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Construction of Enterprise Financial Management System Based on Comprehensive Budget Management

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ABSTRACT
Economic development and social progress have put forward new requirements for the construction of corporate financial management system, and the role of comprehensive budget management has become more and more significant, which has been highly valued and paid attention within the enterprise. Based on comprehensive budget management, it can promote the smooth development of daily business activities of the enterprise, continuously improve the level of financial management, create favorable conditions for the construction of the financial management system of the enterprise, and promote the realization of the strategic goals of the enterprise. This paper mainly discusses the construction of enterprise financial management system based on comprehensive budget management, and focuses on some targeted improvement measures.

1. Introduction

In the process of continuous development of enterprises, based on the perspective of comprehensive budget management, the construction of corporate financial management system is the most important, which plays an incomparable role and advantage in improving the management level and achieving the strategic goals of the enterprise. In the modern market, the competition situation is intensifying. If enterprises want to have a place in the fierce competition in the industry and gain a higher competitive advantage, they must strengthen the construction of the financial management system and integrate comprehensive budget management. In this way, the efficient use and configuration of enterprise resources can be realized, giving enterprises a new vitality and vitality.

2. The Concept and Characteristics of Comprehensive Budget Management

2.1 Connotation Overview
A comprehensive budget can fully reflect the financial plan of the company’s business activities in a specific period in the future, aiming to achieve the target profit of the company. Based on the sales forecasting perspective, forecast production, cost and cash receipts and payments, and strengthen the preparation of cash flow statements and balance sheets to reflect the financial status and operating results of the company. Comprehensive budget
management is one of the important methods for internal management control of enterprises, and has become an important management tool, which covers many functions such as control, incentive, evaluation, etc. It runs through all aspects of the business strategy and plays an important role in the internal control of the enterprise.  

2.2 Characteristics

2.2.1 Comprehensiveness

Firstly, for the whole staff, it mainly means that in the process of budget formulation, all personnel of the enterprise should actively participate in it and decompose into two aspects: First, the budget goal is decomposed into various departments and management levels. In order to facilitate the participation of all employees, establish a high degree of cost and benefit awareness; second, the participation of the department in the budget process reflects the allocation and control of resources by various departments. Through the budget, the enterprise resources are reasonably distributed among various departments of the enterprise.

Secondly, for the whole process, it mainly refers to the process of formulating budget standards, budget preparation, budget execution and budget evaluation. In the actual implementation process, the relationship between accounting system and budget management is closely related and inseparable, and the budget execution process is also the accounting process. Strengthening the construction of the budget early warning mechanism, through the accounting system, the problems existing in the budget execution can be fully reflected, and the budget plan is constantly adjusted to give play to the incentives for business operations, thereby promoting the smooth development of business operations.

2.2.2 Mechanism

Through the budget to strengthen internal management, and achieve a smooth transition from budget to management means, greatly reflecting the role of comprehensive budget management. For budget management, it is necessary to conduct an in-depth analysis of the market mechanism and continuously improve it in conjunction with the internal organizational structure.


3.1 Unreasonable Setting of Budget Management Organization

Generally speaking, the budget management committee, the budget preparation office, and the budget appraisal office are important components of the overall budget management organization structure. However, in some enterprises, the organization setting is relatively unreasonable, mainly reflected in: First, lack of perfection Budget management organizational structure. The lack of review institutions is reflected in the external supervision of the entire process, and also reflects the role of budget operators in the supervision and control of knowledge; secondly, the lack of a reasonable budget management organization. For a long time, business managers have not attached great importance to budget management. In the actual budget preparation process, most of them have led the Finance Section to lead various departments. However, the degree of attention of unit leaders is insufficient, and budget management shows a trend of formal development, making it difficult to achieve strategic goals. For comprehensive budget management, it is one of the comprehensive management activities, which requires the enterprise sales department and procurement department to actively participate in it. It is difficult to complete the comprehensive budget management task with the help of the finance department only.

At the same time, due to the lack of a reasonable budget management agency, it is difficult to reflect the comprehensiveness of budget preparation. For budgeting, the Finance Section and members of various departmental units are required to actively participate in it, continuously improve the comprehensiveness of the budget, and ensure the accuracy and rationality of budget execution. However, in practice, the budget examination office is not reasonable in the actual implementation process. Because the relationship between the budget assessment and the reward and punishment mechanism is inseparable, its incentive effect is significant. However, if only the audit department is used to assess the budget execution, it will easily lead to the generality of the audit department's assessment. In fact, only the budget and the actual deviation rate are assessed, and the comprehensiveness and timeliness of budget preparation are not reflected.

