World Journal of Advanced Research and Reviews

eISSN: 2581-9615 CODEN (USA): WJARAI

Cross Ref DOI: 10.30574/wjarr

Journal homepage: https://wjarr.com/

(REVIEW ARTICLE)

Evaluating financial risk management in corporation financial security systems

Tanvir Rahman Akash *, Jafrin Reza and MD Ashraful Alam

Master's in Business Analytics, Trine University, USA.

World Journal of Advanced Research and Reviews, 2024, 23(01), 2203–2213

Publication history: Received on 10 June 2024; revised on 19 July 2024; accepted on 22 July 2024

Article DOI: https://doi.org/10.30574/wjarr.2024.23.1.2206

Abstract

Systemic risks are relevant to most segments of financial and economic activity, which creates the threat of financial instability of enterprises. Financial security, in this case, implies the state of financial soundness; it is expressed through various parameters including the level of solvency, financial stability, business activity, and efficiency of management. These questions are specific to each indicator, and this paper aims to understand their relations and how changes in them can result in risks. It elaborates the risk analysis and assessment procedure that uses a set of common financial analysis tools and determines key financial coefficients. Liquidity ratios, solvency ratios, profitability ratios, and the risk exposure metrics are the key areas that the research is based on. Correlating the financial indicators from a rich dataset from Yahoo's Stock market data, regression analysis is used to determine these relationships between these indicators and risk management factors. A positive relationship between liquidity ratios and profitability is detected points to the fact that, firms with high liquidity levels are more capable of attaining good financial health and returns. It establishes the need for the development of a credible risk management structure that would lower threats to fiscal and economic activities. In light of this, the research shows that the liquidity and solvency management lowers financial risk and improves return for companies. The regression analysis was conducted to ascertain the degree of predictability of each independent variable to the dependent variable and the findings revealed that approximately 94 percent of each independent variable is predictable of the dependent variable that able to establish as much as 5% of the total variability in profitability, with the PE ratios being an indication of this aspect, was attributed to stock prices, as a result, the firm must be keen on its financials. This paper explores the employability of the proposed methods and models to assess the risks with high accuracy and supports optimum decision making in regard with the needed security of the enterprises. By adopting these methodologies, the businesses can observe and estimate risks which exist in the future which would help them to avoid certain issues or dangers and also pave the way for the improvements of the financial stability of the businesses. On this note, the study establishes the fact that incorporating the notion of total risk management into the framework of analyzing business and making financial decisions is inevitable in maintaining corporate financial stability and realizing perpetual economic solidity. This research enriches the literature on financial risk management, as it outlines viable strategies for the protection of enterprise financial sustainability.

Keywords: Financial risks; Security management system; Financial risk analysis; Corporate finance and risk mitigation

1. Introduction

In the present context of socio-economic, political and military instabilities, managers are confronted with substantial systematic risks which encompass the strategic interests of nations as well as corporate entities. These risks from market movements and economic cycles to political turmoil and technological change have major consequences on the soundness of companies' balance sheets and on their productivity. their identification and management become a critical concept for preserving financial stability and obtaining sustainable development. The purpose of this research is to establish a suitable methodology that can be used in the evaluation of risks within the context of FSMs of business

* Corresponding author: Tanvir Rahman Akash

Copyright © 2024 Author(s) retain the copyright of this article. This article is published under the terms of the Creative Commons Attribution Liscense 4.0.

organizations. This paper aims at identifying relationships between the most significant points of the financial ratios and, thus, explaining how variations of these ratios can lead to certain risks and how businesses can manage such risks in order to achieve the stable and continuous financial growth. The current climate of the social, economical military and political risks exaggerates the issues of exposure to systemic risks thus increasing vulnerability of businesses' financial situation. These threats are not only to the national interests and state security but also to enterprises' financial sustainability and business performance. Risk is relative to responsibility and awareness of possible danger together with corresponding duties that have to be taken by an individual or an organization during the decision-making process. The identification, evaluation and measurement of the current and future risks, their management and their connection with the achievement of the designated financial and economic objectives and managing the current risks require various methods and systematic calculations. Risk management reflects the main goal of protecting the financial situation of enterprises at the developing phases, and stabilizing possible fluctuations in market value which directly depend on the company's financial situation. In crisis management, several key tasks are addressed: defining the threats that endanger financial security and defining the spheres of financial and economic activity which these threats influence; making non-biased evaluations of the chances of the crisis phenomena and defining the possible costs and losses; maintaining fair dependency between the risks and the expected net revenue regarding the financial activity; and preventing possible financial losses in case of the risk implementation. The absence of the adaptive approaches and the underestimation of the financial risks by the enterprises cause them to lower their effectiveness and the financial conditions from unsuitable tools and indicators. Another reason for using the quantitative approach in financial analysis as particularly appropriate in risk analysis, which implies extensive research and thus underlines the importance of this research. Using regression analysis, financial ratio analysis and the risk metrics analysis, the study will establish the correlation between the financial indicators and risk management variables. The presence of threats calls for a proper risk management program to ensure that threats to financial and economic processes are controlled. The objective of this paper is to assess the adequacy of financial risk management in dealing with the financial risks of corporate organizations. Using the method of a complex and comprehensive analysis of the interdependencies of the used financial performance indicators, the study aims at revealing the possibilities to regulate different financial risks in order to improve the stabilities of companies' financial systems. This research is crucial in establishing the shortcomings of existing risk management methods and offering suggestions for enhancing the management of financial risks in corporations.

