

Research on Enterprise Financial Risk Assessment and Internal Control Mechanisms

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Abstract: With the intensification of market competition and the continuous changes in the global economic environment, the financial risks faced by enterprises are increasingly complex and diverse. This paper mainly discusses the importance of enterprise financial risk assessment and internal control mechanism to enterprise operation, analyzes the impact of internal control on enterprise financial risk, and analyzes the impact of internal control on enterprise financial risk from four perspectives: environmental factors, risk assessment, internal control means and internal control.

Keywords: Enterprise; Financial risk assessment; Internal control mechanism

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Enterprises need to coordinate with their own development status in the process of financial risk assessment and internal control mechanism construction. They need to harmonize with their own development status, formulate a perfect work program, and have a strong sense of reflection, seriously analyze the problems in the previous and analyze the problems that existed in the past financial management and internal control, and through internal control and risk assessment, propose the best solution for the enterprise.

Through internal control and risk assessment, we make targeted risk prevention and control recommendations for enterprises to help them avoid risks in development and obtain high economic.

1.The Impact of Internal Control on Corporate Financial Risk

(1) The impact of the internal environment on enterprise financial risk

The internal control environment is the foundation and core of the enterprise internal control system. The internal control environment is the foundation and core of the enterprise's internal control system, and plays a key role in the control and prevention of enterprise financial risks. A healthy, stable and efficient internal control environment can bring strong financial security and reduce financial risks to the enterprise, and promote the development of the enterprise's financial risk management. A good internal control environment is conducive to clarifying the rights and responsibilities of all levels and departments within the enterprise, and forming a clear and mutual control environment.

In this environment, the financial activities of the enterprise can be carried out in accordance with the set procedures and standards, and the financial risks caused by human factors or management loopholes can be reduced.

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For example, the finance department of an enterprise should follow the strict approval process and authority settings to ensure the reasonable and safe utilization of funds. The use of funds is reasonable and safe.

In addition, the internal control environment can also facilitate the effective exchange of information within the enterprise, so that each department can keep abreast of the financial situation and risks. In addition, the internal control environment can promote the internal supervision mechanism of the enterprise is constantly improved, to ensure that the financial Business activities in compliance. For example, the enterprise can set up an internal audit department to conduct regular or irregular audits of its financial activities.

(2) Impact of risk assessment on enterprise financial risk

Risk assessment is an important part of the enterprise internal control system.

It plays an irreplaceable important role in controlling and preventing enterprise financial risks. Risk assessment is an important part of the internal control system of an enterprise. A scientific and accurate evaluation of risks can enable enterprises to have an overall understanding and grasp of their risk situation. In the increasingly complex and changing market environment, the risks faced by enterprises are mainly in the market, credit and business aspects. Through risk assessment, enterprises can analyze and evaluate these risks in a comprehensive and in-depth manner, and have a clear understanding of the risks.

The company can then formulate targeted risk control and prevention strategies. Risk assessment can also give enterprises reliable financial decision support. When making financial decisions, the enterprise needs to make a clear understanding of the market environment, the competitive situation of the industry, and the strength of the enterprise itself.

The enterprise needs to have a comprehensive understanding of the market environment, the competitive situation of the industry, and the strength of the enterprise itself when making financial decisions. Risk assessment enables enterprises to forecast future market trends and risk trends, providing reliable information to support financial decisions.

It helps the enterprise to make more intelligent and rational financial decisions and reduce the possibility of financial risks. In addition, risk assessment can also promote enterprise risk management continuously.

In addition, risk assessment can also promote the continuous optimization of enterprise risk management. In the process of risk assessment, it can constantly learn from experience and lessons, find out the problems in its risk management, and optimize the risk management through the

Through continuous improvement and optimization of risk management strategies and methods, the risk management level can be enhanced and risk response strengthened, which is conducive to enterprises to reduce the probability of occurrence and impact of financial risks and ensure the stable development.

(3) The impact of internal control methods on enterprise financial risk

Internal control means and methods in the enterprise internal control system occupies a pivotal position in the enterprise internal control system, the enterprise financial risk control and prevention has a direct and significant role.

The enterprise can ensure the compliance, standardization and prevention of financial activities by carrying out effective control activities. By carrying out effective control activities, enterprises can ensure the compliance, standardization and safety of financial activities, and reduce the probability of financial risks to the degree of influence. Control activities are conducive to the regulation of the financial activities of the enterprise, the

By establishing a clear financial system and process standardization, it can ensure that financial activities are carried out in an orderly manner, and avoid any problems caused by establishing a clear financial system and

process standardization, it can ensure that financial activities are carried out in an orderly manner and avoid financial risks caused by operational errors or irregularities.

In accounting, enterprises can formulate internal standards and report preparation process to ensure that financial information is true and accurate. At the same time, control activities are conducive to strengthening the internal supervision of enterprises.

By establishing an internal audit department or assigning specialists to undertake internal auditing work, enterprises can conduct regular or irregular audits on financial activities to ensure the financial security of the enterprise. At the same time, internal supervision can also promote the standardization and transparency of the internal management of the enterprise, and improve the management level and operational efficiency.

