

On the Cost Control of Enterprise Financial Audit

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Abstract: enterprise financial management is an important part of enterprise management and plays a core role in enterprise management. Financial management is a key to the sustainable development of enterprises. We should start with cost control and push financial management to a new stage, which is an important work of enterprise financial management at present. This paper focuses on the cost control of enterprise financial audit.

1. Introduction

Today's enterprises lack the understanding of cost control and do not pay enough attention to cost control. The following analyzes the problem of enterprise cost control from the two aspects of dynamic management cost and hidden cost.

1.1 Lack of Dynamic Cost Management

Through the analysis of the whole cost control and management of enterprises, the cost control of enterprises generally occurs in the production and operation process, and the cost control is generally dynamic, that is, the cost is dynamically controlled mainly in the raw material procurement stage, product development and production stage and product sales stage[1]. The analysis shows that enterprises generally invest more funds in the product development and production stage, so that the available capital in other stages will be reduced, and the dynamics of the whole cost will become worse. The conversion from the original physical capital to monetary capital will bring problems due to the lack of dynamic management.

1.2 Neglect of Hidden Costs

Many enterprises do not pay much attention to some costs that are difficult to record and measure, which are generally called hidden costs. However, the hidden cost is not insignificant because it cannot be measured. In many cases, the hidden cost control is more important than the dynamic cost control. Therefore, enterprises should pay more attention to the hidden cost.

2. Relationship between Financial Audit and Cost Control

Financial management connects financial audit and cost control, which makes them connected. The following detailed analysis of the relationship between the three.

2.1 Relationship between Financial Audit and Financial Management

In the process of re establishing the audit function, it is fully recognized through analysis that supervision has always been the core of auxiliary financial management. The role of supervision on enterprises is very extensive[2]. It can not only track the audit, but also apply it to the form of post personnel audit. Through the analysis of the audit itself, it can be seen that the function of the audit not only plays a role in the accounting we are familiar with, but also it is very important for the enterprise to correspond the accounts of an enterprise with the actual situation of the enterprise in real time, and it can also assess the whole production and operation process. In this way, the management of the company by financial audit is at a higher level. Through financial audit, we can provide relevant information for financial management, play a guiding role in financial management, and make financial management more scientific.

2.2 Relationship between Financial Management and Cost Control

People generally have a shallow understanding of financial management and cost control, and think that they have little relationship. However, through careful analysis, we will find that the relationship between them is closer, but the objects of their application are different. Through the analysis, we can see that the application object of financial management is mainly the capital at the monetary level, and the application object of cost control is mainly the capital at the physical level. The main purpose of financial management is to use capital more scientifically, but the purpose of financial management is based on cost control. Financial audit and cost are related through these.

2.3 Relationship between Financial Audit and Cost Control

Through the analysis of the business scope of financial audit and cost control, it can be seen that based on the cost control mechanism under comprehensive budget management, financial audit and cost control are connected through financial management, so that the cost control mechanism is established on the basis of financial management, and then the financial audit improves the financial management ability[3]. Financial audit and cost control are closely linked through financial management.

3. Cost Control under Financial Management

In cost control, enterprises should combine financial management to achieve comprehensive budget management of enterprise finance, implement cost control to various departments and even each employee, and then realize cost control of the whole enterprise through performance management. Here are two ways of cost control.

3.1 Carrying out Cost Control with Comprehensive Capital Budget

When carrying out cost control, enterprises can realize cost control through comprehensive budget and realize the goal oriented function of enterprise cost at the same time. According to the analysis of the business process of the enterprise, the targeted allocation of capital to the raw material procurement stage, product development and production stage and product sales stage, and the reasonable arrangement and planning of funds will help to realize the dynamic management of funds.

3.2 Performance Management of Cost

Due to the strong relevance of production technology itself, the existence of “team production” mode is often found in enterprises. This mode is easy to make employees unable to perform their duties well. When carrying out cost control, enterprises should fully consider this point, specify the component control to people, and implement performance management, so as to better realize cost control.

4. Function Analysis of Financial Audit on Financial Management

through the analysis, it can be seen that the function of financial audit mainly lies in supervision. On this basis, financial management is integrated with it. The following analyzes the function of financial audit from two aspects.

4.1 Budget Funds

The impact of capital budget on the whole enterprise is huge. Capital budget reflects the development direction of the whole enterprise. The quality of capital budget sometimes directly determines the fate of an enterprise[4]. However, in order to pursue profits too much, many enterprises ignore the current situation of their own development, which makes their own funds can not meet the needs of future development. Through the financial audit of the enterprise, we can audit the financial situation of the enterprise in real time and find the financial situation of the enterprise in time. Through the analysis of the financial situation, we can budget the enterprise funds more scientifically and reasonably, so as to make real-time adjustment to the whole development of the enterprise. In order to ensure the scientificity and effectiveness of audit, the participation of third-party audit is sometimes inevitable.

4.2 More Rational Use of Funds

There are some limitations in the supervision of financial personnel on the use of funds. They prefer the flow and efficiency of funds, and can not well avoid the control risk caused by the interference of external factors. Financial audit has the function of overall control over the overall funds, and can judge and analyze the use of enterprise funds in real time. Through the analysis of the use of funds, the situation can be reflected to the management department of the enterprise in real time. In this way, it can make more rational use of the enterprise's funds and strive for the maximum profit for the enterprise.

5. Ways to Establish an Effective Mode under the Function Orientation

Through the above analysis of the relationship between financial audit, financial management and cost control, establish an effective mode of financial audit assisting financial management under each function orientation. The following is an analysis from two aspects.

5.1 Applying Financial Audit to Enterprise Capital Chain Risk

The capital of an enterprise is not only reflected in time, but also in space. This requires enterprises to improve the organic composition of capital. It can not meet the requirements only through the replacement of fixed capital, which will increase the overall capital investment of enterprises. By applying financial audit to the capital chain and monitoring the enterprise capital chain in real time, the enterprise's funds can be applied to more reasonable aspects.

5.2 Applying Financial Audit to the Optimal Allocation of Funds

Through the analysis of financial audit function, financial audit can be applied to the optimal allocation of enterprise funds. It can be seen from today's market economy that enterprises should not only pay attention to the downstream demand side, but also pay attention to the upstream purchase channel. Both aspects will have an impact on the overall finance of enterprises. Enterprises need to budget funds in both aspects[5]. At the same time, in order to avoid the impact of opportunism of financial personnel, financial audit is required to grasp the whole finance in real time and adjust the deviation in real time. Financial audit is conducive to the stable and healthy development of enterprises. In short, establishing a cost control mechanism based on financial management and giving full play to the function of financial audit will help to improve the effect of enterprise cost control and improve the level of enterprise financial management.

6. Conclusion

Audit cost control is a control means to achieve the audit objectives most effectively with the minimum audit cost through the rational allocation of resources. Generally, audit cost includes the capital cost required to complete the audit work Manpower cost and time cost. The purpose of comprehensive management of audit cost is to improve cost efficiency In practice, we have analyzed the influencing factors of the audit cost above and choose to take a variety of ways to reduce the audit cost.

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