

Internal Control and Countermeasures of Enterprise Accounting

Yi Zhimin*

Department of Accounting, Sichuan University, Sichuan 610065, China

*Corresponding Author email: 3286804706@qq.com

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Abstract: Internal accounting control plays an important role in the operation and management of enterprises. It can improve the efficiency of enterprises and benefit enterprises. As an enterprise automatic maintenance and early warning system, accounting internal control will not only relate to the smooth development of enterprise's economic management activities. It is related to the authenticity and safety of enterprise financial information, and it is also of great significance to the survival and development of enterprises. With the intensification of social competition, great changes have taken place in the management environment of enterprises, which makes the accounting work of enterprises face greater risks. Under the modern social environment, the accounting work of enterprises is becoming more and more important, and enterprises should develop steadily and steadily. In view of the internal problems of enterprise accounting, effective measures must be taken to deal with them. Enterprise accounting internal control management plays an important role in promoting the management level and enhancing the economic efficiency of enterprises. This paper introduces the current situation of internal control of enterprise accounting in China, and analyzes its shortcomings in depth, puts forward specific measures to strengthen the management of internal accounting control of enterprises in China, and offers suggestions for the healthy development of Chinese enterprises.

1. Introduction

Internal control of enterprise accounting plays a more and more important role in the development of enterprises[1]. For the management of enterprises, the establishment of the system and the quality of personnel are required[2]. Many enterprises have such problems in the internal control of accounting[3]. These problems must be solved, so that enterprises can establish a more reasonable accounting system to enable enterprises to develop better and faster[4]. The so-called internal control of enterprise accounting is to ensure the quality of internal accounting information effectively[5]. In order to effectively ensure the full implementation of relevant laws and systems, effectively protect the security of enterprise assets, enterprises make and guarantee the implementation of a series of control schemes[6]. At this stage, the accounting environment of enterprises has undergone tremendous changes. The change of accounting environment will inevitably bring some risks to the enterprise accounting[7]. Thus affecting the quality of accounting work, making accounting information difficult to fully reflect the operation of enterprises, is not conducive to the development of enterprises. Accounting internal control refers to improving the quality of accounting information. Various organizational, plan, control and adjustment measures and methods to enhance economic efficiency of enterprises and to implement various links in production and operation activities.

2. Various Problems Existing in the Internal Control of Enterprise Accounting

2.1 The problem of accounting system

At present, there is still a lack of perfect and reasonable accounting internal control system in China's enterprises. Most enterprises have established relevant systems, and some enterprises even do

not have such systems. For example, there is no specific provision for specific departments and personnel in the system. Lack of a perfect financial risk assessment system. Lack of a perfect reward and punishment system and so on. This will lead to confusion in accounting management, and in the process of enterprise economic activities, there will often be mistakes in decision-making. In addition, some enterprises have formulated relatively reasonable accounting internal control system, but there are various problems in implementation, and the system is decoupled from actions. There are many violations of the prescribed behavior, and many employees who are greedy for the benefit make a little harm to themselves and harm the collective, and ignore the rules and regulations for the benefit of them. Such things seriously restrict the development of enterprises.

Judging from the type of enterprises (see Table 1 and figure 1), 2.71% of the state-owned enterprises choose "worse", while others do not. In the choice of "better" ratio, the state-owned enterprises are 59%, lower than the 80% of the collective enterprises, and lower than 70.5% of the private enterprises, only higher than those of foreign invested enterprises. At the same time, the choice of "very good" state-owned enterprises is only 3.5%.

Table 1 The overall application effect of internal control (comparison of enterprise type)

| | Very good | | Preferably | | Commonly | | Poor | | Total | |
|-----------------------------|-----------|------------|------------|------------|----------|------------|--------|------------|--------|------------|
| | Number | Proportion | Number | Proportion | Number | Proportion | Number | Proportion | Number | Proportion |
| State-owned enterprise | 5 | 3.5 | 65 | 53.59 | 45 | 40.2 | 3 | 2.71 | 118 | 100 |
| Collective enterprise | 2 | 17.0 | 4 | 63.58 | 3 | 19.42 | 0 | 0.0 | 9 | 100 |
| Private enterprise | 2 | 19.7 | 11 | 50.7 | 2 | 29.6 | 0 | 0.0 | 15 | 100 |
| foreign-invested enterprise | 0 | 0.0 | 3 | 19.1 | 15 | 80.9 | 0 | 0.0 | 18 | 100 |
| Total | 9 | 5.5 | 83 | 50.6 | 65 | 42.6 | 3 | 1.3 | 160 | 100 |

