

Research on Application Problems and Solutions of Internet Finance in Group Companies

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Abstract: Modern internet financial management has obvious advantages over traditional financial management. It is a breakthrough of limitation in space and time for delivering traditional information with greatly improving financial management level and efficiency of enterprise. Internet finance forms online supply chain which the enterprise's finance is regarded as the center with cooperation of each department and can be managed dynamically for finance, in order that the enterprise overall masters supply of goods and reduces costs for enterprise together with consumption of manpower and material resources. However, there are still some problems needed to be solved during practical application of internet finance. Aiming at encountered problems during application of internet finance in group companies, the article makes research and discussion about it. It puts forward improvement measures and builds up sound internet financial environment, in order to improve competitiveness of group companies.

Internet finance is the necessary offspring in development of network technology to a certain extent, and there is inevitability both from objective environment and network technology conditions. In order to adopt features of modern enterprises with huge volume of financial data, many application software of internet finance have function of fully sharing financial data. Internet financial management system integrates all effective management resources of group companies to form digital system unified managed by finance, so that it plays the active role in financial management for group companies and improves financial management efficiency by changing previous financial management mode. The treatment of network information makes financial management of enterprise unification by integrating production & processing, products sales and financial accounting.

1. Theory Summary of Internet Finance

Internet finance is the result of continuous development in financial computerized accounting and computer technology. It is a kind of software system providing service for enterprise by combining accounting function, financial management of enterprise and accounting decision-making function and using current network environment. Its function lies in integrating internet financial data and achieves bookkeeping, checking and auditing as well, and it can check and manage financial statement in real time by a mouse. It is helpful to improve efficiency of financial accounting.

Internet financial management achieves deeply seamless docking between the belongings and business during business processing, in order that it is convenient for enterprise to dominate over finance of enterprise and paper money. Internet finance standardizes business processing flow of enterprise and optimizes organizational structure, which make each department deeply cooperation.

It shall be faster and more comprehensive for business processing under network environment. The internet finance achieves online mode for a business from quotation, making an order to after sale service. The internet financial management makes ecommerce platform become

comprehensive and normalized step by step. The network becomes a bridge to transmit information among enterprises, customers and suppliers which makes business easier.

2. Application Status of Internet Finance in Group Companies

2.1. System Structure of Group Internet Finance.

The business processing of group companies must involve in many financial information: incoming good of suppliers, processing of raw material and semi-finished product, financial settlement of customer trade, facilities, human resources of internal company etc. In order to improve management level, most of groups implement management system by level-to-level, strengthen evaluation for related departments, improve work efficiency of each department, organically combine industrialization and informatization and reduce circulation time of product data, in order to improve core competitiveness of group. It is great helpful for application of internet financial management software to improve financial processing efficiency of group companies.

2.2. Application Advantages over Internet Finance of Group Companies.

Firstly, along with application of internet financial management software, financial information between different departments in group companies is docking, which achieves deeply sharing of financial data. It is fundamentally changed lagging situation of inconsistent information caused by time difference in finance and business transaction, which makes it coordinated between finance and business.

Secondly, internet financial management integrates controllable internal resources of group companies and possible controllable external resources after temporarily non-controllable ones, and it not only integrates internal financial resources of group companies, but also achieves centralization of financial management for group and branch companies, which financial management changes from parts to totals. It is more helpful to form customer-oriented marketing model. The external resources create excellent market demands for development of companies and achieve changes from disposable internal expansion to external resources for group companies.

