

# Research on the Main Problems and Countermeasures in Financial Management of Administrative Institutions

Aini Huang

*Ningbo Center for CEEC Expo & Cooperation Promotion, Ningbo, China*

**Abstract:** This paper deeply studies the main problems and corresponding countermeasures in financial management of administrative institutions, aiming at providing useful thinking and guidance for solving many difficult problems faced by administrative institutions in financial management. In the process of analysing the problems, we highlight the core contradictions such as institutional problems, insufficient information transparency, shortage of talents, difficulties in budget implementation and insufficient risk management. In the study of countermeasures against these problems, we put forward a series of practical suggestions, covering system reform, information construction, personnel training, budget management and risk prevention. Through the organic combination of these countermeasures, this study provides comprehensive and feasible solutions for administrative institutions, aiming at promoting their financial management level and achieving more sustainable and steady development.

**Keywords:** Financial Management; Administrative Institutions; Problems; Countermeasures

## 1. Introduction

With the continuous development of social economy and the increasingly complicated functions of administrative institutions, financial management, as one of the core of organizational management, plays a vital role in administrative institutions [1]. However, the challenges that follow are increasingly apparent. the financial management of administrative institutions is facing a series of severe problems, which not only affect the normal operation of the units, but also may have a negative impact on the social economy.

First of all, there are many institutional problems

in the financial management of administrative institutions. the traditional administrative system often leads to too rigid financial management, which is difficult to adapt to the rapid changes in market and organizational needs [2-3]. Problems such as complicated financial process, long examination and approval period and low decision-making efficiency have become important factors restricting the healthy development of financial management in units. Secondly, the lack of transparency of financial information is another major problem in the financial management of administrative institutions. Due to the poor information communication and sharing mechanism, financial information is often limited, and it is difficult for decision makers to accurately obtain financial status, which leads to blindness and unscientific decision-making [4]. This not only affects the internal operation of the unit, but also causes problems for external cooperation and social evaluation [5]. In addition, the shortage of talents in financial management has become increasingly prominent. the traditional training mechanism and management concept of financial managers are difficult to meet the needs of modern financial management, resulting in a large talent gap. This makes the unit lack enough professional support when facing new challenges, which limits the innovation and development of financial management.

In order to solve the above problems, this paper will deeply analyze the main problems existing in the financial management of administrative institutions and put forward corresponding countermeasures. Through reasonable system design, information technology application, personnel training and other efforts, it will help to improve the efficiency and transparency of financial management in administrative institutions and create good conditions for their sustained and steady development.

## 2. Main Problems in Financial Management

### of Administrative Institutions

As the core of the whole organization management, the financial management of administrative institutions is very important for social and economic development. However, with the constant change of social and economic environment and the continuous expansion of the functions of administrative institutions, a series of problems have appeared in financial management, which have affected the normal operation, resource allocation and decision-making efficiency of the units.

**Institutional problems.** In many administrative institutions, the traditional administrative system often leads to the rigidity and excessive bureaucracy of financial management. the complicated examination and approval process, too many decision-making levels and unclear management authority make financial decision-making slow and complicated. This institutional problem limits the adaptability of the unit to changes in the external environment and affects the flexible allocation of resources and the efficiency of financial management.

**Insufficient information transparency.** There is a general problem of insufficient information transparency in the financial management of administrative institutions. Due to the poor information sharing mechanism, it is difficult for decision makers to obtain accurate financial information, which leads to blindness and unscientific decision-making. At the same time, the lack of timely and transparent financial reports to the outside world has also affected the social reputation of the unit and its cooperation with the outside world [6].

**The shortage of talents.** the professional quality of financial managers is very important for administrative institutions. However, the traditional talent training mode and management concept have been difficult to meet the needs of modern financial management. Financial management involves complex financial systems, regulations and technologies, and the shortage of talents makes the unit unable to cope with new challenges, which limits the innovation and development of financial management.

**Difficulties in budget implementation.** Because the budget of administrative institutions is often allocated by the government rather than raised independently, the units lack autonomy in financial management. the difficulty of budget implementation is mainly reflected in the rational allocation and use of funds, which

makes it difficult for units to operate flexibly in project implementation and resource optimization, and affects the work.

**Insufficient risk management.** When faced with financial risks, administrative institutions tend to be conservative and lack flexible risk management mechanism [7]. For external risks such as market fluctuation and fiscal policy adjustment, units often lack effective forecasting and coping mechanisms, which makes their financial management more susceptible to external environment.

