

Discussion on Harm, Reason and Improvement Measures of Accounting Information Distortion

Haoran Fu, Rong Huang

School of Economics, Anyang Normal University, Anyang, China

Abstract: *With the continuous development and progress of the economy and society, the accounting department is also constantly changing. Accounting information is an important basis for the development of enterprises, an important source of information for the country's macroeconomic management, and the result of social and economic development. However, the loss of state-owned assets, the decline in the quality of accounting information and serious false information have affected the market economic order in our country. In order to solve this problem, this paper analyzes the causes of accounting information distortion, and puts forward some relevant measures, hoping to reduce the loss caused by accounting information distortion as much as possible, so as to promote the stable and healthy development of economy.*

Keywords: Distortion of accounting information; Supervision strength; Personnel quality.

1. INTRODUCTION

In recent years, news of accounting information distortion has emerged one after another, involving many and complicated units, such as listed companies, state-owned enterprises, collective and private enterprises, etc. According to statistics, in 2010, the Ministry of Finance conducted an accounting information quality inspection on 200 companies. There were more than 90 companies whose accounting information was untrue and involved a large amount of money. This has exposed the accounting industry to a credit crisis, which will to some extent harm the interests of the public, affect social order [1], increase the bad social atmosphere and even criminal risks. The authenticity of accounting information is very important for the development of enterprises and even the country, so it is very urgent to solve this problem.

Accounting information refers to the accounting units based on the financial statements and notes to financial statements. It is a general designation of information for the purpose of reflecting the economic behavior and operating results of an enterprise in a certain period of time, with the information users such as enterprise investors and creditors as the objects. The distortion of accounting information refers to the inaccuracy of information resulting from the inconsistency between the conclusion of accounting information and the input data. That is to say, the situation reflected in the financial report is not consistent with the original document. The accuracy of accounting information is an important standard to measure the quality and reliability of accounting work as an information system.

2. HARM OF ACCOUNTING INFORMATION DISTORTION

2.1 Influence National Economic Decision-Making and Order

Accounting information is an important indicator for our country to understand the operating and development results of various industries. Real accounting information is helpful to accurately grasp and plan the current economic situation. However, at present, the phenomenon of accounting information distortion is more serious, which transmits untrue information to the market. This has a certain impact on the country's understanding of the development of the industry, thus affecting the overall layout of economic development, not conducive to the government to make a reasonable budget, resulting in the mismatch of national income and expenditure, thus causing serious losses of national funds. Economy is the foundation of politics and society, and the seriousness of the consequences brought about by mistakes in economic decision-making is self-evident. At the same time, it is not conducive to better handling the relationship between the government and the market, is not conducive to the country to establish its authority, affects the government's macro-control [2], and hinders the long-term sustainable development of the economy.

2.2 Affect Enterprise Management and Development

The development of an enterprise needs real and effective information from all aspects. Real accounting information can give the enterprise a clear direction of development and management, thus making a development strategy that is in line with its own. The market is changing and developing, and the distortion of accounting information may lead the business decision makers of enterprises to make wrong judgments, thus affecting the development of enterprises. False accounting information makes investors make wrong investment judgment, which leads to the loss of some investors' interests. Once the interests of investors are damaged, it is bound to affect the investment and trust in the enterprise. One of the most important factors for the development of an enterprise is honesty. Once the trust crisis arises due to the problem of accounting information, it is difficult to develop any more.

Distortion of accounting information is not conducive to the financial management of an enterprise. If the practice of an accountant in an enterprise does not conform to the standard, the entire financial department will be affected. In serious cases, the entire enterprise's finance will have a great crisis, which is not conducive to the management and control of the enterprise's finance.

2.3 Impact on Personal and Industry Reputation

Accounting information is an important part of economic information and an important source of economic development. However, trust in accounting information has been seriously damaged due to the spread of distortion in accounting information. In today's society, because the relevant laws and regulations of the accounting system are not particularly perfect, and the quality of accountants needs to be improved, some relevant personnel have taken advantage of the loopholes in the law. Some business managers and accountants use their positions to make false accounts, resulting in "unclean" company accounts, thus affecting the social trust in accountants and even affecting the entire accounting industry. When a trust crisis occurs in an industry, the industry will face the greatest crisis. To a certain extent, it will cause a group of people to lose their jobs and even be punished by law. Unemployment will also lead to the possibility of crimes, which is not conducive to the stability and harmony of the whole society.

3. THE REASON OF ACCOUNTING INFORMATION DISTORTION

3.1 Imperfect Laws and Regulations and Insufficient Supervision

Accounting regulations and systems are the standards that organizations must abide by when carrying out accounting work. The defects of accounting laws will allow some people to take advantage of loopholes in the laws to achieve their own goals. And some enterprises are not very clear about the requirements of accounting rules, so there will be some accounting problems within the enterprise.

