

Original Article

Research on Risk Control of VAT Cash Flow Based on Financial Governance

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Received Date: 28 July 2020

Revised Date: 09 September 2020

Accepted Date: 16 September 2020

Abstract - Cash flow is an important part of enterprise financial governance. Chinese enterprises pay value-added tax in an all-around way. Still, few enterprises are aware of the cash flow risk caused by the value-added tax, especially the two-way policy of levying output tax outside the price and deducting input tax with invoices, which drives the cash flow risk enterprises to increase continuously make enterprise financial governance produce colossal influence. As a result, many enterprises are caught in a severe shortage of funds, and even there is a strange phenomenon that the accounting books are profitable at the end of the period. Still, there is no allocation of funds in the bank accounts. Therefore, this paper introduces the relationship between value-added tax and cash flow of enterprises, expounds the policy basis of value-added tax deduction, discusses the identification, evaluation, and control strategies of cash flow risk of value-added tax, and emphatically introduces the method and application of cash flow risk assessment because enterprises cannot obtain special invoices for the value-added tax to purchase. It aims to provide an objective basis for enterprises to formulate a purchasing price strategy and strengthen cash flow management.

Keywords - Financial governance, VAT cash flow risk, Manufacturing industry.

I. INTRODUCTION

Value-added tax is regarded as the turnover tax levied outside the price. It's the largest tax paid by enterprises in China, and its tax payment has a great impact on the flow of enterprise funds, thus affecting the turnover of enterprise funds and financial governance. As a manufacturing industry of physical products, more than half of the funds are used to procure materials, equipment, and fixed assets. The procurement of funds occupied a large proportion ^[1]. As a result, manufacturing is more sensitive to cash flow risk and more responsive than in other industries. In the context of the "invoice-controlled tax" policy, if the complex purchase does not fully obtain a special VAT invoice or cannot use the electronic invoice correctly, the value-added tax paid for the purchase will not be deductible, thereby implying the cash flow risk of overpayment of taxes. To this end, the study of cash flow risk management derived from the value-added tax will be

of great theoretical significance and practical guidance value to help enterprises recognize the relationship between value-added tax and cash flow and to correctly use the methods of identifying, evaluating, and responding to the hidden cash flow risk of purchasing the business.

II. THE MECHANISM OF VAT CONTRIBUTING TO CASH FLOW RISK

A. The interference effect of vat incorporate cash flow

VAT is a kind of tax on the value-added generated in the course of sales of goods and services, which has the basic characteristics of continuous taxation without repeated collection. The concrete embodiment of its "tax does not impose" is that the amount of value-added tax paid in the purchase link is allowed to be deducted from the sales tax. At the same time, there is value-added tax is "out-of-price tax," requiring accounting should be "price tax separation," that is, the basis of vat should not include tax. Usually, the price of goods traded in manufacturing is tax-inclusive. Then, the accounting is required to convert it to "sales" without tax, and then the amount of vat payable is calculated. Vat "transparency" is higher than "in-price tax" where taxes are implied in prices such as goods and services [2]. It gives taxpayers a clear idea of how much "use value" they achieve for each purchase and sale, and how much tax is generated for the government.

Low cost and high-profit margins are the manufacturing industry's consensus, especially in the heavy machinery processing manufacturing industry. The purchase fund occupies a large amount, the objective need sales quick turnover to ease its financial tension. VAT is a turnover tax. Tax is paid or paid for in each purchase and sale link. And value-added tax is an extra-price tax when its tax obligation occurs. The tax should be "diverted" from the product sales revenue. From the accounting books, the value-added tax "output tax" is to avoid operating income and end-of-period profit and loss, the use of the government "debt" account "tax payable - VAT payable" separately reflected, and then directly through the "bank deposits" into the treasury. Explain that VAT generally does not "provoke" profit and loss, but at all times,



"disturb" the taxpayer's cash flow. The more VAT payments (including supplements), the greater the cash flow of the business.

