

## Research on Enterprise Accounting Management Risk and Control Strategy Based on Network Environment

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**Keywords:** Network environment; Accounting management; Risk and Control

**Abstract:** In the 1980s, the modern accounting management theory completed the transformation from the old financial management model to the new financial management concept. Its symbol is based on the asymmetric information theory. Modern accounting management theory is still in continuous development, and the theories of various schools will permeate and complement each other. If an enterprise wants to develop better, it must continuously strengthen and perfect its accounting management to promote its healthy and stable development. The implementation of network finance has led to great changes in the corporate accounting management environment. At the same time, with the support of software and hardware conditions such as the Internet and computer equipment, the financial accounting work of enterprises breaks the limitation of time and space, and the transmission and sharing of regional information can be well realized by relying on the Internet. Greatly enriched the content of financial accounting management work. It is believed that in the near future, all enterprises in China will adopt modern information management financial management technology to continuously popularize and develop financial management technologies under the network environment.

### 1. Introduction

In modern economic activities, the quality of accounting risk management directly determines the quality of enterprise production and operation activities, thus affecting its economic benefits [1]. Financial accounting directly affects the development strategy and decision-making direction of enterprises. Good financial and accounting work can enable leaders to correctly understand the development of the enterprise and scientifically adjust the management strategy [2]. With the acceleration of the process of global economic integration, the information age has come and the financial environment of enterprises has changed dramatically. The financial risks faced by enterprises are more diversified and complicated, and the financial accounting work has undergone major changes [3]. The conversion from traditional paper management to electronic file management, although improving work efficiency, has also led to other problems [4]. For example, the problem of inaccurate positioning of enterprise development goals, relatively backward management methods, and weak ability to withstand risks. It has seriously restricted the overall development of enterprises in the context of economic globalization [5]. Enterprises should reasonably solve the problems in financial accounting according to their actual conditions.

Due to the uncertainty and complication of financial risks, it is imperative to establish a new risk management model in the network era [6]. The continuous improvement in the speed of information development has prompted many enterprises to change the traditional business management mode. Scientific management of enterprise finance is realized through a brand-new regulation management method [7]. To realize the concept of keeping pace with the times, and always in accordance with the requirements of enterprise development, appropriate innovation and adjustment [8]. Therefore, it is of great practical significance to study the financial risks under the network environment and identify, analyze, evaluate, prevent and control them [9]. Turning the original management into a proactive risk warning can systematically identify possible risks. Timely warning signals are issued to make financial management work ahead of time [10]. Timely conform to the changes brought about by the information age, actively introduce high-tech technology, and improve the efficiency and quality of business operations. Through the integration of modern

information technology and the advantages of Internet development, its management level has been continuously improved. In turn, the financial management of Chinese enterprises is more scientific and standardized.

## **2. Accounting risk management theory**

### **2.1 Business cycle theory**

The cyclical fluctuation of the economy is an objective economic phenomenon that is not transferred by human will. Fluctuations in the economic cycle will inevitably lead to cyclical financial risks in various economic organizations. Financial risks mainly include business risks, investment risks and financing risks. The reasons for these three risks are consistent with the reasons for the economic cycle. Theories of cyclical fluctuations in the economy mainly include under-consumption theory, investment cycle theory and monetary factor theory. According to the theory of under-consumption, the reason for economic fluctuations is the lack of consumption and the backlog of products produced by enterprises. Leading companies to adopt a strategy of lowering prices, resulting in a reduction in production. Business activities fluctuate and enterprises face business risks. According to the investment cycle theory, the economic fluctuation is caused by economic expansion (contraction) and investment increase (decrease). As a result, prices rose (fell), investment activities fluctuated, and enterprises faced investment risks. Monetary factor theory holds that the reason for economic fluctuation is that banks reduce or raise interest rates and loans increase or decrease. As a result, production expands or contracts, fund-raising activities fluctuate, and enterprises face fund-raising risks.

### **2.2 Internal control theory**

The causes of accounting risks can be summarized into two aspects: first, financial risks arising from management fluctuations caused by uncontrolled internal control. The second is financial risks caused by drastic changes in the external environment. Internal control mainly includes three aspects, namely business management control, asset management control and financial accounting management control. No matter what kind of internal control, it involves three basic elements, namely, control environment, accounting system and control procedures. The control environment includes the main factors of organizational structure control, internal inspection organization control, personnel quality control, and external factors that affect the business activities of enterprises. The sound accounting system required by a sound internal control system should include a strict voucher system, a complete book statement system, a sound review system, an accounting control system for business cycles, and a scientific standard cost system. The main contents of the control program include five specific steps: division of duties, authorization rules, approval procedures, organization system diagram, and review system.

