

The Influence of Accounting Information Disclosure on Perfecting Corporate Governance Mechanism

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Abstract: For a long time, there are many problems in accounting information disclosure of listed companies in China, which are closely related to the irrational corporate governance structure in China. In these aspects, China's accounting information disclosure has three major problems: untrue, inadequate and untimely. The research direction of this paper is how to optimize the corporate governance mechanism, so that companies that lose competitiveness due to improper disclosure of accounting information or other reasons can further develop or change.

Keywords: Information disclosure, Governance mechanism.

1. Introduction

This paper aims to link the corporate governance structure with the quality of accounting information disclosure, and study the correlation between them. At present, the quality of accounting information disclosure can't be ignored. We need to improve the governance structure from the perspective of companies, and regulate and supervise the behavior of listed companies through laws and regulations, so as to provide more timely and effective accounting information. Next, the article introduces these related problems and measures in detail.

2. Basic theory of accounting information disclosure

2.1. The concept of accounting information disclosure

Accounting information disclosure means that enterprises provide important accounting information to information users in different forms of reports or data, which is the key true information disclosure that will affect information users' decisions. The most important thing in the quality of accounting information disclosure is whether the information can be presented to the people who need it in a true, reliable, sufficient, timely and fair way[1]. To some extent, all kinds of asymmetric and unreliable problems arising from accounting information disclosure will lead to the instability of accounting information. Therefore, the market adjustment mechanism can't most effectively meet other people's urgent needs for accounting information, so it is necessary to use the government's intervention and formulate accounting standards to make the accounting information disclosure mechanism more standardized, so as to curb all kinds of monopoly and speculation in the market[2].

2.2. Objectives of accounting information disclosure

The benefits of standardizing accounting information disclosure are very diversified. For example, it can solve the problem of insufficient supply of accounting information, enable accounting information users to obtain information normally, and effectively intervene in individuals' private

search for accounting information, so that the market can develop healthily and stably under the capital operation[3]. All these interests have a major premise, that is, the listed companies are required to ensure the high quality of accounting information, which is the purpose of their rules. However, the current research on the quality of accounting information shows that high-quality accounting information is beneficial to investors' decision-making in the market. Relevance means that investors' decisions will be influenced by accounting information, and reliability means that the development trend of listed companies can be truly reflected by these information[4].

3. Problems existing in current corporate governance and accounting information disclosure and their causes

3.1. Existing problems

(1) Insufficient disclosure of accounting information

At present, the phenomenon of incomplete disclosure of accounting information generally exists in listed companies in China. Some listed companies, during the profitable period, will disclose their unfavorable accounting information to the public, which is generally reflected in overdue debts[5]. Moreover, the profit components under the disclosure of accounting information are not comprehensive enough, and some listed companies will use the method of interacting with other companies to promote the transfer of profits, but they have not effectively disclosed the relevant profit components and the source of funds.

(2) Accounting information recognition standards are not uniform.

The internal accounting information disclosure of the company is a complete process system, which controls and discloses the information of the company's accounting direction and the specific information of operation and management according to the relevant national accounting laws[6]. Disclosure of internal accounting information about the company's operations and various investment activities can comprehensively and effectively control, supervise and manage the problems in the production, operation and sales process, and keep the accounting information well, so as to improve the accuracy and authenticity of the company's

accounting information.

(3) Information disclosure is characterized by lag.

At present, although the accounting information disclosure system in the process of formulation has been introduced one after another, for some companies, it has not raised the importance of accounting information disclosure, so it has not been effectively managed, and it is regarded as an excessive link in the company[7]. Therefore, under this understanding, in the process of company operation, when the information disclosure of financial report users in relevant decision-making is in a lagging state, the missing major events and changes of enterprises will often make financial report users make wrong judgments and decisions, thus causing economic losses. In such an environment, not only does the use value of accounting information not play reasonably and effectively, but it also makes illegal operation in the market possible, thus affecting the interests of investors.