The country's main supervisory agencies for accounting include: the public finance department of the State Council and the finance department of local governments, national auditing, taxation, insurance supervision, etc. The government and relevant departments have not made more specific improvements to the laws and regulations on accounting supervision. Some laws and regulations are still subjective, and laws and regulations alone are not enough. More important is effective supervision. However, the current social and national supervision is not in place. Although the relevant authorities review the accounting information of enterprises every year or every quarter, the violation of accounting standards has not decreased and the monitoring effect has not been reflected. In addition, the punishment of relevant institutions is not strong enough. In the face of some accounting violations, fines are generally imposed if the circumstances are not serious. If problems arising from enterprises can be solved with money, this method will be adopted. If the punishment is not strong enough, the importance of untrue information will not be realized, and it will have no impact on enterprises. This will not make enterprises aware of it, and they may make the same or even more serious mistakes in the future.

3.2 Internal Management Confusion

Internal supervision is mainly independent supervision within the enterprise. Accounting information distortion is caused by inadequate internal management. In order to maximize the benefits and satisfy the psychological needs of investors, some enterprises are covering up the financial information of the company from top to bottom. The whole enterprise does not have a specific supervision system. Even if there is, it is inevitable that some supervisors are not in place or cover up others. Or one person in an enterprise plays multiple roles, especially in finance, thus

increasing the risk of accounting information distortion. Generally speaking, such internal supervision is equivalent to decoration and has no effect, which provides a convenient environment for information distortion. In the enterprise, some managers do not understand the relevant laws and regulations, have no specific and strict requirements on accounting laws and regulations, and lack the organization to supervise the financial department, which leads to the accounting personnel without the relevant system restrictions, in this case, it is easy to increase the risk of accounting information distortion.

3.3 Different Quality of Accountants

Accounting personnel are important financial personnel in enterprises. The comprehensive quality of accounting personnel directly affects the quality and efficiency of accounting work. However, at present, many enterprise leaders in our country do not pay attention to the cultivation of the comprehensive quality of accounting personnel, and do not pay attention to the assessment of the comprehensive quality of candidates in recruitment, which leads to the inflow of low-quality personnel into enterprises and increases the risk of distortion of accounting information [4]. Generally speaking, the quality of accountants consists of the following parts.

(1) Knowledge literacy is not high

The employment rate of accountants has increased year by year in recent years. Many people choose their major when they choose it. However, the demand for basic accounting has exceeded the supply, and the society needs high-quality and high-knowledge accountants. In order to recruit fresh graduates, some enterprises refuse to accept them. As a result, the ability of these accountants is not enough, their mastery of accounting knowledge is not familiar, their handling and judgment of some accounts are not accurate enough, and they do not have their own opinions and reasonable handling methods on some large-scale accounts. In this way, mistakes will inevitably occur in their work, and when they make too many mistakes, they will become big mistakes, resulting in distortion of accounting information.

As a qualified accountant, he needs relevant legal knowledge to help with his daily work. But for some reasons, accountants are wandering on the edge of the law. In an enterprise, it is impossible for everyone to know about the relevant legal knowledge. As a management, what they only think about is how to avoid economic losses, regardless of whether they conform to the accounting operation rules. This is because the management does not have a strong legal awareness and the accounting information is not true. On the other hand, due to their level of knowledge, accountants themselves do not have a high level of understanding of the law and will ignore some legal rules when making accounts, thus causing the relevant accounts not to conform to the regulations.

(2) Low professional ethics

Any job should have the professional qualities that the staff member should possess, which is the minimum respect for the job. However, some accountants violate accounting principles and deliberately falsify accounting accounts in order to satisfy some of their own interests, thus causing distortion of accounting information. In the development of today's society, many people give priority to their own interests when facing things. How many people can stick to their own principles in front of interests? One of the reasons for the distortion of accounting information is the inducement of relevant interests. In an enterprise, it may not be what the accountants themselves wish to do, or it may be that the superior department of the enterprise gives the relevant accountants some temptation to make them fake in order to achieve certain purposes [5].

