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# Problems and Countermeasures of Enterprise Internal Accounting System Construction

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**Abstract:** With the deepening of reform and opening up and the globalization and diversification of the socialist market economy, modern enterprises are facing more intense and complex market competition. Under such a complex international and domestic situation, how can enterprises achieve long-term and steady development? We must strengthen and improve the construction of the internal accounting system of enterprises. By improving the internal accounting system of the enterprise, we can better implement and implement the national accounting laws, regulations, rules and systems, reduce the business risk of the enterprise, improve the accuracy and reliability of the accounting materials of the enterprise, ensure that the production and operation activities of the enterprise are carried out in an orderly and efficient manner, thus improving the business management ability and core competitiveness of the enterprise. Make the enterprise in an invincible position in the fierce market competition. This paper first discusses the relevant concepts, principles and significance of the enterprise's internal accounting system, then analyzes the problems existing in the construction of the enterprise's internal accounting system, explores the reasons, and finally puts forward suggestions on how to strengthen and improve the construction of the enterprise's internal accounting system, in order to promote the healthy and rapid development of enterprises.

**Keywords:** Internal Control, Accounting System, Enterprise Development

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## 1. Introduction

The internal accounting system of an enterprise is an important part of the financial management and internal control of an enterprise. It is mainly an internal regulation on accounting institutions, accountants and accounting treatment. With the rapid development of China's economy, enterprises can no longer effectively improve their economic efficiency by simply relying on the way of expanding investment and market share. Enterprises depend on improving internal financial systems and internal controls to improve operational efficiency and capital efficiency, thereby effectively controlling financial and operational risks, improving corporate performance, and ensuring sustainable and stable development of the enterprise.

## 2. The Concept, Principle and Significance of Enterprise Internal Accounting System

### 2.1. The Concept of Enterprise Internal Accounting System

The accounting system is composed of an internal accounting system and an external accounting system. The external accounting system is uniformly formulated by the country or industry and implemented nationwide or within a certain industry, while the internal accounting system is formulated internally by the enterprise and implemented only internally.

The accounting system mainly stipulates the accounting treatment process, accounting treatment principles, methods, accounting assumptions, accounting results, etc. [1] As long as the internal accounting system of an enterprise is some accounting standards formulated by the enterprise itself, it can only be implemented within the enterprise. It is difficult for small and medium-sized enterprises to formulate their own internal accounting system, mainly because some large enterprises or enterprise groups will develop internal accounting systems. The internal accounting system is a beneficial supplement to the external accounting system, to achieve the purpose of regulating and restricting the accounting behavior of enterprises, to avoid false accounts and wrong accounts in the accounting process, and to avoid unreasonable accounting post settings, the phenomenon that incompatible posts are not separated, including the accounting file keeping system [2].

## **2.2. Principles of Internal Accounting System Construction in Enterprises**

### **2.2.1. Principle of Legality**

The modern society is a society ruled by law. Any individual and enterprise must abide by the relevant national laws and regulations. The internal accounting system of enterprises is the norm and standard that restricts and guides the accounting work of enterprises, and is also a basic part of accounting laws and regulations. Therefore, the construction of the internal accounting system of enterprises must meet the requirements of relevant laws and regulations issued by the state and local governments. It shall be consistent with the Accounting Law and the Accounting Standards.

### **2.2.2. The Principle of Strong Operability and Easy Implementation of Inspection**

The internal accounting system of an enterprise is a supplement and refinement of the Accounting Standards. It should be clear and concise in terms of expression, easy to understand, and comprehensive and specific in terms of content [3]. The specific policies and issues should be formulated accordingly, so that all aspects of the accounting work of an enterprise can be based on evidence and have clear responsibilities and rights, so that each department can clearly understand its own responsibilities at a glance. Only when you start your work can you be in order.

### **2.2.3. The Principle of Adapting to the Development of the Enterprise**

In the development of enterprises, due to different subjective and objective factors, different environments and different products, the accounting environment is also different. We cannot establish a unified internal accounting system for all enterprises, because the accounting system that does not conform to the actual situation cannot play a role in supervision, but restricts and attacks the enthusiasm of the accounting department. Therefore, there should be some differences in the internal accounting system of enterprises, and it is not possible to copy all the models of other enterprises.

