

Application of Modern Management Accounting in Enterprise Internal Control Management

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Abstract

Enterprise internal control management and modern management accounting are closely related and can achieve a high degree of integration. Modern management accounting has been widely used in enterprises. In the practice of internal control management, enterprises can improve their own economic benefits and achieve long-term good development by applying modern management accounting skillfully and flexibly. This paper briefly describes the relationship between modern management accounting and enterprise internal control management, analyzes the role of modern management accounting in enterprise internal control management, and explores the application strategy of strengthening modern management accounting in enterprise internal control management, with a view to providing reference for enterprise internal control management.

Keywords

Management Accounting; Enterprise; Internal Control Management.

1. Introduction

At present, the internal control management of most enterprises lacks standardized related systems, and fails to refine the contents of internal control management to the details of various tasks, so it is difficult to make necessary adjustments in line with the actual situation. The methods adopted in internal control management are divorced from reality to a certain extent, and it is difficult to achieve scientific guidance and effective supervision of various operations and management. In the practice of internal control management, it is necessary to strengthen the flexible application of modern management accounting in order to enhance the legitimacy and rationality of management, improve the efficiency of management and achieve long-term good development. Flexible application of management accounting by enterprises can effectively improve the internal control system and effectively improve the level of internal control management.

2. The Relationship between Modern Management Accounting and Enterprise Internal Control Management

2.1. Modern Management Accounting and Enterprise Internal Control have the Same Foundation and Consistent Goals

Management accounting has realized the close combination of management knowledge and accounting knowledge. The opportunity of internal control is due to the separation of ownership and management after the development and progress of enterprises, and it is necessary to further strengthen internal management. Management accounting and internal control have the same foundation, both of which are to meet the specific needs of enterprise internal management. At the same time, they have the same goal[1]. As a management activity, management accounting mainly provides scientific prediction, reasonable decision-making,

overall planning and effective control for enterprises to carry out various economic activities, and its main job is to provide real and reliable reference for enterprise decision-making. Internal control is an important component of the internal checks and balances mechanism of enterprises. In the process of implementing internal control, it emphasizes the scientific setting and effective implementation of the monitoring system, and pays attention to ensuring the truthfulness and effectiveness of relevant information in financial reports, thus promoting enterprises to achieve their expected development goals under the premise of legal compliance[2]. Therefore, both of them serve enterprise management, and their ultimate goal is to help enterprises establish and improve their management mode and enhance their comprehensive benefits.

2.2. Internal Control Lays the Application Foundation for Management Accounting

Internal control is closely related to financial accounting, and lays the application foundation for management accounting. At first, the purpose of management accounting is to obtain accurate information about production cost, and then form reasonable commodity pricing, which has been widely used in manufacturing industry. Under the long-term development, management accounting has formed many methods and tools, and its application depends on the foundation laid by internal control. From the goal, modern management accounting and enterprise internal control are highly integrated. Management accounting can assist the internal decision-making and management of enterprises, provide information support for them, help enterprises improve their management and promote the good realization of their strategic objectives[3].

2.3. Internal Control Covers All Elements of Management Accounting

Management accounting mainly includes the following elements: first, the application environment. For management accounting, there are two main types of application environment, one is the internal environment and the other is the external environment. To build an internal control system, enterprises must provide favorable conditions for realizing the application environment[4]. At the same time, management accounting should be well suited to the policies and regulations involved in the business environment of enterprises, and comprehensively consider the business scale and characteristics of enterprises. The second is management accounting activities, which refers to the flexible application of the ideas and methods contained in management accounting to all aspects of enterprise operation and management to provide services for enterprises. The specific methods of management accounting adopted by enterprises are different because of their different industry fields, business scale and inclusion factors. Therefore, for different enterprises, the specific application of management accounting is different. In large enterprises, management accounting is mainly used in business and management decisions, while in small enterprises, management accounting is more used in strategic decisions[5]. Third, management accounting tools and methods, mainly including budget management, balanced scorecard, strategic map and so on. Enterprises should apply the above tools flexibly according to their own reality, which will help them achieve their strategic goals and improve their internal control level. For example, when an enterprise applies budget management, its internal control center should formulate specific budget management objectives in line with its own internal control level and consider its own strategic objectives[6]. The fourth is information and report. The above elements are closely related to internal control. Internal control mainly includes the control of strategic decision-making process and business process. In order to realize scientific decision-making, enterprises must set up a scientific decision-making process in line with the requirements of internal control, promote management accounting to give full play to its role, implement efficient and good control over business management activities, and form

