

Accounting Information Leakage in Iron and Steel Industry

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Abstract: This study explores the issue of accounting information misstatement in the steel industry. As an important pillar industry of the national economy, accounting information in the steel industry plays a crucial role in driving economic development and decision-making processes. However, in practice, accounting information misstatement is common in steel enterprises, causing financial management and regulatory challenges. This paper aims to reveal the reasons and mechanisms behind accounting information misstatement in steel enterprises, examine its impact on decision-making, and propose effective countermeasures. Through empirical research on steel enterprises, this study identifies the potential risks and negative effects of accounting information misstatement on decision-making and provides recommendations for improving internal control and strengthening audit supervision. This paper provides important references and guidance for steel enterprises and enriches the theory and practice of accounting information misstatement research.

Keywords: Steel industry; Accounting information; Misstatement; Decision risk; Internal control.

1. Introduction

As an important pillar industry of the national economy, the iron and steel industry undertakes the important task of promoting economic development and employment growth. Accounting information, as an important reference basis for enterprise decision-making, plays an important role in the financial management and supervision of iron and steel enterprises.

As an important part of China's national economy, the accuracy and completeness of the financial information of iron and steel enterprises is directly related to the national economic security and the sustainable development of the industry. Deepening the understanding of accounting information batch leakage in iron and steel enterprises is of great significance for improving the quality of accounting information, perfecting the internal control mechanism of enterprises, strengthening the audit supervision and improving the decision-making level of the industry. [1]In addition, this study can provide relevant government departments with reference bases for regulatory decision-making, provide important references and guidance for iron and steel enterprises, and also have certain academic value for the theory and practice of the research on accounting information batching and omission.[2]

In this context, this paper will analyse and discuss the importance of accounting information in the iron and steel industry, the phenomenon and causes of accounting information leakage and the countermeasures against the leakage phenomenon, and through the empirical study of iron and steel enterprises, reveal the potential risks and negative impacts of accounting information leakage on corporate decision-making, and then put forward the recommendations to improve internal control and strengthen audit supervision.

2. The Importance of Accounting Information in The Steel Industry

2.1. The information needs of the steel enterprise decision-making

As a traditional and important basic industry, the decision-making process of iron and steel enterprises needs adequate information support. In the face of changing market environment and competitive pressure, steel enterprises need accurate accounting information to guide their decision-making to ensure the sustainable development of the company. To meet these information needs, accounting information plays a crucial role in the steel industry. Steel companies need accurate financial information to assess their operations and financial health. This information includes data on a company's assets, liabilities, and owners' equity, which can visually reflect a company's financial condition and its trends. By analysing these financial indicators, steel companies are able to understand their profitability, solvency and operational efficiency, and then formulate appropriate business strategies and decisions. Steel companies also need accurate cost information to guide their production and operational decisions. The production process in the steel industry is complex, involving raw material procurement, production process control, labour costs, energy consumption and many other aspects and cost items. Accounting information can help steel companies to accurately calculate and monitor the costs of different production processes, and to apportion and control the costs reasonably. Through the analysis of cost information, steel enterprises can find out the optimisation space of cost, improve production efficiency, reduce production cost and enhance the competitiveness of enterprises.

At present, there is a phenomenon of accounting information batch omission in the steel industry. Specifically, on the one hand, due to the special characteristics of the steel industry, it involves the production and flow of a large number of raw materials, intermediate products and finished products,

which leads to the complexity of accounting.[3].It is difficult to accurately capture and record information in different links, which results in missing and incorrect accounting information. On the other hand, steel companies generally face risks such as sales fluctuations, price fluctuations, and raw material price fluctuations in the course of their operations, and these risks also make it difficult to accurately capture and reflect accounting information.[4]

Countermeasures such as adjusting the design of accounting information system, enhancing the quality control of accounting information and improving relevant regulations and systems can effectively deal with the phenomenon of accounting information omission in the steel industry.[5]

2.2. Application of accounting information in the steel industry

Iron and steel industry is one of the basic industries in the national economy, and iron and steel enterprises need accurate accounting information to meet their decision-making information needs. The management of the enterprise can formulate a reasonable development strategy and make scientific decisions on the allocation of resources.[6] For example, enterprises need to understand their production costs, sales revenue and market demand and other aspects of information, in order to make the most optimal decision in the case of limited resources.