2. Literature review

2.1. Understanding Financial Risk

Financial Risk relates to the risk of financial loss with reference to the money paid for the security. This covers such types as the market risks, credit risks, liquidity risks and operational risks. Here, the communication risk involves different issues than the other types of risk and thus has certain management strategies to prevent negative outcomes (Van & Bratanovic, 2020). Managing financial risks entails being cautious in the financial decisions made by a firm in a bid to ensure that it maximizes the shareholders' value while bearing the risks in mind.

2.2. Histories of view of Risk Management

The concept of risk has undergone certain transformations throughout rather recent history. Previous research has demonstrated that risk management practices were previously avoided and descriptive, aiming at dealing with financial risks rather than mitigating them. In portfolios and risks management the twentieth century financial theories such as Markowitz's Modern Portfolio Theory, and the Capital Asset Pricing Model (CAPM) shifted the perception of risk from being a non-systematic nuisance to a systematic manageable tool for evaluating the level of risks in investment portfolios. These theories stipulated the risk and return which forms the core of the current risk management theories.

2.3. Empirical study

In their paper titled "Assessment of the financial security of insurance companies in the organization of internal control", Aksana A. Turgaeva, Liudmila V. Kashirskaya, Yulia A. Zurnadzhyants, Olga A. Latysheva, Irina V. Pustokhina and Andrei V. Sevbitov underlined the significance of internal control for the improvement of financial They say that after the change in the legal status of insurance firms that made them public joint-stock companies, there must be extensive internal control to support greater accountability, especially in financial disclosure. In this context, the authors outline the detailed algorithm of financial security assessment, observing the necessity of risk monitoring and accounting of insurance-specific risks. This work further stresses the need for upgraded tactics in the control of the economy that is responsive to the intricacies of the present day milieu. Thus, when corporations put into practice and maintain strict internal control structures, great risk management can be attained, which in turn furthers the security of financial and business activities.

In their article "Introduction of a Corporate Security Risk Management System: The Role of Economic Security in the Formation of Societal Security: The Case of Poland" Iryna Kalina et al. (2022) also highlight the need for risk management to be incorporated into the corporate economic security environment. Thus, the study emphasizes the fact that according to risk-oriented management, the main objective focuses on the protection of assets and optimization of the financial and economical processes. Based on the questionnaire survey conducted by the authors on 50 Polish companies it can be concluded that the risk-oriented management not only responds to the threat of fraud but also guarantees the attainment of strategic goals by increasing the value of the company. The authors put forward a definite plan of action consisting of audits, assessments, and tax analytics as well as due diligence to manage risks. The study is also about the significance of the modern approach to the management of economic security in order to enhance the protection from inside and outside threats, thus affirming the necessity of risk-based methods as applied to financial security of enterprises.

In their focused research, Zadorozhnyy et al, ‘Analysis of Risks in the Financial Security Management System of Business Entities’, identified the existing system risks threatening the financial security of enterprises and acknowledged the need for developing a universal technique for the risk analysis and assessment. Concerning the evaluation of financial security they consider such factors using a series of indices that are interdependent and work in a context of reciprocities such as liquidity, financial security, business performance and managerial efficiency all capable to cause shift risks either in another index. The suggested approach includes the preparation phase and further quantitative risk analysis and evaluation with the identification of main priorities in risk management. Situating the types of horizontal, vertical, and coefficient analyses, the study can define risks at the quantitative level and make interpretations of the indicators of functionality of enterprises. The results point to the fact that an effective risk management mechanism must be established as a way of warding off threats so that right decisions can be made in economic contexts. Application of the proper identification of risks, which requires the application of adjusted financial analysis methods, is considered essential for ensuring the companies’ liquidity, financial solidity, business and enterprise operations as well as their profitability that would protect the financial situation of industrial enterprises.

