Research on the Influence of Internal Control of Listed Companies in Sichuan Province on Social Responsibility Performance

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Abstract: This paper takes the A-share listed company in Sichuan Province from 2014 to 2015 as the research object, and studies the impact of internal control quality on corporate social responsibility performance. Through systematic research, it is found that for Sichuan listed companies, the quality of internal control maintains a positive correlation with the performance of social responsibility in the process of enterprise development, and the quality of internal control work bears social responsibility for different stakeholders. The impact of differentiation. This research conclusion can help the public company to correctly interpret the internal relationship between internal control quality and social responsibility in the development process, and then propose rationalization for gradually improving corporate social responsibility.

1. Introduction

From the research status of China's research, relevant researchers have carried out appropriate analysis from the perspective of internal control in the process of research on corporate social responsibility, and also put forward reasonable suggestions, hoping to promote the fulfillment of social responsibility of Sichuan listed companies. By integrating the research results, it can be seen that the path of internal control affecting the fulfillment of corporate social responsibility mainly involves the factors that promote the fulfillment of social responsibility by the internal control of environmental factors, and the internal control of the target system including corporate social responsibility. The pursuit and internal control as a system of enterprise risk management system can reduce the probability of occurrence of damage to corporate social responsibility performance. In this research work, the relevant research results are summarized and analyzed, and corresponding hypotheses are put forward to facilitate the empirical research work.

2. Research design

2.1 Research hypothesis

In this research work, it is assumed that other conditions do not change and the conditions are the same. If the internal control quality of Sichuan listed companies is gradually improved, the ability and level of corporate social responsibility will also increase. In the study, according to the document requirements of the "Guidelines for Social Responsibility of Listed Companies of Shenzhen Stock Exchange", the social responsibility of Sichuan listed companies is divided into five parts, namely shareholder responsibility; employee responsibility; environmental responsibility; social welfare responsibility and suppliers, Customer and consumer responsibilities can be referred to as customer responsibilities [1]. According to this, in the research, a more detailed hypothesis can be put forward, that is, if other conditions do not change, if the internal control quality of the enterprise is continuously improved, then the internal shareholder social responsibility performance level and the employee social responsibility performance level of the listed company The level of customer social responsibility performance, as well as the level of environmental responsibility fulfillment and the level of social welfare responsibility will increase.

2.2 Sample selection

Taking the listed company in Sichuan Province as an example, this paper selects the listed companies that disclose social responsibility information in the annual report of A-share listed companies from 2014 to 2015 as a sample, excluding companies with insufficient data and ST companies, for a total of 87 sample companies. The listed company data in this paper comes from the listed company's annual report, social responsibility report, CSMAR database, Dibo internal control and risk management database.

2.3 Variable determination

The variables in this research work mainly include the interpreted variables, explanatory variables, and control variables.

(1) The variables are interpreted. In this research work, the professional evaluation system of listed companies' social responsibility report released by Hexun.com is used to measure the level of social responsibility of listed companies [2]. In order to be able to effectively test the above hypothesis, a total of six explanatory variables are set, which are the total level of corporate social responsibility, the level of performance of shareholder responsibility, the level of employee responsibility, the level of supplier responsibility, the level of environmental responsibility, and the responsibility of public welfare. Performance level, the variable symbol is CSR, $CSRShare$, $CSREM$, $CSRCS$, $CSREN$, $CSRSocial$ among them, the responsibility of suppliers, customers and consumers in Hexun.com is reduced to supplier responsibility.

(2) Explain the variables. For the evaluation of internal control quality (ICQ), the "Corporate Internal Control Code" clearly stipulates the five major objectives of internal control: "guarantee the legal compliance of business management, maintain the integrity of assets, ensure the integrity and completeness of financial reports and related information, and improve management. Efficiency and effectiveness, and promote corporate development strategies." Therefore, based on these five goals, this paper selects the "Dibo Internal Control Index" to measure the actual quality of internal control of the enterprise. Compared with the internal control index of Xiamen University, this index highlights the realization degree and operational effectiveness of internal control objectives [3].

(3) Control variables. Based on the integrated analysis of the literature research results, it is found that the control variables mainly involve various aspects such as company size (SIZE), growth (CROW), financial leverage (LEV), profitability (ROA), Tobin. Q ratio (TBQ). In the research, the relevant data is mainly selected from the financial database of Guotai'an listed company, the specific data is analyzed, the relevant variables are effectively processed, and accurate research results are obtained, so as to obtain conclusions with reliability.

2.4 Model establishment

Based on the goal of studying the impact of internal control on social responsibility, according to the variable design made above, the model is constructed as follows:

$$Dependent \ \ Variable$$
$$= \beta_0 + \beta_1 ICQ + \beta_2 SIZE + \beta_3 GROWTH + \beta_4 LEV + \beta_5 LEV + \beta_6 TBQ + \varepsilon$$

In the above research model, $Dependent \ \ Variable$ needs to be replaced according to the specific needs of the inspection work, and is gradually replaced by CSR, $CSRShare$, $CSREM$, $CSRCS$ m, $CSREN$, $CSRSocial$ and β_0 is an important constant term in the regression model, and β_1, β_2, ..., β_6, are different variables. The coefficient of the random error term in the formula is ε.

