

Problems and Optimization Strategies of Enterprise Risk Management and Internal Control—Taking the Kobayashi Pharmaceutical Red Yeast Rice Dispute as an Example

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Abstract: *In the context of global competition, the failure of corporate risk management and internal control may lead to serious crises. This paper takes the Kobayashi Pharmaceutical Red Yeast Incident as an example and analyzes its risk management and internal control deficiencies based on the COSO framework. The study found that Kobayashi Pharmaceutical's risk identification was insufficient, assessment biased, and response was delayed, and internal control had information disclosure delays, irrational decision-making, and supply chain loopholes. For the above problems, this paper combines the PIML cycle model and proposes optimization paths such as strengthening risk strategy planning, dynamic assessment mechanism, and experience internalization, which provides a practical reference for enterprises to improve risk prevention and control effectiveness and improve internal control systems, and also warns food safety supervision and industry risk management.*

Keywords: Kobayashi Pharmaceutical, Risk management, Internal control, PIML.

1. Introduction

In the current era of globalization and increasingly fierce market competition, the importance of enterprise risk management and internal control has become increasingly prominent. They are not only related to the survival and development of enterprises, but also the key to enterprises' continuous value creation and maintenance of good reputation. However, the effective implementation of risk management and internal control is not easy. They require enterprises to have forward-looking strategic planning and flexible adaptability.

Kobayashi Pharmaceutical Co., Ltd., as a Japanese pharmaceutical company with a long history and profound heritage, has its products sold overseas and are deeply trusted by consumers. However, in the early spring of 2024, the company encountered an unprecedented crisis due to the red yeast rice health product incident. The incident not only had a serious impact on Kobayashi Pharmaceutical's reputation and economy, but also had immeasurable consequences for public health and safety, triggering widespread doubts about Japan's food safety regulatory system.

This paper aims to analyze the case of the Kobayashi Pharmaceutical Red Yeast Rice Dispute, deeply explore the deficiencies of enterprises in risk management and internal control, and propose corresponding optimization strategies. We will use the COSO risk management framework and internal control framework as the theoretical basis, combined with the actual situation of Kobayashi Pharmaceutical, analyze its deficiencies in risk management and internal control, and explore how to improve the quality of enterprise risk management and internal control through the PIML (Plan-Implement-Measure-Learn) cycle process.

This article takes the Kobayashi Pharmaceutical incident as an example to explore in depth the problems and optimization

strategies of its risk management and internal control, aiming to provide useful reference and lessons for enterprises to improve their risk management and internal control levels.

2. Analysis of the Theoretical Framework of Risk Management and Internal Control

In order to standardize the internal control of enterprises, the COSO Committee issued the Internal Control - Integrated Framework in 1992, proposing "three goals" and "five elements". However, in the early 21st century, the frequent financial scandals in the United States revealed the shortcomings of the original framework in risk control. The implementation of internal control is often formalized and it is difficult to effectively prevent risks (Krishna, 2013). Practice has proved that in order to create value and ensure the smooth realization of the company's strategic goals, enterprises must start from the perspective of integrated risk management. In order to make up for the shortcomings, the COSO Committee issued a revised version of the Enterprise Risk Management - Integrated Framework in 2004, referred to as ERM. The framework constructs a multi-dimensional governance structure, proposes "four goals", "eight elements" and "four levels", and emphasizes the close integration of enterprise risk management and strategic development goals. However, since the framework is further improved and expanded on the basis of the original system, the five elements of internal control exist as part of the enterprise risk management system, which to a certain extent has caused the boundary between risk management and internal control to be unclear. In the theoretical research at that time, it was believed that there was no essential difference between internal control and risk management, but only two different semantic expressions of risk control (Xie Zhihua, 2007; Li Weian et al., 2013); at the same time, in corporate practice, it was also believed that "internal control is risk management" and "risk management is internal control", which laid hidden dangers for corporate risk management practices (Shu Wei et al., 2018). With the