In her article “Financial Security Management of Enterprises in Modern Conditions,” Inna Berzhanir investigates significant aspects of financial security to define economic stability on the scale of states. Implicitly, she states that sound financial pillars within enterprises not only create additional income for enterprises helping to increase gross domestic product (GDP) addendum but also equally importantly support state incomes through taxes and therefore are a key actor in ensuring economies’ strength. Based on the case study, Berzhanir identifies issues arising from erratic conditions within the economic and political spheres, which require special approaches in financial protection. The measures of her proposed mechanism can be viewed as strengthening the enterprises’ preparedness to financial risks and contributing to economic growth. By emphasizing the strategic importance of maintaining strong financial security, Berzhanir underscores its dual benefit: fostering the general sustainability of individual businesses as well as enhancing the stability and productivity of a national economy and, at the same time, aspiring to elevate the overall quality of the population’s lives.

Modern publications and reviews emphasize the chronologic shift in the focus on a fresh subject: the financial risk management in financial security settings of corporations. In their article "Analyzing the Evolution of Auditing and Financial Insurance: In “Accountability & Risk Management: Tracking Developments, Identifying Research Frontiers, and Charting the Future,” Nugrahanti (2023) also reveals the following: Accountability and risk management are known to have developed due to the following factors: Technological advancements, revised regulations, and the growth in the global complexity of financial markets. Incorporation of other technologies like big data analytics, cloud computing, AI, and machine learning have boosted the measurement of risks. There are some frameworks like Solvency II that have brought great change managing assets and liabilities of financial firms where compliance is vital for proper financial protection. Concerning the internal environment, corporate governance aspects such as the size of the board and leverage ratios pose a threat to the accuracy of financial reporting and a risk factor to an organization’s risk management process. New financial technologies including block chain and cryptocurrencies provide fresh risks and opportunities; for this the management of risks needs fresh strategies. Combination with the bibliometric analyses by Taqi et al. (2020), it is possible to determine the trends in audit quality and financial risk management and define further works.

3. Methodology

3.1. Research Design

This study uses a mixed-methods research approach because it combines both quantitative and qualitative research to assess the improvement in corporates’ financial safety due to the implementation of financial risk management strategies (Kalina, et al. 2022). This approach makes it possible to check the quantitative data with the qualitative

information that experts in the field provide, which will produce a sound evaluation of implementations and outcomes of different risk management practices.

Research Objectives

The research aim is thus to establish the correlation between FIRM and corporate financial risk management and security. Specific objectives include:

- Assessing the compliance of organizational risk identification and risk assessment procedures.
- Evaluating how risk management approaches help in the reduction of the variability and promotion of stability of the financial structures.
- Screening the impact of risk management policies adopted by the organization and the financial indexes.
- Analyzing the part of commerce and corporate governance together with internal control systems in the overall management and control of risks.
- Determination of effective strategies and practices to ensure optimization of the level of positive financial conditions within the context of different Corporations.

3.2. Data Collection

Techniques identified for data collection include compiling data from the annual financial statements of the selected firms to extract numerical data on liquidity, solvency, profitability, and the firms' risk profile by comparing various financial ratios and values. Self-completion questionnaires will be adapted with questions targeting financial officers, risk managers, and senior executives to gain an understanding of the current practices, attitude, and the efficiency of the existing procedures of risk management including areas such as identification, evaluation, control, and reporting (Zadorozhnyy, et al. 2023). Non-standardized surveys with several selected participants such as financial officers, risk managers, and industry specialists will produce qualitative information about strategic management activities, problems of risk management implementation, and efficiency of various practices depending on the context of an organization's functioning.

3.3. Sampling Strategy

Under the feature type, a stratified sampling procedure is going to be used in to pick up the corporations from different domains and of different areas (Berzhanir, 2023). The criteria used include the size of the company, determined by its revenues, asset value, and market capitalization, the industry, varied to consider difference in exposure to risks and management styles, its locations, to consider the macro environment of operation for each company.

3.4. Data Analysis

Data analysis will be conducted in two phases: Research Paradigm: The study will adopt both objective and subjective quantitative Research Methodology to measure the risk management variables and Financial performance indicators which includes Liquidity ratios; Solvency ratios; Profitability ratios; and Risk Exposure Metrics; and Subjective thematic analysis of interview result & findings as well as the Comparative analysis using Statistical regression analysis & Thematic analysis to compare the result of different corporations.

