

The Impact of Mandatory Disclosure on Accounting Management

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Abstract: Accounting information disclosure of financial statements is a major way to strengthen corporate accounting management, and how to improve corporate accounting management through mandatory disclosure is currently a very important task for society and major enterprises. At present, the majority of enterprises in China have a lot of problems in accounting information disclosure, which has a negative impact on the company's financial statements. Therefore, it is urgent to improve and perfect the supervision mechanism of accounting information disclosure of enterprises in China, and this paper mainly researches the impact of mandatory disclosure on accounting management.

Keywords: Mandatory disclosure, Accounting management, Impact.

1. Introduction

The mandatory disclosure of accounting information of enterprises can make the accounting management of enterprises more scientific and reasonable to execute. Nowadays, there are still many problems in the mandatory disclosure of accounting information of enterprises in China. For example, the content of information disclosure is not true, information disclosure lacks timeliness, information disclosure lacks adequacy, information disclosure lacks openness, information disclosure lacks standardization and so on, which will affect the judgment of investors and information users. This paper mainly focuses on how to improve the laws and regulations of information disclosure, improve the governance structure and internal control system, improve the evaluation system of information disclosure, improve the system of information disclosure, strengthen the supervision of the society, and strengthen the supervision function of the government, which are six aspects of how to improve the accounting information disclosure and improve the standardization and rationalization of enterprise accounting work [1].

2. Concepts and Principles of Accounting Information Disclosure

Accounting information disclosure refers to a deeper explanation of the data content of financial statements, that is, to help investors or information users to further understand the content of financial statements. In particular, provide detailed supplementary explanations for the items that cannot be expressed in the report. As an indispensable part of the financial statement, the accounting information disclosure of the enterprise plays a very important role in the financial statement [2]. The accounting information disclosure of general enterprises includes three aspects of information, the first is quantitative information. Under normal circumstances, listed companies will follow the relevant requirements of the enterprise accounting system promulgated by the state, and combine the basic situation of their own enterprises, actual operation conditions, industry accounting regulations, etc., to reflect the various types of enterprises involved in the form of currency. Information about business activities. Followed by

non-quantitative information, these mainly include the description of important changes in corporate accounting information, the description of the use of accounting information policies, the reasons and effects of changes in accounting policies, and so on [3]. Finally, there is post-period event information, which mainly includes matters affecting the changes in the amount of the financial statements in the later period, affecting the relationship between assets and equity, and so on. The principles that our country's corporate accounting information disclosure needs to abide by mainly include the following aspects: First, the corporate accounting information disclosure must comply with the principle of importance. When disclosing accounting information, it is not possible to disclose all accounting information regardless of its importance, but to determine the absolute amount and relative proportion according to the business characteristics, nature, business model and other aspects of the enterprise [4]. For unimportant financial statement information, relevant personnel can choose not to disclose it, so as to reduce redundant information, which can improve the quality of financial information disclosure of enterprises. At the same time, enterprises must take the content of accounting information disclosure as an important task, and they should also instill the importance of accounting information disclosure to every financial staff and decision makers in the enterprise. Only in this way can the disclosure of accounting information be more authentic. Second, enterprises must uniformly disclose accounting information in accordance with the accounting standards stipulated by the state, so as to ensure the standardization and integrity of accounting information disclosure [5]. Third, the disclosure of information accounting information of enterprises must ensure the authenticity and integrity of the information, so as to provide investors and information users with more real financial and operating conditions of the enterprise. Fourth, the accounting information disclosed by the enterprise must be useful and appropriate information, and it should be relevant to the decision-making of investors or information users and be reliable, without causing misunderstanding and misunderstanding, so that investors and information users can make correct decisions. information, which is also the original intention of accounting information disclosure. Fifth, fairness and adequacy, which means that when an enterprise discloses

accounting information, the disclosed accounting information must meet the joint decision-making needs of information users within the enterprise and outside the enterprise, and it should be kept fair and open, and should not be biased towards a certain company. a specific user [6]. At the same time, whether it is quantitative information or qualitative information in information disclosure, as long as the information is useful to users, it must be presented in the form of disclosure, so that users can make better decisions. In general, information disclosure can not only ensure that business owners obtain real and sufficient information, make correct decisions, and protect their legitimate rights and interests, but also achieve effective allocation of social resources [7].