B. Cash flow risk derived from VAT

Taxpayers often ignore the more profound economic effect behind the extra-price tax. That is, the value-added tax effectively avoids the accounting gains and losses that most taxpayers pay more attention to and quietly "swallow" the taxpayer's money in the name of tax. Paying taxes for the state is a tax obligation that an enterprise should fulfil according to law, and it is also an important social responsibility of the enterprise.^[2] But it is also impossible to avoid the parallelism of VAT regulations and "business reform" policies, as well as the complex content of the tax system, policy frequency changes and other influences, accounting operations misoperation, error or information asymmetry, resulting in enterprises to pay more taxes or less VAT. Although not reflected in profit or loss, lurking in the inevitable cash flow risk.

C. The impact of value-added tax cash flow risk on state-owned enterprises

The direct harm of value-added tax cash flow risk will be the shortage of enterprise funds. That is to say, enterprises pay VAT continuously, and the tax paid is not related to the sales price. That is, it does not affect the profit and loss. In this way, even if the enterprise has a surplus in the book, the account funds will quietly flow out, causing the operating capital turnover to get into trouble, forcing the enterprise to borrow frequently to relieve capital shortage pressure. Therefore, once accountants cannot detect the risk of VAT cash flow, the finance department will not study the measures to control purchase invoices and issue sales invoices, actively participate in the formulation and implementation of purchase plans, study the VAT tax payment plans and tax planning schemes in various accounting periods, and regularly carry out the evaluation and analysis of VAT tax burden. Of course, it will not disclose the risk of VAT cash flow and its influence or harm in the Financial Analysis Report. This, in turn, makes it difficult for senior leaders such as the board of directors and general managers of enterprises to realize that the tight capital turnover of enterprises will have the influence of value-added tax, so it is naturally impossible to formulate relevant tax risk prevention countermeasures and control instructions. It can be seen that the cash flow risk of value-added tax is not a simple problem of the tax burden or tax contribution of state-owned enterprises but a problem of enterprise operation ability. Suppose the top-level design of state-owned enterprises lacks necessary tax risk management measures. In that case, it will inevitably cause setbacks in the management system's structural innovation, severely weaken its financial governance ability, severely limit its operating vitality, and even have serious consequences and passive situation of "declining due to tax."

Fundamentally, the cash flow risk of the VALUE-added tax belongs to the "endogenous risk" of the enterprise. Value-added tax and coupons are both irreversible tax legal system provisions, which provide a unified and fair objective basis and standard for all taxpayers. Enterprises can not fully and deeply grasp the provisions of the legal system of value-added tax, are not good at accurately grasping and applying the essence of VAT policy, can not correctly use the rights of taxpayers, can not reasonably control the accounting operation technology of value-added tax, so that enterprises can not pay taxes reasonably according to law, the risk of cash flow is inevitable. From the perspective of financial governance, this paper argues that state-owned enterprises should strengthen the tax planning of value-added tax, from the choice of suppliers to the control of special invoices for value-added tax, from the choice of sales settlement methods to the determination of sales models, from the development of external sales markets to the internal business restriction of "treating as sales," etc., and strengthen financial governance through institutional innovation, so as to always maintain the vigorous business vitality of enterprises.

III. CASH FLOW RISK MANAGEMENT OF MANUFACTURING VAT WITH INVOICED

A. VAT Cash Flow Risk Identification

The cash flow risk of payment caused by VAT with the deduction is mainly the "endogenous risk" of enterprises, which mainly has two aspects:

a) Cash Flow Risk for Small-Scale Taxpayer Special Invoice Purchases.

On its face, enterprises can deduct the input tax amount by obtaining outstanding invoices from small-scale taxpayers. Still, because small-scale taxpayers apply a simple tax method with a lower collection rate (3%), the share of input tax deducted from small-scale taxpayers in the sales chain is bound to decrease, increasing the cash outflow VAT paid. [4]. Although, in theory, the extra-price tax and the in-price tax only reflect the huge difference between tax recessed and accounting method, there is no essential difference in tax design and tax stickiness. However, through the analysis of the characteristics of value-added tax ex-pricing, it can be proved that the value-added tax paid by the enterprise can not reflect the achievements of CSR and tax contribution through the accounting profit and loss index information. From the occurrence of its tax obligation to the whole accounting business processing process from the tax payment into the treasury, it also shows that the value-added tax is to bypass the profit and loss and make direct cash. Therefore, when purchasing from small-scale taxpayers to obtain timely special invoices, even including sales, inventory losses, and product losses, as well as accounting miscalculation of tax or excessive exercise of tax discretion, enterprises exceed the tax obligation overpay value-added tax phenomenon is inevitable.

b) Cash flow risk of general taxpayer general invoice purchase.