evolution of the times, the internal and external environment of enterprises is constantly changing, and the risks faced by enterprises are increasingly diversified and complex. In view of this, the COSO Committee realized that the framework established in 2004 could no longer fully deal with these risks, so they began to update it. After a series of work, in September 2017, the COSO Committee officially released a new version of the framework, called "Enterprise Risk Management-The Integration of Strategy and Performance". In the new version of the framework ERM In 2017, the description of control activities in the old framework was intentionally avoided, leaving the content of control activities to the internal control system, and highlighting the content of risk governance and culture, emphasizing the close connection between risk management and corporate value, and in-depth elaboration of the mutual synergy between risk management and strategy and performance. While clarifying the boundaries between risk management and internal control, the COSO Committee emphasized that internal control, as a time-tested corporate control system, is a foundation and component of corporate risk management. In addition, the new version of the framework also proposes a new method that enables companies to comprehensively consider risks in a more complex business environment, which undoubtedly provides more specific and powerful guidance for corporate risk management practices. Prior to this, the COSO Committee had revised and promulgated the new "Internal Control-Integrated Framework" in 2013. So far, a pattern has been formed in which the internal control and risk management frameworks operate independently and complement each other (Xu Xinxia et al., 2021).

Under the framework of ERM 2017, risk management is reinterpreted as a deep-rooted risk management culture, excellent risk response capabilities and practical applications demonstrated by organizations in the whole process of value creation, maintenance and realization, combined with strategic planning and implementation. In detail, risk management not only covers the prediction of the probability of risk events, but also includes the advance insight and assessment of potential risks, aiming to provide organizations with the ability to flexibly respond to environmental changes. Through systematic analysis of opportunities and challenges, risk management can provide decision-makers with diversified decision-making solutions, thereby enhancing the confidence and strength of enterprises in facing risks, and ultimately promoting the sustainable growth and value creation of enterprises. In the framework of ERM 2017, the goals of enterprise risk management are clearly defined as four aspects: strategy, operation, reporting reliability and compliance. Among them, the strategic goal is at the highest level and plays a leading and regulating role for the other three goals, while these three goals are further decomposition and refinement of the strategic goals. To achieve these goals, building corresponding elements has become a key path. The COSO risk management framework elaborates on five core elements: governance and culture, strategy and goal setting, performance measurement, review and adjustment, and information, communication and reporting. At the same time, the framework also proposes 20 principles that these five elements should follow, including risk identification, risk assessment, risk response, risk culture, risk monitoring and reporting, resource guarantee, etc., to ensure the effective

implementation of risk management and the smooth achievement of goals. The core of the enterprise risk management framework is to guide enterprises to flexibly respond to environmental changes, thereby enhancing their ability to create value.

The Internal Control - Integrated Framework issued in 2013 defines internal control as a process implemented by the board of directors, management and other employees of the entity to provide reasonable assurance for achieving operational, reporting and compliance management objectives. It highlights that internal control is a process that aims to ensure that the enterprise can achieve its set objectives through a series of control and incentive mechanisms. In this framework, the achievement of operational, reporting and compliance objectives depends on the synergy of five elements: control environment, risk assessment, control activities, information and communication, and monitoring. From the perspective of operational processes, the operation of these five elements is not a one-way linear process, but a multi-dimensional, cyclical process. Each element affects other components directly or indirectly, and thus has a profound impact on the degree of achievement of internal control objectives. This intertwined and interactive mechanism ensures the effectiveness and efficiency of the internal control system. The core concept of the internal control framework is compliance and cooperation, and it focuses on the implementation of fiduciary responsibilities in daily business activities. From the perspective of the role level and scope, internal control mainly focuses on the daily implementation process of business strategy and functional strategy, and does not involve the formulation and refinement of the overall strategic objectives of the enterprise.

Risk management and internal control together drive the enterprise management strategy forward steadily. Risk management, as a forerunner, leads enterprises to make strategic decisions prudently. It focuses on the overall and comprehensive level of the enterprise and accurately controls risks to meet the needs of enterprise self-management. Internal control, on the other hand, is committed to ensuring that enterprises establish and implement effective tactical management mechanisms. It focuses more on micro-regulation at the business and departmental levels of the enterprise, aiming to meet the expectations of external supervision for enterprise control. There is a close internal connection between the two. Risk management points the direction for internal control, while internal control provides the necessary implementation path and means for risk management. The two have their own emphasis and complement each other, but they are irreplaceable and together form a solid foundation for the stable operation of the enterprise.