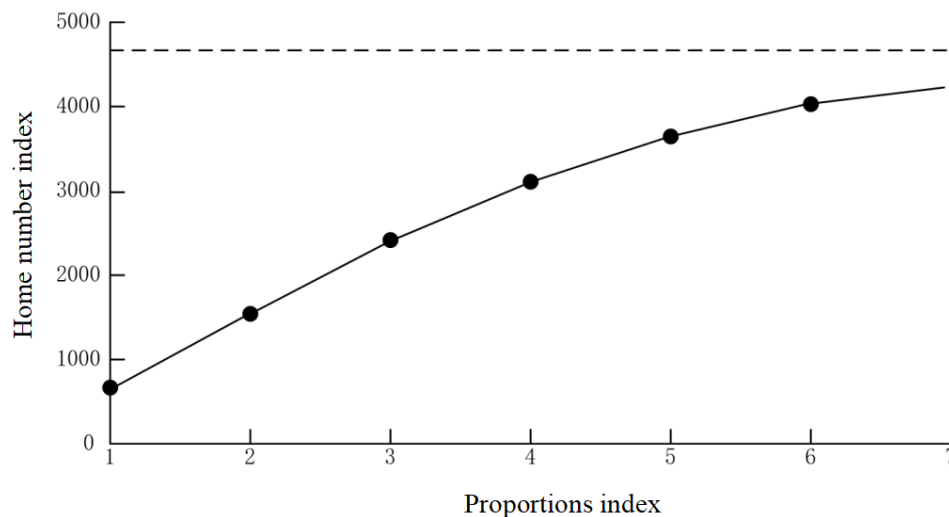


Figure 1 Related situation of state owned enterprises

2.2 The quality of internal accountants in enterprise needs to be improved

At present, the overall quality of Accountants in some enterprises is not high, which will also affect the smooth development of internal control work. Accounting is a professional demanding job and requires higher staff. At this stage, the ability of the accountants in internal control of enterprises is difficult to meet the needs of practical work, and there are many undocumented posts. The information of production and operation, accounting and so on can not be aggregated to the financial departments of enterprises, and can not provide necessary information support for accounting internal control. The information construction of accounting internal control is lagging behind. Even some managers of enterprises have caused considerable losses to enterprises because of their incomplete

understanding of the system. In addition, some enterprises in order to pursue higher interests, at the expense of accounting management costs as a way, resulting in difficult management of enterprises, chaotic management situation. Some enterprises just want to start the corresponding system after finding the problem, but increase the cost. It has increased the difficulty, resulting in an endless stream of accounting management problems, which is not conducive to the development of enterprises.

2.3 The problem of accounting staff and regulatory mechanism system

At present, accountants work in the process of doing things according to the process, thinking because of long-term repetition and the same work is solidified. It is hard to accept new knowledge and new ways. Quite a number of accountants are lack of relevant quality. The understanding of accounting work only exists within the scope of self employment. For today's social development, new requirements for accounting work can not be satisfied nor realized. At present, the accounting work of enterprises is accountable by accounting department, but the accounting department lacks corresponding supervision. Under such circumstances, it is very easy to create a phenomenon of accounting department, and the quality of accounting information can not be effectively guaranteed. There is no concept of the reform of accounting system. We do not know how to start, or even reject it internally. Just want to do according to the current way of work, leading to the existence of loopholes in the enterprise accounting system, and can never be reformed. In addition, in the course of business development, the focus of enterprise development lies in the creation of economic benefits. The internal control of accounting has not been paid enough attention to, and the role of accounting internal control in the process of enterprise development has not been fully recognized. Therefore, the internal risk of enterprise accounting is increased.