The VAT tax law divides taxpayers into general taxpayers and small-scale taxpayers and stipulates different tax rights and behaviour limits. The general taxpayer may deduct the amount of input tax paid from the general taxpayer enterprise (hereinafter referred to as the "special invoice enterprise") and purchase from the enterprise or self-employed person (hereinafter referred to as the "universal invoice enterprise"), which provides the special invoice and reasonable price, and cannot deduct any input tax amount. It can be seen that for VAT, the withholding tax or the coupon is the only valid voucher that limits the VAT special invoice as the input tax amount or purchases tax deduction. In real life, procurement can not all get special invoices is a problem that most enterprises face. Listed companies can not be completely exceptional. These enterprises purchase to obtain a general invoice; the purchase tax paid can not be deducted, resulting in enterprises through the value-added tax channels more outflow of funds. If enterprises can not detect or ignore this quiet tax outflow in a timely manner, the accumulation of year-round will inevitably cause financial constraints. And because of the procurement of general votes and unobtained invoices formed by the additional outflow of cash, there are no clear financial income and expenditure indicators information shows, so it is more hidden. From a deeper level, the tax-bearing costs of this link constitute new product entities and become sales revenue, thereby increasing the sales tax's tax base, resulting in a reduction in the amount of surplus generated by the cycle. These taxes, either explicit or implicit, are not met by conventional income and will inevitably erode capital.

IV. CASH FLOW RISK ASSESSMENT PAID FOR PURCHASES WITH A COUPON

A. The design of the Assessment method

Risk assessment is the degree to quantify the likelihood of assessing the impact or loss of an event or thing and is also called a "risk assessment" or "risk measure." Many risk assessment methods should be flexible in determining qualitative or quantitative approaches based on elements such as the objectives, purpose, and environment of risk assessment, or a combination of qualitative and quantitative approaches in the context of complexity^[5]. The formation of enterprise cash flow risk caused by the VAT procurement invoice is a single link, but it is closely linked with the provisions of THE VAT regulations and policies. The information reflects the enterprise procurement requirements is sensitive, so it is most suitable to use the "equilibrium point index calculation method" to measure the flow risk level of different invoice conditions and tax rate environment.

Equilibrium point index calculation method, that is, the purchase cost price of the special invoice enterprise or the purchase payment cash flow as the factor variable, the preferential purchase price given by the general invoice enterprise is an argument, combined with the purchase

object applicable tax rate or collection rate, establish the equilibrium equation of the total amount of cash outflow due to the variable and the purchase of the general invoice enterprise because the amount of tax paid over vat is not deducted, It is used to measure the level of cash flow risk brought to the purchasing enterprise by the supply price of the general invoicing enterprise, and to provide a reasonable supply price method by the general invoice enterprise in which the enterprise can control the cash flow risk. Because the special invoice enterprise sits in full compliance with the operating requirements stipulated in the invoice control tax, it can save the enterprise's cash flow to the maximum extent. Therefore, it can be used as a legal basis to control the cash flow level of the purchase and payment of general invoice enterprises. Expressed in publicity:

The first step, measure the cash outflow of purchase expenses of special invoice enterprises.

Cash flow from the purchase expenses of the special invoice enterprise = purchase agreement price - input tax, inside:

$$\text{Input tax} = \text{purchase agreement price} \times [1 - \text{applicable rate} / (1 + \text{applicable rate})]$$

The second step is to determine the purchase agreement price of the general invoice enterprise.

Cash flow from procurement expenses of general-invoice enterprises = purchase agreement price.

If the general invoice enterprise sits on the price of the special invoice enterprise to give a certain discount, so:

Cash flow from the procurement expenses of the general invoice enterprise = special-invoice purchase agreement price - discount

The third step is to establish a cash flow equilibrium equation based on the special-vote enterprise.

