

# Research on Internal Control and Financial Management of Administrative Institutions and Public Institutions under the New Situation

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**Abstract:** With the development of modern society, the functions of administrative institutions and public institutions are constantly evolving. Under the background of comprehensively deepening reform, higher requirements are put forward for the financial management of administrative institutions and public institutions. The financial management status of administrative institutions and public institutions will directly affect the quality of public services. Therefore, it is necessary to strengthen the internal control of financial management. By leveraging the constraints and supervision mechanisms of internal control, the transparency and credibility of financial management can be effectively enhanced. However, in the actual internal control and financial management of administrative institutions and public institutions, there are still some problems, which make it difficult to improve the level of financial management and affect the sustainable development of administrative institutions and public institutions. By analyzing the internal control and financial management of administrative institutions and public institutions under the new situation, this article proposes plans such as strengthening the construction of professional management teams, deeply using information technology means, and improving the internal control system, effectively enhancing the management efficiency of administrative institutions and public institutions and better adapting to the development of the times.

**Keywords:** New situation; Administrative institutions and public institutions' internal control; Financial management

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## 1. Introduction

By strengthening internal control, it is possible to effectively guarantee the safety of fiscal funds of administrative institutions and public institutions, enhance the prevention of financial risks, and promote the healthy development of administrative institutions and public institutions, which has strong practical significance. However, at present, in the internal control and financial management of administrative institutions and public institutions, there exist problems such as insufficient professionalism of management personnel, a lack of application of

information technology, and the need to improve the internal control system. These not only reduce the level of financial management but also fail to fully exert the constraining role of internal control, affecting the reform of the management system of administrative institutions and public institutions. Therefore, it is necessary to deeply explore the issues of internal control and financial management, actively introduce new concepts, new technologies, and new models, build a comprehensive and perfect internal control and financial management system, and promote the high-quality development of administrative institutions and public institutions.

## **2. Current situation of internal control and financial management in administrative institutions and public institutions**

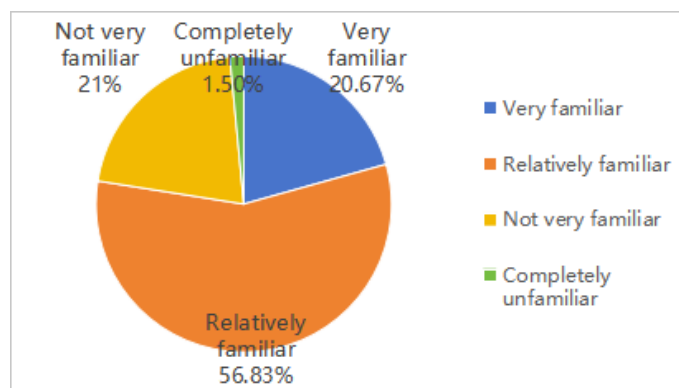
This article takes administrative institution A as the research object. Through questionnaire surveys, it analyzes the understanding, views, and opinions of the personnel in the finance and accounting department on the operation of the internal control system, and analyzes the operation of the financial management work of administrative institutions under the guarantee of the internal control system<sup>[1]</sup>. A total of 13 questionnaires were distributed, and 13 valid questionnaires were retrieved. The validity rate of the questionnaires was 100%.

### **2.1. The management personnel lack professionalism**

In the internal control and financial management of administrative institutions and public institutions, the professionalism of management personnel is insufficient, and there is a lack of higher-quality and more professional management talents<sup>[2]</sup>. This is not conducive to improving the level of financial management and affects the effective implementation of the internal control mechanism. First, Unit A seldom organizes professional training. Although there are certain training activities, the actual results are not good. Most of them are theoretical knowledge explanations, which are difficult to effectively improve the professional level of management personnel and cannot effectively deal with the complex financial risks under the new situation<sup>[3]</sup>.

In addition, administrative institutions and public institutions lack vigorous publicity of the new accounting policies, making it difficult for them to update the knowledge reserves of financial management personnel, handle new financial management problems efficiently, and improve the internal control system based on the new policies<sup>[4]</sup>. As can be seen from **Figure 1** below, in the finance and accounting department of Unit A, the awareness of the internal control system among the finance and accounting personnel still needs to be improved. Nearly 21% of the personnel are not very familiar with the internal control system, and even 1.5% of the personnel are very unfamiliar with it, making it difficult to exert the restrictive and supervisory role of the internal control system on financial management.