corresponding reports. When necessary, summarize and analyze the information reports to ensure the reliability and effectiveness of the information[7].

3. The Role of Modern Management Accounting in Enterprise Internal Control Management

In order to meet and highly adapt to the needs of enterprise internal control management, management accounting realizes the scientific analysis and processing of financial accounting information by flexibly applying various modern management and mathematical methods, which is helpful for enterprises to evaluate their management status, enhance the scientific decision-making and screen the best investment and management scheme. The role of modern management accounting in enterprise internal control management is mainly reflected in the following aspects:

3.1. Provide Accounting Management Information Support for Enterprise Management

In the process of carrying out production and operation activities, enterprises need to comprehensively summarize, scientifically analyze and flexibly use management accounting information, so as to effectively strengthen internal control management, effectively improve production and operation, and enhance economic benefits. Management information mainly includes financial, non-financial, technical and economic information. Management accounting can break through the constraints of fixed accounting procedures and relevant laws and regulations, realize the collection, integration, analysis and processing of information through diversified technical methods and channels, and transform it into the required information, and make scientific prediction, overall planning and effective control of production and operation on this basis, which is helpful for enterprises to maximize profits[8].

3.2. Directly Participate in the Decision-Making Process

The decision-making process of an enterprise refers to the process in which managers choose and decide the business plan of the enterprise. Only by making correct decisions scientifically can enterprises ensure the efficiency and scientificity of production and operation. Correct decision-making depends on the timely acquisition and scientific application of various management information by enterprises[9]. Management accounting can provide real and reliable management information for enterprise management decision-making, directly participate in the decision-making process, and scientifically evaluate the decision-making scheme.

3.3. Implement Efficient and Good Performance Evaluation

In order to achieve the expected production and operation objectives, enterprises must track and dynamically monitor the whole process of production and operation, and truly reflect the actual completion of production and operation objectives and the implementation of the plan. Management accounting can build a systematic and perfect control system and adopt scientific evaluation measures, realize real-time mastery of the actual completion of enterprise production and operation objectives, implement fair and scientific performance evaluation of various departments and posts, and provide scientific reference for enterprises to make scientific management decisions and adjust production and operation plans[10].

4. Strengthen the Application Strategy of Modern Management Accounting in Enterprise Internal Control Management

4.1. Promote the Integration of Modern Management Accounting and Enterprise Internal Control Management

In the practice of internal control management, enterprises should implement the thinking methods and related concepts of management accounting. At present, enterprises have generally built an increasingly perfect internal control system, which not only ensures that enterprises follow laws and regulations to carry out production and operation, but also helps to realize asset appreciation and disclose complete and true information to the society when necessary. Enterprises want to improve their internal control management level, they should skillfully apply the ideas and methods of modern management accounting to promote the deep integration of modern management accounting and enterprise internal control management. Specifically, we can start from the following aspects:

First, skillfully use management accounting to broaden the thinking of enterprise internal control management, gradually improve its internal control system, take the strategic objectives set by the enterprise as the guide, comprehensively consider the enterprise situation and expected objectives, scientifically evaluate all kinds of potential risks, and analyze the adverse effects that may be caused by enterprise behavior, so as to strengthen the ingenious integration of modern management accounting ideas and methods into enterprise internal control management and realize effective improvement of enterprise management, internal supervision and information communication. For example, in order to ensure the scientific formulation and reasonable implementation of the development strategy, enterprises should flexibly apply the strategic map, make quantitative and qualitative analysis of the strategic objectives formulated by enterprise planning, analyze the value potential of various customers with the help of analytical tools, find practical ways to improve the methods and processes of enterprise production, operation and internal control management, and dig deep into the enterprise potential, so as to rationally allocate enterprise resources, draw the strategic map, realize the gradual improvement of enterprise organizational structure and internal control management system, and refine enterprise strategy.