First of all, enterprises should choose the scale, financial approval system, accounting form, account subject setting, fund management system, cost calculation method, internal control and supervision system, etc. that meet the needs of enterprises according to their own production and operation characteristics and business objectives. These systems should be tailored for enterprises and cannot be separated from the actual situation of enterprises. It is not allowed to blindly pursue scale and progressiveness in order to achieve a certain purpose, resulting in waste of resources, nor to reduce due institutional setup and management system in order to save costs. Secondly, enterprises can refer to the system and experience of enterprises with similar conditions, take the essence and discard the dross, and establish a set of accounting system suitable for themselves [4]. It is not allowed to directly use the more mature internal accounting system of other enterprises. This is not in line with the actual situation of the enterprise itself. It should be realistic and different.

### **2.2.4. The Principle of Continuous Improvement According to Management Needs and Problems in Implementation**

With the continuous deepening of China's reform and opening up and the development of computer technology, our enterprises have been expanding in size, the economic business content has become more and more complex, and the market competition has become more intense. This has also put forward higher requirements for our enterprise management. As an important business management activity, accounting has also developed from the initial accounting function to the management function. In order to adapt to the changing needs of enterprises, the internal accounting system of enterprises cannot be static, but should change with the changes of the times. For example, in the Internet era, with the emergence of big data accounting, financial sharing center, and accounting robot, the internal accounting system should keep pace with the pace and pace, continue to reform, innovate, and keep pace with the times [5]. Of course, in the process of change and development, our system will certainly have some problems, which requires us to constantly find and solve it, and finally form a relatively perfect system.

## **2.3. Significance**

### **2.3.1. The Need to Strengthen Internal Supervision of Enterprises**

Accounting supervision is also one of the two basic functions of accounting. Accounting is the premise of accounting supervision, and accounting supervision is the quality guarantee of accounting. Enterprises must strengthen internal accounting supervision, otherwise there may be the possibility of accounting errors and false accounts in the accounting data, and the accounting data obtained through bookkeeping and reimbursement must be inaccurate. This inaccurate accounting information will affect the use of relevant users, including the tax authorities, who cannot determine how much tax the enterprise needs to pay, and the enterprise managers cannot make accurate decisions [6]. The

internal accounting system of an enterprise is the principle and standard that the accounting work of an enterprise should abide by. This system not only clarifies the direction of work for the accounting personnel of an enterprise, but also points out the specific working methods, and ensures the real name and integrity of the accounting materials. If there is no enterprise internal supervision, these problems seriously affect the normal economic order and economic construction of our country. Therefore, strengthening enterprise internal supervision and establishing a sound enterprise internal accounting system is a necessary means to solve these problems [7].

### **2.3.2. The Needs of Enterprise Development**

With the rapid development of economy, the industry competition between enterprises has become increasingly fierce. In order to make the enterprise gain advantages in the competition, The enterprise must establish a complete enterprise management system, reduce costs, and improve product quality, to promote the core competitiveness of enterprises. At present, the most important competition in the market competition is the product and price. If you want to lead the product, you must invest a lot of research and development funds, improve the use value of the product, enhance the added value, and make it easier for consumers to accept the product. In order to have a higher market share of products, we must carry out the strategy of low price competition [8]. Cost reduction is an important part of the competition. The sound and perfect internal accounting system of enterprises can make it possible for enterprises to reduce product costs. Vigorously reduce product costs, including raw material procurement costs, labor costs, loss costs in production, sales costs, advertising and commissions. It is necessary to strengthen internal supervision and control, strictly control costs in each link, and strictly review whether there is waste and false accounts. At the same time, we should focus on the relationship between the main advertising investment and the home of increased sales [9]. We should not just focus on advertising, but also measure and evaluate the slow growth of sales. For the internal accounting system, these links should also be fully considered. For each link, the corresponding rules and regulations should be formulated to strictly control and check, so as to ensure the reduction of product prices and form a certain competitive advantage in the market competition.