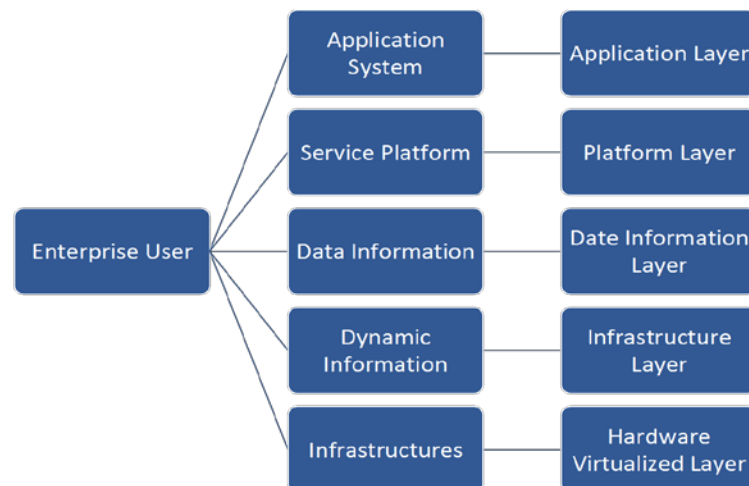


Fig.1. Cloud Platform of Internet Financial Management System

Thirdly, the application of cloud platform for internet financial management system makes the integration of cash flow, logistics and information flow closer. The structure of cloud platform for internet financial management system is seen as figure 1. The group companies contact external customers and suppliers via cloud platform and open more network ports for different business demands, which form more perfect and multiple ecommerce patterns step by step. The “virtualized” business models continuously improve business volume and service quality of group. The modules of sales on official websites, online banks, online tax declaration

and online accounting treatment are built up based on more demanding standards on ecommerce. The internet finance brings online service of group companies and online office level in line with most advanced technologies.

3. Existing Problems in Application of Internet Finance in Group Companies

The production and utilization of internet financial software changes work pattern of group with improving work efficiency of group. However, the openness and confidentiality of financial data during internet financial application in group companies form a pair of sharp contradiction. Internet financial data confronts many risks and security problems which are needed to make deep analysis on existing problems of internet finance in group companies.

3.1. Internal Control Problem during Internet Financial Application in Group Companies.

Separation of duties in some group's organization is not well defined. Many incompatible positions are needed to be separation of duties. Every step is possible to have fake during internet financial management once separation of duties are not well defined. In the practical work, even a great threat to the company's finance happens caused by the operator of internet financial data is illegally changed, forged, destroyed key data of enterprise for personal purpose. All of these are caused by imperfect internal control system, and internal management control for some group companies after implementation of internet financial application remains stylistic. The division of some positions is not definite and clear without implementation of duties in place which make internet financial application not workable, and it is easier to have problems of finance corrupt.

3.2. Security Problem of Network System in Group Companies.

Firstly, the operator of the group saves electronic records which are saved in accounting computerization system usually lack of ledger backups. In the event of accident, the computer can't open as usual, and the internet financial software is not workable, then all of internet financial data shall be gone. The keepers for electronic records usually lacks of awareness on security for electronic records and multiple backups, and they have no idea of copying and saving electronic records at different places. They save it in one computer or one USB and lack of multiple backups or complete backups for electronic records. It is hard to imagine the results for company caused by miss data in the event of accident.

Secondly, many group companies don't have special internet firewall or antivirus system, which it is very likely to be infected with network viruses under networking between main servers installed internet financial software and computers of different departments. Hacker can illegally read, amend, execute, delete, move different data and procedures for system in case of primary server infecting with a virus, which will cause all networking computers of group companies to run at low speed and normal function not to work. The most important thing is loss and disclosure of key data of company which will cause inestimable enormous losses to the group in case of disclosure of confidential data.

3.3. Incomplete Function of Financial Software in Group Companies.

Firstly, one of major functions for internet financial system is to provide data sharing service for different departments, so that company can respond quickly to product market. The software connection between group finance and business of branch companies is weak during application of internet financial management software for some group companies. The inconsistency of financial software between group companies and different branch companies limits group business connection caused by software information conversion, which affects accurate control on market by group.