### **2.3 Modern accounting management theory**

In the 1980s, modern accounting management theory completed the transition from the old financial management model to the new financial management concept, and its logo was based on asymmetric information theory. Since the 1990s, Western accounting theory has begun to show a trend of securitization and internationalization. At present, modern accounting management theory contains five main contents. They are the trade-off theory model, agency cost theory, asymmetric information theory, foraging order theory, and modern asset theory. Modern financial management theory has laid a solid theoretical foundation for financial risk management, and it is the precondition for the emergence of risk control theory. It also points out the direction for financial risk early warning and control management research. The modern accounting management theory is still in continuous development. The theories of various schools will permeate and complement each other, and more reasonable theories are bound to emerge. China, which is experiencing rapid economic development, should learn from foreign advanced management theories and practical experiences and put them into practice. This will definitely improve the level of accounting

management and enable enterprises to have a place in international competition.

### 3. Necessity and System Construction of Strengthening Risk Control in Enterprise Accounting Management

#### 3.1 Necessity of Risk Control in Enterprise Accounting Management

If an enterprise wants to develop better, it must continuously strengthen and perfect its accounting management to promote its healthy and stable development. The authenticity and reliability of accounting information also play a decisive role in the effective development of accounting work. Accounting information can fully reflect the real financial situation of an enterprise, which is very helpful to the decision-making of enterprise management. Accounting information can also master the use and flow trend of enterprise funds, so that enterprise managers have a certain understanding of the business situation of the enterprise. The authenticity and reliability of accounting information must be ensured in order to maximize the role of corporate financial management. The strengthening of enterprise accounting management can timely discover problems in the production and operation activities of enterprises, such as problems in internal operations and problems in the use of funds. In order to fully understand the actual financial situation of the enterprise, it must be based on the authenticity of financial information and accounting information, which is very helpful to ensure the integrity of financial accounting information.

#### 3.2 Construction of Enterprise Financial Risk Control System

We use control environment, goal setting, risk assessment, control activities, information and communication, and monitoring as six variables of the financial risk control system, and construct a framework of financial risk control system based on this variable. The enterprise control environment is the foundation of all risk management elements and has varying degrees of impact on other elements. Goal setting is the basis for risk assessment, control activities and monitoring. Management should first set corporate financial risk control objectives before they can assess and control risk. Risk assessment is first to identify various factors that affect the financial risks of an enterprise. Enterprise managers need to understand the external and internal factors that affect enterprise financial risks and the importance of these factors. After the control activity evaluates the financial risks, the management should first adopt a plan to deal with the risks. Information and Communication Information used to control financial risks of enterprises includes not only financial information but also non-financial information. Enterprise financial risk control system usually requires continuous self-monitoring. The details are as follows:

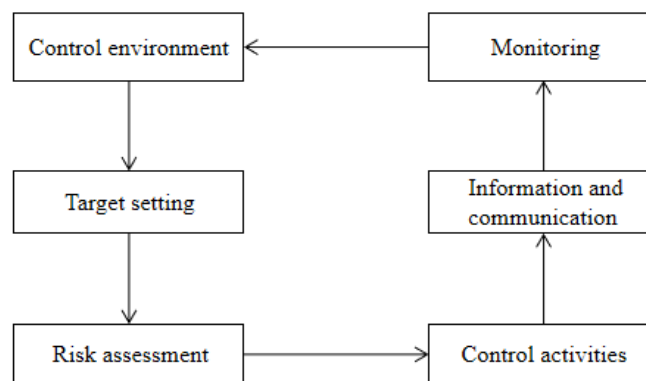


Fig.1. Enterprise Financial Risk Control Framework

Table 1 Criteria for Risk Probability Assessment

word description	Quantitative analysis	Risk event frequency	Daily operating frequency
Basic determination	90% or more	At least 1 time in 1 year	Often happens
Very likely	60%-90%	1 time may occur in 1-3 years	More often
may	30%-60%	1-10 occurrences may occur	Occasionally
Not too possible	10%-30%	1-30 occurrences may occur	In rare cases
Almost impossible	Less than 10%	1 time may occur after 30 years	Under normal circumstances will not happen

#### **4. The Control Strategy of Enterprise Accounting Management Risk**

##### **4.1 Strengthens the enterprise management and the accountant's risk control consciousness**

The risk control consciousness of enterprise managers can affect the development of enterprises to some extent. As the core of an enterprise, managers can only promote the long-term good development of the enterprise by continuously strengthening their own risk control awareness. At the same time, we should continue to improve the financial and accounting management system of enterprises, which is very helpful to strengthen the management effectiveness of enterprises. In addition, the risk control awareness of enterprise accountants should be continuously strengthened. Accounting personnel hold the capital and assets of an enterprise, so their understanding of accounting information will affect the decision-making of enterprise managers to a certain extent. Only when accounting personnel raise awareness of risk control can they provide a basis for business managers to make correct decisions. The professional quality of accounting personnel can affect the authenticity and reliability of accounting information to a certain extent. At the same time, it is also the top priority for reducing the risk of accounting management. Therefore, companies must employ high-level accountants to ensure that accountants have a certain level of professionalism in their work.