3. The Main Problems of Accounting Information Disclosure

At this stage, many enterprises have a lot of problems in financial statement accounting information disclosure, first of all, the content of information disclosure is not true, true financial information disclosure is an important aspect that investors and information users are concerned about. However, many enterprises have misrepresented this information through financial data disclosure because of the large differences between the before and after financial data, and then distorted or fabricated the facts, thus falsifying the authenticity of the data, confusing the judgment of investors and information users, and making them misjudge the operation of the enterprise. Generally specific in three aspects, which are direct falsification of profit data, concealment of true profit, and falsification of data in audit reports, which not only affects the judgment of investors and information users, but also has a greater socially harmful effect. Secondly, information disclosure lacks timeliness [8]. In the market, the authenticity, timeliness and completeness of information disclosure will affect the transmission of information, which requires enterprises to disclose information at the specified time, and many enterprises pay no attention to this issue, thus increasing the risk of investors. Furthermore, information disclosure lacks adequacy, and many enterprises often omit or conceal some financial information in making information disclosure. For example, in the case of revenue, the finance staff will generally disclose the corresponding financial information in the financial report, but for some of the changes involved in some contracts or additional content, most of them are directly published in the form of text in the annex of the financial report. In some cases, they choose not to publish or omit financial data that are not conducive to viewing, which prevents investors from using a more comprehensive analysis and judgment of the financial situation. Finally, information disclosure lacks openness [9]. For external investors, public disclosure of information allows them to have the same financial data as the internal shareholders of the company, so that they can rely on financial information to analyze and make judgments after something has happened, and thus make the right decisions. But nowadays, many companies in China do not disclose their financial information fully, which affects the external investors and information users to have the specific data and make wrong judgments. In addition, the disclosure of information also lacks standardization. In China, many enterprises' concept of financial information disclosure is still in a vague state. There are often unauthorized disclosure,

irregular disclosure, incomplete scope of transaction disclosure, incorrect format and manner of information disclosure, relatively vague elements of transactions, insufficient disclosure of transactions and other textual problems, which leads to lead to untrue and imperfect disclosure of financial information, this will affect the judgment of investors and users.

4. The Role of Accounting Information Disclosure for Accounting Management

4.1. Reduce Information Asymmetry

Accounting information disclosure can provide investors with specific information about the company or individuals who want to know, so that investors can have a grasp of the prospects of the company and make an accurate assessment. At the same time, it also allows them to make accurate judgments and evaluations, so as to identify the crises and opportunities faced by the enterprise, and reduce the risk of investment due to inaccurate or insufficient data, which leads to errors in judgment of investors and ultimately increases the risk of investment. This also requires that accounting information about the development prospects, operating efficiency and operational capacity of the enterprise in the financial report of the enterprise needs to be mandatory and truly disclosed so as to meet the needs of investors and the public. Secondly, the accounting information disclosure of the enterprise can help the management of the enterprise because of their short-term behavior, which will cause some positive impact on the enterprise, and also can improve the investors' willingness to invest. The investmentism of the general professional managers makes them more interested in how much benefit they can get. In order to avoid this type of risk, companies need to use information phi to achieve a supporting role, and finally, in making accounting information disclosure, there should be a clear regulation and specific requirements between the managers of the company and investors on the accounting information to be disclosed to ensure that strong supervision can be carried out [10].

4.2. Have a Strong Restraining Effect

True, adequate, standardized and high-quality accounting information disclosure can promote the mandatory development of enterprises' external information disclosure and audit supervision mechanism, and it can have a certain restraining effect on the behavior of the enterprise's operators. If some finance-related work such as the disclosure of accounting information data of the enterprise is not under control, it will lead to the increasingly serious problem of distortion of accounting information of the enterprise. Therefore, the supervision of accounting information disclosure can restrain some behaviors of enterprise management personnel to a great extent, so that some management personnel who use their positions to gain benefits can be punished accordingly. It can prompt enterprises to be able to develop reasonable investment methods. The most relevant issue in company management is still how the company's investors can implement management of the company's management staff, which facilitates the maximum maximization of shareholders' returns. A well-developed financial information system not only improves the transparency of the company's management, but also enables better management of the company's capital and personnel.

By regularly disclosing financial information and improving the disclosure of financial information, the company's management will be able to better understand their responsibilities. Even if investors are not satisfied with the company's operations as reflected in the financial reports, they can exert pressure on the company's management through the company's board of directors, and this pressure will become a motivation for the managers to work hard [11].

5. Suggestions Related to the Disclosure of Accounting Information

5.1. Improve Laws and Regulations for Information Disclosure

Improving the laws and regulations on information disclosure is necessary to improve the standardization and authenticity of accounting information disclosure. Therefore, when improving the existing laws and regulations for enterprises, attention should be paid to the relevant legal provisions in line with the current market environment. At the same time, it is necessary to improve the scale of punishment of the law, for information disclosure fraud enterprises or individuals to increase the strength of punishment, serious need to bear the criminal responsibility, to reduce the root of the enterprise information disclosure fraud can be operated space.

5.2. Improve the Governance Structure and Internal Control System

Accounting information disclosure of enterprises does not open the establishment of various related systems of enterprises, including the improvement of corporate governance structure and internal control system, the development of internal control system in line with the enterprise's own situation, which can not only strengthen the internal accounting control of enterprises, reduce the occurrence of the problem of asymmetric information, but also improve the accounting management of enterprises. At present, more than half of the shareholding structure of many listed companies in China belongs to state-owned shares. Therefore, we must change this situation, strengthen supervision, and strengthen the audit work of enterprises in general, and pay attention to whether there is false information disclosure of enterprises [12]. For example, in the revenue recognition information disclosure, enterprises should establish various information disclosure systems, the amount in the contract, accounting data, accounting methods, information on changes to the contract, the price of the project, equipment configuration and important circumstances and other relevant information are added to the financial report in the form of specific text or or in the form of notes, and the relevant accounting information is released at the first time. The information disclosure kind of all accounting information about the revenue standard will play a corresponding reference value, and thus improve the economic efficiency of the enterprise.

