

# Research on Risk Control and Internal Control in Corporate Accounting

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**Abstract:** As the market economy rapidly develops, new opportunities arise for modern business growth, yet the complexity of financial risks and internal control issues that enterprises face also increases. To maintain stable development in the fierce industry competition and effectively tackle various challenges, internal managers and related staff need to transform traditional thinking, strengthening risk control and internal controls within accounting. Risk control mainly focuses on risks related to the distortion of accounting information, misappropriation of funds, and tax compliance, whereas internal control focuses on solving problems such as inaccuracies in financial data processing, deficiencies in the internal control system, and lack of internal communication. However, there is a mutual influence between risk control and internal control, indicating that they complement each other. This paper deeply analyzes the existing problems in risk control and internal control in current corporate accounting, proposes improvement measures according to specific conditions, and enhances the levels of risk control and internal control in corporate accounting through methods such as improving personnel professionalism, standardizing accounting standards, and constructing a comprehensive internal control system, thereby providing a strong guarantee for the sustainable development of enterprises.

**Keywords:** Corporate Accounting, Risk Control, Internal Control.

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## 1. Introduction

In the rapidly changing market environment, enterprises face unprecedented competitive pressures and financial risks due to the expansion of operating scale and business scope. Corporate accounting, as the core of enterprise management, highlights the increasing importance of risk control and internal control. Their safety and accuracy are crucial for the sustainable development of enterprises, protecting them from financial risks and ensuring effective and rational decision-making. However, affected by various objective factors, significant drawbacks still exist in risk control and internal control, compounded by the uneven comprehensive quality of accounting personnel and the lack of a comprehensive internal control system, which directly affect the effectiveness and accuracy of accounting and ultimately impact the overall operational efficiency of enterprises [1-2]. Therefore, it is essential to conduct a comprehensive analysis of the issues in risk control and internal control in corporate accounting, develop appropriate solutions in line with industry development needs and corporate characteristics, and improve the effectiveness of both internal control and risk control to ensure smooth business operations.

## 2. The Relationship Between Financial Risk and Internal Control

### 2.1. The Influence of Risk Control on Internal Control

In daily business management, enterprises must deal with complex and changing market conditions where risk control significantly impacts internal control. Developing effective risk control strategies can optimize internal control systems by identifying and assessing various risks that negatively affect corporate finance, such as distortion of accounting information, misappropriation of funds, and tax compliance risks. The process of identifying and evaluating risks helps

enterprises continuously update their internal control systems and address potential threats. Implementing risk control strategies emphasizes the importance of preventive measures in internal control systems, identifying weaknesses in the internal control system through regular risk assessments, clarifying problems in audit processes, and vulnerabilities in information systems. Risk control also affects the scope of functions of internal control. In the management activities carried out by enterprises, risk management is an essential part, and internal control is no longer limited to supervising financial and accounting activities but extends to a broader risk management field, significantly enhancing risk management capabilities and efficiency.

### 2.2. The Influence of Internal Control on Risk Control

In the process of enterprise operation and management, internal control acts as a core mechanism for maintaining enterprise stability and safety. In today's complex and volatile market environment, enterprises face challenges from various risks, and the effective implementation of internal control is the foundation of enterprise risk management strategies. It provides necessary tools and frameworks for risk control (Table 1). First, internal control ensures the accuracy and completeness of financial data, which supports risk assessment and management decisions. Precise financial data is crucial for conducting risk assessments and making management decisions. If there are problems in financial data processing, such as inaccuracies or delays, the effectiveness of risk control will be significantly reduced. Secondly, the design and implementation of the internal control system provide comprehensive structural support for the execution of risk control strategies [3-4]. The internal control system covers a wide range of areas, including operations, compliance, and information technology. Constructing robust control mechanisms in these fields can fully realize the value of risk control measures and implement them at various

organizational levels. Lastly, internal control also plays an indispensable role in enhancing the enterprise's risk response capabilities. A sound internal control system can promptly identify and address potential risks, preventing them from escalating into more significant issues. For example, to prevent the risk of fund misappropriation, internal control can monitor abnormal transaction activities and take timely countermeasures to prevent the risk from spreading and escalating.