##### **4.2 Establish a sensitive early warning mechanism for accounting management risks**

In the accounting management of modern enterprises, we must rationally apply advanced information technology and scientific and technological means, and actively construct a sensitive early warning mechanism for accounting management risks based on the current situation of enterprise development. In the traditional accounting management risk control of domestic enterprises, most of them adopt a static early warning method. That is, based on past experience and analysis of various economic issues, the risk of accounting management activities of enterprises is regularly predicted. However, it is impossible to monitor the whole process and dynamics of the accounting management activities of enterprises. In the new social and economic environment, enterprises should make full use of all kinds of modern technical means and methods to make the accounting management of enterprises in a unified monitoring system. The early warning mechanism of various risks is also changed from static to dynamic. Only in this way can the pre-control, in-process analysis and post-processing of various risks be realized, thus realizing the optimization of the risk control efficiency of accounting management.

#### **5. The network environment brings great changes to the internal accounting control of enterprises**

##### **5.1 The organizational structure of internal accounting control tends to be flattened**

The efficient allocation of resources in the market requires companies to respond quickly to the market. The customer's needs are met in real time, and the traditional high-rise corporate structure has not adapted to this change. This objectively requires that the organizational structure of the

enterprise tends to be flat, enabling decision makers and implementers to communicate quickly and truly benefit from management. Under the network environment, the composition of enterprise accounting information system has changed, the operation has been closed from opening to opening, and the difficulty of internal control has increased. Complex computer systems increase system control risks. Data processing is too centralized and data storage is easy to modify. The form of data storage makes recovery extremely difficult. The network not only connects various departments, but also connects branches in different places. In the network environment, all information on the open platform can be shared and accessed. Accounting information under the network environment is likely to be illegally accessed inside and outside the system.

## **5.2 Control Risks Caused by Changes in Accounting Environment**

The implementation of network finance has led to great changes in the accounting environment of enterprises, which are reflected in the changes in personnel composition and the scope of accounting business. On the one hand, the composition of the accounting department has added system administrators, system operators and computer software and hardware maintenance personnel to the original financial, accounting and cashier personnel. On the other hand, the processing scope of accounting business has become larger. Apart from basic accounting business, enterprise online finance also involves the comprehensive business of logistics, information flow and capital flow. For example, online information search and inquiry, online purchasing and sales, online transactions and payments, and online banking, etc. The network processing of these transaction matters makes the business matters originally completed jointly by several departments concentrated in one department or even one person. Therefore, the enterprise accounting control method under the network environment is more extensive and complex than the original system, which brings great difficulties to enterprise accounting and personnel management.

## **6. Strategies for innovative financial accounting management model based on network environment**

### **6.1 Introducing advanced financial accounting management concepts and models**

Financial accounting management is based on the network environment, and its internal control becomes very complicated. The scope of accounting management has gradually expanded, and the newly added financial accounting content will bring new influencing factors to business operations. Based on this, accounting personnel and management personnel should continuously introduce advanced financial accounting management concepts and models. With the support of the Internet and computer technology, the enterprise accounting management work has been transformed into information, digital and automated operation methods. Employees have access to financial information more easily, and they can rely on computers to process data and make decisions on projects. The work efficiency and quality are greatly improved. Enterprises should establish a perfect internal computer management system and introduce advanced software systems such as financial forecasting, risk decision-making and economic dynamic simulation to implement them in financial accounting management. According to the requirements of the market economy, strengthen the management of knowledge assets. Build a new evaluation index to evaluate financial accounting management.

### **6.2 Pay Attention to Network Security**

Internal enterprises should pay more attention to network security. Financial and accounting information has certain requirements for confidentiality. In the management process, if open protocols such as TCP/IP are used, the risks of information eavesdropping and stealing will be increased. Therefore, to carry out financial accounting management under the network environment, we should strengthen the supervision of the network system. According to different accounting working environments, formulate targeted protection policies and build a sound enterprise financial security system. Three-layer safety control technology is adopted. First, application firewall

technology restricts external access to the host server, access authorization for access users, and identity authentication system based on account and password. Second, establish a log on the machine. The system automatically runs when the system is powered on, and records and analyzes the user and operating status of the login system and system sensitive resources in real time. Analyze reports to identify authorized and illegal users. Finally, the virus attack warning mechanism is adopted, that is, the data stream having the network attack feature and the network security policy violation is searched in real time, and the illegal network connection is blocked.

## 7. Conclusion

To sum up, strengthening the effective management of financial accounting is of key significance and function to the enterprise itself. It can clearly direct the expenditure and income of enterprise funds, save funds for enterprises, and promote stable and healthy development. Therefore, the research on financial risk control based on network environment is an important topic. According to some traditional business management methods currently in use, necessary innovation must be realized. The management of its management has gradually evolved from the initial manualization to the direction of network, electronic and information. Under the current network environment, the enterprise management model has achieved a certain degree of innovation. The innovative application of the financial management model can be realized in the financing side, the enterprise management side and the enterprise structure side. It is believed that in the near future, all enterprises in China will adopt modern information management financial management technology to continuously popularize and develop financial management technologies under the network environment.

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