

# Discussion on the management and supervision of the extraction and use of work safety expenses in Enterprises

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**Abstract:** for an enterprise, the cost of work safety is the key to ensure the normal operation of the enterprise, and it is also the necessary expenditure of work safety. Therefore, every enterprise needs to have sufficient production safety costs to extract and use, so as to ensure the smooth progress of the enterprise's production safety work, otherwise it is easy to cause some safety accidents. Therefore, it is an important task for enterprise managers to ensure that the cost of work safety in enterprises remains adequate and can be reasonably extracted and used. This paper will focus on the management and supervision of the extraction and use of production safety costs, so as to do a good job in the management and supervision of production safety costs for more enterprises, and ensure the normal operation and stable development of enterprises.

**Key words:** enterprise safety production cost; Extraction and use; Management and supervision

The Chinese government also has corresponding policy requirements for the extraction and use of enterprise safety costs. As early as 2012, it issued relevant documents, which specified in detail the methods for the extraction and use of enterprise safety production costs, and clarified the extraction scope and standards of safety production costs for enterprises in different industries, In order to strengthen the enterprise safety production cost management. The so-called work safety costs mainly refer to the costs incurred in the process of establishing the work safety protection system and implementing the work safety responsibilities in the production and operation activities of enterprises. These costs reduce the business risks of enterprises and play a good role in ensuring the development of enterprises. This expense is mainly drawn from the operating income and is included in the cost of the enterprise, which belongs to the "special reserve" project. Therefore, how to effectively manage and supervise the extraction and use of work safety expenses is the key to the operation and development of enterprises.

## 1. Problems in the extraction and use management of work safety expenses in Enterprises

### 1.1 Insufficient attention has been paid to the input and management of work safety costs

Because the cost of work safety belongs to the scope of the enterprise's operating costs, and the input of this cost is long-term, sustainable, and has no obvious return. Under such circumstances, many business operators believe that the enterprise safety production cost is a useless cost, which increases the enterprise cost but cannot bring effective enterprise income. In particular, after the government introduced a new method for the management of enterprise safety production costs, the withdrawal amount of enterprise safety production costs has been increased, which directly affects the interests of enterprises. Especially for some small and medium-sized enterprises, their original funds are not sufficient. Coupled with such cost expenditure, some small and medium-sized enterprise operators begin to pay no attention to the cost of enterprise safety production. In addition, some enterprise operators also started to reduce the input of enterprise safety production costs due to insufficient understanding of enterprise safety production costs and policies, and even some unsafe regulations withdrew the enterprise safety production costs. This situation has a serious negative impact on the operation and development of the enterprise. If it is not corrected in time, it will cause huge hidden dangers for the future development of the enterprise.

### 1.2 The level of enterprise financial management is not high

In today's market environment, generally speaking, large-scale enterprises with perfect financial management departments can conduct all-round supervision on the financial work of enterprises to ensure the smooth progress of the financial work of enterprises. However, for many small and medium-sized enterprises, there is no perfect financial management department within their enterprises, so the internal financial management work is in a chaotic state. The enterprise safety production costs can be extracted at will, and all financial work is controlled by the enterprise legal person. This situation has a direct impact on the extraction and use of work safety expenses of enterprises, resulting in the difficulty of effective supervision. In particular, many managers of small and medium-sized enterprises take the initiative to conceal relevant financial information, further hindering the supervision of professional accounting on the cost of work safety of enterprises, which is an adverse impact on the development of enterprises.

### 1.3 Lack of relevant regulatory laws and systems

Perfect laws and systems are the key to maintaining social order and ensuring the safety of people's lives and property, which is true for any industry and any field. However, at present, China does not have a perfect legal system for the supervision of work safety expenses of enterprises. Although there are relevant management methods, the content is not perfect, nor does it belong to the legal category, and it is not able to impose constraints on the financial management behavior of enterprises. The lack of legal system is mainly manifested in two aspects. The first aspect is the lack of joint communication mechanism between various departments, which can not effectively supervise the use and extraction of enterprise safety production costs. Because this work is more professional, it has direct contact with the financial, technical and safety supervision departments. At present, in the process of supervision, the Chinese government mainly focuses on safety supervision, and other departments cooperate accordingly. But in the actual work, because there are no relevant institutional constraints, many staff of

the safety supervision department lack professional financial knowledge in the actual supervision process, so there is a regulatory gap in the supervision process. The second aspect is that there is no relevant basis for punishment. Although the relevant management methods have been introduced, it is mentioned that some enterprises have not withdrawn and used the work safety expenses according to the regulations. But because the regulations are too general, it is difficult to really implement them in the actual application process. Especially in some industries, there are no laws and regulations on this aspect, so some law enforcement personnel have no strong legal basis in the process of supervision and punishment, so they can not effectively punish, which makes some enterprises start to withdraw and use the safety production expenses according to the regulations, affecting the normal operation and development of enterprises.

## **2. Management and supervision methods for the extraction and use of work safety expenses in Enterprises**

### **2.1 Strengthen publicity and training and create a good business environment**

Strengthening publicity and training is an effective measure to realize the management and supervision of the extraction and use of enterprise safety production costs, which can enable more enterprise operators to understand the importance of enterprise safety production costs, and also enable relevant supervisors and managers to improve their professional ability, so as to realize effective supervision. At present, many enterprises arbitrarily withdraw and use work safety costs because some operators' understanding of work safety costs is not comprehensive and some regulators' supervision is not effective. Therefore, strengthening publicity and training is not only an effective measure to solve this problem, but also the key to create a good business environment.

