

# Some Understandings on Strengthening Corporate Financial and Accounting Supervision Under the Background of Digital Transformation

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**Abstract:** The wide application of digital technology makes it easier for enterprises to obtain and analyze financial data, but it also increases the risk of data security and privacy protection. Therefore, it is necessary to strengthen financial and accounting supervision to ensure the accuracy and security of data. Digital transformation has also brought new financial regulatory tools and technologies, such as artificial intelligence and big data analytics, that can help regulators better detect and prevent financial risks. Therefore, strengthening corporate financial and accounting supervision is an inevitable requirement under the background of digital transformation, which helps to improve the efficiency and transparency of corporate financial management.

**Keywords:** Digital Transformation; Enterprise Finance and Accounting; Supervised Cognition

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## Introduction

The importance of digital transformation to the financial and accounting supervision of enterprises is self-evident. Enterprises can record and analyze financial data comprehensively and accurately by means of digital technology, realize the automation and intelligence of financial supervision, and improve the efficiency and accuracy of financial management. This paper will discuss the impact and significance of digital transformation on corporate financial and accounting supervision from the aspects of comprehensiveness and accuracy of financial data, data analysis and monitoring capabilities.

### 1. The significance of enterprise accounting supervision

Enterprise accounting supervision can ensure the authenticity and accuracy of enterprise financial information. Accounting supervision can review and audit the financial statements of enterprises, ensure the authenticity and accuracy of financial information, prevent enterprises from false bookkeeping and financial fraud, and safeguard the interests of investors and the public. The accounting supervision of enterprises can improve the management level of enterprises. Through the supervision and analysis of the financial information of the enterprise, the business problems and risks of the enterprise can be found in time, and the accurate financial data and information can be provided for the decision-making of the enterprise, so as to help the enterprise timely adjust the business strategy, improve the management level and enhance the competitiveness of the enterprise. Accounting supervision can supervise and guide the accounting system and accounting methods of enterprises, ensure that enterprises carry out accounting in accordance with laws and regulations and accounting standards, comply with tax policies and financial management regulations, prevent the occurrence of illegal acts of enterprises, and maintain market order and fair competition environment. The accounting supervision of enterprises can enhance the credibility and reputation of enterprises. Through the development of accounting supervision, enterprises can demonstrate their financial transparency and standardized operation, enhance the credibility and reputation of enterprises, increase the trust of investors and partners, and provide a good external environment for the development of enterprises.

## **2. Methods of strengthening corporate financial and accounting supervision under the background of digital transformation**

### **2.1 Introduce intelligent financial system**

First, the intelligent financial system can realize the data collection of various financial links by automatically collecting financial data. The system can automatically extract data from various financial software and databases, avoiding the error and tedious process of manual data entry. Secondly, the intelligent financial system can automatically process and analyze the collected financial data. The system can classify, calculate and summarize data according to preset rules and algorithms to generate various financial statements and analysis results. This can greatly reduce the time and workload of manual data processing, and improve the accuracy and timeliness of financial data. Finally, the intelligent financial system can also use the technology of data mining and analysis to find abnormal transactions and risk points. Through the analysis of a large number of financial data, the system can identify abnormal trading behaviors that are inconsistent with normal trading patterns, as well as possible risk points. In this way, potential financial risks can be discovered in advance, and corresponding measures can be taken in time for early warning and supervision. To sum up, the introduction of intelligent financial system can realize the automatic collection, processing and analysis of financial data, reduce manual errors and loopholes, and improve the accuracy and timeliness of financial data. The intelligent financial system can also find abnormal transactions and risk points through data mining and analysis, and provide early warning and supervision functions.