**Table 1.** Impact of internal control on risk control

Influence	Content
Data support	Internal control ensures the accuracy and integrity of financial data and provides a reliable data basis for risk assessment and management decisions
Structural support	The design and implementation of internal control systems provide a full range of structural support for the execution of risk control strategies, involving operations, compliance, and information technology
Play of value	The perfect internal control mechanism can give full play to the value of risk control measures and implement them to all levels of the enterprise
Risk response	A sound internal control system can identify and respond to potential risks in a timely manner and prevent risks from evolving into bigger problems

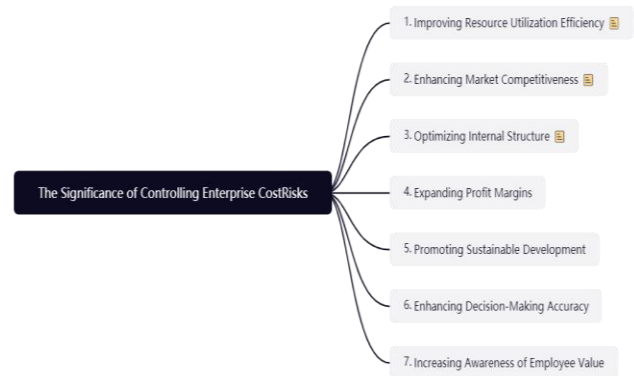
### 3. The Role of Accounting in Enterprise Risk Control

#### 3.1. Predicting Internal Risks

In the increasingly fierce market competition, if enterprises want to maintain stable development, they must effectively control cost risks, and accounting is an essential means to achieve this goal. Through accounting, enterprises can comprehensively record and analyze operating costs, ensuring a clear reflection of each cost item. Modern enterprises conduct comprehensive accounting of operating costs, recording each item in detail and calculating profit margins, thereby clearly reflecting the process and results of cost application, which is of great significance for managers to manage and plan corporate funds, reduce production costs, and achieve production goals, thus significantly reducing cost risks [5].

#### 3.2. Controlling Cost Risks

Due to the fierce market competition environment at this stage, controlling cost risks is of great significance for enterprises to achieve sustainable development. For this reason, enterprises must fully tap internal potential and improve resource utilization efficiency, especially the utilization rate of human resource costs. As an essential management tool, accounting can start from the perspective of fund application to accurately calculate the value of enterprise employees, job contribution rates, and the relationship between employee costs and profits. Based on the results of accounting work, enterprises can take various preventive measures, adjust internal structures through financial work, and gradually bring enterprise development back on track, bringing more economic and social benefits to the enterprise.



**Figure 1.** The Significance of Controlling Enterprise Cost Risks

## 4. The Role of Accounting in Enterprise Internal Control

### 4.1. Scientifically Responding to Accounting Risks

Internal control is crucial for enterprises to carry out accounting and financial management. Through internal control, enterprise internal managers can promptly understand the various interests and financial situations within the enterprise, and also be able to discover various problems faced by financial management in a timely manner, accurately identify various accounting risks, and rely on risk prevention measures to avoid and reduce accounting risks, bringing more comprehensive benefits to enterprise development. In addition, since the entire process of financial management contains certain accounting risks, leveraging internal control to comprehensively monitor various links in financial management, completing risk identification and prevention work dynamically, and formulating scientific response measures according to specific development situations can fundamentally prevent the occurrence of accounting risks, ensuring that financial management work proceeds in an orderly manner and meets the needs of the enterprise's future continuous development.

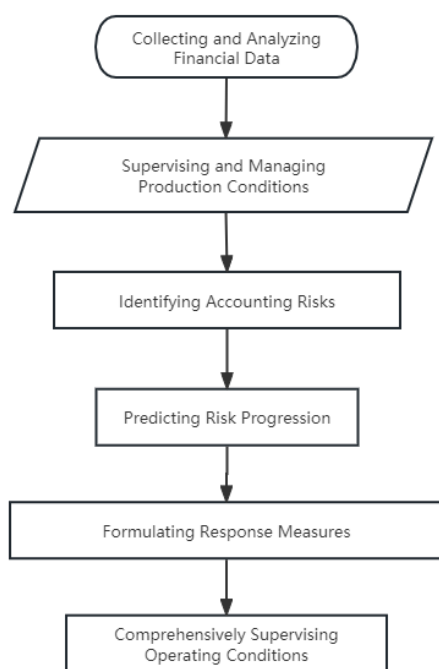
### 4.2. Improving Fund Security

The adequacy of funds directly affects the stable operation and long-term development of enterprises. The implementation of internal controls can clarify the sources and directions of fund flow, control every link of fund use, and provide guarantees for the efficient conduct of fund management work. Enterprises can comprehensively supervise turnover funds to ensure the procurement of raw materials and the payment of employee salaries. In addition, based on the scientific allocation of funds as the foundation, appropriately reducing the operating costs of enterprises ensures that the production and operation development of enterprises has sufficient funds. Taking internal control as the support, analyzing the rationality of various fund expenditures, avoiding waste of funds, not only can ensure the security of funds, but also enhance the controllability of funds, providing sufficient financial support for the sustainable development of enterprises.

