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Study of Strategic Management Oriented Enterprise Internal Control

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Abstract Strategic management oriented enterprise internal control is an inevitable choice after the enterprise develops to a certain scale, and it is also an important starting point for enterprises to adjust their own strategic layout and resource allocation. With the continuous expansion of the scope of internal control supervision, the traditional mode of internal control supervision has become more and more restricted. In view of this, the present study started from the necessity of internal control supervision from the overall and top-level perspectives, and analyzed the current problems in the internal control of enterprises from the perspective of strategic management. The problems include the lack of methods and tools of strategic management, insufficient awareness of strategic risk management, insufficient expansion of internal control objects, insufficient prior intervention in internal control supervision, etc. Finally, it came up with the idea of constructing strategic enterprise internal control, in order to provide an effective reference for the study of enterprise internal control.

Key words Internal control, Strategic management, Enterprise governance, Risk management

1 Introduction

In the environment of the continuous development of the economy and the increasingly fierce market competition, many enterprises have undergone rapid expansion and strategic transformation. In this context, a sound enterprise internal control construction is crucial to the steady development of the enterprise. Strategic management is an inevitable choice for enterprises after developing to a certain scale or carrying out strategic transformation, and it is an important means for enterprises to adjust their strategic layout and resource allocation to adapt to the environment. Studies have found that carrying out strategic management oriented internal control work is a basic activity to carry out scientific management and control of the daily production and operation of enterprises to meet the needs of enterprise development. It is an important management method for enterprises to prevent and control internal and external risks. Especially in the context of the current continuous development of informatization, the internal control management of enterprises cannot blindly stay on the traditional thinking, and needs to be continuously optimized in conjunction with corporate strategies to achieve the goal of coordinated internal and external development of the enterprise. Therefore, in order to ensure the efficient and healthy operation of enterprises and promote the high-quality development of the market economy, it is necessary to improve the internal control management system of enterprises. In addition, in terms of strategic management, risks and opportunities always coexist. An enterprise's control of business risks is related to the operation of the entire management system and whether the enterprise can operate in the long run. Therefore, the con-

struction of the internal control organization structure of the enterprise in combination with strategic management can better meet the requirements of the long-term development of the enterprise.

2 Necessities of implementing a strategic management-oriented internal control management model

2.1 An important basis for realizing the creation of enterprise value Modern development is inseparable from the efficient collaboration of internal units. All departments including administration, production and manufacturing, operation management, and logistics support need to establish a sound internal control management system to ensure the enterprise development. From the perspective of business management, strategy is the core of development, so control must also be constrained by business management. In order to achieve the enterprise's strategic goals, it is necessary to comprehensively consider various control factors and enterprise elements, and subdivide each work into each stage of enterprise strategic planning. Through the efficient integration of the enterprise, control can be regarded as a system of mutual cooperation, timely disclosure of relevant information, in-depth analysis of possible defects, and early warning and guidance for operation and management. Furthermore, we need to systematically divide the boundaries of responsibilities among government departments to ensure that all departments of the company can work in a comprehensive and coordinated manner, and explore the innovation potential of the company to maximize the economic benefits of the enterprise.

2.2 Necessary path for enhancing the comprehensive strength of the enterprise Due to the single operation model and business structure, some enterprises face financing difficulties and limited development opportunities in the practice of deepening the reform of the market economy, which has brought many challenges to the sustainable development of small and medium-sized

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enterprises. The implementation of internal control can help small and medium-sized enterprises better understand business risks, effectively resolve operation risk pressures, and establish emergency incentive mechanisms in a timely manner to assist them to avoid business risks in a scientific and reasonable manner. Enterprises can improve their capabilities by optimizing internal control work, and establish a system with clear responsibilities and scientific management to meet the continuous improvement of enterprise internal control systems in the process of market economy transformation. In addition, according to the development reality and planning, enterprises can further change their management concepts and seek diversified development paths.

2.3 Important information references in the decision-making process In the existing enterprise structure, internal control plays a key role. It can not only deal with various operation risks independently, but also bring valuable reference and reference information to decision-makers, thereby helping them make more prudent decisions. In addition, as enterprises have higher and higher requirements for internal control capabilities, they also need to submit final forecast results to decision-makers in order to better influence the strategic decisions of enterprises. Internal control personnel can play an important role in the decision-making process, providing valuable recommendations and professional consultation to ensure the accuracy and reliability of decisions.

