

## Internal Control Construction and Risk Prevention of Enterprise Financial Management

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**Abstract:** Financial management can help companies effectively avoid capital risks, not only to achieve a reasonable allocation of corporate costs, but also to ensure the smooth operation of the company in an orderly manner. The management personnel carry out scientific and efficient internal management during the operation of the enterprise, which can not only optimize the internal development structure of the enterprise, but also enhance the core competitiveness of the enterprise itself. This article briefly analyzes the internal control construction of enterprise financial management and its risk prevention, hoping to improve the effectiveness of enterprise internal control and operation prevention management, and further promote the healthy and long-term development of the enterprise.

### 1. Introduction

The continuous development of the market economy has made the competition among enterprises fiercer. Only by innovating and optimizing their own operating structure can enterprises effectively prevent and manage capital risks. Construction personnel strengthen the management of corporate finance, and improve the enterprise's operational risk prevention construction during the operation and development of the company, which can effectively avoid corporate financial management problems and further enhance the core competitiveness of the company itself.

### 2. The Risk of Corporate Finance

The financial risk of an enterprise refers to the lack of corporate debt and macroeconomic regulation. During the operation and development of an enterprise, the emergence of financial risk can cause problems in the overall operation and management of the enterprise, and prevent the enterprise from achieving healthy and efficient development. There are many reasons for financial risks, such as changes in market financial models, changes in corporate development structures, and the development of corporate financial risk assessment work, which will all lead to corporate financial crises [1]. The debt risk in corporate financial risk refers to the financing risk that cannot be repaid. Under normal circumstances, corporate financing methods are divided into two types: debt-based and equity-based. Equity-based financing does not have continuous future asset financing for companies. The debt-based financing method can form obligations to the creditor's future amount and other financial assets while preparing funds. Once the creditor is unable to repay the funds on time, it will directly cause corporate litigation issues, asset changes, stock decline issues, bankruptcy and other crises. .

Investment risk also belongs to the financial risk of the enterprise. In fact, it is the use of capital for investment activities such as purchases and plant expansion. Once the investment fails during the operation and development of the enterprise, it will directly lead to a reduction in the capital cost of the enterprise, and it will affect the financing activities of the enterprise. Orderly operation creates obstacles. Corporate operational risk mainly refers to the uncertainties in corporate liquidity, product inventory and liability management, etc., and corporate realization problems and receivable recovery risks often arise. In the operation of modern enterprises, due to the long-term inventory backlog, the company's capital costs will be excessively consumed, and it will not be able to

effectively play its investment role, resulting in the failure of the operation of the company's investment projects. The risk of recovery of receivables during the operation and development of an enterprise refers to the amount of credit generated by the company in the sale of goods and credit accounts. Once the recovery period is too long, it will directly lead to the emergence of corporate funding problems, which is very unfavorable. The development of corporate financial budgeting, financial statistics, financial reconciliation and financial information reporting [2].

The distribution risk of corporate finance is generally in the process of the distribution of corporate retained earnings, and corporate earnings distribution is also mainly based on cash distribution and reinvestment distribution, which has strong uncertainty. In the course of the operation and development of an enterprise, the way of cash distribution will greatly weaken the company's own investment ability, and to a certain extent affect the enthusiasm of investors to participate, and has an impact on the capital performance of the company's market and fund preparations. Great negative impact. Moreover, the problem of cash risk will also lead to the inconsistency of corporate financial stability indicators, which will not only affect the competitiveness of the company, but also have a great interference effect on the sustainable and healthy development of the company itself.

### **3. Problems in the Construction of Internal Control of Corporate Financial Management**

#### **3.1 Corporate Financial Financing Issues**

In the process of operation and development, enterprises need to carry out financing activities of different scales in accordance with their own construction needs to achieve expanded scale enterprise production. But in fact, in the process of enterprise operation and development, the enterprise will be subject to multiple constraints of debt scale, maturity interest rate, and debt maturity, which can easily lead to problems in the financing of the enterprise, and there are strong financial risks. In addition to the operational risks of fundraising, these financial risks also include market financial fluctuations and corporate cost management risks, which will not only strain the relationship between corporate financing and profit, but also lead to the disruption of corporate financing chains, further increasing the difficulty of corporate financial management and changes in corporate assets. Uncertainty. If the financing management of corporate finance cannot be carried out effectively and reasonably, it will not only suppress the enterprise's own production scale, but also interfere with the normal operation and long-term development of the enterprise, which is very unfavorable to the innovation and optimization of the enterprise.