Second, in the practice of internal control evaluation, enterprises should take the thinking method contained in modern management accounting as an important standard. At present, enterprises pay more and more attention to the construction and implementation of internal control system, and gradually take internal control as a means to carry out internal evaluation. At first, enterprises carried out internal evaluation in order to strengthen enterprise supervision. At present, enterprises take internal evaluation as a driving force to achieve sustainable development. However, in practice, the internal evaluation standards adopted by enterprises fail to fully meet their own strategic goals, and the evaluation standards set are unscientific. In order to change the above disadvantages, enterprises should skillfully integrate the ideas and methods contained in modern management accounting into internal evaluation, thoroughly and comprehensively investigate the actual situation of enterprises realizing their own strategic goals, accurately find out the existing problems and defects, and take targeted measures to improve them. In the practice of internal audit, the personnel in charge of accounting work in an enterprise should focus on whether the enterprise adopts scientific and reasonable management accounting methods, and examine the cost and efficiency, and accordingly take targeted and effective improvement measures to promote the internal control level of the enterprise and enhance economic benefits.

Third, in the practice of internal control, enterprises should comprehensively consider the reality of enterprises and their environment, and implement management accounting. Relevant personnel of enterprises should fully understand the thinking methods and related

technologies contained in modern management accounting, and investigate and analyze the specific conditions required for the application of management accounting. For example, in the practice of applying management accounting, enterprises will form a large amount of data. Therefore, all kinds of data should be systematically collected, summarized and scientifically analyzed, which requires enterprises to arrange relevant preparatory work and various matters according to actual conditions, and strictly control the right to use data reports to avoid the leakage of core secrets.

4.2. Build a Systematic and Perfect Modern Management Accounting System and Internal Control System

Enterprises should conform to their own reality, build a systematic and perfect modern management accounting system, and find and effectively solve various problems in time. For example, some enterprises have failed to establish a systematic and perfect budget management system, and it is difficult to scientifically guide production and operation activities and help enterprises make scientific decisions. In this regard, enterprises should build a systematic and perfect budget management system, reduce the cost of enterprises, standardize the production and operation of enterprises, and enhance economic benefits. If enterprises lack attention to budget management, it will easily lead to over-budget, which will not only increase capital investment, but also reduce profits. The establishment of a systematic and perfect modern management accounting system can realize the scientific allocation and efficient mobilization of resources, effectively strengthen internal control management, enhance the scientificity and feasibility of decision-making, and help improve the efficiency of enterprises and enhance their core competitiveness and comprehensive benefits. In addition, enterprises should build a systematic and perfect internal control system to effectively regulate business management activities and work. Enterprise management should strengthen control over accounting staff and effectively put an end to fraud. Enterprises should carry out scientific division of labor and clear responsibilities for financial management jobs to avoid the phenomenon of decentralization of powers and responsibilities. In the daily work of production and operation, enterprises should improve their own internal control management system, standardize various work processes, and promote the internal control management system to really play its role.

4.3. Enhance the Financial Staff's Business Skills and Comprehensive Quality

At present, the market environment is becoming increasingly complex, and enterprises are generally facing increasingly fierce market competition, and the market competition is increasingly diversified. Under the background of the information age, enterprises must pay close attention to the dynamic changes of the market in real time, and adjust their own development strategies on this basis, so as to achieve long-term good development. In this regard, enterprises should strengthen the training of financial staff to improve their business skills and comprehensive quality. Enterprises should organize financial staff to carry out regular training, build a systematic and perfect evaluation mechanism for financial personnel, build a scientific, effective, fair and reasonable incentive mechanism, form an effective incentive for financial personnel, guide financial personnel to study and train deeply the professional knowledge and related skills involved in modern management accounting, and accumulate experience in work practice, so as to effectively improve the business skills and comprehensive quality of financial personnel in a subtle way, thus promoting the internal control management level of enterprises to achieve a substantial improvement and enhancing the market competitiveness of enterprises. Enterprises should conform to their own reality, comprehensively consider and comprehensively analyze factors such as business scale, business model, development planning and risk prevention and control, scientifically plan and effectively implement talent construction, and lay a solid foundation for human resources for