3 Problems in the operation of the traditional internal control mode

3.1 Insufficient independence of internal control Independence is a basic quality that all people engaged in internal control work should have, and internal accountants in enterprises are no exception. Internal controllers must conduct objective and fair assessments of internal control matters on the premise of ensuring independence. Under realistic conditions, since internal control has become an internal organization of the enterprise, it will directly intervene in various management and operation activities of the enterprise, and form business contacts or interactions with various departments of the enterprise. Therefore, the independence of the internal control organization and staff is bound to be affected, and the realization and effectiveness of supervisory duties will be greatly reduced.

3.2 Insufficient expansion of internal control objects The internal control of traditional enterprises pays more attention to the implementation of corporate finance, which is mainly determined by the economic characteristics of traditional enterprises and the economic and social environment in which they are situated. In an environment where the development of China's market economy is relatively slow and competitors are not very active, the economic development route of traditional enterprises still maintains stability and consistency. Due to the development and improvement of the current internal control system, domestic audits pay more attention

to non-financial matters. Especially the internal control and internal control of enterprises, from domestic internal control to the present, due to the rapid development of China's socialist market, international competition is gradually increasing, and enterprise management activities are more complicated. There is a high level of macro-management risk within the enterprise. In addition, under the current macro conditions of promoting the modernization of China's enterprise management system and management capabilities, internal control work also needs to actively explore technological innovation and improve performance. In this case, the need for a larger regulatory model and comprehensive auditing coverage will follow. The need to gradually expand the breadth and depth of audit supervision will become the due meaning of the future development trend of audit, and the scope of audit coverage will also be gradually expanded. In addition, domestic audits also need to maintain acumen from the perspective of domestic supervision from time to time, and adjust future development models and approaches from time to time to adapt to changes in the international environment.

3.3 Insufficient prior intervention in internal control supervision In recent years, the importance of the government's internal control function has been increasing. It can not only monitor and evaluate afterwards, but also provide enterprises with objective and fair financial status information to ensure that it is true and reliable, and provide users and stakeholders with reliable data. Therefore, the external internal control agency, as a market entity independent of the internally controlled enterprise, should actively take effective measures, to ensure the authenticity and reliability of the company's financial status information, and to issue objective and fair opinions as the auditing result to ensure the sustainable development of the enterprise's financial status. The internal control agency supervises the government's financial budget and the use of funds through post-mortem audits, and provides objective and impartial verification opinions to promote the optimization of the financial management process of government departments and the effective use of social capital. These institutions can not only participate in the financial management process of the enterprise in advance, but also supervise and evaluate the financial situation of the government. As the main means of supervision within the enterprise, domestic internal control agencies have the system requirements to be fully involved in the supervision and management process of the enterprise, and should be able to discover and point out problems in the operation and management of the enterprise in a timely manner and provide internal control and rectification suggestions. However, the current role of domestic internal control agencies is only to implement post-event supervision and evaluation of various issues. From the management personnel to internal control staff, the understanding of the degree of advanced involvement in the accounting process is not adequate. Therefore, it is impossible to develop the internal control responsibility to all aspects of the enterprise's operation and management

work in a timely manner, which results in the lack of effectiveness of the domestic internal control agency's supervision responsibility.

4 Characteristics of the new model of strategic management oriented internal control

Generally, the business focus of China's internal management accounting is the internal supervision of the enterprise, which is the specific operation of the internal control of the financial department. However, due to major changes in the market in recent years, new characteristics and new functions have appeared in the internal control system. In the process of rapid business expansion, the existing internal risk control framework must be further developed and improved. The internal control system plays an important role in preventing and preventing risks, not just a single role of internal financial supervision. Therefore, the role of existing internal control system also needs to be redefined. It is necessary to re-understand its meaning and role in terms of improving the management level of the overall enterprise and achieving the ultimate profit level of the enterprise. In summary, the strategy-based advanced internal control supervision model should have the following characteristics:

4.1 Perspective Strategic internal control must play a perspective role in formulating corporate strategies. The internal control department should actively participate in the corporate strategic planning stage. Based on the analysis of the internal and external environment of the enterprise and the evaluation of the effectiveness of the past corporate strategy implementation, the internal control department should make reminders and disclosures of various risk events for the corporate strategy formulation, to provide opinions and basis for later strategy formulation and implementation, and assist decision makers in allocating resources, reducing operation risks, and taking the initiative.

