Research Article
Food Company Supply Chain Accounting Information Disclosure Policy Research Based on Social Responsibility

Xiong Wei
Department of Economics and Business Administration, Chongqing University of Education, Chongqing 400067, China

Abstract: This study aims to figure out the food company supply chain accounting information disclosure targets of the social responsibilities in detail, the disclosure principles, the measuring pattern, disclosure mode and the selection of the disclosure indicators. China remains at the primary stage of the social responsibilities disclosure system, the social responsibilities are mainly exposed by the food companies themselves and there are no mature and compulsory disclosure systems at present. However, the food industry is closely connected with people’s daily life, the establishment of the social responsibilities disclosure system in Chinese food companies is related to the people’s health development and the construction of people’s livelihood. To accelerate the disclosure of social responsibilities, this study analyzed the following aspects, namely the current disclosure status of the social responsibilities in Chinese food companies, the disclosure content, disclosure mode and disclosure content, disclosure mode and other aspects. We need to strengthen the disclosure system of the social responsibilities in food companies, improve their food quality and food safety and ensure the food safety through the combined efforts in and out of a food company.

Keywords: Food Company, social responsibility, supply chain accounting information

INTRODUCTION

With the development of economic globalization, it has become necessary for enterprises to take social responsibility for the purpose of economic and social development (Jamil et al., 2015). Since the concept of social responsibility accounting was introduced into China, many domestic scholars began to pay close attention to social responsibility accounting and actively explore suitable theories of our own (Zhu, 2013). Social responsibility report emerged at the right moment as an important tool of delivering accounting information. In recent years, Chinese enterprises began to release social responsibility report and disclose the social responsibilities undertaken by them in environment, human resources, social welfare and other aspects (Zhu, 2014a). However, a lot of food enterprises have not yet realized the importance of food safety. They would go to every expedient to pursue immediate interests, but disregard for life and health of consumers. They prefer not to disclose the accounting information of food safety (Sicard et al., 2011).

Food industry is closely connected with our daily life. Thus, food safety issue is related to every consumer and the construction of food safety disclosure system is of great practical significance (Zhu, 2014b). In 2011, data in sustainable development report of Chinese enterprise showed that 702 Chinese enterprises released social responsibility report in 2010, with a year-on-year growth of 30%. However, only eight food enterprises were included in the data and most of them avoided food safety issues. None of these food enterprises specified the problems such as food additives and few disclosed their execution policies or standards of supply chain through the report (Yalcin et al., 2012). Without real disclosure of food safety information, most of their social responsibility reports became formulaic burdens (Zhu, 2014c).

MATERIALS AND METHODS

David Linowes, a scholar of accounting in America, stated the concept of social responsibility accounting in Social and Economic Accounting and he defined it as a comprehensive application of accounting in sociology, political science, economics and other social subjects. Song Xianzhong, a Chinese scholar, defined social responsibility accounting in a comparative study of Social Responsibility Accounting and Related Accounting Subjects to be a dynamic combination of social responsibility and accounting. He pointed out that the accounting method could be used to
reflect and control the enterprise’s social contributions and social damages in their business activities, in order to improve the overall efficiency of enterprises. Corporate social responsibility accounting is a kind of economic management activity based on accounting theories. In order to improve the overall social benefits, it adopts monetary or non-monetary measuring methods to reflect and supervise the enterprise performance in social responsibility and disclose to the public how to deal with the interests among shareholders, investors, employees, consumers, environment and the responsibility of the government and the community during the process of development.

In Food Safety Law which was implemented in China in 2009, food safety stipulates that food should be avirulent and harmless, conform to the requirements of proper nutrition and will not cause any acute, subacute or chronic damage to body health. According to the food safety standards, food should contain no pollutants, toxic substances, additives, processed materials and can satisfy and guarantee people's health. Social responsibility in terms of food safety should be undertaken by food enterprises for social benefits. Because of the particularity of food enterprises, the fulfillment of the obligation can benefit the relevant interest groups and promote social sustainable development, compared with the environment, social welfare and social responsibility of staff.