3.2. Analysis of the substantive causes of the problem

(1) being tempted by economic profits

In order to get more profits, some companies usually use different ways and methods to achieve their goals. However, this method is not reasonable, which not only has a certain impact on the company[8], but also affects the investors of other listed companies. Driven by huge economic interests, if the management of the company is not supervised enough, or some people are driven by others, the company will adopt suggestions that are beneficial to its own company. Therefore, the information and data obtained by investors are not perfect and accurate.

(2) The existing accounting standards and systems are not perfect.

Judging from the current market environment, many listed companies in China are still in the stage of continuous exploration, and the construction of some accounting systems is not perfect enough, and some changes are not in place frequently[9]. At the present stage, although the legal framework of accounting has been built, some accounting standards have not been strictly regulated and implemented. This will make the management of the company not strict enough in some aspects, which will make it impossible to effectively deal with the problems. In this situation, some enterprises will take unreasonable illegal operations, which will lead to a series of problems.

(3) The regulatory agencies have no strict supervision.

Usually, when violations begin to appear, only a lighter punishment will be given. Moreover, when punishing illegal companies, the efficiency is very low, the work progress is even slower, and the attention to these phenomena has not been raised. In many cases, it takes some time before the illegal companies are publicized. This will make more investors who don't know the truth cheated.

(4) The role of audit supervision is not fully presented.

First, certified public accountants lack the independence specified in accounting standards in the process of company audit. Generally speaking, the audit fees of certified public accountants are paid by the investors and shareholders of the company, but the actual situation shows that this is paid directly by the company to the accounting firm, and the firm also has the situation of obtaining higher interests, which will make the accountants under too much pressure and the audited accounting information is not accurate and contains false elements[10]. In this way, the quality of financial reports

will also decline. Secondly, according to the current situation, China's accounting and auditing system is not perfect enough, and some defects are obvious, and it is difficult to effectively regulate the behavior of accountants. Therefore, in order to improve their economic benefits, some auditors do not care about the audit quality and take bad measures to obtain higher profits[11].

4. The Governance Countermeasures and Influence of The Company's Accounting Information Disclosure

The specific accounting information disclosure behavior transmits the company's important accounting information to the market, thus starting the effective operation of the external governance mechanism. More importantly, the effective improvement of corporate governance structure depends on higher quality accounting information disclosure.

4.1. Countermeasures

(1) Improve the corporate governance structure

The share structure proportion of listed companies has been gradually adjusted to solve the problem that the share proportion of several major shareholders is too large. And it is necessary to ensure the capital injection of investors from different institutions and balance the shareholding ratio of funds, insurance and pension institutions. The relevant shareholders should implement their rights and responsibilities and earnestly fulfill the rights of investors.

(2) Improve the company's internal control system.

To achieve effective internal control, we must establish a standardized internal control management organization. This kind of supervision system will be implemented in the whole company, including specific departments or even a business, according to the company's various articles of association and internal management control regulations[12]. Generally speaking, it is set according to its own development. Supervision system usually has two methods: self-supervision and others' accusation system. Other aspects, the company can arrange relevant emergency management system as a supplementary form of internal control.

(3) Strengthen external supervision.

First of all, it is necessary to arrange relevant accounting legal education for all participants in the market, improve their legal quality and strengthen relevant accounting law enforcement. Moreover, the Finance Committee also needs to come up with practical supervision measures, improve supervision, and actively manage the accounting information disclosure behavior of listed companies. Take out punishment plans for some non-standard behaviors, and arrange financial departments in different industries to publicize the illegal behaviors of listed companies as a warning. Secondly, make full use of the public's supervision over the company. On the one hand, the supervision and complaint system of mass investors needs to be improved, so that their supervision can be enhanced. On the other hand, as the most direct and convenient disseminator of accounting information nowadays, online media is indispensable for their professional sensitivity. Their professional spirit of seeking truth from facts and their professional advantages involving a wide range of directions will help to spread the news to the public as early as possible, which promotes the recipients of accounting information to grasp the true and complete situation as quickly as possible[13].