3. Countermeasures to Improve the Internal Control of Enterprise Accounting

3.1 To pay more attention to the internal control of accounting

In order to make the accounting internal control system fully implemented in enterprises. To give full play to the role of enterprises in promoting production and business activities, we must strengthen the management personnel's full attention to accounting internal control. We must establish a sound internal control system for enterprise accounting, and enterprises should according to their own requirements for the enterprise system and their own operating characteristics. As an enterprise leader, we should attach great importance to the internal control of enterprise accounting. In order to incorporate the internal control of enterprise accounting into daily management work, the internal supervision work of accounting is directly linked to the economic benefits of enterprises. So as to ensure the quality of accounting work. We should make use of training, education and learning to make enterprise managers fully realize the important position and function of internal accounting control. So that it can vigorously support the smooth development of accounting internal control related work in the future work, and strive to create a good internal accounting control environment. It will provide favorable guarantee for the production and operation of enterprises and the smooth development of various financial work.

In order to understand the operation of internal accounting control in an enterprise objectively and comprehensively, the root cause of illegal accounting behavior is analyzed. It provides material and realistic background for the design of internal accounting control process. On the one hand, in order to cooperate with the special inspection of financial revenue and expenditure. On the other hand, for this subject, we have carried out an analysis of the current situation of the internal accounting control system of each unit by the way of combining the examination of the volume of the volume with the audit confirmation hat. The results of the survey are shown in Table 2, table 3, and Figure 2.

Table 2 Establishment and implementation of internal accounting control system in units

| Problems / Results | Project | Yes | | No | |
|-----------------------|--|--------|------------|--------|------------|
| | | Number | Proportion | Number | Proportion |
| Built situation | Monetary fund control | 50 | 99 | 0 | 0 |
| | Sales and harvesting control | 42 | 80.5 | 15 | 24.68 |
| | Cost control | 55 | 98 | 0 | 0 |
| | Engineering control | 31 | 70.57 | 17 | 30.98 |
| Implementation | Invalid | 5 | 6.98 | 0 | 0 |
| | Commonly | 13 | 20 | 0 | 0 |
| | Preferably | 15 | 25.21 | 0 | 0 |
| | Very good | 30 | 45.15 | 0 | 0 |
| An unproductive cause | Imperfect system construction | 5 | 8.59 | 0 | 0 |
| | Leaders do not take the lead in execution | 30 | 65.25 | 0 | 0 |
| | The relevant functional departments do not cooperate | 15 | 23 | 0 | 0 |
| | | | | | |

Table 3 Internal accounting control discovery

| Project | Amount of money | Proportion | Number | Proportion |
|---|-----------------|------------|--------|------------|
| Cost of crowding | 95.26 | 36.29 | 5 | 10.21 |
| Setting up out of account and small vault | 16 | 0.2 | 4 | 5.42 |
| Deposit the fund in the name of the bank in a personal name | 30.29 | 5.59 | 3 | 5.81 |
| Providing the main business assets free of charge to the three industry | 55.89 | 12.59 | 2 | 1.9 |
| Funds for misappropriation and borrowing | 1953 | 10.26 | 7 | 17.98 |
| Income is not true | 2524.23 | 3.57 | 15 | 29 |
| The cost is not true | 785.6 | 5.29 | 9 | 14.26 |
| Dishonest profit | 785.6 | 450.29 | 6 | 15.95 |

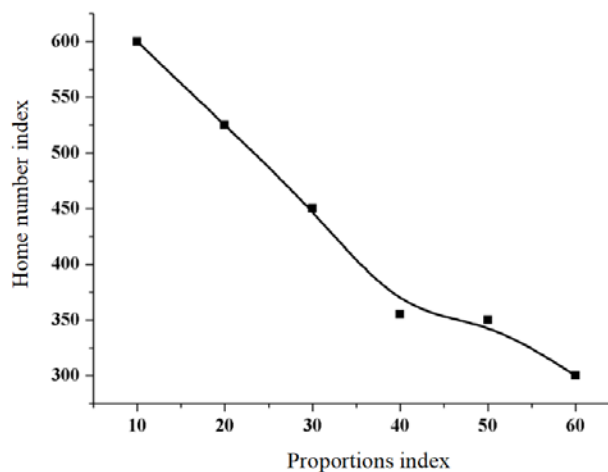


Figure 2 Investigation of the implementation degree of internal control methods

3.2 To establish and perfect the supervision system of the accounting control system

In order to fully protect the authenticity and effectiveness of enterprise accounting information. Prevention of violation of law and discipline, favoritism and false invoices and other bad behavior. Enterprises must establish a sound supervision system of accounting control system, so as to effectively supervise and manage accounting behavior of enterprises. Timely identify and eliminate potential risk factors in accounting internal control, and strengthen the role of risk early warning mechanism in accounting internal control. To enhance the practicability and operability of accounting internal control. It should be taken together from the internal and external. First of all, in the enterprise, we should give full play to the role of the auditing department, and fully arouse the enthusiasm of the auditing department so as to make it conscientiously do its job well. A sound auditing system should be worked out to ensure the smooth development of enterprise audit. We should also formulate corresponding inspection system for the internal accounting business in order to better evaluate and supervise the completion of accounting business. We can better find the drawbacks in the internal control of enterprise accounting, and put forward corresponding suggestions for improvement.

