

LETTER TO THE EDITOR

Application of Financial Risk Management System in Degradation Succession Law of Ecological Environment System

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With the depletion of traditional energy sources and the deterioration of the ecological environment, renewable new energy sources, especially wind power, have gradually become the main energy source for life production, and the ecological energy industry has also become a pillar industry of the national economy. Financial risk management is an important part of business management, which contributes to the security of capital assets and is conducive to the guarantee of financial resources, therefore, strengthening financial risk management under the new situation is not only a necessary measure for wind power enterprises to improve their management level, but also an important way for Chinese enterprises to adapt to the national strategic layout. Based on the new situation of Chinese economic development, this paper deeply analyzes the current situation of financial risks of enterprises, and puts forward corresponding countermeasures to provide a reference for the transformation and development of Chinese industry.

Financial risk management; enterprise internal control system; the ecological environment; degraded succession

1 Introduction

In recent years, in order to promote the development of new energy sources, China has successively introduced laws and regulations such as the Energy Law of the People's Republic of China, which guides the sustainable development of the energy industry. Wind power generation is a renewable energy source that is renewable in a small number of energy sources. It is valued by countries all over the world. As a new enterprise that develops wind energy, wind power enterprises have always been the key to Chinese energy layout and economic transformation. However, the sudden financial crisis and the sharp decline of market demand have forced Chinese wind power industry into a period of adjustment, and the management of financial risks has become a top priority for wind power enterprises. In order to adapt to the transformation of the new situation and promote economic transformation and upgrading, it is necessary to strengthen the financial risk management of wind power enterprises, effectively prevent financial risks, and create a good financial environment for the long-term development of wind power enterprises.

Yuqing Shen, Can Chen, Jianqiang Gu published an article in the Issue 107, 2019 of the journal *Ekoloji* entitled "Research on the Design of Supply Chain Financial Ecology Model and Risk Management", which analyzed that

with the development of social division of labor, the chain of social products became more complex. Under such social background, supply chain finance was a kind of innovative financial model. The application of supply chain finance in the current market was more and more common, and it would become more and more mature. This paper introduces the ecological model of supply chain finance, risk and risk prevention and control measures, in order to help relevant social development and research. However, the accuracy of financial data analyzed by the method in this paper is higher.

Zhang (2017) proposed a new situation of the enterprise financial risk prevention and control method, this paper discussed the concept of enterprise financial risk, and the characteristics of seven aspects, analyzed the origins and influence factors of the financial risk, and put forward the four aspects of enterprise financial risk prevention and control countermeasures, had a certain theoretical and practical reference significance, was applied to pixels, binary model, it had been verified by experiment that this method was to extract high precision, but using the method in this paper, better accuracy rate. Zhao (2017) proposed discussion on prevention and control measures of financial risks of power enterprises under the new situation, and analyzed that under the new situation, power enterprises had good operating benefits, and their investment trends in other aspects were also obvious. This will not only bring more profits to enterprises, but also promote the development of related industries, and at the same time increase the financial risks of power enterprises. Therefore, financial risk prevention and control of power enterprises has become a new research hotspot. This paper firstly analyzes the types of financial risks faced by power enterprises in the new situation, then carefully analyzes the main problems existing in financial management, and finally puts forward the corresponding countermeasures for each problem; In view of the above problems, this paper proposes the application of financial risk management system in the degradation succession of ecological environment system.

2 Idea description

2.1 Changeable management environment

The first is the macro level. Wind power companies face the macro environment changing, unpredictable and irreversible, such as the national leaders change of political environment, economic environment the arrival of the financial crisis, environmental protection consciousness to deepen the social cultural environment, these changes are difficult to accurately estimate and financial management system cannot adapt to, some wind power enterprise is unable to effectively respond to the change of macro environment (Lin et al. 2017). The second is the middle level. Wind power enterprise external environment is not only including the macro environment, also including the medium level of the industrial environment, the wind power industry policy enacted, alternative production research and development, raw material price fluctuations and competition strategy, will change the wind power industry environment, bring some risk to wind power enterprise's financial management. The third is the micro level. Similar organizational structures, different financial systems and special business models constitute the internal environment of wind power enterprises. However, the internal environment is not invariable. The formulation of management system, the update of financial system and the mobilization of financial personnel will change the internal environment of wind power enterprises and increase the uncertainty of financial management (Lindström et al. 2017).