3. Company Background and Events Overview

3.1 Company Background

Kobayashi Pharmaceutical Co., Ltd. is a Japanese pharmaceutical company with a profound history. Since its inception in 1886 as "Kobayashi Shengdatang", the company has focused on product development and devoted itself to the research, development, production and sales of medicines,

medical devices, daily necessities and food. The company was formally established in 1998 and established its headquarters in Nagoya, Japan. After years of development, Kobayashi Pharmaceutical has not only achieved remarkable sales results in Japan, but its products are also exported to the United States, the United Kingdom, Southeast Asia and other parts of the world, winning wide recognition and praise.

Kobayashi Pharmaceutical has always adhered to the corporate goal of “providing consumers with a healthy and comfortable life.” To achieve this goal, the company uses a rapid development system, constantly challenges new markets, and is committed to developing and producing daily necessities needed by consumers. Whether it is medicines or daily necessities, Kobayashi Pharmaceutical strives to achieve the best in quality, function and user experience to meet the diverse needs of consumers.

As an enterprise with a history of more than 120 years, Kobayashi Pharmaceutical has developed into a large-scale company with 157 brands including pharmaceuticals, oral care, food, skin care, fragrance deodorants, hygiene products, household products, etc. Its registered capital and paid-in capital have reached a certain scale, demonstrating its strong financial strength and sound business strategy.

3.2 Event Overview

In the early spring of 2024, Japan's Kobayashi Pharmaceutical Co., Ltd. was caught in an unprecedented storm. The origin of the incident was that some consumers reported that the company's health products containing red yeast rice had kidney diseases after use. This news quickly aroused public attention and concern. As the incident fermented, various food and wine manufacturers in Japan announced the recall of red yeast rice-related products produced by Kobayashi Pharmaceutical to prevent more consumers from potential health threats. At the same time, the Japanese government also quickly intervened and announced a list of wholesalers and final buyers of Kobayashi Pharmaceutical's red yeast rice raw materials, requiring the relevant parties to conduct self-inspections and submit reports.

During the investigation, Kobayashi Pharmaceutical admitted that its red yeast rice products may contain a problematic ingredient, namely “penicillic acid”. This is a substance that may have a negative impact on human health. However, Kobayashi Pharmaceutical also stated that they are still working to determine the specific cause of the problem and promised to fully cooperate with the investigation of the government and relevant departments. After an in-depth investigation, the Japanese Society of Nephrology announced the results of the investigation, saying that most of the patients with problems suffered from Fanconi syndrome, a disease of renal tubular dysfunction. This further confirms the connection between red yeast rice health products and consumer health problems. As of April 25, 2024, the number of hospitalizations related to taking the company's health products containing red yeast rice raw materials has increased to 262. The impact of the incident has expanded rapidly, causing widespread discussion and attention not only in Japan, but also in the international community. Because some

problematic products have flowed into overseas markets through different channels, including China and other places.

The Kobayashi Pharmaceutical Red Yeast Rice scandal not only had a serious impact on Kobayashi Pharmaceutical's reputation, market position and economy, but also caused considerable economic losses to other companies that also introduced red yeast rice ingredients. It also triggered public doubts about Japan's food safety regulatory system.

4. Case Analysis of Kobayashi Pharmaceutical Incident

The red yeast rice scandal of Kobayashi Pharmaceutical is undoubtedly a heavy blow, highlighting the company's significant shortcomings in the two core aspects of internal control and risk management.

4.1 Inadequate Risk Management and Internal Controls

4.1.1 Risk management

First, the depth and breadth of risk identification are insufficient. Japanese experts believe that there are three main possibilities for the appearance of “unexpected” ingredients in Kobayashi Pharmaceutical's red yeast rice-related products: first, foreign matter of “unknown ingredients” was mixed into the production process; second, microorganisms that can produce “unknown ingredients” were mixed into the product; and third, the red yeast rice strain mutated into a strain that can produce “unknown ingredients.” According to the experts' inference, the company did not seem to fully consider the potential impact of various factors such as different raw material sources, production processes, and storage conditions on product safety when evaluating the safety of red yeast rice ingredients. This one-sided consideration of risk factors has led to the failure to identify risks in a timely manner, which in turn has caused serious safety problems.