In the financial management of administrative institutions, institutional problems, insufficient information transparency, shortage of talents, difficulties in budget implementation and insufficient risk management have restricted their healthy development. In order to effectively solve these problems, it is necessary to reform the existing system, establish a sound information sharing mechanism, strengthen personnel training and introduce advanced financial management concepts, and at the same time strengthen the autonomy of the budget and establish a flexible risk management system. Only through systematic reform and innovation can administrative institutions better adapt to the rapidly changing social and economic environment, improve the level of financial management and lay a solid foundation for their sustainable development.

### 3. Countermeasure Research

After deeply analyzing the main problems in financial management of administrative institutions, it is particularly critical to formulate scientific and reasonable countermeasures. the countermeasure research aims at solving or alleviating the difficulties faced by financial management through systematic and comprehensive means, and promoting administrative institutions to better adapt to the changes and needs of modern society. Relevant countermeasures in financial management of administrative institutions are shown in **Figure 1**.

#### 3.1. Countermeasures for Institutional Problems

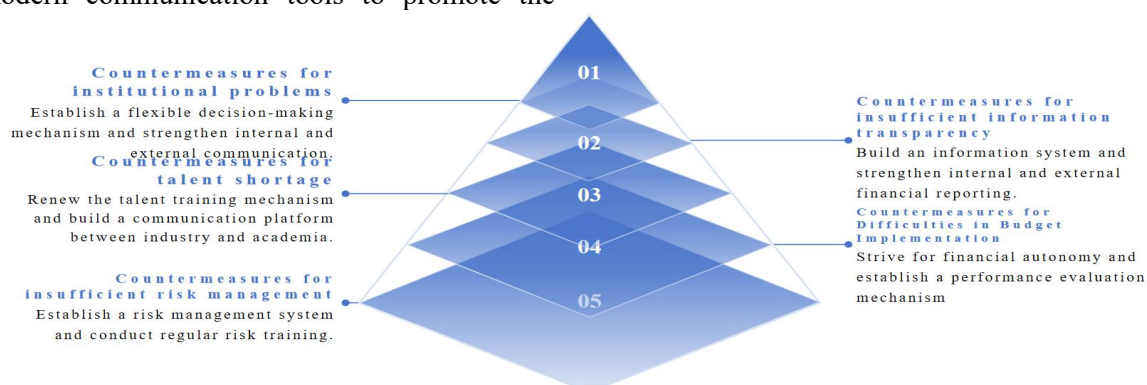
Institutional problems in administrative institutions, such as complicated examination and approval procedures, excessive decision-making levels and unclear management authority, have become a major obstacle to financial management. These problems lead to

the slowness and inefficiency of financial decision-making, which hinders the flexible adaptation of the unit to changes in the external environment. In order to solve these institutional problems, practical countermeasures must be put forward.

In view of the common red tape in administrative institutions, it is suggested to simplify the examination and approval process to improve the decision-making efficiency. Special financial approval channels can be set up to shorten the approval period and reduce the lengthy approval levels, so that financial decisions can be made more quickly [8-9]. Consider reassessing the institutional setup to eliminate redundant departments and levels. Streamline management levels, make decision-making more direct and flexible, and reduce communication obstacles caused by too many levels. Establish an inter-departmental collaborative mechanism to promote the rapid transmission and sharing of information. Adopt modern communication tools to promote the

timely circulation of internal and external information, thus improving the transparency of financial management and decision-making efficiency. Promote the transformation of the internal management concept of the unit and introduce more flexible and innovative modern management ideas. Through training and education, we can improve managers' understanding of modern management science, so as to better meet the needs of change.

Through the comprehensive implementation of the above countermeasures, administrative institutions will be able to better cope with institutional problems, improve the efficiency of financial management, and create favorable conditions for the sustainable development of the units. These countermeasures not only pay attention to the essence of the problem, but also provide practical solutions at the operational level, pointing out the path for administrative institutions to move towards a healthier and more efficient direction in financial management.



**Figure 1: Countermeasures in Financial Management of Administrative Institutions**

### 3.2. Countermeasures for Insufficient Information Transparency

In the financial management of administrative institutions, the lack of information transparency is a major constraint. Due to the poor information communication mechanism, it is difficult for decision makers to obtain accurate financial information, which affects the scientific nature of decision-making and the sensitivity to the external environment. Solving the problem of insufficient information transparency is very important for improving the efficiency of financial management.

Build an information system, invest in an advanced information management system, and realize timely, accurate and comprehensive recording and analysis of financial information.

Through the information system, financial data can be quickly conveyed to decision makers to support scientific decision-making. Strengthen internal and external financial reports, publish financial reports regularly, and present financial status to the public, partners and employees transparently [10]. Enhance the social responsibility and credibility of the unit by strengthening information disclosure. Cultivate information awareness, improve the information literacy of financial managers, and make them better master and use modern information technology. Through training and education, we will promote the participation of all employees in informatization construction, thus promoting the improvement of information transparency. Establish information communication channels and internal and external communication

channels, so that financial information can be quickly conveyed to relevant departments and external stakeholders. Use meetings, internal notifications and other forms to ensure the rapid transmission of information.