Applications in the steel industry also include the assessment and monitoring of business conditions. By monitoring financial statements and other accounting information, business units and investors can get an accurate picture of how a steel company is doing. This information can help them assess the profitability, financial risk and potential investment value of the business.[7] At the same time, accounting information can also provide references to guide enterprises to strengthen cost control, optimise operational efficiency, improve profit levels and enhance market competitiveness. The iron and steel industry suffers from the phenomenon of batch omission in the use of accounting information. In the process of bookkeeping and accounting, some important information may be omitted or incorrectly processed, resulting in a lack of complete and accurate data to support the enterprise's operational decisions. The main reasons for the omission phenomenon can be attributed to the following points. The complexity and specificity of the iron and steel industry make accounting processing difficult. Due to the large scale of enterprises and cumbersome business processes, there may be poor information transfer and communication.[8]In addition, human factors and mismanagement may also lead to the batch omission of accounting information.

To sum up, the application of accounting information in the steel industry is crucial, which can provide support for enterprise decision-making, and assess and monitor the operating conditions of enterprises. In this way, the creditworthiness and transparency of the iron and steel industry can be further improved and its stable and healthy development can be promoted.

3. The Phenomenon and Causes of The Criticism and Omission of Accounting Information in The Iron and Steel Industry

3.1. Description of Accounting Information Omission in Iron and Steel Industry

Iron and steel industry is an important pillar industry of the national economy, and accounting information plays a crucial role in the operation and management of the industry. However, for a long time, the iron and steel industry has a serious problem of accounting information omission, which has brought a lot of negative impact on the development of enterprises and government supervision.

Iron and steel enterprises have an urgent need for accurate and reliable information in the decision-making process. As an important basis for decision-making, accounting information can help enterprises understand the market competition, position themselves in the industry chain, and analyse costs and revenues. At the same time, accounting information can also provide enterprises with strategic guidance for sustainable development and the basis for investment decisions, further promoting the healthy development of enterprises. The phenomenon of batching and omission of accounting information in the iron and steel industry is widespread.[9] Part of the enterprise accounting is inaccurate, there are false bookkeeping, illegal accounting and other phenomena. Accounting information disclosure is not timely and cannot provide timely and effective information for all stakeholders. Accounting information disclosure is not transparent, and there are problems of information concealment and incompleteness. The phenomenon of omission mainly originates from the following aspects: some iron and steel enterprises lack of attention to accounting management, resulting in internal control imbalance and chaotic information management; secondly, the industry is highly competitive, and some enterprises intentionally conceal accounting information in order to gain market competitive advantage; finally, the relevant regulations and systems are not sound, and the supervision is not strong enough, which also buries hidden dangers for the omission of accounting information.

A series of countermeasures should be taken to solve the phenomenon of accounting information omission in the steel industry. We need to adjust the design of accounting information system, establish a perfect internal control mechanism, and strengthen the supervision of financial accounting and auditing process. Relevant regulations and systems should be improved, strict supervision, increased penalties for violations, and legal means to protect the authenticity and integrity of accounting information.

3.2. Analysis of the main reasons for the omission

The main reasons for the approval and omission of accounting information in the steel industry can be analysed from several aspects. First of all, the internal mismanagement of iron and steel enterprises is one of the main reasons for the omission of accounting information. In the iron and steel industry, the internal management system of some enterprises is relatively weak, lack of effective accounting information management mechanism, and the professional quality of accounting personnel also has certain problems. This leads to

possible errors and omissions in the collection, recording, processing and reporting of accounting information.