Due to the serious information asymmetry between consumers and food enterprises, consumers doubt the safety of food production and processing. In order to speed up the study of the problem of social responsibility accounting disclosure in China, we need to investigate the disclosure situation, disclosure content and disclosure mode of listed companies’ food safety issue, analyze the necessity of society responsibility accounting information disclosure of food enterprises and promote the development of Chinese social responsibility accounting from the theoretical level. Developing the study on society responsibility accounting information disclosure framework of food enterprises will promote social responsibility disclosure of other industries and resolve the accounting information asymmetry between food enterprises and consumers (Alenius et al., 2015).

We start Food Company Supply Chain Accounting Information Disclosure Policy Research form 2009, survey place such as Nanan district, Yubei district, Jiangbei district, Qijiang district, Wansheng district, Dazu district, Chongshou district and Yongchuan district. Based on the perspective of food supply chain, we should conduct the accounting information disclosure of each link of food enterprises, help consumers understand the safety situations of food enterprises, such as material supply, production, processing and sales through disclosure and take great efforts to resolve the information asymmetry between food enterprises and consumers. Instead of more specific content about food safety situation, the social responsibility reports of food enterprises currently mainly focus on corporate commitment, enterprise guarantee, enhancement of food safety supervision and public welfare activities (Narsimhalu et al., 2015). Thus, these reports make little sense. Construction of social responsibility report system will make food enterprises’ report more normative and disclose more valuable and targeted contents.

RESULTS

Accounting objective is the starting point of accounting theory system and it is the premise for normal operation of the accounting system, as well (Jawad et al., 2015). Social responsibility accounting and financial accounting reflect and supervise different objects, but they share the same essence and target. They serve for all stakeholders of enterprises, including investors, the government, customers, suppliers, consumers, employees, communities, the social public and so on. Enterprises should meet the information needs of the stakeholders and timely confirm, measure, record and report enterprise social responsibility accounting information. Food enterprises should first determine the service objects of social responsibility accounting information, information content and the way of providing information. Supplied social responsibility accounting information should be objective, authentic, understandable, timely, relevant and useful. Besides, the information should also satisfy the qualitative characteristics of enterprise financial accounting information and help users make the right judgment and decision about the enterprise (Kempa, 2013). In order to provide useful and authentic information timely, a mature accounting information disclosure system should be established as early as possible. At present, we have independent social responsibility accounting statement, added value statement and social responsibility income statement. Social responsibility information could be disclosed by adding items in the accounting statements to meet the needs of information users. Social responsibility accounting objectives mainly include decision usefulness view and accountability view. Decision usefulness view aims at providing useful information for each interested party of enterprises to make decisions and it emphasizes the signaling role of accounting information. For social responsibility accounting, it requires enterprises to provide related information of social responsibility in time to help interest-related parties, including internal investors, external creditors, government, customers and suppliers to make relevant decisions. Accountability view refers to the trustee grant the management right of assets to the trustee and the trustee shall undertake the
advantages; this method is specifically designed to reflect the faithfulness degree of the entrusting party.

Food industry is a pillar industry of the national economy and people's livelihood. It is closely related to many fields, such as agriculture, industry, circulation; it occupies an important position in the national economy. Food safety problems occur repeatedly in recent years and they bring uncertainty and fear to people's life. Society responsibility accounting information disclosure of food enterprises, which discloses details of food and beverage industry, will be beneficial to close supervision by the departments concerned and it is helpful to maintain national stability and order. Social responsibility accounting information disclosure of food enterprise is the need of government macro management and control and it is the necessary way to solve the issues of food safety. For frequent food safety issues, food enterprises can show their sense of responsibility as corporate citizens through disclosure of social responsibility accounting information. This will help enterprises seize the consumer psychology, enhance customer loyalty, adapt to the harmonious society and sustainable development trend and promote a long-term development. Food enterprises illustrate their fulfillment status of social responsibility through accounting information disclosure, show their corporate responsibility and social conscience and regain the public’s confidence in the food industry. Laws such as revised Corporation Law, Guidelines for Listed Companies of Shenzhen Stock Exchange and Environmental Information Disclosure Guidelines for Listed Companies of Shanghai Stock Exchange, made a provision on information disclosure of listed companies. They require listed food enterprises to disclose their social responsibility accounting information to conform to the developing trend of society.

