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Measurement and control financial risk in education sector

Medición y control de riesgos financiero en el sector educativo

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Abstract

The Measurement and Control of Financial Risks That starts from the principle in every activity there is a risk, but can be controlled Such Risks, diversified, covered and transferred. The financial analysis is not only limited to Evaluating the financial parts but it is a predictive tool for the economic facts in the future. Through the analysis of financial Risks, it is possible to Identify, measure and manage in overall terms the possible losses due to the Arise That volatility of the risk factors. It is a process to Implement a risk measurement and control model requires the integration of Which elements: such as Human Capital, experience, knowledge Within the education sector.

Measurement of Risks, Control of Risks, Financial Statements

Resumen

La medición y control de riesgos financieros parte del principio de que en toda actividad existe un riesgo, pero dicho riesgos puede ser controlado, diversificado, cubierto y trasladado. El análisis financiero no solamente se limita a evaluar las partes financieras sino que es una herramienta de poder predictivo de los hechos económicos en un futuro. A través del análisis de los riesgos financieros se puede identificar, medir y gestionar en términos generales las posibles pérdidas que se presenten por la volatilidad de los factores de Riesgo. Es un proceso el implementar un modelo de medición y control de riesgos el cual requiere la integración de los elementos como Capital Humano, experiencia, conocimiento dentro del sector educativo.

Medición de Riesgos, Control de Riesgos, Estados Financieros

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Introduction

Collect, adapt and synthesize the various existing theories and models for measuring financial risks so we can develop models that are applicable becomes the main objective of the research and this is achieved by performing the analysis of general concepts and then some specific elements allow to obtain a comprehensive understanding of financial risks. The globalization of markets has been generating higher volatility of economic variables occasions in all sectors specifically in higher education considerable losses this has motivated the use of financial instruments particularly in hedging transactions daily transitions occur.

The concept of risk associated with a set of factors Stepped to obtain adequate measurement and control thereof as indicators of probability distribution of losses, calculation of variation, structuring of database modeling in an objective culture allowing risk segment and target. (Lara, 2002). Risk analysis is a process that routes up and down as they require clear policies but also the understanding of financial operations. Risk management is associated with the functions of the organization being a general problem which is controlled centrally.

The risk allows financial managers to be able to plan how to anticipate possible adverse outcomes and their consequences, and to face future uncertainty about the variables that can affect your results

Framework

In 1930 the main tool for risk analysis within common sectors was the balance sheet, which only membership of time reflected what is known under the principle of continuity or ongoing business in 1952 is given special attention to analyzing income statements but this does not give us clarity about the ability to generate cash, it's because today more attention to cash flow and dynamic analysis of financial statements and financial tools providing information is given necessary for the optimization of the performance risk.

Francis Galton in 1875 revealed the concept of "regression to Measure" consisting despite price fluctuations can be observed trading on the same market assets. (Lara, 2002) The Transcendental evidence allowed the central attention and award the importance of measurement and control financial risks to support the education sector higher level, since not only become creators of new talent, but also generate profits and optimize risk relationship performance. (Brigham, 1994)

The development of most found within the education sector higher level requires a number of investment decisions that must be evaluated within their level of risk within its financial structure, all financial transactions Implicit in the concept of risk

In 1933 after the ongoing financial disasters an international association of private character is created whose purpose was to establish recommendations to provide an appropriate level within financial operations. (Lara, 2002). In 1994 the CAPM (Capital Asset Pricing Model) is made this model is for the allocation of asset prices which state that the performance of an asset is equal to the free risk rate, the more profit taking level risk determined risk premium.

The concept of value at risk (Var) proposed by JPMorgan for risk measurement appears that measurement in 1994 stems from the policy implemented by D.Weathersrone who requested a report-level impact of potential financial risk on a daily basis.

The origin of risk is Latin Risicare which means that means daring and is defined as the possibility that suffered damage and economic, caused by uncertainty in the behavior of economic future variables and merely make certain it can be extended measurement, evaluation and quantification of control and behavioral activities of the factors that affect the environment in which the economic entity operates. (Rodriguez, 2002)

Risk management is a function derived from the study of finance, whose essential purpose management and risk coverage and profitability objectives and thereby ensure the solvency and stability to optimize the relationship between risk and return. The risk management process has five basic steps are:

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– Identification and Selection Risk
– Assessment and Risk Measurement
– Establishment of Risk Acceptance Limits
– Selection and implementation of risk management methods
– Monitoring and Control

Developing

Assessment and risk measurement refers to measure and assess the risks identified in the calculation of the value of investment and financing must select a tool to quickly calculate the movements of risk factors and thus can perform some risk management strategy in order to analyze the impact. (Lara, 2002)

The value at risk (VaR) is an essential tool for any manager risk. His strength is probably its scope covers any instrument or portfolios, from the simplest to the most complex. The VaR summarized in a single number the set of correlations, volatility and risk factors that are in a position of risk other tools that are essential for effective risk management with integrated vision are explained. (Brigham, 1994)

Malfunctioning of financial, full or partial system has caused a breakdown in the services it offers, which could have consequences in the real sector, similarly, market conditions are becoming more sensitive, affecting volatility prices that are reflected in investment portfolios, portfolio and expected losses, becoming the main object of study of normativities and working arrangements of regulators and supervisors in the financial and insured sector.
Operational risk is the possibility of incurring losses due to deficiencies, failures or inadequacies in processes, human resource, technology, infrastructure or the occurrence of external events in organizations and management.