3. Empirical test results

3.1 Descriptive analysis

Descriptive statistical analysis of the results of the empirical test revealed that the sample listed company's corporate social responsibility averaged 20.7 points during the period of 2014-2015,

indicating that the social responsibility performance and performance level were lower overall, and the standard deviation was 17.05. The minimum value is -7.37, and the maximum value is 80.72, which indicates that there is a big difference between the listed companies in fulfilling social responsibilities, and the attitudes of different enterprises in fulfilling social responsibility are different [4]. From the perspective of the influence of internal control, it is proved to a certain extent that the internal control level of listed companies in China is generally high, but the quality of internal control work is relatively different among different companies. According to the correlation analysis, it can be seen that there is a clear correlation between the explanatory variables and different independent variables, and there is a relationship between the total level of corporate social responsibility (CSR) and the quality of internal control of listed companies in the development process of the enterprise. The relationship is a significant positive correlation, which verifies the hypothesis proposed in the previous article, and the verification found that the company's profitability has a relatively obvious impact on the company's performance of shareholder social responsibility.

3.2 Related analysis

Under the correlation analysis, the quality of internal control and corporate social responsibility are significantly related to the level of 1%, and the total level of corporate social responsibility, the level of performance of shareholder responsibility, the level of employee responsibility, the level of supplier responsibility, the level of environmental responsibility, and public welfare. The level of responsibility fulfillment is significantly positive. The hypothesis is initially verified. The quality of internal control of listed companies is gradually improved, and the ability and level of corporate social responsibility will also increase. At the same time, under the premise of the research, it is seen that there is no serious collinearity problem between the independent coefficient correlation coefficients, so deep multivariate regression analysis can be performed.

3.3 Regression analysis

In order to test the impact of internal control quality on corporate social responsibility performance, based on the implementation of multiple regression analysis, the coefficient of internal control quality is found and is significant at the level of 1%, which can prove the quality of internal control of the enterprise to a certain extent. It has a positive impact on the level of corporate social responsibility performance and has a significant positive promotion effect, which is consistent with the general assumption. At the same time, after implementing the multi-linear regression of the five sub-responsibility in combination with the whole sample, it was found that in the $CSRShare$, $CSREM$, $CSRCS$, $CSREN$, $CSRSocial$, and , five projects, the positive correlation was shown, which was significant at the level of 1%, which proved the quality of internal control of the enterprise. $CSRShare$, $CSRCS$, $CSRSocial$, can play a positive role in promoting. The $CSREM$, $CSREN$ involved, the coefficient is positive, but not significant, so it is impossible to support the two assumptions involved. In the research activities, in order to enhance the scientificity and reliability of the results, a robust test was carried out according to the research requirements, such as the use of two-stage instrumental variables in the empirical research work in order to deal with the endogenous problems that may exist in the model. The results were verified by regression method. The verification results show that there is no serious endogeneity between the variables involved in the study of regression models, and the robustness of the research results is relatively strong.

4. Policy recommendations

On the basis of conducting empirical research to form a correct understanding of the relationship between internal control quality and corporate social responsibility performance level, in order to be able to systematically strengthen the overall level of fulfilling social responsibility of Sichuan listed companies, it is proposed in research practice. The following aspects promote the improvement of

the level of social responsibility performance and create ideal conditions for Sichuan listed companies to achieve more stable development [5].

4.1 Fully mobilize the important role of internal stakeholders

According to the research results, in order to promote the continuous improvement of corporate social responsibility performance through scientific and reasonable internal control in the development process of Sichuan listed companies, it is necessary to play an important role of internal stakeholders and help the overall level of social responsibility in the development process. Enhancement. First of all, it is necessary to implement the social responsibility of shareholders, and gradually strengthen the internal control audit work of the enterprise to ensure that the interests of shareholders and Sichuan listed companies can be systematically coordinated to ensure effective implementation of the shareholder's performance of the link, such as dividend distribution. The assessment further promotes the goal of stable operation of dividend distribution and achieves effective relief of agency problems [6]. Secondly, the implementation of social responsibilities related to creditors, strengthen the maintenance of the interests of creditors, improve the implementation of internal control of enterprises, and ensure the support of creditors in the process of enterprise development. Finally, realize the social responsibility of employees, rationally improve the internal control system, ensure that employees can work hard for the construction and development of the enterprise, improve the comprehensive development efficiency of the internal control work of the enterprise, and achieve sustainable and stable development for the listed companies in Sichuan. The goal lays the foundation.

4.2 Give full play to the promotion of external stakeholders

The role of external stakeholders can also promote the improvement of the quality of internal control of enterprises, and provide good support for the enhancement of corporate social responsibility level. Therefore, in the future work, we must also consciously play the role of external stakeholders to promote internal the optimization of control work will create conditions to comprehensively enhance the ability and level of enterprises to fulfill their social responsibilities. First of all, fulfilling the social responsibility to consumers, establishing an internal control system related to consumers, establishing a bridge for effective communication and exchange with consumers, improving the consumer management system, and providing inexhaustible motivation for the sustainable development of enterprises. Support [7]. Secondly, fulfilling the responsibilities to suppliers and forming long-term cooperation with suppliers to ensure that the construction and development of enterprises can be supported by the improvement of supply processes, and then the management of the norms should be strictly investigated, and the management structure should be scientifically adjusted. The ability of corporate suppliers to fulfill their responsibilities is further enhanced. Finally, we strictly fulfill our social responsibilities to the public, support the development of environmental and public welfare undertakings, repay the society, build a good social image, and significantly increase the visibility of the company and promote the further enhancement of corporate social responsibility performance.

In summary, in the current social context, through systematic research, we can see that the fulfillment of corporate social responsibility is closely related to the rationalization of internal control work. To fully improve the ability of enterprises to fulfill their social responsibilities, they can continue to optimize. The internal control of the enterprise highlights the effectiveness of the comprehensive management of the enterprise and lays a solid foundation for the modernization of the enterprise.

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