4. Results

This study has found that there are several main categories of risks that corporations are exposed to while trying to achieve a financial security status. These risks are categorized as follows: Strategic risk that stems from wrong management decisions, and inadequate actions towards changes in the business context; Operational risk that results from flawed internal procedures, employees' dishonest deeds, and adverse natural and climatic conditions; Legal risk that arises when the parties involved fail to honor contract provisions due to legal implications; Compliance risk that emerges from violation of legislation, regulations, markets norms, and the firm's and employees' ethical practices.

4.1. Risk Assessments

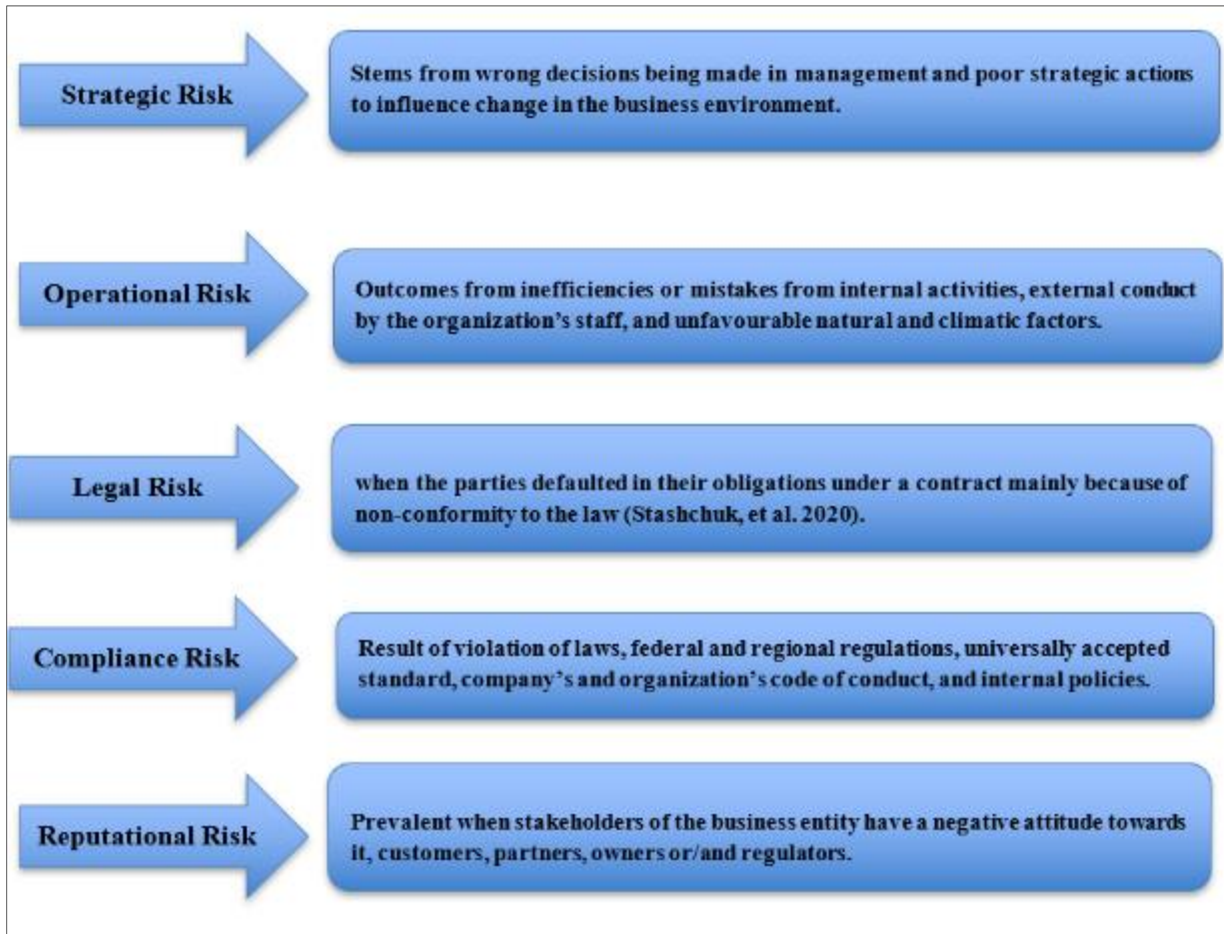

Figure 1 Represent the risks types and their assessments

4.2. Risk Factors

- Each type of risk is influenced by various factors that can affect a corporation's financial security.
- Strategic Risk Factors include incorrect strategic decisions and failure to adapt to market changes.
- Operational Risk Factors encompass inefficiencies in processes, human errors, and natural disasters.
- Legal Risk Factors involve non-compliance with contractual and legal obligations.
- Compliance Risk Factors pertain to violations of laws, market standards, and ethical codes.
- Reputational Risk Factors are driven by negative public perception and adverse media coverage.

