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The Importance and Path of Internal Control System Construction of Enterprise Financial Management

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Abstract: Financial management is the core of sustainable development of enterprises and the basis for ensuring normal operation of enterprises. The establishment of a sound internal control system of financial management can help enterprises avoid potential risks, ensure that the financial data are true and accurate, and ensure the operational efficiency of enterprises. The article aims to discuss the importance of the internal control system of enterprise financial management and its construction path, in order to help enterprises establish a perfect internal control system, comprehensively improve the level of enterprise financial management, and promote the sustainable development of enterprises.

Keywords: Business; Financial management; Internal control system

In the new period, enterprises are facing a more competitive market environment, in order to ensure that enterprises still develop steadily in the fierce market competition, it is necessary to strengthen the supervision of enterprise financial management. Financial management is not only the basis of the daily operation of the enterprise, but also a key means to protect the safety of enterprise assets, enhance operational efficiency and prevent potential risks. However, with the expansion of the enterprise scale, it is inevitable that the financial management is negligent, resulting in lawless elements to take advantage of the situation and damage the interests of the enterprise. For this reason, it is necessary for enterprises to build a perfect internal control system to ensure the safety of enterprise financial management, to provide true and effective financial information for enterprise financial management personnel. However, at present, many enterprises still have many problems in the construction of internal control system of financial management, such as the system is not perfect, the quality of personnel is not high, the implementation of the system is not in place, etc., which brings hidden danger to the long-term development of enterprises^[1]. Therefore, enterprises should recognize the importance of the construction of internal control system and explore the effective construction path, which is of great significance to improve the financial management level of enterprises and enhance the competitiveness of enterprises.

1. The importance of enterprise financial management internal control system construction

1.1 Ensuring the safety of enterprise property

Enterprises take property safety as the basis of operation, and the construction of the internal control system of financial management is conducive to guaranteeing the safety of enterprise property. A perfect enterprise internal control system can regulate the financial management behavior of enterprise financial managers, ensure the reasonable flow of enterprise funds, promote the reasonable distribution of enterprise funds, and avoid the occurrence of illegal and disciplinary behaviors such as embezzlement, misappropriation of funds, and waste of funds. Through the establishment of strict financial approval process, financial audit mechanism, enterprise management can timely find and correct the errors and loopholes in the financial management, to ensure that the enterprise assets account in line with the real, improve the effectiveness of the use of enterprise assets, and safeguard the economic interests of the enterprise. Enterprise accounts in line with the real, but also conducive to enhance the credibility of the enterprise's image, for the long-term development of enterprises to lay a solid foundation.

1.2 Enhance the level of enterprise financial management

The construction of financial management internal control system is conducive to improving the efficiency and quality of enterprise financial management. By optimizing the enterprise financial management process and clarifying the position responsibilities and authority of financial management personnel, it is conducive to ensuring that financial management activities are carried out in an orderly manner, avoiding unnecessary duplication of efforts and saving communication costs. A perfect enterprise financial internal control system can discover financial information errors in a timely manner, correct errors, reduce the loss of enterprise funds and assets, and improve the quality of enterprise financial information^[2]. The construction of the internal control system can ensure the timely and accurate transmission of financial information, improve the accuracy and reliability of financial information, help enterprises better grasp the financial situation, and formulate

more scientific, reasonable and accurate business decisions.

1.3 Protection against corporate financial risk

In the new period, enterprises face more intense market competition. In the complex and changing market environment, enterprises are faced with many potential risks, which are a threat to their financial security, such as market risk, exchange rate risk, economic risk, credit risk and so on. The construction of the enterprise financial management internal control system helps enterprises to identify, assess and control the occurrence of risks in a timely manner, and through the supervision of the whole process of financial activities, it can help enterprises to make more scientific corporate decisions, help enterprises to prevent risks, reduce potential losses caused by risks, and safeguard the sound operation and sustainable development of enterprises.

2. The path of enterprise financial management internal control system construction

2.1 Clarify the monitoring indicators of the internal control system

With the expansion of business, the scale of enterprises continues to expand, financial activities are also more and more complex, therefore, the perfection of the enterprise internal control system has higher requirements. Enterprises should be based on their own financial activities, clear financial internal control system construction goals, clear financial internal control indicators, to ensure the effective development of business operations, to ensure the safety of corporate assets, improve the utilization of corporate funds. For example, monitoring the flow of enterprise assets, monitoring the completion of enterprise projects, monitoring the enterprise budget management, monitoring the enterprise debt collection situation, etc., timely detection of errors in the financial activities, to ensure that all financial activities are carried out in a standardized manner.

The construction of an enterprise's financial internal control system should strictly comply with the corresponding laws and regulations to ensure the legitimacy of the financial control system construction^[3]. The financial internal control system should cover all aspects of the enterprise's financial management activities, and the monitoring indicators should be comprehensive and reasonable.

2.2 Building an internal control audit team

Enterprises should build a perfect internal control organizational structure, set up an internal control audit team independent of the departments, and clarify the responsibilities and authorities of team members to ensure the smooth implementation of the internal control system. The internal control audit team can be directly connected to the management of the enterprise, with independence and authority. Internal control audit team personnel need to be comprehensive, in-depth business processes and financial management activities of the enterprise. At the same time, the enterprise should be clear about the responsibilities and authorities of the internal control audit team members, the establishment of a clear division of labor and collaboration mechanisms, team members of mutual constraints, mutual supervision, to ensure that the internal control work in an orderly manner. Enterprises need to provide the necessary resource support for the internal control audit team to enhance the professional ability and work efficiency of the internal control audit team to provide a strong guarantee for the sound development of the enterprise.

2.3 Develop a comprehensive financial internal control system

Enterprises should have to develop a full-process financial internal control system covering all key aspects of financial management, such as comprehensive budget management, capital management, cost control, financial reporting, financial sharing business, tax management, etc., in order to ensure that there are clear rules and procedures for each aspect^[4]. Enterprises should develop a strict financial approval process to ensure the compliance and effectiveness of the use of corporate funds. For major capital expenditures and major expense expenditures, high-level approvals should be implemented to facilitate the later pursuit of responsibility and to ensure the standardization of approvals. Enterprises should establish a sound risk prevention mechanism to identify and, assess and respond to financial risks in a timely manner, so as to avoid the emergence of large financial risks. Enterprises should improve the transparency of financial information, so that internal and external stakeholders can obtain accurate financial information in a timely manner to improve the credibility of the enterprise. In addition, enterprises should establish internal control supervision mechanism, using regular and irregular inspection methods to supervise and inspect the implementation of the internal control system to ensure that the system is effectively implemented. At the same time, the enterprise should also be home internal control system evaluation index system, the implementation of the internal control system for objective evaluation of the effect, and constantly optimize the internal control system construction, to ensure the safety and effectiveness of the enterprise financial management activities.

3. Conclusion

Efficient financial management is a solid foundation for the long-term development of enterprises, and the construction of an internal control system for financial management is of great significance in ensuring the safety of corporate property, enhancing the level of corpo-

rate financial management and preventing corporate financial risks. For this reason, we should pay attention to the construction of financial management internal control system, through the clear internal control system monitoring indicators, the construction of internal control audit team, the development of a comprehensive financial internal control system and other ways to build up a perfect internal control system system, so as to improve the level of enterprise financial management and risk prevention ability, and promote the sustainable development of enterprises.

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