Cash flow from the purchase expenses of the special-invoice enterprise = Cash flow from general invoice enterprise procurement payments

According to the equation, it can be measured that under the influence of value-added tax, the taxpayer's purchase to the general invoice enterprise shall be controlled at the standard level of supply preferential price of the purchase cash flow of the special invoice enterprise. That is, what preferential supply price to the general invoice enterprise, the vat tax cash flow can be equal to the cash flow of the special invoice enterprise purchase.

B. Application of evaluation methods

In the evaluation application of the equilibrium point index calculation method, we should first consider the cash flow paid by the taxpayer to the invoice enterprise, that is, the purchase agreement price. (set as χ_1) Amount of purchase costs after deducting the tax included set as Y_1 ; The second is the cash flow paid by the taxpayer for the purchase of the general invoice company, i.e., the agreed price with tax, Let to be Y_2 ; Usually, the general invoice ingress enterprise can not provide a special invoice to make a certain sales discount, after the discount the agreed preferential supply price χ_2 . According to the current VAT

policy, the applicable tax rate for the purchase of goods, services, and rental movables by special-invoice enterprises is 13%, the preferential tax rate is 9%, the service tax rate is 6%, the above formula can be expressed as follows in the functional equation:

a) Cash flow paid for purchase by a special invoice enterprise

Purchase cash flow at the 13% tax rate:

$$Y_1 = \chi_1 \cdot [1-13\% / (1+13\%)] = 0.885 \chi_1 \quad (1)$$
 Purchase cash flow at the 9% tax rate:

$$Y_1 = \chi_1 \cdot [1-9\% / (1+9\%)] = 0.9174 \chi_1$$
 Purchase cash flow at the 6% tax rate:

$$Y_1 = \chi_1 \cdot [1-6\% / (1+6\%)] = 0.9434 \chi_1$$

b) Cash flow from general invoice enterprise procurement payments

$$Y_2 = \chi_2 \quad (2)$$

3) Establish ingress saints for cash flow equilibrium points $Y_1 = Y_2$, Substitute (1) and (2), results can be obtained respectively:

$\chi_2 = 0.885 \chi_1 ; 0.9714 \chi_1 ; 0.9434 \chi_1$. Or as a percentage:

$\chi_2 = 88.5\% \chi_1 ; 97.14\% \chi_1 ; 94.34\% \chi_1$

The formula shows that under the invoice deduction policy, the taxpayer's tender or purchase of taxable items with different tax rates to the general invoicing enterprise, the tender price, or the agreement's preferential price reached 88.5% χ_1 , 97.14% χ_1 , and 94.34%, χ_1 respectively. The cash flow of the two procurement modes is exactly equal. This ratio is a "tipping point" for cash flow risk for the purchase of general-invoice companies. As the value-added tax is a "positive tax," the payment process is accompanied by additional taxes such as urban construction tax (urban 7%, county 5%, other areas 1%), education fee surcharge (3%), and local education surcharge (2%); Therefore, the supply price of the general invoice enterprise at the threshold level of cash payment should be determined as medium cash flow risk, when the preferential price of the general invoice enterprise is lower than the critical point level, the space of continuous preferential offer is small, the possibility of wasting purchase funds is not great, so it should be judged as a mild risk if the supply price of the general invoice enterprise significantly exceeds the threshold level or the purchase does not obtain the invoice, its cash flow will be much greater than the purchase of the special invoice enterprise, should be classified as a serious risk. The situation is shown in Table 1.

Purchase target	Program	Applicable tax rate (%)			risk levels	remarks
		13	9	6		
Special invoice supplier	Standard of critical point price	0.885 χ_1	0.9174 χ_1	0.9434 χ_1	Mild Risk	Normal Purchase
General invoice supplier	Relationship of discount prices and critical point prices	equal	equal	equal	moderate risk	lower price Purchase
		exceed	exceed	exceed	Serious risk	Refuse to purchase
		less than	less than	less than	Mild Risk	Accept Purchase

In table 1, the special invoice enterprise procurement Pro is also listed as a light risk management objectives, mainly to consider the taxpayer to obtain the special invoice damage lost, not in accordance with the prescribed time limit (360 days) through the tax platform for certification and the failure to carry out timely input tax deduction processing caused by the possibility of increased cash flow. For financial management-oriented enterprises, this risk should be a small probability event, but it must be solemnly put forward as an early warning of the enterprise cash flow risk management^[6]. Therefore, it will be classified as a mild risk.