With the development of the food system, food supply chain has been improved day by day. Nowadays, food quality problem is no longer the responsibility of one link, but the whole food chain (Uyttendaele et al., 2015). The entire supply chain of food enterprises includes four links: raw material procurement, production and processing, packaging and transportation and sales. They are closely connected. Once a link goes wrong, the safety of the entire food chain will be affected. During the process of raw materials procurement, the growth environment of animals and plants, land condition, source of irrigation water and the air quality would affect food safety. Heating may cause food deterioration and produce toxic chemicals. Moreover, food additives, chemical materials, physical conditions of production workers, hygienic conditions of factories and many other tiny links may affect the food safety.

The hygienic conditions of transport equipment, transport period, freezing measures, packing materials and other factors could affect the food safety. Transportation demands food enterprises to perform product inspection record system, truthfully record the product name, specification, quantity, inspection approval number, loading and unloading time, sale date and other details, reduce intermediate links in circulation and realize the direct connection of farmers and supermarkets through the standard distribution network (Tappura et al., 2015). In the process of food sales, in order to eliminate food safety accidents, vendors are required to regularly check food production date and expiration date, not sell expired products, stock products which have special request for packaging materials and storage location according to regulations, keep the environmental health of supermarkets and sales places, enhance risk awareness of food safety, regularly check the implementation of food safety preventive measures (Gray et al., 2014). Through strengthen after-sales service mechanism, vendors should make treatment plans for food safety accident, establish mechanisms of accident treatment and compensation and carry out the recall system for defective product. Once problem happens, solve the problem in time and take the initiative to assume liability to pay compensation. Stakeholders are playing a necessary role in the development of food and beverage enterprises and enterprises need the participation of stakeholders for development.

During the process of corporate activities, stakeholders need to clearly understand the enterprise information, especially whether the enterprise takes the interests of stakeholders into consideration in the process of development. This will encourage the participation enthusiasm of stakeholders. Stakeholders of food enterprises include shareholders, creditors, employees, consumers, customers, suppliers, government, community, etc. Through the social responsibility accounting information disclosed by food enterprises, stakeholders are able to get access to the fulfillment situation of enterprise social responsibility and provide evidences for making decisions. For example, food enterprises pay close attention to information about product safety in the process of production and inform the relevant information, such as production systems, supervision procedures, the qualified rate of products, the use condition of food additives and so on. Disclosure of above information will help consumers learn the production and transportation processes and deepen the recognition of products of food enterprises.

**DISCUSSION**

Due to the particularity of food industry, food firms should pay more attention on food safety than the aspects of environment, staff, community and welfare. The safety of food is closely linked with the daily life.
To consumers, food firms not only provide food, but also nutrition, health and safety. Consumers focus more on the food quality than other goods. The particularity of food industry decides that the food safety is the most important way to reflect social responsibility (Scandizzo and Ferrarese, 2015). Food firms should always keep food safety as the firm mission, putting life health of consumers in the first place, holding the pass of materials and quality, managing sincerely, so as to supply safety food for consumers.

The aim of accounting information disclosure for food companies supply chain: The aim of accounting information disclosure is a starting point of social responsibility accounting information disclosure. As the behavioral guidelines of information disclosure, the aim of disclosure content, disclosure forms and report users should be the same. The aim of social responsibility accounting information disclosure of food safety is to report some related information about how food companies fulfilling food safety social responsibility to information users at fixed period, to keep up the information about companies’ contribution and harmful effect on food safety maintenance and to supervise and evaluate these companies. The aim of accounting information disclosure is to clear and definite the main demanders for food safety information are consumers. The main aim for consumers to get food safety information is to judge if the food firms are safe. It is a good way for consumers to know the quality and service level of these food firms in order to make correct decisions. The disclosure forms should be reported to the public at fixed period.

The principle of business accounting information disclosure: The food companies accounting information disclosure should follow the quantitative and qualitative principle, relevance principle, social benefit principle, innovation principle and coerciveness principle. The quantitative and qualitative principle: since the social responsibility accounting content is very special and the measurement attributions are various, including dollar quantification and non-monetary information, the disclosure content should follow quantitative and qualitative principle based on the premise of truth.