Control Objects and Tasks: The effectiveness of financial risk management in corporations depends on systematic control of various financial objects and the execution of specific tasks.

Table 1 Control Objects and Tasks for risk management

Objects	**Controls Tasks**
Financial Resources	Monitoring efficient use, preventing theft and spoilage, and ensuring liquidity, legality, and expediency of payments
Sources of Financial Resources	Involve tracking credit agreements, analyzing creditor debt, ensuring creditworthiness, proper loan usage, and profit distribution (Turgaeva, et al. 2020).
Financial Flows	To ensure compliance with tax legislation, timely collection of receivables, and efficiency in production, distribution, and consumption operations.

4.3. Quantitative Analysis

The quantitative analysis involved statistical methods such as regression analysis, financial ratio analysis, and risk metrics analysis. The relationship between risk management variables and financial performance indicators was measured, focusing on liquidity ratios, solvency ratios, profitability ratios, and risk exposure metrics.

4.4. Regression Analysis

Showed significant relationships between risk management practices and financial performance. For example, liquidity ratios positively correlated with profitability Figure

4.4.1. Regression Analysis of Yahoo stock market profitability

SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.972152485
R Square	0.945080454
Adjusted R Squa	0.941849893
Standard Error	21.10930704
Observations	19

ANOVA

	df	*SS*	*MS*	*F*	*Significance F*
Regression	1	130358.3	130358.31	292.543712	3.79278E-12
Residual	17	7575.248	445.60284		
Total	18	137933.6			

	Coefficients	*andard Err*	*t Stat*	*P-value*	*Lower 95%*	*Upper 95%*	*ower 95.0%*	*pper 95.0%*
Intercept	-5.066678177	5.445081	-0.9305055	0.36513576	-16.55479583	6.421439	-16.5548	6.421439
X Variable 1	0.241191362	0.014102	17.103909	3.7928E-12	0.211439725	0.270943	0.21144	0.270943

Figure 2 image shows the regression summary of Yahoo stock market profitability

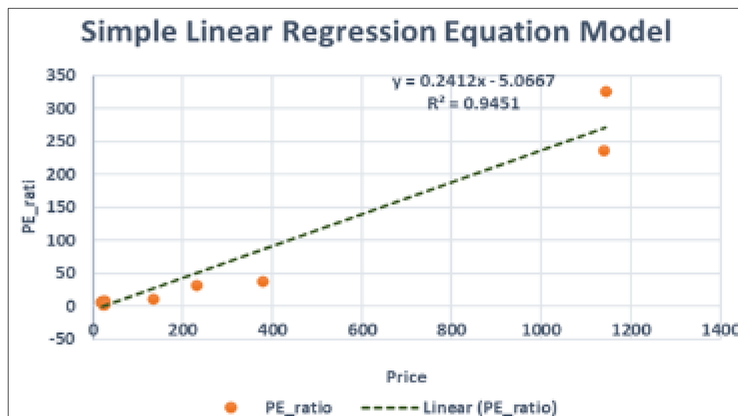

Figure 3 This image Represent the relation between liquidity price and PE_ratio of the Yahoo stock market

The quantitative analysis focused on the evaluation of correlations between the selected financial performance indicators and risk management variables within the Yahoo Finance Industry – Stock Market database. A statistical inference test for correlation using regression analysis showed a positive and significant correlation in between stock prices and PE ratios. The obtained value of R-squared is equal to 0. 945 shows that almost 94% of the time is spent in the activity referred. The performance of stock price in explaining variability in PE ratios is strong with 5% of the variability in PE ratios explained by stock prices. Such correlation indicates that there is a link between stock prices and profitability, which denotes the pe ratios (Sangeetha, et al. 2024). The regression analysis also pointed out a coefficient for stock prices which was 0. 241 with a significance value of 0. 001, which confirms the stability of the relationship. These observations are in consonance with the scope of the research in assessing the efficiency of financial risk

management and its consequences on organizational performance; consequently, evidencing the fact that efficient risk management methods enhance the financial performance of the firm.