Second, there are many problems with risk assessment. In terms of data collection and analysis of risk assessment, risk assessment relies on a large amount of data support, including the physical and chemical properties of raw materials, toxicity research data, and clinical use experience. However, Kobayashi Pharmaceutical may have deviations in collecting and analyzing these data, such as insufficient collection of relevant information or subjective interpretation of data, which will affect the accuracy of risk assessment. Its risk assessment feedback and correction mechanism is also imperfect. A sound risk assessment system needs to be constantly adjusted and optimized based on new risk information. However, the company seems to have failed to collect and process new risk information in a timely manner, nor has it provided necessary feedback and corrections to the assessment results, which has led to delays and failures in risk assessment and increased safety risks. Kobayashi Pharmaceutical's risk assessment of red yeast rice raw materials was obviously not accurate enough, and it failed to fully foresee the serious consequences that might be brought about. After the incident, it also failed to update the assessment results in a timely manner.

Third, the risk response is slow. On April 4, 2024, several

Japanese media reported that Kobayashi Pharmaceutical had received reports in January this year that health products containing red yeast rice ingredients had caused damage to consumers' health. However, it was not until more than two months later that the company informed its external directors and announced the recall of related products. This slow risk response undoubtedly exacerbated the deterioration of the situation. After learning that the product had safety hazards, Kobayashi Pharmaceutical should have taken immediate action, actively communicated with consumers, recalled the problematic products in a timely manner, and conducted in-depth investigations to find out the causes. However, the company's delay not only allowed the problematic products to continue to circulate on the market, increasing the possibility of more consumers facing health risks, but also damaged the company's reputation and trust. This also reflects that Kobayashi Pharmaceutical's internal information communication mechanism may not be perfect, and it cannot ensure the timely transmission and sharing of risk information.

Fourth, loopholes in the regulatory mechanism. Under the "functional labeled food" management framework currently being implemented in Japan, manufacturers only need to file their scientific basis with the Consumer Affairs Agency before putting their products on the market, without having to wait for approval and permission from government departments. This more flexible regulatory model does give manufacturers a higher degree of autonomy, but this loose management may also increase the potential risk of negligence in controlling food safety to some extent. Under this regulatory environment, Kobayashi Pharmaceutical may rely too much on its own risk identification and assessment, and fail to fully consider the potential safety hazards of its products. Due to the lack of strict government approval links, some potential risks may not be discovered and corrected in a timely manner, thereby increasing the risk of safety issues faced by products after they are put on the market. The existence of loopholes in the regulatory mechanism also weakens the effectiveness of corporate risk management. Risk management needs to rely on accurate and comprehensive information to identify, assess and respond to risks. However, in the absence of strict supervision, companies may find it difficult to obtain sufficient and accurate risk information, and thus cannot make scientific and reasonable risk management decisions. This may lead to loopholes in corporate risk management and fail to effectively respond to potential risks.

4.1.2 Internal Control

Kobayashi Pharmaceutical also has many shortcomings in internal control.

First, information disclosure was delayed. After learning about the consumer health problem, the company did not immediately disclose relevant information and take recall actions. This delay not only exacerbated consumer concerns and dissatisfaction, but also further expanded the scope of the problem.

Second, internal corporate decision-making issues. The internal corporate decision-making mechanism is also an aspect that Kobayashi Pharmaceutical needs to reflect on.

Scientific decisions should be based on objective and comprehensive data analysis, but the company may be driven by internal family interests or interfered by market pressure, causing the decision to deviate from the track of science and risk control. As a family business, Kobayashi Pharmaceutical may have the problem of family interests first. This interest orientation makes the company pay more attention to maintaining family interests rather than consumer interests when facing consumer health issues, thus affecting the timely response and handling of problems.

Third, defects in the preparation process and insufficient control of raw materials. Kobayashi Pharmaceutical released a report on March 22, 2024. After an in-depth analysis of the red yeast rice health products it produced and the red yeast rice raw materials it used, they found an "unexpected" ingredient in the initial stage, which originated from mold. However, to date, the specific properties of this ingredient have not been accurately analyzed. This indirectly proves that its production line detection methods are insufficient and the preparation process is defective. Problems in the preparation of red yeast rice raw materials indicate that the company has obvious deficiencies in product quality control. At the same time, defects in raw material selection and control also led to the emergence of unknown mold ingredients. Kobayashi Pharmaceutical did not strictly control the raw material supply chain and failed to ensure the quality and safety of the raw materials.