4.2. Impact

The disclosure of relevant accounting information of listed companies in China is essentially a kind of supervision over the behavior of internal managers, so as to effectively avoid some irregular financial accounting behaviors. These positive influences are shown as follows.

(1) Restriction on improper financing behavior of the company

Improper financing mainly refers to the excessive financing of a company into the market without a large amount of financing, and the term structure of different funds will not match the corresponding financial items of the company. In most cases, the financing obtained has not been used, and it has been idle for a long time. Or it will be occupied by shareholders because it is not necessary for the development of the company. It can be seen that these improper financing behaviors will have a great negative impact on the company's financial situation, and may also contradict the company's initial market development strategy. Therefore, the disclosure of related accounting financing information can restrain the improper financing behavior of enterprises to a certain extent, thus helping enterprises to embark on the road of sound development.

(2) Restriction on the improper behavior of the company's capital operation

Like most improper financing behaviors, on the one hand, it will affect the financial situation of the company. For example, a large amount of monetary funds are not used in appropriate projects, which will affect the cash flow of the company. On the other hand, there may be improper investment behavior, which will lead to the financial difficulties of the company, and will lead to a great loss of foreign investment activities. Therefore, the disclosure of accounting information on the use of funds can also avoid improper fund operation behavior to some extent.

(3) Restriction on the Company's improper behavior in the distribution of financial results.

Here, the improper distribution of financial results refers to the inappropriate behavior of the company in the process of distributing cash dividends to shareholders, including the distribution of cash dividends exceeding the originally expected share available for distribution, and also higher than the net cash inflow of major business activities in the current market. Therefore, these improper distribution policies of shareholders' cash dividends may stimulate the company's stock price in a certain period of time, but from a long-term perspective, the company may have insufficient stamina for the stock price increase because of the premature cash flow in the market. The disclosure of the company's internal dividend accounting information in this way can effectively restrict some inappropriate financial performance distribution behaviors of the company.

(4) Restriction on the company's improper behavior in controlling financial performance

Nowadays, various factors of economic competition in the market have too much influence, so companies often control their financial performance. This kind of control process is usually manifested in the sales situation, expense setting, assets reorganization and accounting information of the main commodities. The final result will be that the accounting and financial statements disclosed by the company within a certain period of time show that there is no problem. And today's market requires companies to truly disclose all relevant accounting information. Therefore, the disclosure of

accounting information will directly restrict the control of financial performance by the management and the board of directors within the company.

5. Conclusion

Based on the various problems existing in the process of information disclosure in the corporate governance mechanism, this paper finds out the specific reasons for some problems and puts forward some suggestions that hit the nail on the head. The following conclusions are drawn. Although some companies strictly follow the relevant policies formulated by the state in accounting information disclosure, and their disclosure methods are rich and diverse, and their disclosure contents are comprehensive and extensive, the overall disclosure quality needs to be improved, such as the accurate expression of data and the explanation of targeted indicators. Many enterprises are more or less evasive in accounting information disclosure. Therefore, the government should formulate industry disclosure standards and improve information disclosure standards, so as to better play the role of accounting information disclosure. According to different companies' requirements, they should standardize their own disclosure behavior, improve the quality of information disclosure, supplement the event description in time, and increase different accounting information assessment indicators. At the same time, it is necessary to improve external supervision and gradually increase the enthusiasm of public supervision. Through the implementation of these measures, the quality of accounting information disclosure can be improved to a certain extent. After preliminary research, the conclusion of this paper is that accounting information disclosure plays an important role in the improvement of corporate governance mechanism. It can be predicted that the role of accounting information will be enormous. Due to the imperfection of the system, future research can be continued from other aspects.

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