Through the organic combination of the above countermeasures, administrative institutions can obviously improve information transparency and make financial management more scientific and fair. the implementation of these countermeasures not only focuses on the improvement of technical means, but also on the improvement of personnel literacy, thus laying a solid foundation for the further development of financial management in administrative institutions.

### 3.3. Countermeasures for Talent Shortage

Talent is the core resource in the financial management of administrative institutions. However, the traditional talent training mode and management concept can no longer meet the needs of modern financial management, which leads to the shortage of talents. Solving the problem of talent shortage is very important for improving the innovation and development of financial management.

It is suggested to adjust the talent training plan and introduce new training mode and educational concept to improve the comprehensive quality of financial managers. Pay attention to the study of financial professional knowledge, and cultivate their soft power such as innovation consciousness and teamwork ability. Promote the renewal of management concepts and introduce modern management methods and tools, such as project management and data analysis. Cultivate talents to have the skills and ways of thinking needed to face the increasingly complex financial management environment. Establish cooperative relations with universities and research institutions, and build a communication platform between industry and academia. Through practical cases, academic research, etc., financial managers can deeply understand the latest theory and practice and keep the forefront of the industry. A well-designed career development plan provides financial managers with opportunities for continuous learning and development. Encourage them to participate in industry conferences and training courses, and maintain their sensitivity in the field of financial management.

The traditional training mode may pay too much attention to professional knowledge and lack the cultivation of comprehensive literacy. By adjusting the training mechanism, we can better meet the needs of modern financial managers, so that they can have a wider range of abilities as well as financial professional skills. the traditional management concept may not be well adapted to the requirements of modern financial management. Introducing new management concepts, such as agile management and data-driven decision-making, can cultivate talents to better adapt to change and innovate management. the cooperation between industry and academia is helpful for financial managers to acquire the latest theoretical and practical knowledge. Through communication with academic circles, they can be encouraged to keep their attention on the development of the industry and gain cutting-edge thinking and methods. Financial management is an ever-changing field, and it is very important to provide financial managers with opportunities for continuous learning and development. Establish a career development plan, encourage them to participate in various training and academic activities, so that they can continuously improve their comprehensive quality.

Through the organic combination of these countermeasures, administrative institutions can alleviate the shortage of talents and cultivate more innovative and adaptable financial management teams. These countermeasures not only focus on the professional skills of talents, but also pay attention to their comprehensive literacy and teamwork ability, thus providing strong support for the innovation and development of financial management in administrative institutions.

### 3.4. Countermeasures for Difficulties in Budget Implementation

Administrative institutions often face difficulties in budget implementation, mainly due to the financial allocation system and the difficulty of project implementation. the difficulty in budget implementation directly affects the normal operation and development of the unit. To solve this problem, we need to formulate practical countermeasures.

It is suggested to actively strive for the autonomy of the unit in budget preparation and implementation, so that it can allocate resources more flexibly and better meet the actual needs of

the unit. Strive for more financial autonomy through communication with the financial department. Incorporating performance evaluation into the evaluation system of budget implementation will encourage all departments of the unit to pay more attention to the benefits of budget implementation and resource utilization. Establish a reward and punishment mechanism to link performance with the allocation of financial resources. Establish and improve the supervision system of budget implementation, and strengthen the supervision of budget implementation. Ensure the rationality and transparency of the budget, and strictly supervise over-expenditure and abuse of funds. Aiming at the bottlenecks and problems in project implementation, optimize the project management process and improve the efficiency of project implementation. Introduce project management tools and methods to strengthen the comprehensive monitoring of project progress, quality and cost.

The struggle for financial autonomy is a key link to solve the difficulties in budget implementation. Through active communication and reasonable argumentation with the financial department, we will strive for greater decision-making autonomy, so that units can respond to actual needs and changes more flexibly. Introducing performance evaluation mechanism to link performance with the allocation of financial resources can better motivate all departments to manage funds carefully and improve work efficiency. This will help to form a healthy budget execution environment and push the unit to make steady progress towards the goal. Budget execution supervision is an effective means to ensure the compliance of budget execution. Establish a supervision system, including internal audit and independent audit, to supervise the use of various budgetary funds and reduce the waste and abuse of resources. The optimization of project management process is the key to solve the problem of project implementation. By introducing advanced project management tools, we will strengthen the whole process monitoring of the project, find and solve problems in implementation in time, and improve the efficiency of project implementation.