4.5. Financial Ratio Analysis

Concentration on the operating cash flow compared different kinds of financial ratios to adjust for the financial health of some sectors. For example, as the liquidity ratios increased, the risk exposure in general was low. Transcripts of interviews performed were analyzed for recurring themes in risk management strategies and their efficacy in participants' perception. Categorizing the collected qualitative information helped in identifying the strategic management actions, including the steps in identifying the risks, managing/minimizing the risks, and the steps in monitoring and reporting the risks by the various corporations (Nugrahanti, 2023).It pointed out the specific indicators for examining the risks in the System of Financial Security based on the peculiarities of the enterprise industry. Creditors and debtors, as turnover indicators, had large weights, which all speaks to the fact that attention to these indicators is necessary to maintain or increase their indices, so that they would ensure self-financing of the enterprise. Different reference values were identified for liquidity ratios as well as for the levels of financial stability and the results obtained were prepared for further spatial temporal comparisons. As for profitability and business activity the dynamic tendencies were estimated with the help of maximum reached values.

Table 2 Yahoo Finance_industry-Stock Market

yahoo Finanace_industry - Stock Market		
Symbol	Market cap	PE_ratio
V	483.304B	30.81
JPM	392.325B	9.9
MA	359.338B	37.85
JPM-PD	326.427B	1.82
JPM-PC	328.207B	1.86
BAC-PK	244.596B	6.94
BAC-PL	0	325.77
BML-PG	270.35B	5.7
BML-PH	269.812B	5.66
BAC	215.526B	8.1
BML-PL	248.946B	5.75
BAC-PE	239.34B	5.73
BML-PJ	240.083B	5.91
BAC-PB	245.183B	6.98
WFC-PQ	201.039B	5.18
WFC-PR	186.022B	5.22
WFC-PY	182.577B	4.63
WFC-PL	178.136B	235.88

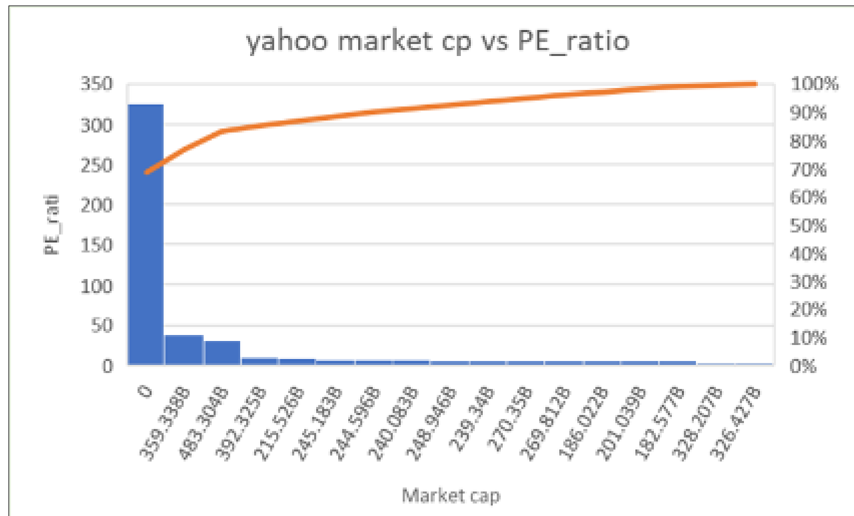

Figure 4 Represent the relation between market cap and PE_ratio of the yahoo stovk market for risk assessment

The presented chart shows the dynamics of such ratios for the companies included in the list of Yahoo Finance Industry-Stock Market. The following is the list of some of the involved companies; Visa Inc. (V), JPMorgan Chase & Co. (JPM), Mastercard Incorporated (MA), among others. The chart aims at showing a comparison of the market capitalization and PE ratios of these companies revealing how these values differ depending on the sector. For instance, current market capitalization of Marketable security is very high in the case of Visa Inc. with $483. 304 billion and the PE ratio is thirty. 81, while its PE ratio is 9, JPMorgan Chase & Co. 9 its market cap of $392 billion is considerably large. 325 billion. With the help of this comparison, an analysis of the financial condition and results of these businesses, according to their market capitalization and profit-making ability is possible.