One of the key lessons of the global financial crisis of 2008, both for economic authorities and academia, is the importance of correct identification and monitoring of systemic risk facing the economy. (Rodriguez, 2002)
Internal risk factors: human resources; the processes; the technology; and infrastructure:
Human resource, is represented by all persons directly or indirectly linked to the implementation of the processes of the organization. It is understood by direct bonding, one based on an employment contract under the terms of the legislation.

The indirect linkage refers to those who have one, different from that which originates from a contract of employment legal relationship of service with the company. (Lara, 2002).
Processes: are the set of interrelations of activities for converting inputs into products or services, to satisfy a need.

Technology: the set of tools used to support the processes of the organization. It includes hardware, software and telecommunications.

Infrastructure: The set of support elements for the functioning of an organization. Others include: Buildings, workspaces, storage and transportation.

Hazard Identification: Jointly responsible for implementing the process, the leader of this and those responsible for operational risk management assess the risks to which it is exposed during the execution of the process and the reasons why this would materialize. In this case you can be identified risks such as: Having legal or contractual relationship with a third party associated with money laundering and terrorist financing. (Lara, 2002)

Measurement: With the knowledge and expertise of leading the process the impact and frequency that the risk would materialize if states.

Control: must assess the efficacies of existing controls to mitigate the risk involved. One of the controls that you can use and evaluate the risk for revision control lists a third party with which it is intended to have legal or contractual relationship.

Monitoring: Depending on the risk materializes and updates on company processes should perform periodic risk profiles of monitoring processes. Here we review the change in the risk profile when there is a change in company policies, or current regulations regarding asset laundering and terrorist financing.

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Financial risks for the education sector can be volatile from expected results so it is important to show the risks that are caused by internal factors such as staff turnover, technological changes and the lack of control in administrative processes, also you have to analyze the external factors that can cause some risks such as development of criminal activities.

External factors Risks are events associated with the force of nature and caused by third parties. They escape in their cause and origin to control and external fraud: acts performed by a person outside the company, seeking to defraud, misappropriate assets of the same or violate rules or laws.

Industrial Relations: Events that are incompatible with labor laws, with internal working arrangements and in general, the legislation on the subject. They are linked to human resources management, including breach of labor regulations and situations that give rise to penalties, fines, compensation, etc., related to working conditions.

Internal risk factors: human resources; the processes; the technology; and infrastructure (Lara, 2002)

Human resource, is represented by all persons directly or indirectly linked to the implementation of the processes of the organization. It is understood by direct bonding, one based on an employment contract under the terms of the legislation. The indirect linkage refers to those who have one, different from that which originates from a contract of employment legal relationship of service with the company.

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Methodology

A methodology was established to prioritize risks and, as the effectiveness of internal control was analyzed and thus identifying

Qualitative data made detailed descriptions of situations, events, people, interactions, observed behaviors and manifestations.

The qualitative approach seeks primarily "dispersion or expansion" of the data and information, reflection is the bridge that links the researcher.

The qualitative approach studies the various subjective realities constructed in the investigation, which vary in form and content between individuals, groups and cultures, reality if you change by observations and data collection, describes and interprets the phenomena through perceptions and meanings produced by the experience of the participants.

The qualitative approach provides depth data contextualization of the environment or environment and unique experiences as well as providing a point of view "fresh, natural and holistic" phenomena and flexibility.

Orientation prediction description and explanation is directed towards measurable or observable. The goal of the research is mixed not replace qualitative and quantitative research, but to use the strengths of both types of combining inquiry and trying to minimize their potential weaknesses.

Mixed methods represent a set of systematic, empirical and critical research process and involves the collection and analysis of qualitative and quantitative data as well as their integration and joint discussion to make inferences product of any information gathered and achieve greater understanding of phenomenon under study.

Are the systematic integration of qualitative and quantitative methods in one study to obtain a more complete picture of the phenomenon, these can be conjoined so that the qualitative and quantitative approaches retain their original structure and procedures. (Hernandez, Sampieri, Roberto, 2006)

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Conclusion

Within the education sector it has understood that it is necessary to measure and manage financial risks which may be taken as a complementary element, proper management of the financial risks that will allow the education sector to meet their financial goals well stabilized

The education sector can significantly reduce the financial risks that can be found exposed inside and outside the industry and conduct a thorough analysis of factors affecting factors reaching the education sector.

Setting limits on any type of internal or external risk in the sector to have a permanent control help us to take appropriate measures to reduce the likelihood of suffering a substantial financial loss that may cause any impact in the education sector.

The education sector at any level and size should allocate resources to the measurement and control of financial risks as it is necessary to be constantly evaluating the internal factors that are most attractive to be a financial risk, taking into account that resources taken for measurement they should not be considered as an expense but as an investment to avoid financial circumstances that may cause uncertainty in the behavior of economic variables in the future.

The design of a model of measurement, control and risk management must be according to the business plan and its administration of the sector in order to avoid financial risks or other risks.

Risk Value is a tool that will be used because its calculation is required within the sector to meet the minimum amount of capital needed if there is any risk.

Within the education sector should determine the risks to which it is exposed and identification engaged in each and every one of the processes which must be well documented, it is due to measure the probability of occurrence and impact if risks materialize, since the probability of occurrence must be based on a set of one year.

And so you know what measures were taken to control the risks they are exposed and thereby decrease the probability of risk impact should be and be able to regularly monitor risk profile losses in the sector to WWW.Riesgosycontrol.net/recursos/gestion www.riesgosfianacieron.com

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