5.3. Strengthen the Supervision Function of the Government

Relevant government departments should strengthen supervision, continuously improve the relevant supervision system, clarify the division of responsibilities, increase the

strength of law enforcement, and strictly supervise the disclosure of accounting information of enterprises. First of all, it is necessary to formulate relevant laws and regulations and systems to increase the supervision and control of accounting information disclosure of enterprises, so that enterprises can have laws to follow in case of false accounting information disclosure. This can also restrain and reduce the occurrence of fraudulent accounting information disclosure, increase the investment of human, material and financial resources in the securities regulators, reduce unnecessary administrative intervention. Secondly, the importance of accounting information disclosure can be carried out through various ways such as lectures, door-to-door publicity, etc. to relevant personnel such as enterprise managers and financial personnel, so that each enterprise as well as financial personnel can treat the enterprise information disclosure correctly. Finally, the relevant departments should increase the penalties for enterprises with information disclosure problems, such as enterprise information disclosure forgery, irregularities, deficiencies, untruthfulness and other phenomena, it is necessary to give fines, warnings, suspensions and other penalties according to the specific situation, and to pursue the civil and criminal liability of the relevant personnel. At the same time, some enterprises can be announced on the relevant Web site, to other enterprises to play a warning role. In addition, it is also possible to establish more punitive measures than the enterprises can accept, and to implement small mistakes and heavy investigation, so as to dissuade enterprises and financial personnel from the idea of falsifying information disclosure [13].

5.4. Strengthen the Supervision of Society

Nowadays, many enterprises in China, in order to show "beautiful" statement data to the outside world, they will use high audit fees as bait, which will influence the invited audit units. Many auditors choose to turn a blind eye in the audit process for the sake of profit, and there are even departments of auditors will be falsified together with the audited units, which leads to the final audit report provided to the outside world is completely false. To change this phenomenon, it is necessary to change the current fee model in China, the state can provide for the establishment of a special kind of subordinate institutions through the form of legislation for securities institutions, and then compel the units that need to audit with reference to their own audit fees in the previous year, to pay audit fees to the institution, and the institution's fees million to achieve transparent supervision.

5.5. Improve the Information Disclosure System

Nowadays, it is very common that many enterprises in China still have a lot of defects in their financial statements in terms of information disclosure. In order to minimize the defects of financial statements, we must change the original financial reporting model. First of all, we should change the concept, change the traditional mode of valuing the legal form over the economic substance of the enterprise, and change the concept of valuing the cost of the enterprise over the value; secondly, we should change the report, continuously improve the structure of the enterprise's financial statements, improve the accounting elements and accounting content of the three statements, and reflect the source of data more fairly and openly. For the distribution reporting system, it is always necessary to do a good job of accounting information

disclosure. Furthermore, improving the content of accounting information disclosure should not only set specific guidelines for the format and disclosure of tables and symbols in information disclosure. It is also necessary to make relevant disclosures on accounting information on the risk of earnings generated by various derivatives, accounting information on software such as intellectual capital, technological capital and human resources of enterprises, social responsibility, environmental accounting, and accounting information on corporate value-added [14]. Finally, non-financial information or some voluntary information in the enterprise statements should also be disclosed. In addition, it is also important to focus on the disclosure of forecast information related to the disclosure of financial data.

5.6. Improve the Information Disclosure Evaluation System

Establishing and improving the level of corporate information disclosure evaluation system can not only reduce the behavior of corporate disclosure falsification, but also ensure the truthfulness and reliability of corporate accounting information. However, nowadays, there is still a big problem in establishing and improving the information disclosure evaluation system grade in China. Except for the companies listed in Shenzhen Stock Exchange in China which have information disclosure evaluation system grade, there is no accurate, comprehensive and authoritative information disclosure evaluation system. Based on this, it is necessary for securities institutions to develop and establish a set of evaluation index system for the quality of corporate information disclosure and to strictly execute the supervision and management work so as to present the true situation of corporate information disclosure to investors.

6. Conclusion

In general, there are still many problems in mandatory disclosure of accounting information of enterprises in China. Therefore, the state, government, enterprises, financial personnel, etc. should keep improving the mandatory disclosure of accounting information of existing enterprises, so that the accounting management of enterprises can be more scientific, reasonable and efficient, and investors and information users can make more accurate market judgments. This paper mainly studies the impact of mandatory disclosure on accounting management, and puts forward suggestions for improvement from the system. First of all, in terms of system: establish a complete and sound corporate governance structure, improve the information disclosure mechanism and external supervision system, strengthen the legal system construction and law enforcement, and improve the accounting management level of our country's listed companies through these measures. Secondly, increase the combination of external control measures such as government supervision, social auditing and the self-discipline of the certified public accountant industry, so as to improve the

quality of disclosure. At the same time, the market itself should also be used to carry out effective internal management control, so as to achieve the goal of mandatory disclosure. Finally, it is necessary to strengthen the internal control of the enterprise itself, improve the level of corporate governance, and improve the information disclosure system.

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