Through the organic combination of these countermeasures, administrative institutions can better cope with the difficulties in budget implementation and ensure the rational

allocation and effective utilization of financial resources. These countermeasures not only focus on the fight for financial autonomy, but also focus on establishing a scientific and reasonable budget implementation mechanism, thus providing more solid financial support for the sustainable development of the unit.

### **3.5. Countermeasures for Insufficient Risk Management**

Administrative institutions often face external and internal risks in financial management, including market fluctuation, policy adjustment and internal operational risks. Inadequate risk management may make it difficult for the unit to cope with uncertainty and affect the stable financial operation. In order to reduce the negative impact of risk on the unit, it is necessary to formulate effective countermeasures.

It is suggested to formulate and implement a comprehensive risk management plan, including the evaluation and control of market, policy and internal operational risks. Establish a risk management system, clarify the responsibilities and processes of risk management, and ensure that the unit can effectively identify and respond to various risks. Provide regular risk management training for financial managers, enhance their sensitivity to market changes and policy adjustments, and raise their risk awareness. Through actual cases and simulation drills, help employees better understand and deal with potential risks. Make emergency response plans, and forecast and drill various risk scenarios. Establish an emergency response team to ensure that when sudden risk events occur, the unit can respond quickly and orderly to reduce the negative impact. Establish an internal and external information sharing mechanism to obtain timely information about market and policy trends. Strengthen cooperation with the same industry units and related institutions, share risk information together, and form a situation of joint prevention and control.

Risk management system is the basis of ensuring the financial security of the unit. By establishing standardized processes and standards, the unit can identify and evaluate all kinds of risks more systematically, and take corresponding measures to prevent and control them. Personnel is an important link in risk management, and their risk awareness and coping ability directly affect the

unit's ability to resist risks. Through regular training, employees can better understand all kinds of risks and improve their ability to deal with emergencies. In the face of sudden risks, timely and effective emergency response is the key. the establishment of emergency response mechanism can quickly take measures at the initial stage of the incident, minimize financial losses and ensure the normal operation of the unit. Information sharing helps the unit to understand the risk factors of the external environment more comprehensively. By establishing an information sharing mechanism with the same industry units and related institutions, we can get the latest trends of the market and policies in time and make preparations in advance.

These countermeasures not only pay attention to the prevention of risks, but also pay attention to responding quickly and effectively when risks occur, so that the unit has more ability to resist risks.

#### 4. Conclusions

As a public service provider, the financial management of administrative institutions faces a series of problems in the increasingly complex and changeable economic environment, which directly affect the stable financial operation and sustainable development of the units. Through in-depth analysis of the problems in financial management of administrative institutions and countermeasures, we can provide strong support for the units, promote the improvement of their financial management level, and achieve more sustainable and steady development. the implementation of these countermeasures not only pays attention to the appearance of the problem, but also focuses on the root cause of the problem, which points out the path for administrative institutions to move towards a healthier and more efficient direction in financial management.

#### References

[1] Zhang Hao-lan. (2018). Inquiry into the financial management of administrative

institutions-from the perspective of the new budget law. *Accounting Newsletter*, 2018(1), 3.

[2] Mo Yunchun. (2020). Suggestions on strengthening financial management of administrative institutions under the new government accounting system. *Finance and Accounting*, 2020(4), 1.

[3] Zhong Lifeng. (2018). Problems and Countermeasures of Financial Management Informatization Construction in Administrative Institutions. *Finance and Accounting*, 2018(016), 43-44.

[4] Wang Jiubin, & Chen Feilong. (2023). Problems and countermeasures of financial management of administrative institutions from the perspective of auditing. *China Finance*, 2023(6), 2.

[5] Tian Chunmei, & Zheng Xiumei. (2021). Discussion on the convergence of the old and new systems of fixed assets business in administrative institutions. *Accounting Newsletter*, 2021(19), 4.

[6] Wang Xiaoyan. (2018). Tea thinking on the financial management model of administrative institutions. *Fujian Tea*, 2018(11), 2.

[7] Qin Yiping. (2019). Research on the prevention and control of financial management risks in public institutions. *Economics*, 2(6), 2019.

[8] Guo Jiani. (2021). Analysis on the optimization of financial management mode of administrative institutions from the perspective of internal control. *Economics*, 3(6), 31-33.

[9] Gao Juan, Zhou Mengyun, & Chenguang Li. (2019). Current situation, main problems and improvement of internal control in Suzhou administrative institutions. *Finance and Accounting*, 2019(3), 3.

[10] Yang Liyan, & Wang Yongcheng. (2018). Strengthening the internal control of administrative institutions based on comprehensive budget management. *Local Finance Research*, 2018(6), 6.