3.2 The Goal of Budget Management Is Not Clear Enough

In budget management, the focus is on prior planning and planning the future behavior of the company, and also to rationally allocate many resources within the enterprise. Through the implementation of budget management, in the normal operation of the enterprise, combined with the established goals, it can promote the realization of the strategic goals of the enterprise. However, at this stage, some enterprises in the actual implementation process, too much emphasis on the financial goal of the budget, no in-
dictators to assess the business objectives, it is very prone to short-sighted financial goals. At the same time, some companies only make financial goals based on accounting perspectives, so the realization of financial goals lacks good value support. Due to the serious lack of guidance on strategic objectives, coupled with the short-term impact of budget targets, some companies have set strategic goals, but budget targets are difficult to integrate with strategic goals. In turn, the budget goal is too much emphasis on short-term economic activities, which is not conducive to the long-term development of enterprises.

3.3 Poor Implementation of the Responsibility for Financial Management

The causes of many problems are mostly caused by organizational problems and lack of clear division of responsibilities. For example, "For the budget for purchasing a camera, there is no provision for subordinate office preparation and camera usage. Therefore, in the actual budget management process, the lack of clear budgeting main body and the smoothness of the process connection are also seriously insufficient. The reason for this phenomenon is inseparable from the lack of clear division of duties.

In the management division of labor, if there is a lack of responsible departments, it will easily lead to the emergence of management vacancies; If more than two departments in the same budget are being prepared, there may be a lack of clear division of labor and division of responsibilities, which can be summarized as a result of budget organization.

3.4 Financial Management Lacks Information System Support

In the process of implementing comprehensive budget management, informatization is also a crucial part. In-depth analysis of many processes, such as preparation, evaluation and review, and careful calculation and evaluation, is difficult to meet the requirements of modern enterprise management by means of manual means. At this stage, some companies’ financial departments and audit departments have widely applied EXCEL tools to manage their budgets. However, it is difficult to timely report important information, and it is difficult to achieve effective management and control of the budget. This is mainly reflected in:

Firstly, some businesses are difficult to manage dynamically through EXCEL. Due to the lack of budget data sharing and process management platform construction, budget management efficiency cannot be effectively im-

proved; secondly, in the process of constructing the budget target model, the required workload is relatively large, and EXCEL is difficult to meet the actual needs; finally, the process interaction of the accounting system is seriously lacking; at this stage, some enterprises have applied the NC accounting calculation process. When calculating the data, it is necessary to export the tables in the system, and then fill in the form to calculate the calculation form of the table, which is not combined with the financial accounting system.

3.5 Failure to Establish a Sound Assessment and Incentive Mechanism

3.5.1 Lack of a Sound Assessment System

For the evaluation and evaluation system standards, its technicality and unity are seriously lacking. If the assessment is not consistent with the actual situation, it is difficult to implement its own estimated accounting control, and the expected accounting control is ineffective. Due to the lack of a sound evaluation mechanism, it has been fully reflected in economic performance indicators and monthly budget management assessment indicators.

3.5.2 Lack of a Reasonable Economic Performance Assessment System

In the operational results accounting system, if the estimated accounting control data is added, in fact, the role of the accounting audit assessment is not fully realized. In all the auditing systems, it is expected that there will be a small proportion of accounting controls, which is far from the reward effect, and it is difficult to reflect the role of the accounting audit.

3.5.3 Lack of a Sound Incentive System

At this stage, the reason for the incentives for corporate budget management is difficult to reflect is the budget slack. For budget slack, it is difficult to closely combine budget goals with strategic goals, and the control role of budget management is difficult to play.

4. Construction of Enterprise Financial Management System Based on Comprehensive Budget Management

4.1 Set up a Dedicated Comprehensive Budget Management Agency

4.1.1 Build Working Mechanism

Based on the budget management organization, enterprise-
es should strengthen the construction of corresponding working mechanisms and equip them with corresponding working forms and procedures. For example, with the help of regular meetings, budget compilers can be actively involved. In practice, due to the lack of a suitable form of work, it is very easy for the finance department to complete the work independently. Generally speaking, comprehensive budget management has a great impact on many aspects of business management. The budget management agency should play its own role and give relevant departments some help in budget management.\[^3\]

4.1.2 Add a Budget Review Agency

For the whole process of budget management supervision, it can also be called budget review. The content of the review mainly includes: First, reviewing the budget purpose can avoid bad behavior in the budget preparation department; second, review the budget execution process, supervise and control the estimated accounting, and need to determine the corresponding responsible units; third, reviewing budget incentives and penalties can implement the principle of fairness in the review of expected accounting and guide employees to increase their enthusiasm for participation in the implementation budget.

4.2 Clarify the Goal of Comprehensive Budget Management

Firstly, in the process of setting goals, we must reflect the strategic management objectives of the enterprise. By building a corporate strategic goal, it is required to unify all functional departments of the enterprise to ensure consistency of all employees. Therefore, in the process of building a corporate strategic goal, it is necessary to conduct an analysis based on the strategic height of the enterprise, implement comprehensive budget management, and continuously refine and decompose budget targets, thereby ensuring a steady improvement of enterprise management efficiency.

