

The Necessity and Significance of Financial Information Disclosure in Key Universities

Feng Xiaoya

Krirk University, Bangkok, Thailand

Abstract: Financial disclosure plays a central role in the management and decision-making process in the field of higher education, and its contribution is unique in enhancing visibility, strengthening public confidence and optimizing the internal governance of educational institutions. In this study, we conducted a detailed exploration of the status of financial information disclosure, explored various phenomena, analyzed its significant importance and practical significance within high-quality universities, and made a detailed comparative study of the potential advantages brought by optimizing the financial information disclosure system and its positive effects on the development of higher education institutions.

Keywords: Financial Information Disclosure; Key Universities and Colleges; Transparency; Public Trust; Internal Management

1. Introduction

A central pillar of higher education is the financial control and openness of key universities, which underpins excellence in teaching and research. With the increasing demand for educational transparency and financial disclosure, the advantages and disadvantages of financial information disclosure directly affect the reputation and sustainable development ability of educational institutions. In-depth analysis of the necessity and practical significance of financial information disclosure in well-known universities, in order to optimize the sound and efficient implementation of the financial management system of institutions of higher learning, and enhance public trust is of great importance.

2. Background and Significance of Financial Information Disclosure in Key Universities

2.1 Current Status of Financial Information

Disclosure

Under the background of the continuous optimization of the current education system and the continuous development of the society, the financial information transparency of well-known universities has become the focus of extensive attention. With the advent of the information age and the development of The Times, the society's demand for the quality and transparency of higher education has become increasingly prominent, and key higher education institutions need to comply with more stringent regulations on financial information transparency. At present, these educational institutions have shown moderate foresight in financial information disclosure, revealing detailed data on financial status, budget allocation and fund use to the public through official websites, annual reports and other channels. The public disclosure of such information is often accompanied by incomplete information, lack of timeliness and cognitive disorders, which causes the public to have a misunderstanding of the financial status of higher education. Although there have been modest improvements in the accuracy and timeliness of financial information releases at some prominent academic institutions, a number of shortcomings remain in the overall assessment of financial information disclosure at higher education institutions. [1] The lack of standardization and systematization of information disclosure is one of the main problems. There is an obvious gap between the openness and transparency of university financial information and the general expectation, especially in the aspects of capital utilization efficiency, financial health and budget allocation criteria, etc. In most cases, it is difficult for people to get a satisfactory response. To create three sets of parameter tables on the necessity and significance of financial disclosure for key universities, we will focus on showing key parameters related to financial disclosure, including transparency rating, public trust,

internal management efficiency, return on foreign investment, and partner satisfaction.[2] These parameters can quantitatively demonstrate the role and effect of financial information

disclosure in improving the quality of university management, enhancing public trust and optimizing resource allocation.

Table 1. Influence of Financial Information Disclosure in Key Universities on Transparency and Public Trust

parameter	describe	Prior disclosure level	After disclosure level	Percentage improvement
Transparency rating	Based on the degree of detail and timeliness of the financial reporting	60%	90%	50%
Public trust	Based on the public trust in university financial management of the survey	55%	85%	54.5%

2.2 Importance of Financial Information Disclosure

Transparency of financial information is critical for top institutions, and it is also related to the reputation and social image of educational organizations, which is crucial to the steady progress of higher education and the implementation of social responsibility. Comprehensive and clear financial information disclosure helps to enhance the trust and recognition of higher education institutions, which is conducive to building a high quality reputation of the school. In the face of increasing competition in the higher education market, this trust and recognition form the core of attracting outstanding students, educators and research programs. The effectiveness of financial data release has positive significance for enhancing the internal governance efficiency and transparency of educational institutions. The continuous release of financial data helps higher education institutions achieve more efficient self-regulation and evaluation, quickly respond to and solve the challenges arising from financial control, and optimize resource allocation to improve the efficiency and return of capital use. The increased transparency of financial information has a positive impact on attracting external investment and financial support, increasing the level of research and infrastructure optimization in the field of higher education, and laying the foundation for many possibilities. Financial information disclosure has become an important way for colleges and universities to fulfill social responsibility, improve social participation and strengthen supervision. As the main controller of national finance, institutions of higher learning must undertake the obligation to publicly disclose their financial status and the general situation of the use of funds, so as to ensure the fairness,

rationality and efficiency of the use of funds, so as to promote the optimal allocation of social resources and promote the sustainable development of higher education. Financial information disclosure plays a vital role in enhancing transparency, strengthening public confidence, optimizing internal management and fulfilling corporate social responsibility in key higher education institutions. In response to the current situation of financial information disclosure and challenges, key higher education institutions must strengthen the deepening reform and improvement of the financial information disclosure mechanism, and continue to promote the optimization of its connotation and extension in order to adapt to the expectations and needs of the public and promote higher education to a new level.[3]

