7.1.1	Basic Information of China Southern Airlines Company	121
7.1.2	Background of Implementing Regulation Control System	121
7.1.3	Process of Implementing Regulation Control System	122
7.1.4	Effects of Implementing Regulation Control System	122
7.2	Case Analysis	123
7.2.1	The Perfect Regulation Content System	123
7.2.2	The Effective Regulation Evaluation System	124
7.2.3	The Sound Regulation Supervision System	124
7.3	Case Implications	125
7.3.1	Adopting Regulation Control System Based on the Environment	125
7.3.2	Grasping the Role of Regulation Control System Comprehensively	126

7.3.3	Improving Regulation Control System Through the Evaluation System Constantly.....	127
7.3.4	Improving the Execution of Regulation Control System by Strengthening Supervision and Implementing the Rewards and Punishments.....	128
8	Budget Control of Baoshan Iron & Steel Company	129
8.1	Case Introduction	129
8.1.1	Basic Information of Baoshan Iron & Steel Company	129
8.1.2	Background of Implementing Budget Control System	129
8.1.3	Process of Implementing Budget Control System	130
8.1.4	Effects of Implementing Budget Control System	132
8.2	Case Analysis	132
8.2.1	Adapting Budget Control Mode with Features of Organization	132
8.2.2	Connecting Budget Control Mode with Company Strategy	133
8.2.3	Combining Budget Control with Evaluation and Incentive Control	134
8.3	Case Implications	134
8.3.1	Considering Organization Environment When Selecting Budget Control Mode	134
8.3.2	Highlighting Process Control When Constructing Budget Control Mode	135
8.3.3	Emphasizing All Staff Participation When Implementing Budget Control Mode	136
8.3.4	Understanding the Relationship Between Strategy and Budget	136
8.3.5	Noticing Budget Limitation and Adjusting Management Mode According to the Control Environment	137
9	Evaluation Control of Tsingtao Brewery Company	139
9.1	Case Introduction	139
9.1.1	Basic Information of Tsingtao Brewery Company	139
9.1.2	Background of Applying EVA Evaluation Control System.....	139
9.1.3	Establishing EVA Evaluation Control System Mode and Its Application Process	140
9.1.4	Effects of Implementing Evaluation Control System.....	141
9.2	Case Analysis	142

9.2.1	Taking Organization Process Reengineering as the Premise of Implementing Evaluation Control System.....	142
9.2.2	Measuring the Performance of the Management Layer Through EVA as the Core Index.....	143
9.2.3	Promoting Enterprise Value Creativity by Taking Budget Management as the Guarantee.....	144
9.2.4	Establishing Annual Salary System of the Management Layer Based on EVA System.....	145
9.3	Case Implications.....	145
9.3.1	Selecting Evaluation Control System Mode Scientifically.....	145
9.3.2	Improving the Operation Environment of the Evaluation Control System Mode.....	146
9.3.3	Attaching Importance to the Selection and Actual Application of the Evaluation Method.....	147
9.3.4	Establishing Supervision Mechanism and Ensuring the Operation of the Evaluation Control System.....	147
10	Incentive Control of Shanghai Jahwa United Company.....	149
10.1	Case Introduction.....	149
10.1.1	Basic Information of Shanghai Jahwa United Company.....	149
10.1.2	Motivation for Implementing Stock Option Incentive.....	150
10.1.3	Process of Implementing Stock Option Incentive.....	150
10.1.4	Effects of Implementing Stock Option Incentive.....	151
10.2	Case Analysis.....	151
10.2.1	Choice of Mode of Incentive Control System.....	151
10.2.2	Grant Range of Incentive Objects.....	152
10.2.3	Settings of Shareholding Ratio of Incentive Objects.....	153
10.2.4	Design of Evaluation Index.....	154
10.2.5	Evaluation System of Incentive Control System.....	156
10.3	Case Implications.....	157
10.3.1	Selecting Management Control System Appropriately.....	157
10.3.2	Choosing Incentive Methods Appropriately.....	158
10.3.3	Choosing Incentive Objects Appropriately.....	159
10.3.4	Designing Evaluation Index and Evaluation Method Reasonably.....	159
10.3.5	Improving Operating Environment of Incentive Control.....	160