4.2 Service Internal audit is the internal supervision responsibility of the enterprise. Its purpose is to ensure the completion of the organizational goals of the enterprise and the value-added of the enterprise. It also has the connotation of serving the business development of the enterprise. Strategy-oriented internal management and internal control reports start from a higher management position and strive to serve the formulation, implementation and realization of corporate strategies, which can become an objective way to evaluate the implementation and realization of an enterprise's overall strategy, and provide important information basis for managers.

4.3 Comprehensive Through comprehensively evaluating the overall situation of the enterprise, accounting responsibilities are applied to each strategic level, and comprehensively evaluate the strategic environment, implementation strategy and management of the enterprise, in order to achieve the best strategic effect. It is different from the traditional internal control function that only cares about operation risks in major aspects such as corporate

finance and internal control. The strategic internal control report raises the focus to the level of corporate strategy, not only concerned with issues at the operational level in the business process, but also concerned with operation risks at the strategic design level.

Besides, in modern enterprise management, through the principal-agent relationship between important shareholders and enterprise managers, the high quality of accounting data, and the entrusted performance of enterprise managers can obtain fair judgments, shareholders' reasonable investment decisions, and shareholders' rights and interests. Therefore, based on this, it should be seen that the important cornerstone of high-quality financial information is that it plays an important role in guaranteeing sound corporate management. Reasonable internal management control and implementation of enterprises is also an important basis for ensuring high-quality financial information. Sound enterprise management lays a good environmental foundation for the establishment of sound internal management. In order to prevent serious loopholes and deficiencies in the internal management of the enterprise and ensure the high quality of financial information, it is necessary to re-supervise the internal management of the enterprise through a third party, that is, internal control. Therefore, when establishing the internal control structure of an enterprise, strategic management must be regarded as the basic starting point.

5 Paths for effectively exerting the strategic management oriented internal control and supervision functions

5.1 Strengthening the feed-forward effect of strategic management on internal control The internal audit and supervision of enterprises has developed from an objective and independent monitoring and evaluation activity to a forward-looking, service-oriented and comprehensive activity aimed at promoting the development of enterprises and reflecting the interests of enterprises. The corporate management should appreciate the importance of strategic internal controls to ensure that the business can achieve its goals and gain value. For this, it is necessary to establish a complete feedback mechanism for internal control results, apply the effects of policy formulation and audit results to the data input stage, and take comprehensive preventive measures when the internal audit agency discovers potential risks, to ensure that enterprises can reasonably prevent and control potential errors and dangers when formulating strategies. Effective measures should be taken to minimize the financial risks faced by enterprises.

5.2 Establishing strategic internal control thinking In order to give full play to the strategic management-oriented accounting business role of the enterprise, it is necessary to reshape the value model of the enterprise's internal control. Employees involved in internal control work need to understand the development strategies at different levels of the country, localities, industries and

enterprises from a broader perspective. Besides, they need to be strategically oriented, actively adjust their positioning, and cultivate forward thinking, systematic thinking, innovative thinking and dynamic thinking, so as to assist enterprises in achieving strategic goals and value-added. In addition, they should make innovation in the method of strategic work, realize the business function while giving full play to the basic supervisory duties of internal control, and improve the internal consulting function. It is necessary to change from emphasizing mistakes and demerits afterwards to emphasizing deficiencies beforehand, so as to provide more real and comprehensive information for the planning and implementation of enterprises, so as to assist the internal organization of enterprises to make effective decisions and optimize operation and management. Strategy audit must focus on the overall situation, and determine that internal strategic thinking must be problem-oriented, that is, to expand the scope of strategic internal control to before the event, to build internal control efficiency and internal control system and make strategic audit funds rationally arranged and effectively used from each risk plan. Furthermore, it is necessary to use the means of risk assessment to correctly judge the uncertainties existing in the enterprise in a timely manner, and to adjust the internal control strategy and the focus of attention in a timely manner as the internal and external conditions of the enterprise change.

5.3 Extending the object of internal control to the strategic level of the enterprise Reflecting the role of accounting in the field of enterprise strategy formulation, implementation and management is an effective way for strategic internal control to realize enterprise value innovation. The content of strategic accounting should include strategic behavior at all levels of the enterprise, generally including the process of formulation, implementation, management and evaluation of the overall strategy, business strategy and behavior planning. The overall strategy of a business is formulated by top management to achieve the goals and tasks of the business. Industry planning is to determine the goals of the industry based on these strategies, and formulate specific competition strategies and fund use plans. Behavioral strategy refers to the actions taken by the enterprise in different fields to ensure the implementation of the overall strategy and business strategy. Enterprises should orient towards strategy, make an in-depth analysis of strategic behavior at all levels, and wield forward-looking, systematic, innovative and dynamic strategic thinking to evaluate its possible impact, as well as its rationality and effectiveness.

