

The Methods to Strengthen the Internal Accounting Control in the New Era

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Abstract. Internal control is not only an important part of modern enterprise management, but also the basis of enterprise production and management activity to be carried out smoothly. With the development of the times and social progress, the enterprise internal accounting control functions must be strengthened. From the view of enterprise, to establish the perfect and sound internal accounting control system is the only way which enterprise accounting control system can develop under the external environment of external accounting supervision system. Based on the author's study and practical experience, this paper firstly analyzed the importance to strengthen the internal accounting control in new era, and then put forward the proposals to strengthen and improve the enterprise internal accounting control.

1 Introduction

The internal accounting control refers to the system and method, which enterprise sets a target with the goal of regulating its internal financial management activities in accordance with national laws, regulations, rules and the relevant provisions of the system, combining with business and management of the enterprise's own characteristics and requirements. With the constant improvement of China's market economy system, the role of internal enterprise accounting control is coming into play. To establish and perfect the enterprise internal accounting control system is very important for the development of enterprises.

2 The Importance of Strengthening the Internal Accounting Control in the New Period

First of all, the internal accounting control is an important basis to carry out accounting laws, rules, and systems. Although the relevant laws and regulations formulated by the state in accordance with the general requirements throughout the country, there are still some ill-considered problems being not completely suit for the specific conditions of all enterprises, so it requires the enterprise internal accounting departments to comply with national accounting laws combined with the characteristics of enterprise management and business of accounting control, so that work can be penetrated into all aspects of business management and accounting control links. The construction of the enterprise internal accounting control is the specific form, which realizes and completes the national laws and regulations; it is also the important guarantee and the basis to implement the national accounting laws and regulations. Therefore, enterprises must pay attention to the internal accounting control system. Secondly, it is the objective demand of business management in the enterprise. The accounting control is not only the key link of internal accounting management of the enterprise, but also a kind of comprehensive functional work. Therefore, to strengthen the internal accounting control system plays an important role in regulating the accounting work of the business operation and

management. From the daily audit of enterprises, timely discover and stop of the crisis imagination is conducive to the development of enterprises and can help enterprises to reduce loss effectively. Otherwise, if the internal accounting control is incomplete and the financial accounting system is imperfect, these will lead to confusion and imbalance; this not only damages the interests of enterprises, but also brings extremely negative impact on the future development of the enterprise. Further more, it is the specific requirement on perfecting the system of enterprise financial management. At present, China's financial management system is usually composed of the four levels. First is accounting law. Second is accounting administrative rules and regulations; Third is accounting regulations which refer to the various sectors of the accounting system. Fourth is regulations of the internal accounting system formulated according to the enterprise's own relevant systems. Therefore, the enterprise internal accounting management system is the core part of the new accounting management system, which plays a very important role in the enterprises accounting control.

3 Proposals for Strengthening and Improving the Enterprises Internal Accounting Control

3.1 Establish and improve the detailed budget management system

The budget management can effectively overcome the defect from information asymmetry through a set of control system, so that ensure the smooth realization of the enterprise goal. It has become a main control mean, which can penetrate into various links of enterprise production, sale, management, investment financing and other aspects; In practice, we also see some enterprises strengthen the internal accounting control through the budget management, and achieve good economic benefits. The company budget management should not only require the establishment of a sound budget management organization, but also choose a different budget management mode, such as start-up enterprise should establish a budget management mode starting with a capital budget; the enterprise in growing period should set up the budget management mode starting with the sale; and the enterprise under the mature period in market should establish the budget management mode based on the cash flow.

3.2 Strengthen the enterprise internal accounting control

The enterprise internal accounting not only need to face the management, but also face the quality. At present stage, the scope of internal accounting control is mainly the operating level, rarely control on the level of governance; the enterprise internal accounting control research group mainly aims at accounting and auditing department, and its main purpose is to improve the efficiency of financial audit and to clearly evaluate responsibilities of auditors. Therefore, the control and management are mainly aiming at enterprise staffs, mid-level management personnels and supplies, rarely aims at executives. For executives, only committed to create the environment of internal control and give employees the right to development, the enterprise can be successful. If the executives regard enterprise as a platform for the development of their own, and they are anxious to achieve quick success and get instant benefits to control the operation of enterprises, the benefits of employees and investors will inevitably being affected. From the view of manager, the traditional enterprise internal accounting control content only aims at the production and management process. However, at the stage of separation between enterprise owners and managers, also from the owner's perspective, the management and manager control itself is a new breakthrough in the internal accounting control of the enterprise. From the view of corporate governance, executives-control is the first task for the enterprise internal accounting control; so the enterprise internal accounting control system can play a greater role in the protection of accounting control system; it can maximize the integration of enterprise

operation and management, and its comprehensive range can penetrate into all levels of enterprise management throughout.