### **2.2 Strengthen data security and privacy protection**

First, businesses can adopt strong encryption to protect the security and privacy of financial data. This includes the use of symmetric and asymmetric encryption algorithms to encrypt data, ensuring that only authorized personnel can decrypt and access the data. Second, companies need to implement strict access controls that limit access to financial data. This can be done by establishing role and rights management systems to ensure that only authorized employees have access to specific financial data. In addition, organizations should regularly backup and restore data to prevent data loss or corruption. This can be done by using means such as cloud storage or an external hard drive to back up data and periodically testing the effectiveness of the data recovery process. In addition, companies can adopt cybersecurity measures to protect the security of financial data. This includes the use of firewalls, intrusion detection systems, and security monitoring tools to prevent unauthorized access and attacks. Finally, companies should also enhance security awareness and training of employees to ensure that they understand the importance of data security and privacy protection and comply with relevant security policies and regulations. This can be achieved through regular training and education activities.

### **2.3 Establish internal control system**

First, the development of financial policies and procedures is an important step in the establishment of an internal control system. By establishing clear financial policies and procedures, the processing and circulation of financial data can be regulated to ensure that all financial activities comply with laws and regulations and internal regulations. Secondly, clarifying post responsibilities and authority is also the key to establishing internal control system. Each post should clarify its responsibilities and scope of authority to ensure that the responsibilities and authority of each link in the process of financial data processing and circulation are clearly distinguishable to avoid information lag and confusion. And the establishment of audit and supervision mechanism is also an important part of the internal control system. Through regular internal audit and supervision, problems and risks in the processing of financial data can be discovered and corrected in a timely manner to ensure the accuracy and compliance of financial data. In addition, the establishment of information system security control is also an important part of the internal control system. By strengthening the security control of the information system, including data backup and recovery, rights management, access control, etc., the confidentiality and integrity of financial data can be protected and data leakage and tampering can be prevented. Finally, the establishment of internal control training and education mechanism is also an effective means to establish the internal control system. Through regular training and education, improve employees' knowledge and understanding of internal control, enhance their

awareness and ability to comply with the internal control system, so as to ensure the effective operation of the internal control system. Through the comprehensive application of the above methods, we can establish a sound internal control system, improve the accuracy, compliance and reliability of financial data, and strengthen the effect of financial and accounting supervision.

## 2.4 Strengthen external supervision and audit

First, companies can strengthen communication and cooperation with regulators. Maintain close contact with regulators, keep abreast of changes in relevant regulations and policies, and ensure that the financial activities of the company comply with the requirements of laws and regulations. At the same time, enterprises actively cooperate with the supervision and review work of regulators, and proactively provide financial data and relevant documents to ensure that regulators have a comprehensive understanding of the financial activities of enterprises. Secondly, enterprises can entrust independent third-party institutions to conduct financial audits. Select an audit institution with professional qualification and reputation to conduct a comprehensive inspection and verification of the financial data of the enterprise. Audit institutions can find potential financial risks and problems through the review of financial statements, accounting records and transaction processes of enterprises, and put forward suggestions and suggestions for improvement. This can increase the accuracy and reliability of financial data and improve the effect of enterprise financial supervision. In addition, enterprises can also strengthen internal and external risk management and control mechanisms. Establish a sound internal control system to ensure accuracy and compliance of financial data. Finally, enterprises can strengthen the training and education of financial personnel. Improve the professional quality and professional ethics of financial personnel and enhance their awareness of the importance and responsibility of financial supervision. Through training and education, improve financial personnel's understanding of and compliance with financial norms and systems, reduce the occurrence of financial irregularities, and ensure the authenticity and compliance of financial data.

## 3. Conclusion

Under the background of digital transformation, it is very important to strengthen the supervision of enterprise finance and accounting. First, the wide application of digital technology makes financial data easier to obtain and analyze, which helps to identify potential financial risks. Secondly, digital transformation provides more efficient and accurate financial management tools, which can improve the efficiency and accuracy of financial supervision. In addition, digital transformation enhances the transparency and traceability of information, helping to prevent financial fraud and misconduct. To sum up, strengthening corporate financial and accounting supervision is an inevitable requirement of digital transformation, which helps to improve the financial management level and risk control ability of enterprises.

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