Secondly, the complexity and fluctuation of the steel industry is also one of the reasons for the batching and omission of accounting information. Iron and steel companies often face factors such as fluctuations in market demand, price instability and changes in raw material costs, which make their operating conditions and financial data complex and varied. In such an environment, it is difficult for accountants to accurately obtain and process a large amount of financial and non-financial information, which leads to the omission of accounting information. Sun Yan.[10]

In addition, for some unscrupulous enterprises, the deliberate omission of accounting information is also intended to evade tax and regulatory control. These enterprises may conceal their true operating conditions by fictitious income and expenditure and concealing assets and liabilities, thereby defrauding investors and regulators. Such behaviour will not only undermine the fair competition environment in the market, but also have a serious negative impact on the credibility of the entire steel industry.[11]

A series of countermeasures should be taken to solve the phenomenon of accounting information omission in the steel industry. Firstly, the design of accounting information system should be adjusted to establish a scientific, standardised and efficient accounting information management system to ensure the accuracy and timeliness of accounting information. Secondly, the quality control of accounting information within the enterprise should be strengthened, a sound internal control system should be established, the training and supervision of accounting personnel should be strengthened, and the level of accounting information processing should be improved. Finally, improve relevant regulations and systems, increase the crackdown on illegal accounting behaviours, strengthen supervision and law enforcement, and improve the awareness of enterprises to comply with accounting norms and laws and regulations.

The phenomenon of batching and omission of accounting information in the iron and steel industry has affected the business decisions and market competitiveness of enterprises to a certain extent. To address this problem, we should adjust the design of the accounting information system, enhance the quality control of accounting information and improve the relevant regulations and systems. Yang[12] Improve the level of accounting information management in the iron and steel industry and promote the sustainable development of enterprises.

4. Countermeasures Against Batch Omission Phenomenon Research

4.1. Adjust the design of accounting information system

Adjusting the design of accounting information system is an important countermeasure to solve the problem of accounting information batch leakage in the iron and steel industry. In the current era of highly developed information technology, the design of accounting information system must keep abreast of the times to adapt to the increasingly complex business needs of iron and steel enterprises and the competitive environment. Firstly, the flexibility and expandability of system design need to be strengthened. Traditional accounting information systems tend to be more rigid and difficult to adapt to the changes and expansion of

enterprise business. Therefore, attention should be paid to the modular design of the system to improve its flexibility and expandability so that it can adapt to the needs of steel enterprises of different sizes and business characteristics.

Secondly, the data collection and processing functions of the accounting information system should be optimised. One of the major reasons for the batch leakage of accounting information is the problems in data collection and processing. In the iron and steel industry, there are a wide variety of data involved, including production, sales, cost, inventory and other aspects of the data. Therefore, the accounting information system must have strong data collection and processing functions, and be able to collect, classify and analyse all kinds of data in a timely and accurate manner in order to provide reliable accounting information.

In addition, attention should be paid to strengthening the internal control function of the accounting information system. The omission of accounting information is also related to the imperfection of internal control. Strengthening internal control can effectively reduce the occurrence of accounting information leakage. Accounting information systems should have a strict authority management mechanism to ensure that only legally authorised personnel can operate and modify accounting information, thus reducing the risk of adding, deleting, modifying or tampering with accounting information.

Consideration should also be given to strengthening the training and professional quality of accounting personnel. Accounting personnel in the iron and steel industry should have high professional knowledge and skills, and be familiar with the operation and maintenance of accounting information systems, as well as relevant financial regulations and norms. In summary, adjusting the design of the accounting information system is an important countermeasure to the problem of accounting information leakage in the steel industry. By strengthening the flexibility and expandability of the system, optimising the data collection and processing functions, strengthening the internal control functions, and enhancing the training and quality of accounting personnel, the occurrence of accounting information leakage can be effectively reduced, and the reliability and accuracy of financial information of iron and steel enterprises can be improved.

4.2. Enhance the quality control of accounting information

Enhancing the quality control of accounting information is one of the important countermeasures to solve the phenomenon of accounting information criticism and omission in the iron and steel industry. In the current information age, high-quality accounting information is of great significance to the decision-making of iron and steel enterprises. However, there are certain deficiencies in the quality control of accounting information in the steel industry.

Accounting information in the iron and steel industry has inaccurate data and insufficient transparency of disclosure. It is mainly due to errors in the process of information entry or problems in data collection and processing. Lack of transparency will not only lead to the omission of information, but also weaken the trust relationship between enterprises and investors. In order to enhance the quality control of accounting information, it is necessary to set up a strict review mechanism in the data entry process to ensure the accuracy and reliability of the data. The disclosure requirements and

processes of accounting information should be clarified, and the supervision and inspection of the disclosed information should be strengthened to ensure the openness and transparency of the information.