Secondly, there are functional shortcomings in management accounting of internet financial software. Along with the growing demand for fiscal control of group companies, it requires internet financial management software to have function of decision-making and management,

so that it can overall analyze financial data of group companies and provide powerful management decision-making basis for management. The accurate financial data make company resolution more intelligent. However, there are some shortcomings in functional module like network management accounting, network financial analysis etc. Because it can not be used by management decision-maker in time, the application value of network can not be maximized utilization.

4. The Solution to Problems of Internet Finance in Group Companies

4.1. Enhance Control on Group's Organization and Management.

In order to guarantee reality and security of internet financial data for group, corresponding control measures shall be implemented to guarantee accuracy of internet financial data system in group.

Firstly, separate incompatible duties. The group shall develop and set internet management center and build a team of internet management center which set operation right and duty of each employee at each department, build a complete set of internal control system with requirements on separation of duties for ensuring separation of right and duty for every operator in their positions, and set up level logging internet operation environment based on it. The operator shall input inspected items like user's password, voice and fingerprint as logging system for protecting using permission against other persons.

Secondly, internet financial management system is the same as traditional manual financial management system, and it is possible to have fraud for each detail in single business. So each economic business processing can not be fully in charge by a single person or department, it shall be divided to take by several persons or departments. Besides, it shall implement rotational system.

4.2. Improve Security and Confidentiality of Network System.

First, Improve the management system of files. The group shall use compulsory measures to make internet financial employees save financial data by backup copies. Electronic data shall be backed up in time. Meanwhile, the group shall define duties of keepers for electronic files and develop relevant publishing system for ensuring effective implementation of data management work.

Second, Build up management mechanism of equipment and improve management level of hardware. Firstly, the group companies shall pay attention to hardware equipment management of internet financial software and write rules and regulations by administrative department which set environment for computers by remove destroy of hardware equipment in the office caused by high temperature, water and fire, static electricity. The group companies shall create a good office atmosphere and control cultural environment for hardware equipment, for example, everybody supervises irrelevant personnel close to computer work area, in order to protect equipments against destroying and using.

Third, the group shall buy antivirus software from regular channel and update software in real time. In order to reduce vandalism, the group shall set up computer firewall. Besides, use U drive or other mobile storage devices shall use virus killer program before using in the computer. Don't random open unsafe web pages and manage personal computer. Don't permit other people to use personal computer. Don't install other procedures in the computer to reduce the chance of virus invasion.

Forth, software operator shall be responsible for their own computers by making related provisions and well protect computers they have used by not allowing others to use or damage computers at will. Specify the scope of use at work for operator and don't disclose login password to irrelevant persons. Besides, the password shall be changed constantly. It is not permitted to operate for employees without authorization. The operator shall exit relevant

procedures as leaving from computers in order to avoid operation by others. The complete system security relates to good and bad management of computer

4.3. Update Function of Financial Software and Increase Function of Accounting Control.

Firstly, the group shall develop or purchase uniformly internet financial management software which information transmission and business processing of group internet financial software of branch companies are consistent with the group's, which will be easier to data docking. The complicated business of each branch company is reflected to internet financial information system real and effective for true financial sharing service, in other that decision-maker can clear and accurate know the next phase of budget and strategy.

Secondly, make a plan to check integrity of complete system according to function with internet login status measure the practical application, resistance to disturbance and authenticity of each functional module setting. Test whether there are vulnerabilities for internet financial software and fix it once detected, which make it become special internet financial software tailored to the group.

Thirdly, develop management accounting module and enhance supporting function of decision-making. The group shall perfect management accounting function of internet financial management software, make business management and data collaborative work and make internet financial data play its role of management accounting. Internet financial software shall accomplish all three processing phases from information sharing, accounting to management decision-making, which forms systematic management for group finance.

In conclusion, the internet financial application greatly reduces financial management costs for group and achieves financial data sharing of group, which makes group have advantages over financial management. However, there are still some problems for building up internet financial system and application. The article puts forward responding strategy combined with group's actual conditions by aiming at providing reference value with solution to problems of internet financial management for the group.

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