the enhancement of internal control management of enterprises. Enterprises should urge financial staff to clarify the responsibilities of management accounting, including the following: First, provide authentic and reliable information for enterprises to carry out efficient and good internal control management. Compared with financial accounting, management accounting emphasizes macro-management of enterprises and provides support for internal management. Financial personnel provide various materials for the development of internal management through management accounting, which can promote enterprises to realize in-depth internal control management, form a clear and definite responsibility for management accounting, and promote management accounting to give full play to its role.

The second is to carry out scientific evaluation on the achievements of enterprise management. Management accounting pays more attention to the macro-level of enterprise development, and scientifically evaluates the achievements of enterprise management, which can provide support for enterprises to scientifically formulate development strategies.

Third, through the relevant methods of mathematical statistics, scientific analysis of enterprise management status, follow the analysis principles, and promote the effective improvement of statistical quality and analysis quality. Enterprises should attach great importance to management accounting jobs, devote themselves to training professional management accounting talents, lay a solid foundation of human resources for the good development of management accounting-related work, provide scientific strategic guidance and quality services for enterprises to carry out efficient and good management, help enterprises enhance their core competitiveness, effectively avoid market risks and enhance economic benefits. Enterprises should guide financial personnel to enhance their sense of responsibility and professional concept, flexibly use various financial management software, carry out efficient and good management accounting work, and realize effective improvement of internal control work. Financial personnel should master and flexibly apply Excel tools, enhance the practical operation ability such as consolidated statements, participate in enterprise decision-making, strengthen communication with investors and enterprise managers, and promote enterprises to achieve good value creation.

4.4. Strengthen the Application of Economic Batch Model and Responsibility Accounting

Economic lot size refers to the actual purchase quantity that can make the total cost of enterprise inventory reach the lowest point. Enterprises should strengthen the application of economic batch model, realize scientific control of purchasing quantity and effectively reduce enterprise investment. Enterprises can control the procurement cost from the following aspects: first, strengthen the control of the procurement quantity and cost, make a scientific budget of the procurement quantity based on the production demand before the procurement work, and implement batch purchase of the procurement quantity based on the economic batch model, so as to effectively reduce the procurement cost; The second is to strengthen the control of inventory management, which involves the risk loss caused by warehousing and inventory damage. In this regard, enterprises should strengthen the application of economic batch model, effectively control the costs of inventory warehousing and inventory damage, and realize the effective enhancement of economic benefits. In addition, enterprises should strengthen the application of responsibility accounting, build a responsibility center, refine the responsibility of internal control management, clarify the responsibility of property safety, strengthen the binding force of internal control management, urge financial managers to strictly perform their duties, and realize effective protection of property safety.

5. Conclusion

To sum up, the relationship between modern management accounting and enterprise internal control management is reflected in the fact that modern management accounting and enterprise internal control have the same foundation and consistent goal, internal control lays the application foundation for management accounting, and internal control covers all elements of management accounting. The role of modern management accounting in enterprise internal control management is mainly to provide accounting management information support for enterprise management, directly participate in decision-making process, and implement efficient and good performance evaluation. In this regard, enterprises should strengthen the application of modern management accounting in enterprise internal control management by promoting the integration of modern management accounting and enterprise internal control management, building a systematic and perfect modern management accounting system and internal control system, improving the business skills and comprehensive quality of financial staff, and strengthening the application of economic batch model and responsibility accounting.

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