### 4.3. Supervising Enterprise Operating Conditions

Financial management work contains a variety of contents. In the process of implementing internal control, it can

comprehensively analyze the development of various financial activities, comprehensively supervise and manage the production conditions of enterprises, and after accounting and supervision, provide reliable data support for the conduct of enterprise financial supervision and management work. This is not only the basis for financial data statistics but also the key to formulating scientific decisions, gradually improving the efficiency of enterprise financial management. However, in the process of formulating internal control, it is also necessary to accurately identify possible accounting risks, predict the progression of risks, and formulate response measures based on the severity of risks, thereby reducing the economic losses brought to enterprises, comprehensively supervising the operating conditions of enterprises while ensuring the smooth development of enterprises.



**Figure 2.** Specific Processes for Supervising Enterprise Operating Conditions

## 5. Problems in Risk Control and Internal Control in Corporate Accounting

### 5.1. Limited Comprehensive Quality of Personnel

If financial management personnel lack solid professional knowledge and practical experience, it will inevitably affect the smooth progress of financial work. Today, some corporate accounting management personnel lack rich practical experience. Before engaging in accounting work, they have not received systematic training, and whenever they encounter emergencies in their work, they will be at a loss and unable to solve problems efficiently [8-9]. In addition, accounting personnel have a relatively one-sided understanding of risk control and have not grasped its deeper meaning, affecting the normal operation of financial management work. Based on the above situations, enterprise managers should adjust and improve work plans according to the work status of different departments, predict possible problems that may be encountered in future work in advance, and conduct good risk assessment work to avoid bringing more economic losses to enterprises.

### 5.2. Lack of Unified Accounting Standards

In different countries or regions, the accounting standards formulated and implemented have certain differences, causing the accounting processing methods to differ, leading to problems of non-unified standards. Different industries may also have different requirements and processing methods for accounting, possibly leading to problems of non-unified standards. Facing the formulation and implementation of accounting standards may have defects, and the formulation process has subjectivity, and there will inevitably be problems with ineffective supervision during the execution process, which will all make the standards non-unified [6-7]. Under such circumstances, if the formulation and implementation of accounting standards cannot keep pace with the times, timely adapt to new economic environments and technological developments, it may further exacerbate the problem of non-unified standards.

### 5.3. Lack of Comprehensive Internal Control System

Constructing a comprehensive internal control system within an enterprise belongs to a long-term and systematic process, and it is difficult to achieve significant results in a short time. Therefore, enterprises must do sufficient preparatory work before carrying out this work so that the value of internal control can be fully highlighted in various management activities carried out by enterprises. In the specific practice process, due to the fact that some management personnel have insufficient comprehensive understanding of internal control, they have not yet realized the value of carrying out related work on the ideological level, and have not formulated a comprehensive management system, the practical effect of this work cannot be fully exerted. In addition, some enterprises lack advanced risk management concepts in the course of development, have a very one-sided understanding of this work, and ignore the value of safety management when carrying out related work, which directly increases the risks faced by enterprises in the development process.

### 5.4. Improper Use of Financial Software

Compared to traditional working methods, the functions and operating methods of financial software are more complex. If financial personnel have not undergone professional training, it will be difficult for them to smoothly carry out financial information processing work using software, and the final processing results are not accurate. In the process of selecting financial software, enterprises pay too much attention to factors such as price, function, and brand, while ignoring the applicability and stability of the software [10]. If the selected software does not match the business needs of the enterprise or is not stable enough, it may cause inaccurate processing of financial information. After using the software for a period of time, it is necessary to maintain and upgrade the financial software system. If financial personnel have not maintained the software in a timely manner, system failures and data loss may occur, affecting the accuracy of financial information processing.

## 6. Improvements in Risk Control and Internal Control in Corporate Accounting

### 6.1. Improving Personnel Professionalism

The professional ability and comprehensive quality of enterprise financial personnel will directly affect the progress of related work. For this reason, enterprises should regularly carry out professional training work, requiring financial personnel to actively participate in it, master the skills and operation methods of using financial software, and conduct regular assessments to ensure the correctness and accuracy of using financial software. To attract and retain more compound talents, enterprises can also offer higher salaries and benefits, provide good career development opportunities and development plans to ensure the stability of the enterprise financial management team. When carrying out training work, a large amount of human and material resources should be invested to provide systematic professional knowledge and skills training to help financial personnel master new accounting standards and internal control requirements, and improve their work ability and quality. To truly enhance the subjective initiative of employees, enterprises can also improve the previous incentive mechanisms as a basis, formulate bonus systems, promotion systems, and other systems that meet the needs of financial personnel [11]. To reduce the work pressure of financial personnel and reduce the error rate, the advantages of information technology should be fully utilized to ensure the quality of accounting and internal control. For example, during the development of manufacturing enterprises, by improving the quality and ability of financial personnel and optimizing the cost accounting process, enterprises can help improve the accuracy and reliability of cost accounting and provide strong financial support for the production and sales of enterprises, meeting the needs of future continuous development.