#### **3.2 The Issue of Corporate Financial Authority**

In the course of the operation and development of an enterprise, the division of financial powers of the enterprise has always been an important management issue in the operation of the enterprise. In addition to the top-level team organizations such as the board of directors and the board of supervisors, which are necessary for enterprises, enterprises also need to divide their respective powers according to the prevention of operational risks at the business level, such as the financial management department, the control and evaluation department, and the audit department. [3 ]. However, the scope of corporate financial powers at this stage is quite large, and in the course of the operation and development of the enterprise, the overall business division of the enterprise is extremely cross-cutting, and there is a very obvious problem of uncoordinated division of powers. The unclear management and division of corporate financial authority will not only reduce the overall risk prevention and control efforts of the enterprise, but will also decompose the core strengths of the various departments and teams of the enterprise, which is not conducive to the development of departmental collaboration activities, nor can it improve the enterprise well. The development of the financial information system and business measurement work will cause the unreasonable allocation of enterprise cost resources to a large extent.

#### **3.3 Corporate Financial System Issues**

The orderly development of financial risk management during the operation and development of an enterprise has a great influence on the strategic business development of the enterprise and the management of enterprise resources. And it can maximize the advantages of the enterprise, and can better deal with the allocation of resources and the division of funds. Nowadays, the development of enterprises has a certain mode of financial management and control, but there are still management shortcomings and insufficient operations in the actual development and operation, which greatly affects the orderly development of enterprise financial management. Moreover, the current stage of corporate financial management often turns to superficial, without actual energy efficiency in management and control, only unable to effectively coordinate its own revenue and expenditure costs, and unable to well improve the overall corporate financial system. In enterprises, such as financial budgeting, plan approval, and operating expenditures, there are frequent cost problems, which also led to a very serious precipitation phenomenon of corporate funds.

### **3.4 Issues of Corporate Financial Evaluation**

The problem of corporate financial evaluation is actually the analysis problem of the company's own business process. Most companies will carry out comprehensive analysis operations during production and operation, integrating and calculating the business framework, related production data, and estimated goals for the same period. , And improve and optimize its own development plan based on the actual enterprise development environment. In actual business analysis operations, companies tend to pay attention to the economic benefits of their own production one-sidedly, instead of focusing on the healthy and stable development of their own operations, which is not conducive to in-depth analysis of corporate financial project information and related financing project funds. The specific implementation of this has a strong negative impact on the overall innovation and efficient development of the enterprise [4]. In addition, the emergence of corporate financial evaluation problems in the operation and development of enterprises will also lead to invalidation of management. Not only can it not fully exert its own management and control effectiveness, but also cannot effectively achieve the sound and optimization of the corporate financial system.

### **3.5 The Problem of Corporate Financial Innovation**

The emergence of enterprise financial innovation is an important reason for the backward operation and development of enterprises. Once the financial innovation and informatization level of the enterprise lags behind, it is difficult to establish a complete and efficient information data framework, and its financial risk prevention and control capabilities are very low, and it does not have high-energy risk control capabilities. In the production and operation of the enterprise, the inadequacy of financial management and control innovation will not only cause the disconnection between the production data of the enterprise and the data of the participating departments, but also the inaccuracy of the overall production parameters of the enterprise, which greatly affects the decision-making and financial risks of the enterprise. Effectiveness of control work.

## **4. Preventive Measures for Corporate Financial Management Risks**

### **4.1 Actively Develop a Mixed-Reform Governance Model for Corporate Finance**

As a competitive listed industry, the core strength and development attributes of an enterprise can be affected by the corporate financial governance model. Enterprise managers actively carry out the mixed-reform governance model of corporate finance, which can not only further optimize the financial structure of the enterprise, but also improve the energy efficiency of the enterprise's own financial management and control, which is very helpful to the improvement of the efficiency of enterprise production and operation. The orderly development of mixed financial governance in enterprises has greatly eased the relationship between corporate credit and corporate income and expenditure, and effectively avoided cost management issues such as high financial leverage and countercyclical investment. In addition, the mixed form of financial strength has realized the

efficient implementation of internal personnel management and responsibilities division of the enterprise, and further reduced the incidence of enterprise financial risks and cost accidents. Enterprise construction personnel actively carry out hybrid financial governance work, and can also optimize the operation mode and management concept of the enterprise under the premise of ensuring that the enterprise's own attributes remain unchanged, which not only strengthens the overall financial control strength and operational resilience of the enterprise, but also avoids The emergence of the problem of excessive consumption of corporate investment.