2.2 Lack of risk awareness

On the one hand, the management lacks risk awareness. Although financial risk management is an important part of operation and management, the management level of some wind power enterprises does not pay attention to financial risk, they pay attention to the amount of wind power generation, the increase of operating revenue, the

construction of projects under construction, etc (Popkov. 2017, Khodayar et al. 2016; Basak et al. 2016). Due to the lack of risk awareness of the management level, financial risks cannot be given sufficient attention, and the corresponding management activities lack the full support of leaders. Therefore, wind power enterprises are struggling in the management of financial risks. On the other hand, grassroots employees lack a sense of risk. The management of financial risk emphasizes the full staffing, which requires not only the support of management, but also the participation of grassroots employees. However, in some wind power enterprises, some employees do not have a clear understanding of financial risks. They believe that managing financial risks is the responsibility of the finance department. Other functional departments such as production, marketing, and personnel departments do not need to participate in financial risk management (Li et al. 2017, Sun et al. 2017). This kind of cognition causes the staff at the grass-roots level to be not active, the idea of all-staff cannot be effectively implemented, and the financial risk management activities are difficult to be carried out smoothly.

2.3 Financial decisions are not scientific

First, funding decisions are not scientific. At present, some wind power enterprises lack of strategic financing planning, financing management system is not perfect, not strictly follow the financing decision-making process, make financing plan at will; In conducting financing decisions, to various channels of information collection is not complete, adopted by the evaluation method is not science, not based on full information and scientific method to develop financing plan, but rather rely on past experience and subjective judgment of funding, the financing decision lack certain feasibility and scientific nature, wind power companies failed to achieve the optimal capital structure, facing the financial risk increases. Second, investment decisions are irrational. Investment decision is the most critical and important decision in financial decision making. The mistake of investment decision will bring huge economic loss to the enterprise, even bankruptcy. Some wind power enterprises do not have clear investment objectives and investment directions when making investment decisions. The investment plans formulated are not fully feasible, the evaluation indicators used are not scientific, and the investment plans are not adjusted according to the changes in the situation. Reasonableness can not be guaranteed, which may lead to financial crisis in wind power enterprises (Zeng et al. 2017).

2.4 Risk control is not in place

First, the risk control system is not perfect. Risk control system is the basis for carrying out risk control, but not all wind power enterprises have provided a solid institutional foundation. The risk control system formulated by some wind power enterprises does not combine the industrial characteristics and the actual situation of the enterprise. The provisions on financing decision-making procedures, fund use supervision, and investment income distribution are not perfect, lacking certain probability, and cannot effectively guide financial risk control work. Second, the risk control method is unreasonable. Each risk control method has its own application, and the appropriate method can be used under certain conditions to effectively control the risk. In practice, in the face of specific financial risks, some wind power enterprises are unable to use control methods in a reasonable way. They keep risks when they are extremely averse to financial risks and avoid risks when they are willing to take risks. All these are unreasonable use of control methods and are likely to cause economic losses to wind power enterprises. Finally, the implementation of control measures is not in place (Wang et al. 2018). After identifying financial risks and selecting control methods, wind power enterprises need to carry out work in accordance with risk control schemes. However, due to the inadequacy of financial management personnel, the lack of risk control mechanism supervision and the drawbacks of performance appraisal system indicators, the control measures of financial risks cannot be effectively implemented and fail to achieve the desired results.

3 Results

3.1 Establish a risk early warning system to respond flexibly to environmental changes

First of all, for an irreversible and unavoidable macro environment, wind power enterprises can collect and analyze information, reasonably predict changes in economic environment, technological environment, and social and cultural environment, and make appropriate preparations to minimize the impact of macro environment on financial risks. Secondly, through market research and strategic analysis, we should fully understand the price volatility of the energy market, the strategic measures of competitors, the research and development of new energy sources, and strengthen the prediction and adaptation of wind power enterprises to the industrial environment. Finally, in order to better adapt to changes in the internal environment, wind power enterprises should predict and analyze the changes brought about by environmental changes to financial management in advance, and formulate corresponding measures, such as training financial personnel in advance when updating the financial system.