But internal control is not a static control, it is dynamic, and the internal control system will change accordingly at any time according to the change of time. In order to ensure the efficient and continuous operation of the internal control system, enterprises must conduct close supervision. According to Fig. 3, we can see that the supervision of internal control is 78. Of these, 55 did not establish specialized internal audit institutions, accounting for 70.51%. This figure shows that most SMEs do not have internal audit departments in order to save costs, or they may think that the internal audit department is not important.

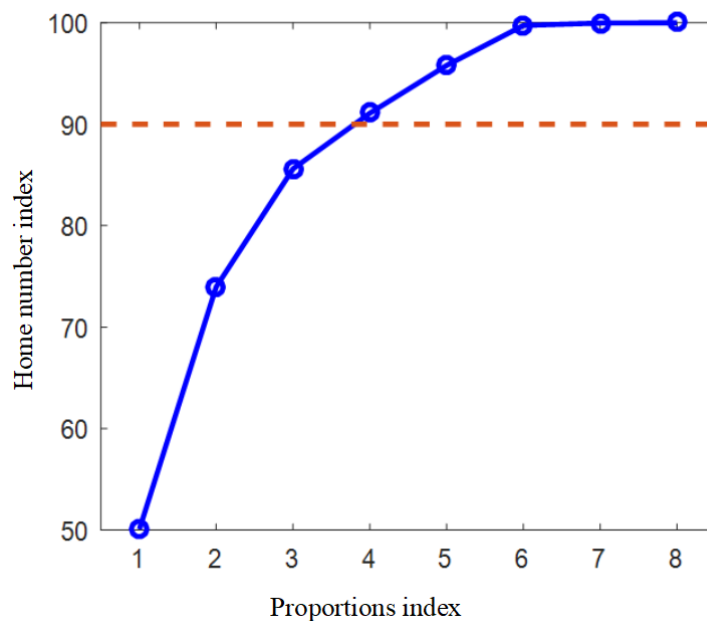


Figure 3 Investigation results of internal control supervision

3.3 To strengthen the management and education of the accountants' internal control

The enterprise should strengthen the training of accounting internal control personnel's professional ability, and require the accountant internal control personnel to hold the certificate to mount guard. Secondly, we should strengthen the quality education of accounting internal control personnel and improve their professional quality. Enterprises can improve the salary level of accounting internal control personnel and improve the entry threshold of accounting internal control personnel. Actively attract high quality and complex external talents. In order to ensure the smooth development of the internal control work of the enterprise accounting, the enterprise must take effective measures to improve the comprehensive ability and professional accomplishment of the financial personnel. First of all, the professional knowledge of accountants must be solid. The

professional knowledge of accountants and the understanding of existing systems are examined. Secondly, enterprises should take effective measures to improve the professional ethics of accountants. Finally, the internal audit of enterprises must be carried out regularly and have certain power. We should promptly punish the irrational phenomena and ensure the effective implementation of the internal control system of enterprises accounting.

4. Conclusion

The internal control of enterprise accounting is very important to the management of enterprises. We must ensure that the accounting control of enterprises is reasonable and efficient, so that enterprises can improve their competitiveness. Therefore, enterprises must attach great importance to accounting internal control. Enterprise accounting internal control is an effective way to improve the accounting quality of enterprises, and enterprises want to improve the level and efficiency of accounting internal control. Enterprises must strengthen internal supervision of accounting according to their own development. Good human resources management is the foundation for the enterprise to adapt to the market, enhance competitiveness and develop in an all-round way. Only by changing ideas, can we strengthen the management of human resources in enterprises. In order to maximize the economic and social benefits of the enterprise. Enterprise managers should also improve their attention and strengthen the implementation of relevant systems. With the joint efforts of all parties, we should speed up the development of enterprises and raise the level of enterprises so as to promote the development of national economy.

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