Figure 3. Proportion of Professional Skills

### 6.2. Enhancing the Uniformity of Accounting

In the information-based business environment, enterprises face more diverse and complex financial challenges. To improve the core competitiveness of enterprises and ensure the financial health of enterprises, when carrying out management work, the accuracy and consistency of accounting should be taken as the key. Clear accounting standards should be defined before accounting, and the

understanding and interpretation of accounting standards should be strengthened to avoid inconsistencies in accounting due to different accounting standards. Combined with specific conditions, build a financial information audit mechanism, review accounting processing and accuracy, and ensure the authenticity of financial information. Accounting personnel, as the direct executors of accounting, their professional quality and professional level are directly related to the quality of accounting. Enterprises should strengthen the training of accounting personnel, improve the accounting quality and professional level of accounting personnel, and reduce accounting processing differences caused by insufficient individual knowledge levels [13]. Enterprises can also actively seek external forces to help, introduce professional technology to improve the standardization of accounting, and reduce errors and deviations in accounting processing. In the process of accounting processing by enterprises, different accounting standards may lead to significant differences in accounting results, thereby affecting the financial situation and business results of enterprises. To avoid related problems, enterprises can also strengthen internal audit and risk management to ensure the accuracy and consistency of accounting, establish a financial information audit mechanism, and ensure the authenticity of financial information.

### 6.3. Building a Comprehensive Internal Control System

In the current complex and volatile economic environment, enterprises face challenges from the market, policies, technology, and other aspects. Financial management and accounting, as the core links of enterprise operation, their accuracy and efficiency are directly related to the stable development and market competitiveness of enterprises. Establishing a comprehensive internal control system to ensure the authenticity and accuracy of financial information has become a top priority in enterprise management. Strengthening the implementation and supervision of internal controls and effectively implementing various systems and processes can prevent security vulnerabilities [12]. For this reason, enterprises can optimize financial management processes, simplify operation processes, reduce process links, improve work efficiency and accuracy, and reduce error rates. To timely discover potential problems, internal audits should also be strengthened, modern information technology should be reasonably applied, financial management informatization systems should be established, and financial information should be strengthened to monitor and manage, improve the level and efficiency of financial management, and provide timely and accurate data support for enterprise decision-making. For example, before Z Enterprise built an internal control system, it faced problems such as chaotic cost management and poor cost control, which limited the profitability of the enterprise. To improve this situation, the enterprise decided to build a comprehensive internal control system. After building the internal control system, various costs were reduced, as shown in Figure 4, with total costs reduced by 19.5 million yuan, a decrease of 9.75%, indicating that the construction of the internal control system played a significant role in strengthening cost management and cost control.



**Figure 4.** Cost Comparison Before and After the Construction of the Internal Control System

#### 6.4. Appropriate Use of Financial Software

Compared to traditional methods, the business links at this stage are more complex. When enterprises carry out operations, they need to clarify the central position of financial management. The quality and efficiency of financial management work are directly related to the healthy development and market competitiveness of enterprises. In the context of the information age, financial software has become an important tool for many enterprises to conduct financial management, which can greatly improve the speed and accuracy of data processing and provide strong support for enterprise decision-making through intelligent analysis. At the same time, enterprises can entrust professional financial audit institutions to audit financial information, find and correct problems in the use of financial software, and at the same time, enterprises should also establish effective supervision mechanisms to timely discover and solve problems in the use of financial software. When using financial software to carry out work, there are higher requirements for the professional quality of financial personnel, requiring the use of software to perform various operations, such as account entry, report generation, financial analysis, etc. Enterprises should regularly train employees comprehensively, making them familiar with various functions and use methods of the software. For old employees, regular training and assessment can also be conducted to improve their mastery and correctness of the software. In addition, enterprises can also entrust professional audit institutions to audit and supervise financial data, find and correct problems in the use of financial software, thereby improving the level and efficiency of enterprise financial management.

#### 7. Conclusion

In conclusion, to meet the needs of stable enterprise operation and achieve continuous development, it is crucial to carry out risk control and internal control in accounting. In the specific accounting process, enterprises can identify various potential risks and effectively control them, optimize and improve the internal control system according to needs, and ensure the accuracy and scientific nature of enterprise financial management, providing strong support for the later development of enterprises. However, affected by multiple factors, in the specific practice, problems such as non-unified accounting standards, low quality of financial personnel, and

incomplete internal control systems still exist, which affect the economic benefits and credibility of enterprises. Therefore, enterprise internal managers and related staff should change traditional thinking patterns, attach great importance to risk control and internal control work in accounting, clarify the relationship between risk control and internal control, and based on the business characteristics of enterprises, unify accounting standards, improve internal control systems, and improve the comprehensive quality of personnel to ensure the authenticity and accuracy of enterprise financial information, laying a solid foundation for the long-term development of enterprises.

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