Secondly, administrative institutions and public institutions lack complete online communication channels, which reduces the communication efficiency among managers, makes it difficult to share internal control and financial management experiences, is not conducive to summarizing effective management plans, lowers the quality of financial management work, and affects the improvement of fund utilization efficiency<sup>[5]</sup>. Thirdly, administrative institutions and public institutions have not improved the treatment level of their management personnel, making it difficult to attract high-quality and versatile talents to take up positions, reducing the professionalism of the management team, and being detrimental to promoting the transformation and upgrading of financial and accounting work<sup>[6]</sup>.



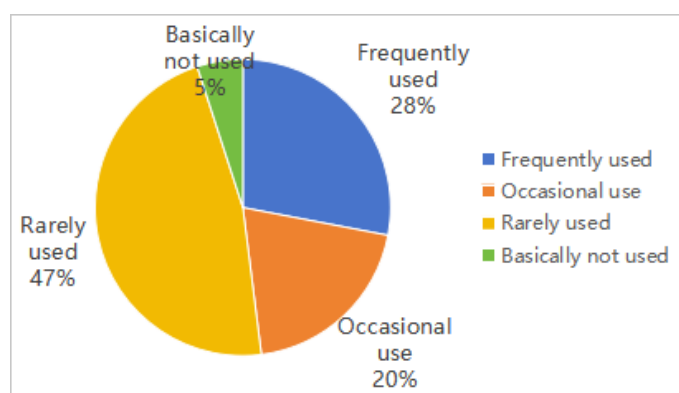
**Figure 1.** The understanding of the internal control system by the financial and accounting personnel of Unit A

## 2.2. Lack of application of information technology

In the internal control and financial management work of administrative institutions and public institutions, the application of information technology is lacking and the role of advanced technology has not been fully exerted. This not only reduces the efficiency of financial management but also affects the internal control system from keeping pace with The Times. Firstly, in some administrative institutions and public institutions, there is a lack of more advanced and intelligent software and hardware equipment, which makes it difficult to meet the financial management demands of the new era <sup>[7]</sup>. As a result, they are unable to handle massive financial data efficiently, which affects the subsequent decision-making of the units.

Secondly, within administrative institutions and public institutions, there is a lack of efficient and collaborative information systems among various departments, making it difficult to achieve data interaction and sharing. This increases the difficulty of management personnel's work and reduces the efficiency of financial management. Then, managers seldom use big data and cloud computing technologies, making it difficult to deeply explore potential financial risks under financial data. They are unable to provide an effective basis for the optimization of financial management processes, thereby reducing the level and effectiveness of financial management <sup>[8]</sup>.

As can be seen from **Figure 2** below, in the internal control and financial management work of Unit A, 47% of the financial and accounting personnel believe that the utilization rate of information technology is very low, and they have not deeply utilized advanced technological means, which has reduced the efficiency and level of financial management <sup>[9]</sup>. Finally, in a complex information environment, administrative institutions and public institutions are confronted with certain cybersecurity risks. Without adequate protective measures, it will be difficult to ensure the security of financial data, which will affect the stable operation of administrative institutions and public institutions.



**Figure 2.** The application of information technology in internal control and financial management in Unit A

### **2.3 The internal control system needs to be improved**

The internal control system of administrative institutions and public institutions needs to be improved, which is not conducive to providing institutional guarantees for financial management, reducing the standardization and systematic operation of the units, and also affecting the management reform of administrative institutions and public institutions. Firstly, in the internal control systems of some administrative institutions and public institutions, they have not been fully integrated with their own actual situations, resulting in a lack of pertinence and operability in the systems <sup>[10]</sup>. Moreover, the system regulations are not detailed enough, and the division of responsibilities and authorities is not clear, which easily leads to management loopholes and affects the healthy development of administrative institutions and public institutions <sup>[11]</sup>. Secondly, although many units have formulated relatively complete internal control systems, the actual implementation effect is not good. Leaders fail to supervise the implementation of the systems effectively, fail to discover and correct violations in a timely manner, and cannot play the due role of restraint and supervision <sup>[12]</sup>. Thirdly, in the internal supervision departments of administrative institutions and public institutions, their independence and authority are insufficient. During the supervision process, they may be disturbed, making it difficult to carry out work objectively and impartially, and reducing the effectiveness of the implementation of the internal control system. Fourth, the unit has not improved the system evaluation system, lacking an objective and comprehensive assessment of the operation effect of the internal control system. As a result, it is difficult to accurately judge the effectiveness of the system implementation, which affects the subsequent improvement of the internal control system.