3.3 Strengthen the incompatibility of job control

Incompatible duty refers to the duty that only one person handles. If there are some frauds and deceits in the process of working alone, it is very easy to cover up and hide; so the enterprises should allocate the incompatible duties to different personnels when in division of labor. In other words, position must be separated; only in this way, can the work be restricted, can the shield the due amount be effectively prevented and can the public property be protected. In the setting of internal control, this is a very important principle. Generally speaking, the business activities must experience the steps of authorization, auditing, execution, accounting record and checking. The incompatible duty separation and restricted controlling principles are regulated to separate authorization and approval; execution should be separated from the records, and records should be analyzed with inspection. For example, the the material business personnels in enterprise internal management cannot have part-time jobs in material accountings, so that block the embezzlement; for flying geese paradigm business approval staffs, they cannot have part-time jobs on credit, so that avoid the condition that loan is out of control. The rights and responsibilities of each institutions should be made clear division; and the incompatible duties should be implemented by different agencies.

3.4 Strengthen the control of business license

All of the enterprise department business activities need to be authorized by the relevant persons in charge, and it also need a clear responsibility scope on authorization. The effective implementation of authorization control not only prevent abuse administrative power, but also make the staff carry out the business within authorization. According to the difference of authorization, it can be divided into general authorization and the special authorization; as for the general authorization, it refers to the certain duties and rights when conducting the regular business. For example, as for the procurement item within the prescribed quota, the buyers can purchase it according to the authorization, which can be the first choice; as for the items surpassed prescribed quota, it will be bought after making approval by business executives; this is what we called special authorization. This is the large business decision in the enterprise.

3.5 Strengthen the control of monetary funds

First of all, enterprise must set up the internal financial settlement center with the purpose of revoking the external bank account; to open account, all enterprise funds must obey the settlement center in external bank account, and then the enterprise internal fund settlement centers were established accounts of receipt and expenditure under unified management; and the centralized management and monitoring network system, which were formed under the control of decision-making layer on operation and accounting layers; then this can make the enterprise internal control system more perfect and promote the upgrading of information management and financial management systems. All of this is conducive to business incentives to comply with the new management system of funds according to the market discipline, so that achieve the overall control of monetary funds, eliminate irregularities on funds, avoid private coffer and financial disintermediation; further, all of this can perfect the internal accounting control system, promote financial management system to realize the dynamic management of enterprise funds, finally can achieve a rational allocation and flowing of funds according to the its demand.

3.6 Strengthen the control of accounting information

For enterprise, the authenticity of accounting information determines whether the decision is correct or not; the enterprise can improve the ideological consciousness through the enterprise internal accounting personnel education of world outlook, political outlook and outlook on life. Then the service tenets of being law-abiding, devoted, self-disciplinary, practical, careful on financial accounting are deeply rooted in the hearts of people. Further, enterprise should train its accounting personnel, so the ability of judgment for the new problems can be improved; enterprise also should free supervision from the old ideas of the inspection, so it can overcome the old ideas linking between the management and interception with establishing the thoughts of providing service for enterprise production and management by accounting supervision. Regular training and charging for enterprise personnels should be required, so the ability to adapt to the new situation can be improved; the enterprise should require the accounting personnel to master computer, communication, network equipment so that gradually get rid of paper accounts. Enterprise can take advantage of this accounting supervision mechanism, it also improves the processing efficiency of the accounting business.

4 Summary

To achieve the sustainable development under the new economic situation, the modern enterprise must strengthen the internal accounting control, constantly improve and perfect the modern system to carry out its reform; at the same time, the enterprise should strengthen the supervision and inspection work of the internal governance structure to ensure the integrity and security of the enterprise information and assets, so that improve the core competitiveness of enterprises to adapt to the environment of social and economic development, and finally realize sustainable development.

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