## **3. Analysis of the Problems in the Construction of Enterprise Internal Accounting System**

### **3.1. Enterprise Leaders Pay Insufficient Attention to the Internal Accounting System**

The leaders of an enterprise have a vague understanding of the internal accounting system of the enterprise, and have insufficient understanding of the importance of establishing the internal accounting system of the enterprise. They think

that the internal accounting system of an enterprise is a series of financial documents and rules and regulations. The country already has standard documents, so we don't need to repeat them. The content and process of accounting work are disconnected from the actual production and operation needs of the enterprise, which directly affects the quality of enterprise accounting information. Although some enterprises have developed internal accounting systems, However, under the guidance of the boss, the system becomes a mere display. These phenomena are particularly prominent in some small and micro enterprises and private enterprises, which should be given enough attention.

### **3.2. Incomplete Internal Control System**

The company's internal control system is incomplete. Due to the lack of attention of managers and the unprofessionalism of finance department personnel. This has led to a long period of time where there is almost no internal control system within the company. As there is no corresponding internal control and internal oversight process. The company's general manager can only depend on individuals for occasional monitoring, but his energy is limited, so he can neither cover all aspects nor supervise the financial situation of the enterprise professionally. Some enterprises lack an overall and unified plan for the internal control system, which leads to the failure of smooth cooperation and mutual supervision and containment between personnel of various departments, leading to loopholes in enterprise management, causing unnecessary losses, and affecting the rapid development of enterprises.

### **3.3. Non Standard Procedure**

These systems should run through the whole process of enterprise operation and provide necessary guarantee for the development of enterprises. Due to the strong and comprehensive supervision of large enterprises by the state, the accounting system and financial treatment process of large enterprises in China are relatively complete and standardized. The problems mainly focus on small and medium-sized enterprises. Due to the restrictions of business scale, capital and other conditions, Huaxian Intelligent Company has many restrictions on the employment of many enterprises, Personnel flow is frequent [10]. Influenced by these factors, many enterprises have multiple positions held by one person. Many other enterprises employ part-time accountants, who simply do bookkeeping and tax declaration. The basic work of accounting is weak, and the necessary budget control system and risk management system are lacking, laying hidden dangers for the sustainable operation and development of enterprises.

### **3.4. The Quality of Enterprise Financial Personnel Is Uneven, and the Implementation of Enterprise Accounting System Is Lacking**

Large and medium-sized enterprises have more detailed division of labor, higher requirements for employees, and

comprehensive training in all aspects, which makes the professional knowledge and quality of accountants relatively high. However, some bosses of small enterprises and private enterprises appoint their relatives to do financial work for the sake of capital security. Generally, they do not have professional knowledge in accounting, and they do not know the latest accounting system formulated by the state. In addition, the threshold of the accounting industry is particularly low, and there are no professional and educational restrictions, which makes the overall quality of accounting practitioners relatively low [11]. In actual work, due to the low quality of financial personnel and weak legal awareness, accounting treatment is often carried out according to the intention of enterprise leaders, and some enterprises even set up two different sets of accounts.

## 4. Countermeasures to Solve the Problems in the Construction of Internal Accounting System

### 4.1. Improve the Importance of Enterprise Leaders

Enterprise leaders do not attach importance to the internal accounting system, which limits the improvement and implementation of the accounting system. To change this situation, we need to do the following:

First, enterprise leaders should fully realize how important the improvement of internal accounting system is to the authenticity of accounting materials, because the two basic functions of accounting, accounting and supervision. Therefore, the improvement of the internal accounting system of enterprises can create a good environment for the smooth implementation of accounting supervision, and thus ensure the authenticity, rationality and integrity of accounting materials.

Second, enterprise leaders should communicate with other enterprises, learn the mature internal accounting system of other enterprises, and formulate internal accounting system based on their own enterprise reality.

Third, the enterprise should gradually change the management mode of the traditional family business. It should hire professional managers so that relatives can be separated from some important positions. All of them cannot be relatives [12]. In this way, internal supervision and internal control cannot be carried out and the real strength of the enterprise cannot be brought into play. Hiring professional managers has become the first choice of more and more companies, and practice has proved that this method can effectively manage the company, bringing convenience to the development of the company.

### 4.2. Establish and Improve the Internal Control System

An enterprise should establish a sound internal control system, so that it can strengthen internal supervision, ensure the authenticity of accounting data, and then conduct financial analysis to assist decision-making based on financial data.