The imperfect control mechanism of accounting information quality is also one of the important reasons for the batch leakage of accounting information. In the iron and steel industry, there is a lack of effective internal control system and standardised accounting procedures. Iron and steel enterprises should establish a sound internal control system, clarify job responsibilities and authority, and strengthen the supervision of the accounting process. Strengthening the quality control of accounting information also needs to rely on the support of technical means. With the rapid development of information technology, it has become possible to use big data, artificial intelligence and other technical means to improve the effect of accounting information quality control. Iron and steel enterprises can use these technical means to establish information systems and data analysis platforms, comprehensive monitoring and analysis of accounting information, timely detection and correction of batch omission problems. [13]

In conclusion, enhancing the quality control of accounting information is an important countermeasure for solving the problem of accounting information leakage in the iron and steel industry. Strengthening data accuracy, transparency of information disclosure, establishment of internal control system and use of technical support can effectively improve the quality of accounting information in the iron and steel industry and provide reliable support for enterprise decision-making.

4.3. Improve relevant regulations and systems

Currently, the iron and steel industry plays a crucial role in the global economic development. However, the problem of batching and omission of accounting information in the iron and steel industry is becoming more and more prominent. This has resulted in serious challenges and risks faced by companies and decision makers in the industry in their decision-making process. Therefore, it is necessary to study and analyse the root causes of this problem in depth in order to find appropriate countermeasures and solutions.

We need to understand the importance of accounting information in the steel industry. In steel companies, decision makers need accurate, complete and timely information in order to make informed business and investment decisions. For example, they need information about cost structure, revenue sources, profit levels, and capital operating conditions in order to maintain business competitiveness and achieve sustainable growth. Therefore, the application of accounting information in the steel industry cannot be ignored.

In practice, we find that many steel enterprises have the problem of batch and omission of accounting information. This problem manifests itself in the form of omissions or incorrect records in the process of preparing financial statements by enterprises. This leads to incomplete and inaccurate financial information, which brings uncertainty to business management and regulatory authorities.

We can analyse the causes of the problem of accounting information batch omission in the iron and steel industry from several aspects. The complexity and high risk of the steel industry may lead to the omission of accounting information. The unprofessionalism of internal accountants and the lack of effective quality control measures may be one of the reasons

for the omission problem. At the same time, the imperfections and ineffective implementation of relevant regulations and systems also lead to the problem of accounting information omission.

We can propose some countermeasures and solutions to the phenomenon of accounting information criticism and omission in the iron and steel industry. Adjust the design of accounting information system and strengthen the internal control mechanism to ensure the accuracy and timeliness of accounting information. Enterprises should strengthen the training and professionalism of accounting personnel and improve relevant regulations and systems to ensure compliance and transparency.[14]

To sum up, the problem of batching and omission of accounting information in the iron and steel industry has brought non-negligible risks and challenges to enterprises and decision makers. We need to conduct in-depth research and adopt corresponding countermeasures and solutions to promote the sustainable development and stable operation of this industry.

5. Conclusion

This paper provides an in-depth discussion on the problem of accounting information batching and omission in iron and steel enterprises, reveals the potential risks and negative impacts of accounting information batching and omission on the decision-making of enterprises through empirical research, and puts forward corresponding countermeasures to solve the problem. As an important pillar industry of the national economy, the accounting information of the steel industry plays an important role in promoting economic development and decision-making process. However, in practice, the problem of accounting information batching and omission in iron and steel enterprises occurs frequently, which brings troubles to the financial management and supervision of enterprises.

This study proposes countermeasures to solve the problem on the basis of an in-depth analysis of the phenomenon of accounting information batching and omission in iron and steel enterprises. Firstly, adjust the design of accounting information system, strengthen internal control, improve the collection and processing of accounting information, and improve the accuracy and reliability of information. Secondly, enhance the quality control of accounting information, improve the professionalism of practitioners by strengthening training and education, and strengthen audit supervision to ensure the authenticity and compliance of accounting information. In addition, improve the relevant regulations and systems, establish a sound accounting supervision mechanism, increase the punishment of batch omission, improve the cost of violation of the law, and strengthen the supervision and deterrent effect.

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