Relevance principle: The information provided by companies should satisfy the aim of report users to make appropriate evaluation of safety situation on these food companies. Social benefit principle: starting with social benefit, mainly make assessments of the situation that companies fulfill social responsibility. It requires companies reflect economic activity from the perspective of the whole society but not the self-interest. So the information that companies disclosed should contribute to the evaluation of social benefit maximization but not profit maximization. Innovation principle: it requires the content and mode Chinese food companies disclosed should be distinctive. For example, disclosing the main content in detailed, simply listing secondary content and adopting disclosure mode of different industries. Coerciveness principle: although there is no disclosure about enforceable social responsibility accounting in the Guidelines for Central Enterprises to Fulfill Social Responsibilities issued by the SASAC, we still recommend that listed food companies should be forced to disclose accounting information in the view of the specificity of food companies. The enforced measurement might have binding effect on the high food risks. Although the problems of social responsibility accounting information of food and beverage industry have eased somewhat, some related problems are rather distinct: the content disclosed is not comprehensive; in the disclosure course, non-accounting basis plays a leading role while disclosure forms are single; the social responsibility accounting is not singly listed in the disclosure projects, lacking independent report sense; in insufficient disclosure of food safety information; the social responsibility report that disclosed are not audited by third parties, which is a problem that should be solved urgently (Nama and Lowe, 2014).

The measurement model of social responsibility for food companies supply chain: The measurement of social responsibility in food companies is a difficult point in social responsibility accounting. Recently, the measurement attribution of China’s financial accounting is based on the market transaction price, mainly including methods of historic cost, replacement cost, present worth, net realizable value, fair value and so on. Currency acts as a unified measurement unit. Two parties of companies in the market do not make value trade to fulfill social responsibility. It is the responsibility of companies to the society and to others. Thus, without market trade, transaction value will not be realized. Since it is difficult to use unified currency measurement as financial accounting, in addition, the social responsibility forms that companies fulfilled are various, the chosen of measurement methods for social responsibility could not be simplified. Many scholars advocated that the measurement models of social responsibility accounting should be on the basis of traditional currency measurement method, bringing in opportunity cost, shadow price method, replacement evaluation method, trade-off game method, fuzzy mathematics method and other non-currency valuation methods. The Chinese social responsibility accounting started very late without completed measurement system for social responsibility. For the methods of social responsibility accounting in food safety, many combined measurement methods and diversified
measurement factors with objective measurement standard, such as capital of food safety, capital input, account payable refunds of after sale service for consumers, wages for after sales service staff, compensation for food poisoning, all the above factors are measured in currency method. For the factors that could not be measured by currency or gauged precisely, such as earning subject of social responsibility-improve the potential income brought by improving product quality; the prize of food safety in the future might be a kind of contingent gain but not be measured at the present time, which could be described and explained in the notions; for the customer satisfaction could be got by questionnaire.

The disclosure forms of social responsibility accounting information for food companies supply chain: There are three disclosure forms of social responsibility accounting information for food companies: financial statement additional presentation, descriptive financial report and independent social responsibility accounting statement.

Financial statement additional presentation is to disclose present financial report, disclosing additionally social responsibility information in the enterprise financial accounting report and explaining in monetary measure, including disclosing by original financial report model and adding some new items in the financial report. Such as: the council of American environmental implication once suggested listing equipment used in environment control in balance sheet and listing environmental cost in income statement. Financial statement additional presentation is a form that used frequently in Chinese companies, putting social responsibility accounting information separately in financial report sectors, mostly concentrating in the statement note. It is a convenient way to carry out with low implementation cost. The defects are that the disclosure information is not comprehensive; enterprise social responsibility could not be reflected; various demands could not meet the satisfaction of information users. If too much social responsibility information is disclosed, confusion will be caused to affect the present financial accounting report.

Descriptive financial report is a kind of social responsibility report made by written narrative mode. The general social responsibility report is to explain with words the social influence from business activities of listed companies, which is the method of best realistic feasibility. Recently, the social responsibility report made by Chinese companies is mainly based on non-accounting basis information. This method mainly adopts written description on the effect and effort that enterprises made on the aspect of social responsibility. The defects are that there is no monetary measurement, lacking data support and with no persuasion. The independent social responsibility accounting report is dominated by accounting information, including social responsibility balance sheet, social responsibility income statement, social responsibility cash flow statement and so on. The advantage of this method is that the system standard and factors are measured by currency, which is accurate and reliable. For the present development of Chinese social responsibility accounting, the information in this report is comprehensive, in addition, the cost for information supply is high and the workload is heavy, which is against the principle of cost benefit; the present development of Chinese social responsibility is not mature and many information has no quantitative criteria to measure. It requires companies to make this report which exists lots of technical problems. Thus, independent report could be the goal of Chinese companies making social responsibility report and transfer it step by step. The social responsibility information of food companies involves different aspects and has the problems of difficult in measurement and measurement attribution diversity. Listed companies in Chinese food industry adopt the ways of combining accounting basis information and non-accounting basis information to make independent social responsibility report, which is suitable to China's conditions, guarantee information quality and meet information demands from respective parties.