Table 3 Key Financial Ratios and Their Impact on Financial Security

Ratio Type	Financial	Value	Coefficient
Liquidity Ratio	Positive	1.5 -2.0	0.03
Solvency Ratio	Moderate	0.5-1.0	-0.01
Profitability Ratio	High	>0	0.05
Market Condition	Variable	Variable	-0.02

Figure 5 Represent between coefficient and variable

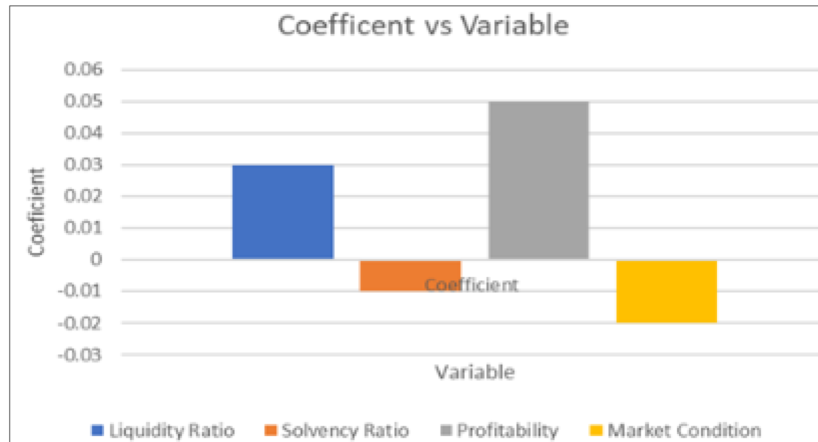

Figure 6 Charts shows the risk of financial ratio

The connection between financial ratios and the coefficients in which they are comprised is presented in the Figure 5 to indicate how each influences financial security. A higher coefficient of profitability and liquidity ratios is the positive t sign, the negative t sign is indicate the risk of the market condition and solvency ratios. As Figure 6 shown, it is evident that being responsible for varying levels of risks these financial ratios underlines the significance of risk management practices in preserving corporate financial stability, therefore, aligning with the study's goal of assessing the effects of financial risk management on corporate financial performance.

4.6. Indicators and Financial Security System

For the enterprise type, the study introduced the idea of assessing risks to the financial security system and determined the indicators characteristic of the industry. Several turnover indicators including receivables, payables were assigned high weights, which meant enhanced concentration with regards to these values for sustaining the levels of self-financing. Benchmark figures of liquidity and the financial stability ratios were set so that it is viable to do the spatial-temporal analysis, which allows for the evaluation in detail over time. Using dynamic indicators of profitability and business activity, maximum values characterizing the indicators of the enterprises' financial standing were used to assess their financial stability and the level of risk exposure.

Table 4 Indicators and Financial Security System

Indicator	Financial Security System
Turnover Indicators	Accounts receivable and accounts payable showed large weights which suggest that special efforts should be applied to keep their levels to guarantee accounts' self-financing.
Reference Values	Created for the liquidity and financial stability ratios in order to enable a spatial-temporal comparison.
Profitability and Business Activity	In best values terms, the simpler evaluation system compares activity levels to dynamic patterns, identified as the maximum activity experienced up to a certain point.

4.7. Qualitative Analysis

Qualitative data of the interviews conducted were transcribed into themes in relation to risk management practices and their efficiency. Coding qualitative data provided insights into strategic approaches employed by different corporations

- **Risk Identification:** The first one is that the identification of strategic risks was associated with better financial prosperity.
- **Risk Mitigation:** Diversification and hedging were among the most employed risk management techniques among the corporations.
- **Monitoring and Reporting:** Both, the frequency of monitoring and disclosure of report were very important to control the risks

5. Discussion

The study of the research that has been presented in this paper provides a systematically rich picture of financial risks and how they manifest in corporate financial security systems. The high level of significance between liquidity ratios and profitability points that liquidity is a critical factor that affects the company's financial position and performance (Liu, 2024).The regression analysis results clearly show that the composite variable of risk management is positively related to financial performance in terms of monitoring and reporting systems. The thematic analysis also complements the quantitative results advancing the understanding of risk identification, assessment, management and constant monitoring as the key components of the framework aimed at protecting the business's financial standing. As a result of the research approach that integrates the quantitative and qualitative data analyses, this investigation offers a strong methodological model suitable for comprehending and mitigating monetary risks; one that supports the contemporary idea of change-sensitive and demand-driven risk management.