Fourth, product tracking is difficult. In a Japanese media report on April 1, 2024, the results of the Imperial Database Company's investigation revealed the details of Kobayashi Pharmaceutical's supply of red yeast rice raw materials to a total of 225 companies. Some of these raw materials are sold directly, while others are further processed and then put on the market again. The total number of companies affected is estimated to exceed 33,000. Among the categories of companies involved, the number of food and beverage retailers is the largest, totaling 5,582, accounting for 16.6% of the total; followed by other retailers, with a number of 5,171, accounting for 15.4%; medical companies ranked third, with a number of 3,884, accounting for 11.5%; and restaurants accounted for 9.3% with 3,115. Due to the lack of supply chain management and product tracking systems, it is difficult for companies to quickly locate the source and flow of problematic products after problems arise. This increases the difficulty of tracking problematic products and prolongs the time it takes to solve the problem.

4.2 Improvement Measures

PIML can be understood as a cyclical process, including four stages: Plan, Implement, Measure, and Learn. This cyclical process helps organizations continuously improve risk management internal control practices. This article uses the PIML (Plan-Implement-Measure-Learn) cycle to propose measures to improve the quality of Kobayashi Pharmaceutical's PIML risk management internal control.

4.2.1 Planning stage: risk strategy planning and layout

In the PIML cycle system constructed based on the concept of comprehensive risk management, the planning stage, as the

starting point and cornerstone of the entire risk management and internal control process, plays a crucial leading role in the effective development of Kobayashi Pharmaceutical's subsequent risk management. In this phase, Kobayashi Pharma needs to carry out a systematic and in-depth risk identification and assessment, with the aim of comprehensively and accurately identifying the main risks faced by the enterprise, so as to provide a solid basis for the formulation of subsequent risk management strategies.

Based on the risk assessment results, a detailed risk management strategy should be formulated, including risk response measures, the setting of key internal control points, and the division of risk management responsibilities. At the same time, clear risk management goals and indicators should be established to provide clear guidance for the subsequent implementation stage. Kobayashi Pharmaceutical should also formulate an annual plan for risk management internal control, clarify the time nodes and responsible persons for each task, and ensure the smooth implementation of the plan. Through careful planning and layout, a solid foundation can be laid for improving the quality of risk management internal control.

4.2.2 Implementation phase: risk management and internal control execution

During the implementation phase, Kobayashi Pharmaceutical should strictly implement various risk management measures in accordance with the risk management strategies and internal control points formulated during the planning phase. This includes strengthening the collection and analysis of risk information, improving internal control processes, and strengthening risk response capabilities.

Internal communication and collaboration is an important guarantee for Kobayashi Pharmaceuticals to implement risk management and internal control. The enterprise should break down departmental barriers and establish a cross-departmental risk management communication mechanism and collaboration platform. Through regular joint risk management meetings and the establishment of a risk management coordination group, the information sharing and exchange between departments is strengthened to ensure that risk information is transmitted in a timely and accurate manner within the enterprise. Clarify the responsibilities and authorities of each department in risk management, strengthen the synergy between departments, and form the synergy of risk management. For example, in the face of major risk events, the marketing department, production department, financial department, legal department and other departments should work closely with each other to jointly formulate a response strategy to ensure that the enterprise can quickly and effectively respond to risk challenges.

In addition, Kobayashi Pharmaceutical should also pay attention to employees' risk awareness and training, and through regular training and educational activities, improve employees' understanding and attention to risk management and enhance employees' risk prevention awareness.

4.2.3 Measurement phase: Risk management and internal control effectiveness evaluation

During the measurement phase, Kobayashi Pharmaceutical should regularly evaluate the implementation of risk management internal control, and evaluate the effectiveness of risk management and internal control by collecting and analyzing risk data.

Specifically, Kobayashi Pharmaceutical can formulate risk management performance evaluation indicators, such as the incidence of risk events, the timeliness of risk response, etc., to quantitatively evaluate the results of risk management. At the same time, it can check the implementation of internal control processes, find existing problems and deficiencies, and make timely adjustments and improvements.

At the same time, Kobayashi Pharmaceuticals can also leverage the expertise of external auditing and consulting organisations to conduct a comprehensive and objective assessment of internal control over risk management. External audit and consulting organisations have rich industry experience and professional knowledge, and are able to review and evaluate the enterprise's risk management and internal control system from an independent third-party perspective. By applying advanced auditing techniques and methods, they can conduct in-depth tests and analyses on the reasonableness of the design and operational effectiveness of the enterprise's risk management and internal control, and identify problems and potential risks that may have been overlooked within the enterprise. Based on the evaluation results, the external organisations can also provide targeted and operable improvement suggestions and opinions to help enterprises further improve their risk management and internal control systems, and enhance their risk management level and comprehensive competitiveness.