3.2 Vigorously promote risk management and comprehensively raise risk awareness

Strengthening risk awareness is an important way to effectively prevent financial risks, and it is a practical guarantee for the smooth implementation of risk management and control. Therefore, wind power enterprises should vigorously publicize risk management, correctly understand financial risks, and comprehensively raise risk awareness. In order to increase management's attention to financial risk, wind power enterprises should elevate financial risk management to the strategic level, establish the connection between financial risk and management performance, improve management's support for financial risk management, and lead wind power enterprises to actively carry out financial risk prevention work. In addition, with the strengthening of risk awareness of grassroots employees, wind power enterprises can realize it through the re-recognition of financial risk management. Vigorously publicize financial risk management, correct the wrong cognition of grassroots employees, clarify the risk responsibility of each department in the rules and regulations, let all departments and all employees participate in the financial risk management work, and promote the smooth development of wind power enterprise financial risk management.

3.3 Comprehensively consider the influencing factors and scientifically make financial decisions

On the one hand, wind power enterprises should formulate strategic financing plans, improve the fund raising management system, strictly follow the financing decision-making procedures, eliminate empirical and subjective judgments, comprehensively collect funds that can be raised, scientifically use financing evaluation methods, and analyze existing debt structures. Weigh the cost of capital and repayment risk, and formulate financing plans based on objective analysis to ensure that financing decisions are fully feasible and scientific. On the other hand, in order to avoid mistakes in investment decisions, wind power enterprises should set clear investment objectives, combine the financial capabilities of enterprises and the trend of market investment, select the appropriate investment direction, formulate corresponding investment plans, and use scientific evaluation indicators to conduct feasibility analysis, and adjust the investment plan according to the situation to ensure that the investment decision is scientific and reasonable.

3.4 Effectively implement risk control to effectively prevent financial risks

First, according to the characteristics of the wind power industry under the new situation and the actual situation of enterprises, the risk control system should be developed, the financing decision-making process, capital use supervision and relevant provisions on investment income distribution should be improved, the probability of the risk control system should be improved, and the financial risk control work of wind power enterprises should be effectively guided. Second, wind power enterprises should be familiar with the application of various risk control

methods, deeply analyze the actual situation of financial risks, adopt reasonable control methods to manage financial risks, avoid risks when extremely averse to financial risks, and reserve risks when willing to bear financial risks. Third, strengthen the comprehensive ability of financial management personnel, establish the supervision system of risk control mechanism, improve the evaluation index of performance appraisal system, and implement the control measures of financial risk to achieve the expected risk management effect.

4 Discussion

Financial risk management is an important part of business management, which helps to ensure the security of capital assets and is conducive to the guarantee of financial resources. Therefore, strengthening financial risk management under the new situation is not only the improvement of management level of wind power enterprises. The necessary measures are also an important way for wind power enterprises to adapt to the national strategic layout. Based on the new situation of Chinese economic development, this paper deeply analyzes the current situation of financial risk of wind power enterprises, and verifies the superior performance of the proposed algorithm through experiments. Experimental results show:

- (1) The data extraction accuracy of the research method is higher than that proposed in the literature [1]. This is because the algorithm proposed by Zhang (2017) is more sensitive to the accuracy of the data used in the process of applying the binary model of the pixel, which increases the workload and leads to an accuracy much lower than the algorithm.
- (2) Compared to Zhao (2017), the proposed algorithm has a high stability in data extraction. This is because in the data extraction process, the financial risk management system is in the ecological environment system by means of comparison. The degenerate succession law is classified and summarized, and then the data is incrementally extracted, which improves the extraction efficiency of the algorithm.

5 Conclusion

In short, with the strategic adjustment of the energy layout, financial risks have become the urgent need of wind power enterprises, which has seriously affected the transformation and upgrading of the wind power industry. Based on the new situation of Chinese economic development, this paper strengthens the financial risk management of wind power enterprises from four aspects: management environment, risk awareness, financial decision-making and risk control, and escorts the sustainable development of wind power enterprises under the new situation. Due to the limitations of the author's theory and practice, the study on the financial risks of wind power enterprises under the new situation is inevitably biased, hoping to be helpful to wind power enterprises.

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