First, the internal accounting system is unique to each

enterprise and cannot be shared. Second, the internal accounting system must cover all aspects of enterprise production and operation. Third, after the establishment of the internal control system, employees should be publicized, so that each employee can understand the relevant contents of the internal control system, what can be done and what cannot be done, and what the job responsibilities and authorities are, with a clear definition. Fourth, we must strictly implement the internal control system. Anyone who violates it will be punished. We must establish a strong executive team.

### 4.3. Improve Financial Processing Procedures

The financial treatment procedure is a necessary process to ensure whether the accounting can be true, effective and timely. These systems should run through the whole process of enterprise operation and provide necessary guarantee for the development of the enterprise. For a long time, enterprises have adopted more traditional financial processing procedures, such as accounting, which is a simple accounting voucher accounting process. The characteristic of this process is that the general ledger is registered according to each bookkeeping voucher. The business volume is very large, very cumbersome, and easy to make mistakes. It is mainly used for small and medium-sized enterprises with very little business, while for large enterprises with a lot of business, such as Huaxian Intelligent Company, it is too cumbersome. Therefore, you can apply to modify the accounting process of bookkeeping vouchers to that of account summary or summary bookkeeping vouchers. We must improve the financial treatment system, use financial accounting, bookkeeping and reimbursement, and use management accounting for forecasting and decision-making. At present, there are three kinds of accounting treatment processes in China, one of which should be selected according to the actual situation of the enterprise and should not be changed at will. In addition, we should gradually transition from financial accounting to management accounting. Use the advantages of management accounting in cost accounting, sales forecast, financial analysis, etc. to obtain the correct financial data and provide it to managers, so that these financial data can assist managers in making correct decisions. [13].

### 4.4. Strengthen the Training of Enterprise Financial Personnel

Large and medium-sized enterprises have more detailed division of labor, higher requirements for employees, and comprehensive training in all aspects, which makes the professional knowledge and quality of accountants relatively high. However, some bosses of small enterprises and private enterprises appoint their relatives to do financial work for the sake of capital security. They generally do not have accounting expertise. The same is true of enterprises, so we should strengthen the training of employees.

First, it is necessary to strengthen the external introduction, recruit some accountants with strong professional ability and work experience, especially those who understand the

accounting information system and management accounting, to make contributions to the financial system reform of Huaxian Intelligent Company. In the external introduction, high-level talents can be introduced through various channels, such as Zhilian recruitment and various high-end talent recruitment fairs to find accounting talents. If they are found, they should also be introduced, even at a higher cost. We should not only consider the cost of human resources, but only introduce some newly graduated students, who have no experience and need to invest a lot of funds in training. We should also consider the cost of training.

Second, increase the training of internal employees. The training content needs to be widely distributed, not only accounting system, accounting treatment principles, accounting methods, but also accounting professional ethics, corporate culture, etc. In addition, big data accounting, financial information sharing center, accounting robot and other foreword knowledge can also be trained. You can set a time period during which the financial department takes a break and other employees are not allowed to come over for reimbursement. The financial personnel can take advantage of this time period to fully train, communicate with each other after the training, and bring the training experience into their work in time to improve the efficiency of accounting.

Third, we should clarify the reward and punishment system within the enterprise. At present, employees exist as complex people, so the reward system formulated by the enterprise should not only include material rewards, but also include opportunities for promotion, attention and praise [14]. For those who fail to do well or deliberately make mistakes, they must be punished, rewarded and punished at the same time, so as to better motivate and urge employees.

## 5. Conclusion

It can be seen from the above that the construction and improvement of the enterprise's internal accounting system plays a great role in the sustainable and stable development of the enterprise. It can not only enhance the effect of accounting supervision and the quality of accounting information, but also improve the efficiency and effect of enterprise operations, and provide security for enterprise assets. It is an indispensable part of the enterprise's internal control. Through in-depth analysis of the problems existing in the construction of the current accounting internal control system, and formulate corresponding countermeasures against these problems, such as increasing the importance of enterprise leaders, establishing and improving the internal control system, improving the financial processing procedures and strengthening the training of enterprise financial personnel, the quality of enterprise accounting can become better and better, and the capital operation will become more scientific and reasonable, thus ensuring the sustainable and stable development of enterprises.

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