C. Application case of VAT cash flow risk assessment method with an invoice

The State-owned enterprise located in the urban area in September, the sales tax amount of 2.574 million yuan, the value-added tax payable amount of 1.9 million yuan. According to the workshop and other departments of the procurement application form, the material supply department summary needs to purchase angle steel, steel

plate, welding rod, steel pipe, and other main materials and safety valves, energy savers, and other accessories, according to the historical price calculated the total purchase amount of 10.17 million yuan. In the actual procurement, the main material sits by the "access" special invoice enterprise supply, the total purchase of 585.86 million yuan, of which the special invoice indicates the tax amount of 674,000 yuan, the amount of 5.1846 million yuan. Due to the access of auxiliary materials and accessories, special invoice enterprises by the environmental protection organs ordered to stop production and rectification can not be timely delivery, in order to ensure the urgent need for production, approved by the factory leadership, accessories and accessories procurement plan 431.14 million yuan (about 4958 million yuan including tax) can be purchased from the general invoice enterprises but should try to lower prices. After the inquiry and consultation, the general invoice enterprise procurement can be given a preferential discount of 210,000 yuan.

a) Determine the standard cash outflow of the invoice company.

If purchasing from an invoice company, according to the evaluation formula (1), Substitute the proposed purchase amount and get the cash flow paid:

$$Y_1 = 4311384.61 \times 0.885 = 3815575.38 \text{ yuan}$$

It can be seen that if the boiler factory chooses to purchase from the special invoice enterprise, the actual cash flow will be saved from the planned purchase amount - 495809.23 yuan (3815575.38 - 4311384.61). If you consider the additional 12% (7% in urban construction tax, 3% in education fee, 2% of local education fee), there will be a cash outflow of RMB 59,497.11 (495809.23 × 12%), the savings are expected to reach RMB 555306.34. Even if the general invoice enterprise gives a 210,000 yuan discount, the boiler factory can still save 534306.34 yuan.

b) Determine the cash flow paid by the general invoice company's purchases.

If the boiler factory will purchase the remaining portion of the purchase plan from the special invoice enterprise to the general invoice enterprise, get a preferential discount of 210,000 yuan, according to the formula (2), the purchase payment cash flow can be calculated:

$$Y_2 = \chi_2$$

c) Cash flow equilibrium point for purchase payments.

Set the cash flow of the purchase payment of the special invoice enterprise equal to the cash flow paid by the general invoice enterprise, and according to the formula (3), the boiler factory data will be replaced by the equilibrium point equation $Y_1 = Y_2$, Substitute for relevant data:

$$3815575.38 = \chi_2 - 210000, \text{ draw a conclusion:}$$

$$\chi_2 = 4025575.38 \text{ yuan} \approx 402.56 \text{ million yuan}$$

$$Y_2 - Y_1 = 4311384.61 - 3815575.38 = 495809.23 \text{ yuan} \approx 495 \text{ thousand and } 800 \text{ yuan}$$

It is shown that purchasing from a general invoice enterprise is more than purchasing 495809.23 yuan, and the cash flow risk of yuan is exactly the result of $4311384.61 \times 11.5\%$ of the VAT input tax paid because the special invoice is not allowed to be deducted. Because the general invoice enterprises give 210,000 yuan discount, the boiler factory still bears more cash flow risk and reached 285809.23 yuan. That is to say. The boiler factory plans to purchase the amount of 10.17 million yuan, if all to the special invoice enterprises, you can obtain the purchase agreement price of 11.5 input tax deduction, the actual cash flow paid is 900.05 million yuan ($1017 \times 88.5\%$), equivalent to the correct operation of compliance with the "financial subsidy" return of more than 1.16 million yuan ($1017 \times 11.5\%$). However, due to the boiler factory material supply department made procurement behaviour