4. MEASURES TO IMPROVE THE DISTORTION OF ACCOUNTING INFORMATION

4.1 Improve the Corresponding Laws and Regulations and Strengthen the Supervision and Punishment

With the accelerating trend of globalization of the world economy, multinational corporations and businesses are expanding, and the economic businesses of enterprises are becoming more complicated and internationalized. Therefore, in the process of formulating our accounting standards, we should learn from western countries, try our best to reduce the differences of global accounting standards and promote the international consistency of accounting standards. At the same time, we should consider the specific conditions of our country and establish a unified national accounting system [6]. To strengthen the construction and supervision of laws and regulations, to consider the convenience of implementation, and to implement it. Finance, supervision and other government

departments should give full play to their functions. Safeguard the seriousness of the national financial policies and regulations, and regard them as the top priority to ensure the healthy and stable operation of the national economy and the overall development situation [7]. The formulation of the implementation of accounting Standard can ensure that the accounting work will be carried out by the state through fiscal policies and measures, and that the accounting work will follow the correct direction of the socialist market economy. In order to improve management and accounting information, it is necessary to continuously improve rules and procedures and keep pace with changes in time. In view of our country's accounting-related laws and regulations, we should be more scientific and perfect some minor details so as to guarantee the official legal system of accounting information. Some violations of accounting laws and regulations are clearly marked so that accountants and management can strictly abide by the law in the process of work, thus ensuring the authenticity, reliability and transparency of accounting information and completing accounting work more satisfactorily.

At the same time, under the strict control of the law, law enforcement personnel must strengthen supervision, and all departments should cooperate with each other and assume their respective responsibilities. They should inspect the financial departments of enterprises from time to time. Once violations are discovered, they will never be covered up. They must be severely punished so that those who have lucky psychology can receive the control of force, thus ensuring the authority of the law and the authenticity of accounting information.

As a member of the society, the distortion of accounting information will also have an impact on the development of the social market economy, to some extent affecting the interests of individuals. Therefore, as citizens, we have the obligation to consciously supervise violations, thus protecting the interests of individuals, enterprises and the country. The national government should improve its own quality, ensure its own integrity, strengthen law enforcement and strengthen punishment. At present, the punishment for accounting is relatively low. In order to ensure better accounting work, we must increase the punishment to achieve the real purpose and significance of punishment.

4.2 Establishing Modern Enterprise System and Improving Internal Management

The establishment of modern enterprises is a long-term process and requires a complete and good development system [8]. In modern enterprises, the ownership and management rights must reach a proper way to get along with each other. Due to different interests, the relationship between the two is very subtle and determines the development of the enterprise. Therefore, resolving the contradiction between the two is the top priority. Find a balance point between the two, so that the interests of both can be balanced as far as possible, and the interests of enterprises can be protected. In order to achieve a balance, we need to restrict and encourage the two, just like combining macro-control with market regulation, so that the interests of all parties in the two will not be damaged, thus creating a good enterprise environment and promoting the accounting work.

The authenticity of accounting information cannot be separated from the joint efforts of the management and accounting personnel, so the supervision and management of these two parts should be strengthened. The internal environment of an enterprise mainly includes two aspects: internal control management mechanism and internal governance structure [9]. The company should establish a strict supervision system, the responsibility can be clear to individuals, to avoid the phenomenon of shirking responsibility [10]. At the same time, the enterprise can implement a system of rewards and punishments, and reward those who violate the rules and regulations. Strengthen the management and control of financial departments to ensure the authenticity and credibility of accounting information. Reasonably distributing the benefit distribution of personnel within the enterprise, without reducing or embezzling the benefits that the relevant personnel should get, and rationalizing the benefit distribution will appropriately reduce the distortion of accounting information.

4.3 Improve the Comprehensive Quality of Accountants

At present, the quality level of accountants is different, and there are some big differences. In order to ensure the authenticity and effectiveness of accounting information, we must continuously follow the development of the times, improve the quality of accounting personnel, and adapt to the social development of the industry. Enterprises should conduct regular training for accounting personnel so that they can quickly understand and master the latest laws and regulations and improve their legal awareness [11]. Enterprises can recruit some senior accountants when they have the ability, thus improving the quality level of accountants in the whole enterprise. I believe that with high-quality accountants, the authenticity of accounting information will be improved.

Accounting personnel themselves should also improve their professional ethics and strengthen the construction of accounting personnel's integrity. They should not violate principles for the sake of some interests. Good faith will increase social trust in accounting information and maintain a good economic development order. As a good accountant, one should consciously safeguard the legitimate interests of all parties and ensure the authenticity and effectiveness of accounting information.

5. SUMMARY

With the development of the times, the development of the accounting industry is also getting faster and faster. As an important source of information for economic development, accounting information becomes more and more important. In the process of development, there will certainly be some problems, and when problems arise, they must be solved. The problem of accounting information distortion cannot be underestimated. It affects not only an accountant but also the social order and the economic development of the country. However, the problem of accounting information distortion cannot be solved overnight and requires efforts from all sides. The national government, enterprises and relevant accountants need to work together to create a trustworthy accounting information environment. Constantly optimize the social environment, strengthen internal management, improve their own quality, strengthen the improvement of laws and regulations. So as to ensure the authenticity and reliability of accounting information, to provide correct basis for departments to make decisions, to work together to create a good social and economic environment, so that macro-control and market regulation can play a better role in promoting the healthy and stable development of the economy.

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