5.4 Improving the enterprise strategic management system Strategic management guides the enterprise internal management system is a brand new model. It aims to establish a sound supervisory process based on the internal reality of the enterprise and the basic principles of internal financial management through the comprehensive use of various means, so as to ensure the effective implementation of corporate marketing strategies and provide strong support for the improvement of the ideological supervision system.

Therefore, the internal management system of the enterprise oriented by strategic management should be based on the current business benchmark of the enterprise, and formulate effective monitoring methods and procedures according to the basic theory of information systems and the knowledge of enterprise development strategies, in order to ensure that it can play the greatest role in the implementation process. This process can not only help companies analyze their corporate development strategy structure, but also determine the specific links in their operational work process, accordingly providing a strong basis for comprehensive consolidation and monitoring of profit risk situations in financial reporting. Through improving the thinking of internal risk management and control, enterprises can effectively improve the comprehensive level of source management, and apply strategic management-oriented internal control to project analysis to achieve the realization of enterprise strategic goals. In addition, enterprises should also integrate the theory and practical concepts of joint management and control into business risk monitoring and directional internal control to ensure the long-term development of enterprises.

5.5 Implementing internal control under strategic management With the continuous transformation and upgrading of Chinese enterprises, more and more managers become aware of the necessity of strategy formulation. In this situation, enterprises have also begun to focus on strategic planning, comprehensively considering various environmental factors of the company, and establishing a sound internal control system to ensure the accuracy of the enterprise's strategic positioning and overall development trends, and reduce possible risks. Besides, implementing a competitive strategy is also essential. In order to ensure that the enterprise can achieve the correct competitive strategy, the internal control audit of the enterprise should take overall consideration the influence of the mobile competitors within the enterprise, as well as the reform of the system when the strategy is formulated, so as to ensure that the enterprise can gain an advantage in the international competition. When formulating strategies, the internal control of the enterprise should play its main role, provide reasonable suggestions and choices, and cooperate with relevant departments to avoid ex-ante business risks and further improve the accuracy of corporate strategy decisions. In the process of strategy implementation, internal control plays a vital role. Therefore, it not only needs to monitor the business and financial status of the enterprise at all times to ensure that it is in line with the strategic plan of the enterprise, but also find possible investment risk points early and take effective preventive countermeasures to eliminate possible financial risks in an efficient manner. Finally, the strategic control is the key factor. This post-event control method has similar functions to the traditional internal control system. Through the unified processing and analysis of the enterprise's annual or periodic financial results and performance, it provides the enterprise with the operating conditions in the past period of time, as well as the implementation of strategic planning, so as to provide basic support

for subsequent strategic management.

6 Conclusions

In a complex business environment, the internal control organization of an enterprise must take the realization of the strategic goal of enterprise development as the starting point and actively participate in the entire process of operation and management. In this way, it can have a deeper understanding of the overall situation of the enterprise and better implement strategic management, so as to more accurately measure and evaluate the connection between the strategy formulation level and the policy implementation level. Through cultivating the strategic internal control thinking of the enterprise, extending the internal control object to the strategic level of the enterprise, improving the feed-forward impact of internal control results on corporate strategy, and establishing an internal control committee system, it is able to effectively give full play to the internal control and supervision functions from the perspective of corporate strategic management, improve the effectiveness of organizational operations and realize corporate value-added at the corporate strategic level. Enterprises should strengthen their scientific understanding of internal control work, improve management levels, carry out work in an all-round way, use internal resources of enterprises, and standardize market economic activities of enterprises, in order to achieve high-quality economic development in the new era. The strategy of an enterprise not only reflects its positioning, but also the direction of its future development.

Therefore, the internal control department of the enterprise must be closely combined with strategic management to ensure the effectiveness and sustainability of the work. From the perspective of strategic management, it is recommended to take a variety of measures to improve internal control, so as to effectively prevent the potential risks of the enterprise and provide strong support for the long-term healthy development of the enterprise.

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ment scale. Thirdly, it is needed to evaluate the economic benefits of debt financing, and give full play to the benefits of debt management.

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