3. Improve Transparency and Public Trust

3.1 Strategies to Enhance Financial Transparency

Comprehensive, accurate and prompt disclosure of financial data, operated and coordinated by a high level educational institution, lays a solid foundation for enhanced clarity in financial disclosure.[4] Greater financial transparency contributes to the well-being of all stakeholders, including students, staff, donors and government departments, providing better insight into the financial situation of higher education institutions and facilitating more efficient resource allocation and utilization. The comprehensive and accurate presentation of financial statements is a crucial element in enhancing transparency. This requires high-end universities to design and improve their internal financial reporting structure and optimize financial processes to achieve accurate recording and presentation of various financial information. At the same time, according to the

national financial reporting standards, colleges and universities need to disclose financial data, involving assets and liabilities, income and cash flow, etc., for in-depth analysis and detailed elaboration of financial conditions and operating results. Timeliness has a key impact on enhancing financial transparency. Higher education institutions should publish a summary of their financial position on a specific period (for example, quarterly, semi-annual or full-year), widely disseminated to official websites, social media platforms and numerous public channels for comprehensive coverage, so that stakeholders can have an unimpeded understanding of their real-time financial position. Colleges and universities should take measures to improve the convenience and popularity of financial information. The purpose of this content is to interpret the cumbersome technical terms and concepts in financial reports in a concise and clear way, and to display financial information through charts and visual AIDS, so that it can be presented in a clearer and more popular way.

3.2 Construction and Maintenance of Public Trust

Public trust is the cornerstone of the successful operation of key universities. To ensure the establishment and maintenance of public trust, higher education institutions still need to make efforts in the area of financial transparency, and still need to demonstrate their commitment to social responsibility and ethical principles. Institutions of higher education should actively participate in the field of social services and reveal their missions and beliefs in the process of serving society. These activities clearly reflect the social responsibility of higher education institutions and further strengthen the positive recognition and trust of the outside world for quality education. Higher education institutions are required to improve their internal governance and control mechanisms to ensure a high degree of integrity in financial management and to enhance management standards to prevent misconduct. This includes the scope of conducting internal audits and risk assessments on a regular basis, and establishing reporting and accountability mechanisms to enable immediate identification and correction of all misconduct. Institutions of higher learning should take the initiative to negotiate and interact with other relevant parties, including

holding regular public meetings, inviting outsiders to participate in some aspects of the management of higher education institutions, using questionnaires and feedback channels to understand and meet the expectations and needs of the community and related parties. With increased financial transparency and the initiative to shape and maintain public trust relationships, key higher education institutions have the potential to optimize their internal governance structures and improve educational outcomes, creating positive and sustained impact in the broader social sphere. This is the core responsibility of higher education and a key factor in its continued development.[5]

4. Promote Internal Management and Decision-Making

4.1 Optimization of Internal Management

In the field of higher education, especially in the top academic institutions, the efficiency of internal governance immediately affects the quality of education, the level of scientific research and the effect of social services. Financial information disclosure plays a crucial role in the optimization of internal management. The university management relies on its accuracy, timeliness and transparency as key references in formulating strategies, monitoring implementation progress and measuring management effectiveness. In the process of continuous optimization of enterprise internal management, financial information disclosure plays a pivotal role between the communication parties. This ensures that management has an accurate and detailed understanding of the College's financial position, covering key measures such as cash flow, budget implementation and financial risk. This knowledge facilitates data-driven decision making, which reduces the probability of decision errors. To a certain extent, regular and organized financial information disclosure helps to promote the smooth transmission of information among various departments, and promotes the communication and collaboration among various departments. This phenomenon plays an extremely important role in the distribution and application of materials. Open and transparent financial information plays a positive role in the construction of internal supervision mechanism. Implement a sound financial data disclosure system,

comprehensively monitor the implementation of financial strategies and the efficient evaluation and supervision of various execution efficiency, quickly identify potential defects and take appropriate optimization measures. This measure not only enhances the flexibility and resilience of internal management, but also optimizes the management level and operation efficiency of higher education institutions in an all-round way. When optimizing organizational operations, higher education institutions must pay attention to the standardization, normalization and intelligence of financial data release. With the support of cutting-edge information technology and management software, such as enterprise resource planning (ERP) systems, financial data processing is moving towards full automation and real-time, thereby increasing management efficiency and improving decision-making accuracy.