The strengthening of publicity and training should be carried out in two steps. The first step is to strengthen the publicity and education for relevant enterprises, especially for enterprise operators and relevant staff responsible for enterprise safety production costs. Only when they have a good sense of responsibility can they refuse to draw and use enterprise safety production costs at will. Therefore, the relevant government departments should use rich publicity channels to strengthen the publicity of enterprise safety production costs, so that the relevant responsible persons of enterprises can establish a good sense of responsibility. For example, government departments can strengthen publicity through new media channels, and release information through a variety of new media channels, such as short video, microblog official or official official official account. The content of the information is related knowledge about enterprise safety production costs, including some practical cases, theoretical knowledge and so on. Because the new media channel faces a wide range of people, most enterprises can receive such information, so that the relevant person in charge of the enterprise can truly realize the importance of enterprise safety production costs, and master the methods of effectively extracting and using enterprise safety production costs, so as to create a good business environment and ensure the normal operation and development of the enterprise. The second step is to strengthen the training of grass-roots safety supervisors. They are the key figures in supervising and managing the extraction and use of work safety costs in enterprises. Their professional ability directly affects the standardized use of work safety costs in enterprises. However, at present, there are still many grass-roots safety supervisors whose professional ability is not strong, and they often have problems in their work, so some enterprises begin to frequently draw and use safety production costs at will, affecting the normal operation of enterprises. Therefore, the leaders of relevant government departments should actively organize relevant training meetings for grass-roots safety supervisors, and invite some safety supervisors with strong professional ability to give examples, so that other supervisors can understand some problems and situations that may arise in their daily work and the ways and means to solve these problems. Such training can effectively improve the overall professional ability of grass-roots safety supervisors, make the business environment safer and more stable, and enable more enterprise leaders to correctly and canonically extract and use the production safety costs. Therefore, strengthening publicity and training is an effective measure to supervise and manage the safety production costs of enterprises, which is conducive to the development of enterprises.

### **2.2 Establish incentive mechanism to guide enterprises to increase cost input**

Many small and medium-sized enterprises do not have a perfect financial management department and the relevant person in charge is too dominant in the enterprise's financial expenditure, which makes the extraction and use of the enterprise's work safety expenses do not conform to the standard, affecting the normal operation of the enterprise. The fundamental reason is the conflict of interest. The person in charge of the enterprise can not get a return from the input of production safety costs, so it will occur that the enterprise's production safety costs are arbitrarily extracted and used. In view of this situation, the relevant government departments in China can establish some incentive mechanisms to guide enterprises to increase the investment in production safety costs, and regulate their own behavior, so as to achieve effective supervision and management.

Fundamentally speaking, the reason why many small and medium-sized enterprise leaders arbitrarily withdraw the enterprise safety production cost is that they believe that this cost simply increases the enterprise cost and can not bring significant benefits, so they invest less and less capital and use more and more capital. If the relevant government departments in China can set up relevant incentive mechanisms to reward some enterprises that have reasonably invested in work safety costs and correctly extracted and used them, this problem will be solved. For example, the relevant government departments of our country can link the work safety expenses of enterprises with tax policies, and deduct the pre tax proportion according to the extraction and use of work safety expenses of enterprises, so that enterprises can benefit from the investment and correct use of work safety expenses, then the responsible personnel of enterprises will actively invest funds and correctly extract and use funds. Therefore, the establishment of an effective incentive mechanism is an effective measure to solve the current problem of the extraction and use of enterprise safety production costs, strengthen the management and supervision of enterprise safety

production costs, and contribute to the stable development and progress of enterprises.

### 2.3 Improve the legal system and strengthen the joint supervision of relevant departments

At present, China's legal system for the withdrawal and use of enterprise safety production costs is not perfect. Although corresponding regulations and adjustments have been made, there is still no corresponding legal system to follow in terms of punishment and reward, which also leads to the situation that many law enforcement personnel are unable to rely on and difficult to punish in the process of supervision. As a result, some enterprise leaders started to draw and use enterprise safety production costs at will, affecting the normal operation of the market. In view of this situation, our government should introduce the corresponding legal system, and strengthen the joint supervision of relevant departments, so as to create a good market environment and promote China's economic development.

As for the improvement of the legal system, on the one hand, the Chinese government can learn from the legal system of foreign developed countries on the supervision of enterprise safety production costs, but it can not fully quote it. Instead, it should take into account China's social and economic system and market environment to make corresponding reference, and then formulate relevant legal systems in line with China's actual situation. Only in this way can our law enforcement personnel have laws to follow and punish according to law in the process of supervision, and also enable more enterprise principals to regulate the extraction and use of enterprise safety production costs under legal supervision. On the other hand, the Chinese government should introduce the joint supervision mechanism of relevant departments, with the safety supervision department as the core and the relevant departments providing assistance. Although it was the same in the past, there were still many problems in the process of joint supervision due to the lack of clear system provisions, which led to many staff of safety supervision departments only relying on their own ability to carry out supervision, resulting in poor supervision effect. The establishment of the joint supervision mechanism can implement the responsibilities of each department, so that all departments can fully cooperate and devote themselves to the supervision and management of the enterprise's work safety expenses, truly provide the basic guarantee for the operation and development of enterprises, and escort the development of China's market economy.

In a word, the extraction and use of enterprise safety production costs is related to the normal operation and development of the enterprise. Once the enterprise safety production costs have problems, it will lead to the rupture of the capital chain or even bankruptcy of the whole enterprise. This situation can be found everywhere in the society, and it also has a huge impact on the development of China's social economy. Therefore, it is an effective measure to eliminate this hidden danger to find the problems existing in the extraction and use of work safety costs in Chinese enterprises from the reality, and then formulate reasonable supervision and management strategies, which is very helpful for the development of Chinese enterprises and the improvement of social economy.

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