or decision contrary to the provisions of the VAT policy, resulting in the actual payment of 928.6 million yuan (518.46, 431.14 - 21) cash outflow, more than the planned procurement funds to pay 2655 million yuan (928.6 - 900.05), if plus tax amount of 12% additional taxes, cash outflow will reach 319.8 million yuan (26.55×1.12). Only to the general invoice enterprise procurement part, on the surface of the boiler factory saved 210,000 yuan procurement funds, but because of the value-added tax included 4958 million yuan can not be deducted, the boiler factory lurks 3453 million yuan ($49.58 \times 1.12 - 21$) tax cash outflow risk, cash risk sensitivity reached 8% ($34.53/431/14$). Although the book does not reflect the impact of profit and loss, it is not pay attention to financial management enterprises often hard to operate and always can not earn "money" important risk hazards^[7]

V. RECOMMENDATIONS FOR THE PREVENTION AND CONTROL OF VAT CASH FLOW RISK

Boiler enterprise product production cycle is long, capital consumption is large and slow turnover, cash flow management is very important, and cash flow risk management is the most important financial management. Focus on the response to cash flow risk based on identification and evaluation. As far as VAT-based cash flow risk is concerned, the procurement of universal invoice enterprises balanced with the purchase price of the special invoice enterprise should be strongly controlled, and the purchase cash flow and general invoice procurement of the special invoice enterprise should be subject to financial support.

A. Strictly grasp of the management of procurement invoices

Purchase invoice management, including invoice requests, certification, and account processing use. Strengthening invoice control is the most basic and important financial management of an enterprise shopping business. Under the tax deduction policy guidance, the company's procurement management must take the request for special invoices as the basic grasp. No matter what kind of supply object to the implementation of procurement, should be "inquiry first ask for invoices", the adoption of entrusted purchasing enterprises, to establish a special invoice agency responsibility and purchase commission or fee-linked system, entrusted to purchase agricultural products, should seriously carry out the purchase of agricultural by-products to issue special invoices for professional technical guidance and responsibility training, to ensure that one household one vote; The accounting personnel are required to assume the responsibility to handle the special invoices obtained in a timely manner for platform certification, through the certification of special invoices must be recorded within the prescribed time, unauthorized pressure on the invoice and delay accounting behavior, to firmly bear the responsibility for tax risk loss, in violation of the financial system provisions of unauthorized purchase of unauthorized purchase of business refused to pay the purchase price. In this way, strive for each procurement

business to obtain a special VAT invoice, to ensure that all the procurement of all aspects of the enterprise has been paid tax can be deducted from the sales tax, resolutely block the disregard of financial requirements and arbitrary no invoice procurement or general invoice procurement practice. At the same time, enterprises are required to take invoice control as an important part of financial management and to ensure that the enterprise's cash flow management forms innovative synergies and mechanisms through the establishment of internal control measures and internal audit supervision system of the "purchase-invoice-payment" cycle.

B. Strengthen supplier management

The centralized procurement of materials and materials and equipment of large and medium-sized enterprises should establish the "access system" for the implementation of special invoice suppliers, and when issuing the procurement notice and the project tender announcement, it should be clear that the special invoice should be provided as the basic "access qualification" to participate in the tender, strictly check the customs; Small and medium-sized enterprises in the implementation of procurement plans, should be preferred special invoice enterprises, secondary popular vote enterprises, in principle do not choose non-voting small micro-enterprises, individual industrial and commercial households and self-employed; The finance department shall designate material accounting or tax accounting custody and regularly check and supervise with the procurement information to adjust the information of the change of the filing object.

C. Actively develop new supplier markets.

Generally speaking, new suppliers to occupy the market will be high-quality, low-cost cage customers. A state-owned enterprise is a professional manufacturer of oil and gas industry boilers, with the main production capacity of 10 t/h oil and gas boilers. The market prospects are broad, the sustainable development space is huge. In this regard, in addition to strict implementation of the material supplier "access system," we must continue to strengthen the new supplier access flexible management mechanism, make full use of network information tools, find new manufacturers and has not yet opened up a market in the enterprise location of the continuous operating suppliers, take the initiative to extend the procurement needs of the "olive branch," Will induce it to join the enterprise supplier information management system. In this way, the procurement supplier archive consists of two parts, from the access supplier and the alternative supplier, and strives to promote free competition through the procurement information communication strategy. Thus, to avoid the supply failure of limited access and blindly choose the general invoice enterprise procurement or even invoice less procurement and bring the phenomenon of cash flow risk loss, at the same time can ensure that suppliers in their superior demand platform to carry out the low-cost competition, to win more opportunities and space to save cash flow from the purchase price reduction.