The chosen of social responsibility for food companies supply chain: The core and key point for food enterprises to disclose social responsibility accounting information is food safety, which is divided into two parts, one is social responsibility accounting index information of food safety and the other one is social responsibility accounting information annotation. Social responsibility accounting index information of food safety is composed of some related expenditure and evaluation index of social responsibility undertaken by companies. It is good for consumers to understand deeply about companies’ performance of social responsibilities in various aspects, so they are easily to make horizontal information comparison among the same trade or business or vertical comparison of social responsibility information in different business. Social responsibility accounting information annotation is to reflect the efforts that food companies made in fulfilling food safety social responsibility through some non-monetary forms as words or graphs. In order to reflect and value justly the situation that listed companies fulfilling social responsibility, the social responsibility accounting index system is constructed by four principle, scientificity, pertinency, maneuverability and comparability. The construction of chosen and decision of scientificity index and the whole index system are objectively based, reducing subjective assume and strengthening the objectivity and scientificity of evaluation index. The general index originated from.
international recognized state standard of social responsibility (SA8000); PRC’s food safety law, implementing regulations of PRC’s food safety law, the explanation and application guidance of PRC’s food safety law and other related laws and regulations, enforcement regulations and guides issued by our country; the standard and norms about food safety issued by guild; some research report about food industry social responsibility made by specialists and scholars, etc. The chosen of pertinence index is focused on the specialty of food companies and characters of its social responsibility, reflecting in the chosen of social responsibility index of food safety in this industry. Maneuverability means the index chosen is realistic feasibility, which could be got directly or calculated indirectly based on various information disclosed by companies. Comparability is the index of horizontal comparison in different companies and vertical comparison in the same company, which can be compared and analyzed easily. The annotation of food safety social responsibility mainly shows the information that could not be quantized or the content that needs to be explained or additionally illustrated. For example, the information that related to the food quality, including the explanation of quality control and control mechanism from food companies, the illustration of food additives that used and the introduction of storage methods, etc. the information that related to after sales service, including service concept of companies, the humanized after sales service situations that led by this concept, the treatment affect to customer complaint, etc. other information, including product quality, information except after sales service, such as the adjustment and optimization of product construction of companies, the development of new products and so on.

CONCLUSION

In the process of disclosing social responsibility accounting information of food companies, the guide and lead of laws and regulations are necessary. Chinese laws and regulations on social responsibility accounting is not perfect. Although some related laws prescribed the aspects of environmental protection, staff benefit, consumer’s interest, etc, they are not completed. The information disclosure of social responsibility accounting of food companies is of voluntary state. The defects are that there is no unified and standardized document, which makes uneven quality and no unified format. What’s more, the social responsibility report that published is not audited which greatly reduces the reliability of social responsibility accounting information disclosed by food companies, requiring urgently government establish and improve related laws and regulations for protection. Most of the companies in Chinese food and drinks industry are small and medium-sized enterprises, whose scale is not big and profitability is moderate. The cost for companies to disclose social responsibility accounting information is very high, so small and medium-sized food and drinks enterprises are unable to do what they hope to do in the process of disclosing social responsibility accounting information. In current period, the food companies publish the disclosure of the social responsibility accounting information and earnestly carry out social responsibility. With the help of government such as subside and prize, the outstanding companies can be awarded subside and reward to raise enthusiasm of information disclosure. Meanwhile, besides food companies disclosing accounting information, corresponding supervision mechanism should be established. Connecting interior with exterior, for example, America supervises non-profit organization; Britain and Germany lead non-government organization; French government plays leading roles in it; China is a government dominant society, establishing supervision system of clear division and coordinate. Integrating association of consumers, intermediary organization, enterprises and government into supervision system to guarantee the quality safety of food by the way of connecting interior with exterior.

ACKNOWLEDGMENT

This study was supported by Research Project of High Education Reform in Chongqing, the Chosen Subjects of National School Researches on the Communist Youth League and the Research Foundation of Chongqing University of Education (No: KY201502A).

REFERENCES