#### **4.2 Improve the Company's Own Financial Management and Control System**

The establishment of an enterprise's internal financial management and control system has a very important impact on the operation and development of the enterprise. It can not only provide a system guarantee for the optimization of the enterprise's own cost resources, but also further improve the enterprise's own operating system and ensure the management of the enterprise. Specific energy efficiency to achieve stable and efficient development of the enterprise. Managers who want to improve the financial management and control system of the enterprise must not only carry out management work according to the internal financial laws and regulations of the enterprise, but also improve the management structure of the financial system according to the actual development environment of the enterprise, and further realize the standardization and precision of enterprise finance. And rationally allocate the personal responsibilities of enterprise personnel, and clarify the division of powers and responsibilities of personnel, so as to facilitate the orderly development of accountability and accountability management. In addition, the staff must also improve and standardize the financial management and control system of the enterprise, ensure the full use of the specific energy efficiency of the management and control work, and use the management effectiveness and the operation of the enterprise to achieve the effective and healthy development of the enterprise's own financial management and control work.

#### **4.3 Improve the Informatization of Corporate Financial Management**

To efficiently realize the prevention of corporate financial risks and the development of financial management, managers must improve the informationization of corporate financial management to achieve scientific and systematic corporate financial planning. If managers want to effectively improve the informatization of corporate financial management, they first need to establish and improve the corporate financial information platform, and carry out the network collection and information sharing of corporate internal financial construction information. Moreover, construction personnel need to implement real-time integration and update of financial data according to the actual financial status of the enterprise, systematic analysis and sorting of enterprise financial parameters, and provide reliable information guarantee for enterprise cost management. Secondly, managers need to further optimize the company's capital management model and cost control methods, enhance the rationality, stability and accuracy of corporate financial management, and strengthen the corporate internal financial accounting control strength, for the flexible turnover and standardized use of corporate funds Provide legal and compliant operating basis [4]. Finally, if you want to improve the informatization of corporate financial management, managers must also carry out the budgeting of corporate financial funds. Through the implementation of scientific and comprehensive capital budgeting, not only can they control the company's own capital costs, but also Effectively avoid the occurrence of financial risks and cost issues in the process of corporate financing operations. Moreover, the fund budget can also provide a planning basis for enterprise cost control and overall management work, and it can help enterprises achieve long-term and optimized development goals.

#### **4.4 Optimize the Financial Operation Analysis of Enterprise Business**

Managers implement comprehensive analysis and optimization in corporate financial operations, and can better control the company's own development strategy and actual operation cleanup, and can gain insight into the company's own business dynamics and provide scientific allocation principles for corporate capital cost planning. In addition, the optimization of corporate business

and financial operation analysis has further improved the effectiveness of related corporate management practices and fully guaranteed the orderly implementation of corporate financial management. It has not only well realized the clarification of business powers, but also steadily enhanced the accuracy of corporate financial data, which can effectively promote the scientific and modern financial development of the enterprise. Managers optimize the financial operation analysis of corporate business in their work, which is also helpful to the normal operation of corporate management and financial capital. It can not only help managers integrate corporate operating data and understand the corporate development environment, but also can integrate corporate accounting management and accounting. The combination of measurement and coordination helps companies achieve maximum production benefits, and realizes the scientific allocation of internal resources of the company, providing a business foundation for the improvement of corporate economic returns.

## **5. Conclusion**

Based on the above analysis, financial management and risk management have a very important decisive role in the operation of the enterprise itself. Only by carrying out strict and standardized scientific management and control methods, can enterprise managers further optimize and improve the financial risk management structure of the enterprise, and improve it. Its own cost capital system realizes high-quality corporate financial management. I believe that through the active development of the corporate financial mixed reform governance model, the soundness of the company's own financial management and control system, the improvement of corporate financial management information and the orderly development of financial operation analysis, the only way to enhance the internal control construction of corporate financial management, and The effectiveness of corporate financial risk prevention and management helps companies realize their own financial innovation and modern development.

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