(4) Impact of internal oversight on enterprise internal control

In the enterprise management system, the key link of the internal control system. The impact of internal oversight is not to be ignored. In order to ensure that the internal control system of the enterprise is strictly implemented, the internal control system will be audited, inspected and evaluated on a regular or irregular basis, so that the existing internal control system can be found out in time.

The internal control system is audited, inspected and evaluated regularly or irregularly by the internal control system of the enterprise. It can minimize the financial risks brought by the defects of the system and improve the operational efficiency and management level.

At the same time, internal supervision is conducive to promoting the truthfulness and accuracy of corporate financial information. Subject to internal control, the financial department of the enterprise shall carry out accounting and management in accordance with accounting standards and regulations. The financial department should carry out accounting and management in accordance with accounting standards and regulations to ensure the truthfulness, accuracy and completeness of financial information.

The financial department of an enterprise should carry out accounting and management in accordance with accounting standards and regulatory requirements to ensure that the financial information is true, accurate and complete, to strengthen the credibility of the enterprise, and to play a strong supportive role in the decision-making. Internal control can also promote risk management and improve the internal control system. In addition, internal. In addition, internal supervision can also evaluate and feedback whether the internal control system is effective or not, so as to improve the construction of internal control system.

2. The Internal Control Measures of Enterprise Financial Risk

(1) Build a perfect internal control environment

The most important task of internal control of enterprise financial risk is to build a sound and robust internal control environment. The environment involves both corporate organizational structure, management process. The environment involves not only the enterprise organizational structure, management process, but also the enterprise culture, staff quality and management behavior.

The enterprise should optimize the internal organization, ensure the division of authority and responsibility between departments, and check and balance of power.

We should establish independent financial department, internal audit department and risk management department, and clarify the rights and responsibilities of each department, so as to form an internal control mechanism with mutual checks and balances. Corporate culture is the key to the construction of internal control environment. We should emphasize the cultivation of positive corporate culture and advocate the core values

of honesty, law-abidingness, justice and fairness. Spreading the enterprise culture among the workers through various trainings and lectures. At the same time, the management team of the enterprise should become a model for the employees, set a good example for the employees with their own moral standards, and give full play to its exemplary role.

The quality of employees has an important impact on the construction of internal control environment. Through scientific and reasonable recruitment, training and assessment.

We should select and cultivate employees with a high sense of responsibility and professionalism through scientific and reasonable recruitment, training and assessment mechanisms. We should also strengthen the education of professional ethics and risk awareness training for the employees, so that they can always uphold the correct ethical concepts and enhance their sense of responsibility and positive attitude towards work.

(2) Establishment of a perfect risk assessment mechanism

A sound internal control environment requires the establishment of a sound risk assessment mechanism. This mechanism can identify, evaluate and control all kinds of risks that the enterprise may encounter in the course of operation. Identification, evaluation and control to effectively prevent and reduce the occurrence of financial risks.

Enterprises should determine the object and scope of risk assessment, and identify the types of risks to be evaluated from the perspective of strategic objectives and operating characteristics. From the strategic objectives and operational characteristics, the enterprise should define the types of risks to be evaluated and the areas, such as market risk, credit risk and operational risk.

At the same time, it is necessary to develop scientific risk assessment methodology and indicator system, through the collection and analysis of relevant information and data, using both quantitative and quantitative methods.

Evaluate the risk, establish risk early warning mechanism to timely warn and prevent potential risks, and strengthen the risk assessment work. Strengthen the arrangement and implementation of risk assessment, set up a specialized agency for risk assessment to organize risk assessment, and strengthen the risk assessment system.

The organization and implementation of risk assessment work is strengthened, a specialized risk assessment agency is set up to organize risk assessment, and the tracking and monitoring of risk assessment results are strengthened to ensure that risk assessment work is carried out efficiently.

(3) Strengthen the innovation of internal control methods

To effectively prevent and reduce the occurrence of financial risks, enterprises need to strengthen the internal control of enterprises from various aspects and ensure the soundness and effective implementation of the internal control system. The internal control system should cover all the business of the enterprise, especially the key business and high-risk business.

For example, in the procurement and sales process, the enterprise should establish a credit assessment system for suppliers and customers to minimize the risk of bad debts and fraud.

In addition, enterprises should strengthen the training and publicity of the internal control system to ensure that employees have a comprehensive understanding of the relevant provisions. Internal control activities are mainly composed of daily monitoring, regular audits and risk assessment. An enterprise should set up a special internal control department or position to organize and implement internal control activities.

The company should pay attention to the abnormalities in key operations and high-risk areas during daily monitoring and take corrective measures in a timely manner. During regular audits, an external auditor should be hired to conduct a comprehensive audit to ensure that the internal control system is in place. Based on the results of risk assessment, internal control strategies and measures should be adjusted in a timely manner to minimize

possible risks.

The internal control strategies and measures should be adjusted in a timely manner according to the results of risk assessment to minimize possible risks. Enterprises should strengthen the informationization construction of internal control and make use of modern information technology tools, such as big data and technology tools, such as big data and artificial intelligence, to improve the efficiency and results of internal control.

3. Conclusion

In the context of the new era, in order to obtain sustainable development of enterprises, financial risk assessment and internal control mechanism improvement is an essential part of the work. We need to pay enough attention to strengthen the scientific and effective research on financial risk assessment and internal control mechanism, integrate modern management thinking, and show the enterprise's ability to realize its potential.

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