4.2.4 Learning stage: risk management and internal control experience summary and improvement

In the PIML cycle system, the learning phase occupies the key position of carrying on and starting off, which is the in-depth condensation and sublimation of the results of the previous phase, and is the core link that provides a strong driving force for the subsequent cycle. For Kobayashi Pharmaceuticals, it is of great strategic significance and practical value to make a comprehensive and systematic summary of the experience and lessons learnt during the PIML cycle at this stage, so as to clarify the direction of improvement and provide a solid basis for the next cycle.

Kobayashi Pharmaceuticals needs to analyse in depth the reasons for the successes and failures of internal control over risk management. This process is not a simple listing of experiences, but rather a detailed and nuanced analysis of various risk events and management cases using a combination of qualitative and quantitative analysis tools. On the basis of in-depth analysis, Kobayashi Pharma should systematically organise and summarise the effective risk management methods and internal control tools summarised, and form experiences that can be replicated and promoted. These experiences should have clear operational processes, key control points and assessment indicators so that they can be promoted and applied in different departments and business areas within the enterprise.

Risk management and internal control is not only the responsibility of enterprise management and specific departments, but also a systematic project that requires the participation of all employees. Kobayashi Pharmaceuticals should integrate the experience and lessons of risk management and internal control into the construction of corporate culture, promote the importance of risk management and internal control and related knowledge to employees, raise employees' awareness of risk and compliance, and form an atmosphere of risk management with full participation and continuous improvement, so as to make risk management become the conscious behaviour of the enterprise's employees. Employees are able to take the initiative to identify and report risks in their daily work and actively participate in the implementation and improvement of internal control measures, thus promoting the enterprise's risk management and internal control practices to a new level.

5. Conclusion

As an important guarantee for the sustainable development of enterprises, the perfection of risk management and internal control system is directly related to the competitiveness and sustainable development of enterprises. Enterprises should closely integrate their actual situation, fully draw on advanced risk management frameworks and internal control theories, continuously explore and innovate risk management and internal control methods and means, and continuously optimise and improve their risk management and internal control systems.

In order to effectively cope with all kinds of risk challenges, enterprises should focus on building a sound risk management mechanism. The mechanism should cover the key links of risk identification, assessment, monitoring and response, forming a complete risk management closed loop. Through scientific risk identification methods, comprehensively and accurately identify the various risks faced by the enterprise; use a combination of quantitative and qualitative assessment tools to conduct in-depth analyses of the likelihood of the occurrence of risks and the degree of impact; with the help of advanced monitoring technology and tools, real-time tracking and dynamic monitoring of the risk situation; and the development of practical risk response strategies to ensure that when a risk event occurs, it can be quickly and effectively disposed of to contain the risk loss in a closed loop. Formulate practical risk response strategies to ensure that risk events can be quickly and effectively disposed of, and risk losses can be controlled within the minimum scope.

At the same time, enterprises need to strengthen the construction of internal control, and comprehensively sort out and optimise internal processes and norms. By improving the internal control system, clarifying the responsibilities and authorities of each department and position, and standardising the operation of business processes, the compliance and effectiveness of the enterprise's operational activities can be ensured. In addition, it should also focus on improving the risk awareness and compliance awareness of employees, through regular training and education activities, so that employees are fully aware of the importance of risk management and internal control, consciously comply with the relevant rules and regulations, and form a good atmosphere of full

participation and joint risk prevention and control.

The case of Kobayashi Pharmaceuticals selected for this paper provides persuasive evidence of the importance of risk management and internal control. The case deeply reveals the serious consequences caused by the lack of risk management and internal control, which not only caused the enterprise to suffer heavy damage to its reputation and huge economic losses, but also posed a direct threat to public health and safety. Based on the problems found in the case, this paper proposes optimisation paths such as strengthening risk strategy planning, dynamic assessment mechanism and internalisation of experience in combination with the PIML cycle model, in the hope of providing practical references for enterprises to enhance the effectiveness of risk prevention and control and improve the internal control system.

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