D. Establish and implement the control of purchase price responsibility

First, the enterprise shall issue material procurement by the procurement, accounting, auditing three parties to participate in price negotiations or bidding, and clear the responsibilities of all parties; Accept a pre-assessment of the price of the special invoice enterprise and the preferential price of the general invoice enterprise which is significantly lower than the critical point price, and so on, according to which the financial instruction information on whether the purchase can be implemented under the price conditions of the supplier shall be issued. If the preferential price offered by the general invoicing enterprise is the same or similar to the critical point price, the finance shall propose that the material procurement department shall not accept the procurement conditions easily, and shall further make the relevant requirements in the areas of transportation expenses, distribution of goods, technical support, unpaid services and repurchase of goods, in order to obtain more preferential commitments, Recommendations to reduce or avoid cash flow risk; finally, enterprises should require all general invoice enterprises to purchase intentions, should implement financial demonstration procedures, without financial procurement feasible instructions to purchase, accounting will not handle the settlement of payment; The accountant shall not settle the payment price, and the enterprise leader shall request the processing of the qualifications such as the deduction of the performance allowance or performance salary of the parties concerned, the cancellation of the award and the due diligence salary increase.

VI. CONCLUSION

State-Owned Enterprises Shoulder The Important Task Of Revitalizing The Economy, But Also Should Actively Create Profits And Taxes For The Country. To This End, The Normal Implementation Of Cash Flow Risk Identification, Assessment And Actively Take Effective Prevention And Control Measures, Manufacturing Enterprise To Strengthen Cash Flow Risk Management Of The Top Priority. This Paper Advocates That The Financial Department Of The Enterprise Regularly Carry Out The Value-Added Tax Risk Identification Of The Procurement And Sales Business, And Go Deep Into The Acquisition Cash Flow Risk Identification, And Take A Scientific And Practical Method To Carry Out A More Realistic Assessment Of The Level Of Risk, To Take Rapid And Effective Risk Prevention And Control Measures To Ensure The Resolution And Elimination Of Risks. Comprehensively Promote The System Innovation_Driven, Financial Governance, And Promotion Of Development Vitality Of State_Owned Enterprises. To Promote The Cash Flow Of Enterprises To Become The Driving Enterprise Production And Operation Of Healthy Operation Of The "Golden Chain", At The Same Time, Enterprises Really Comb The Core Position Of Financial Management, Give Full Play To The Role Of Accounting Supervision, Support The Accounting System To Establish And Implement Procurement Funds Management System

And Responsibility Internal Control Measures, And Strictly Control The Procurement Of Special Invoices, To Ensure That The Vat Tax Deduction Policy Is Fully And Thoroughly Implemented In Enterprises, And Finally, Efforts Should Be Made To Carry Out Vat Tax Planning, Improve The Ability To Control Tax Policies, And Ensure That Tax Obligations Are Recognized In Accordance With The Law, Especially As Special Economic Business Such As Sales, Mixed Sales And Asset Disposal, Accurate Accounting And Timely And Full Payment Of Value-Added Tax, Avoid Miscalculation Of Taxes, Actively Protect Enterprise Funds, From The Source Of Financial Management To Prevent And Eliminate Cash Flow Risks. Through the activation of cash flow, it can enhance the financial governance ability of enterprises and boost the business vitality of state-owned enterprises.

ACKNOWLEDGMENT

The Research And Writing Process Of The Thesis Was Supported By Relevant Leaders Of The Accounting Institute, the Harbin University Of Commerce Of Commerce; It Also Borrowed Many Excellent Research Results From Predecessors, Especially The Natural Science Foundation Of Heilongjiang Province Project " Research On System Innovation_Driven, Financial Governance And Promotion Of Development Vitality Of

State-Owned Enterprises In Heilongjiang Province(Item Number:: Lh2019g018)" Fund Support. Here, I Would Like To Express My Heartfelt Thanks!

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