## **3. Innovative strategies for internal control and financial management of administrative institutions and public institutions under the new situation**

### **3.1. Strengthen the construction of professional management teams**

In the internal control and financial management of administrative institutions and public institutions, it is necessary to strengthen the construction of professional management teams, improve the professional capabilities of management personnel, provide talent guarantees for internal control and financial management, accurately identify and prevent various risks, and promote the healthy development of administrative institutions and public institutions. First, organize diversified training. Administrative institutions and public institutions should invite experts in the field to hold special lectures on “Internal control + Financial Management”, sharing more novel and scientific financial management concepts and methods, achieving effective coordination between internal control and financial management, and promoting the standardized development of administrative institutions and public institutions. Second, enhance communication among talents <sup>[13]</sup>. Administrative institutions and public institutions should improve online communication platforms to facilitate mutual communication among management personnel, share experiences in internal control and financial management, summarize feasible and practical innovative solutions, effectively prevent financial risks, and improve the efficiency of fund utilization <sup>[14]</sup>. Third, optimize the personnel structure. Administrative institutions and public institutions should improve the treatment level of management personnel, attract innovative and compound talents to take up positions, enhance the professionalism of the financial management team, and combine the concept of internal control with professional knowledge of financial management to provide assistance for the reform and innovation of administrative institutions and public institutions.



### **3.2. Make in-depth use of information technology means**

Administrative institutions and public institutions should deeply utilize information technology means and draw on various advanced technological means to provide technical support for the efficient operation of financial management and enhance the pertinence and effectiveness of the internal control system<sup>[15]</sup>. Firstly, administrative institutions and public institutions should attach great importance to information construction, introduce more advanced and intelligent software and hardware equipment, including financial management software, information systems, etc., add modules such as budget management and asset management, provide convenience for management personnel, improve the efficiency and accuracy of data processing, and provide scientific basis for unit decision-making. Secondly, administrative institutions and public institutions should improve digital collaboration platforms to facilitate data sharing among personnel from various departments, provide a favorable environment for the implementation of internal control systems, and further enhance the efficiency of financial management<sup>[16]</sup>. Thirdly, managers should flexibly apply big data, AI technology, and other technologies to efficiently analyze massive financial data, deeply dissect potential financial risks within it, and more specifically, improve financial management processes and rationally allocate financial resources.

### **3.3. Improve the internal control system**

Administrative institutions and public institutions should improve the internal control system, keep the system up-to-date, intensify supervision, ensure the effective implementation of the internal control system, and provide institutional guarantees for the efficient operation of financial management. First, the organization should comprehensively review its business processes, organizational structure and management requirements, formulate internal control systems that suit its own circumstances, fully consider the risk points in key business links, clarify the responsibilities and authorities of each department and position, refine work processes and operation norms, and enhance the rationality and operability of the system. Administrative institutions and public institutions should innovate the “internal + external” supervision model, establish internal supervision teams, and introduce third-party supervision institutions externally to conduct all-round and refined supervision over the implementation of the internal control system, thereby ensuring the effectiveness of the supervision mechanism. Second, administrative institutions and public institutions should optimize the reward and punishment mechanism, incorporate the implementation of the system into the performance appraisal system of employees, give commendation and rewards to employees who strictly abide by the system, and impose serious penalties on those who violate the system, to form an effective incentive and restraint mechanism, ensure the full implementation of the internal control system, and improve the standardization of financial management.

## **4. Conclusion**

To sum up, in the internal control and financial management of administrative institutions and public institutions, there still exist problems such as insufficient professionalism of management personnel, a lack of application of information technology, and the need to improve the internal control system. In response to this, measures such as strengthening the construction of professional management teams, deeply using information technology means, and improving the internal control system have been proposed to make improvements in terms of personnel, technology, and system. Ensure the effectiveness of internal control and financial management work.

## Disclosure statement

The author declares no conflict of interest.

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