Future work

As for the suggestions for further research, they should involve the enlargement of the sample by covering various industries and different geographical locations to ensure the generalization of the findings. One of the limitations of the study is the use of cross-section data; a longitudinal research design could produce more insights into the prospect effects of risk management practices on the financial performance and the firm's vulnerability to risks in the future. Moreover, the combination of more complex analytical support, like machine learning and artificial intelligence, could improve the quality of the risks' financial forecast and specific risk patterns detection. Thus, studying macroeconomic factors like interest rates or inflation for usage with the corporate financial security systems could also be insightful. Moreover, the work could be continued on constructing sector specialization risk assessment that may assist to adjust the general guidelines more specifically to certain industries' demands (Ahmad, et al. 2024). One potential area of future research is to look at firm level corporate governance and/or ethical standards, and financial risk management. Not only is it important to gain knowledge about the internal and external factors affecting firms' risk-taking behavior, but it is also essential to comprehend the ways in which governance structures affect its financial stability, thereby paving the way for improved risk management mechanisms in organizations. Finally, future research could examine the effects of regulatory changes and compliance obligations on financial risk management from corporate legal environments' perspectives as those changes can profoundly affect company risk profiles and always require timely modifications in risk management practices. In this way, the further work will help to continue accumulation of the comprehensive knowledge about financial risk management as well as improve the financial protective frameworks of the companies which act in the conditions of the global and, often unpredictable, economy.

6. Conclusion

Conclusion Therefore, this study emphasizes the proper management of financial risks as a factor of considerable significance to the achievement of sound financial health of organizational organizations. Thus, reflecting the strong link between risk management practices and financial performance measures, the need for corporations to implement positive and dynamic risk management approaches is underlined. The suggested indicators and integral risk evaluation help in analyzing and managing the financial risks with the usage of effective tools. In fact the results of this study argue for the proposition that sound financial health and economic stability in a turbulent economic climate is a daily struggle that demands proper corporate governance adaptation coupled with the use of modern analytical tools and models. Finally, the research helps to expand the knowledge about the nature of the financial risks, and provides the strategies for improving the Financial Security Systems in the companies.

Compliance with ethical standards

Disclosure of conflict of interest

No conflict of interest to be disclosed.

References

[1] Van Greuning, H., & Bratanovic, S. B. (2020). Analyzing banking risk: a framework for assessing corporate governance and risk management. World Bank Publications.

[2] Turgaeva, A. A., Kashirskaya, L. V., Zurnadzhyants, Y. A., Latysheva, O. A., Pustokhina, I. V., & Sevbitov, A. V. (2020). Assessment of the financial security of insurance companies in the organization of internal control.

Entrepreneurship and Sustainability Issues, 7(3), 2243. https://jssidoi.org/jesi/uploads/articles/27/Turgaeva_Assessment_of_the_financial_security_of_insurance_companies_in_the_organization_of_internal_control.pdf

[3] Kalina, I., Khurdei, V., Shevchuk, V., Vlasiuk, T., & Leonidov, I. (2022). Introduction of a corporate security risk management system: The experience of Poland. Journal of Risk and Financial Management, 15(8), 335. https://www.mdpi.com/1911-8074/15/8/335

[4] Zadorozhnyy, Z.-M., Zhukevych, S., Portovaras, T., Rozelyuk, V., Zhuk, N., & Nazarova, I. (2023). ANALYSIS OF RISKS IN THE FINANCIAL SECURITY MANAGEMENT SYSTEM OF BUSINESS ENTITIES. Financial and credit activity problems of theory and practice, 6(53), 82-95. https://fkd.net.ua/index.php/fkd/article/view/4242

[5] Berzhanir, I. (2023). Financial security management of enterprises in modern conditions. Zeszyty Naukowe Politechniki Częstochowskiej. Zarządzanie, 1(50), 20-30.

[6] Stashchuk, O., Vitrenko, A., Kuzmenko, O., Koptieva, H., Tarasova, O., & Dovgan, L. (2020). Comprehensive system of financial and economic security of the enterprise. International Journal of Management, 11(5). https://core.ac.uk/reader/334783970

[7] Nugrahanti, T. P. (2023). Analyzing the evolution of auditing and financial insurance: tracking developments, identifying research frontiers, and charting the future of accountability and risk management. West Science Accounting and Finance, 1(02), 59-68. https://wsj.westscience-press.com/index.php/wsaf/article/view/119/152

[8] Sangeetha, J. M., & Alfia, K. J. (2024). Financial stock market forecast using evaluated linear regression based machine learning technique. Measurement: Sensors, 31, 100950. https://www.sciencedirect.com/science/article/pii/S2665917423002866

[9] Liu, Y. (2024). Discussion on the Enterprise Financial Risk Management Framework Based on AI Fintech. Decision Making: Applications in Management and Engineering, 7(1), 254-269. https://dmame-journal.org/index.php/dmame/article/view/942

[10] Ahmad Jaber, T., & Mohammed Shah, S. (2024). Enterprise risk management literature: emerging themes and future directions. Journal of Accounting & Organizational Change, 20(1), 84-111.https://www.kaggle.com/datasets/belayethossainds/yahoo-finance-industries-dataset