Based on the target profit perspective, the company's overall budget is compiled through the integration of business, capital and information. Through comprehensive budget analysis and budget tracking, we will build a performance appraisal framework including cost and investment to ensure that the company's business activities are consistent with the established plan of the overall budget.

Secondly, cultivate the core competence of the enterprise, it is necessary to maintain close contact between various departments within the enterprise, and the senior management of the enterprise must also strengthen the cultivation of core competence. The implementation of comprehensive budget management should combine the factors of improving core competitiveness. In the process of constructing the actual budget target, it is necessary to conduct an in-depth analysis of the position of the company in the market and forecast and analyze the market in the long run.

4.3 Divide the Rights and Responsibilities of Comprehensive Budget Management and Carry out Centralized Management

For the business indicators of the enterprise, it is necessary to continuously refine and determine the first responsible person. Each department must implement its budget goals in conjunction with its own content. In the process of preparation and implementation of the budget, it is necessary to have a corresponding responsible department, which fully reflects the budget implementation of its own department. The enterprise budget management committee is the decision-making department. In actual work, it is difficult to exert the supervision and management functions. Therefore, before the preparation of the competent department, it is necessary to carry out a good budget review, and also to play its own supervisory function, responsible for handling the budget plan of its own department. Therefore, in the actual budget control process, the reporting process should be standardized. In the process of reporting the budget to the department, the budgetary management department budget personnel should calculate the various expenses and determine whether there is an annual budget. In the case of a budget, the finance staff should fill in the documents and implement them in conjunction with the corresponding standardization process.

4.4 Improve the Feedback Mechanism of Budget Management and Strengthen the Implementation of Financial Management

In budget management, in order to promote the smooth completion of budget work, we must pay attention to information feedback, so companies must continuously refine the feedback mechanism of budget execution and improve it. Strengthen communication and collaboration between the upper and lower levels, especially the finance department and other grassroots units. The grassroots responsibility budget unit shall report the budget implementation in a timely manner, and the superior management department shall report it back to the responsible party at the grassroots level.

The Enterprise Budget Management Committee shall conduct regular budget work meetings to conduct in-depth analysis and discussion on whether budget revisions or
follow-up implementation plans are required. All budget-responsible departments should strengthen the construction of budget work accounts. The department heads should record the accounts in a timely manner and report them to the higher-level departments in time, so that the department heads can fully understand the work of the department.

4.5 Strengthen the Construction of Financial Management Information and Realize Real-time Control of Budget Execution

Firstly, it is necessary to strengthen the application of UF financial software, increase the development of the budget management branch module, and perform the compilation and summary analysis in the budget management work in real time. Combined with the needs of enterprise managers, through the financial NC accounting system, it is possible to accurately screen out important information and automatically generate chart analysis in combination with the needs of the enterprise, thereby realizing budget management data and informationization.

Secondly, the budget management control node can be moved forward through approval before the budget is executed. In the computerized system, for the use of the subsidiary's expenses, dynamic supervision and management should be carried out. For example, the budget advancement is very close to the cost limit, and the system will automatically prompt it to effectively control the over-standard phenomenon beforehand, realizing pre-existing management.

4.6 Deepen Budget Management and Strengthen Effective Communication among Various Departments in the Process of Financial Management

In the implementation of budget management work, it is necessary to continuously communicate to improve the budget preparation work. After the higher level releases the budget preparation notice, the lower level must communicate effectively during the process of preparation. Therefore, in the budget preparation, it is necessary to strengthen the application of the “up and down” approach. Before the budget is prepared, each department must do a good job in collecting information and communicate and discuss the budget-related content. In the process of reporting the budget, the business personnel should maintain close contact with the financial personnel to ensure a high degree of integrity in reporting the budget information. After the budget target is released, budget preparation is carried out and reported in a bottom-up order.

4.7 Improve the Assessment and Incentive Mechanism Based on Comprehensive Budget Management

In the overall budget management, we must give full play to the incentives of budget management. First of all, in the early stage of budget preparation, employees should be guided to participate actively and make their own opinions and suggestions. Moreover, employees must participate in the formulation of budget plans, establish a high sense of responsibility, and increase the enthusiasm for participating in budget work. Second, we must clarify the concept of assessment and reward and punishment management. Through corporate rewards and punishments, it aims to ensure employees' high work enthusiasm and good reward and punishment measures, which can fully exert their work abilities.

Among them, the monthly budget assessment indicators of various departments of the enterprise should cover the budget implementation. The enterprise budget management committee shall conduct regular budget completion meetings. The finance department shall conduct an effective analysis of the completion of the monthly budget, and in order to ensure the smooth implementation of budget management, enterprises shall establish an internal audit department to supervise and audit the budget implementation.

5. Conclusion

In short, based on comprehensive budget management, it is especially important to build a corporate financial management system, which can promote the smooth development of business operations, realize the efficient allocation of various resources of the enterprise, and achieve the strategic development goals of the enterprise as a whole.

References