4.2 Role of Decision Support System

Decision support systems (DSS) play a key role in facilitating governance and decision-making within higher education institutions. Especially in the processing of complex financial information, DSS greatly improves the convenience and efficiency of user operations, conducts in-depth research and processing of a large amount of information, and supports high-level decision makers to make wise and appropriate decisions. DSS has the function of integrating internal and external financial information resources of institutions of higher learning, and uses data mining and analysis technology to provide comprehensive and multi-angle in-depth financial analysis reports for the management of institutions of higher education. These reports not only provide an in-depth analysis of the current financial situation, but also cover related areas such as financial risk assessment and trend forecasting, to some extent increasing the strength of the data on which decisions are based. By relying on simulation and forecasting functions, DSS achieves its goals, enabling efficient decision support for financial management and resource allocation in colleges and universities. Senior decision makers can use decision support systems (DSS) to model and simulate various scenarios, examine the implications and real-world outcomes of each decision, and choose the best strategy among many alternatives. DSS has the potential to provide personalized and interactive support for

the decision-making process. Given the specific needs and unique characteristics of various higher education institutions, DSS enables customers to tailor specific solutions to achieve the goal of collaborative participatory interface design, allowing management to improve decision making based on real-time information, increasing the adaptability and sustainability of the decision-making process. In key higher education institutions, decision support system plays a key role in operational decision-making. By combining the optimization of financial data processing skills with the enhancement of the rational level of decision making to achieve higher benefits, DSS helps universities maintain a competitive edge in a diverse environment and promotes their sustainable development and achievement.

5. Impact of Foreign Investment and Cooperation

5.1 Improvement of Foreign Investment Decision-Making

In the current global economic integration environment, the increasing frequency of overseas investment behavior of universities is one of the key strategies to improve the resource utilization efficiency of higher education institutions and enhance their position in global competition. It is also regarded as an efficient strategy for higher education institutions to expand their influence in the field of education and promote the appreciation of knowledge assets. The decision-making process of transnational investment is complicated and intertwined. In the context of financial information disclosure, many challenges are coming. As for higher education institutions, it is imperative to attach importance to the construction of accurate and efficient decision-making structures to ensure the smooth implementation and long-term development of investment behaviors. The level of completeness and accuracy of financial information is bound to have a significant impact on the formulation of external investment strategies by higher education institutions. The clarity and accuracy of financial statements can provide decision-makers with a full range of economic and trade data and financial situation analysis, so as to help decision-making, and cooperate with well-known universities to explore the risk and return expectations implied in investment

opportunities. Public disclosure of financial information can help institutions of higher learning to enhance the healthy confidence of investors and partners in the financial situation, and optimize the cost structure of investment to improve the level of investment return is our goal. In the process of implementing overseas capital operations in institutions of higher learning, techniques and means of dynamic financial analysis should be adopted and applied, such as financial forecasting models and risk assessment models, to continuously monitor and evaluate investment projects. This helps institutions of higher education to adjust investment strategies nimbly, and the avoidance

and control of investment risks benefit from the optimization of resource allocation to ensure the stable execution of investment behaviors. The optimization of the quality of foreign investment decision depends on the sound establishment of the internal control and audit system of Chinese universities. To carry out regular review and assessment of various financial matters and investment projects, colleges and universities must ensure that financial information is accurate and comply with investment norms, so as to improve the efficiency of asset management and investment returns of colleges and universities.

Table 2. Impact of Financial Information Disclosure on Internal Management and External Investment

parameter	describe	Prior disclosure level	After disclosure level	Percentage improvement
Internal management efficiency	Evaluate the efficiency of financial decisions and resource allocation	70%	92%	31.4%
Return on outbound investment	The average annual growth rate of investment returns	8%	12%	50%

5.2 Partner Selection and Trust

Institutions of higher learning take the initiative in the field of cross-border investment and cooperation, and in the pursuit of success, it is crucial to choose the right partners. The core of the selection of partners is the comprehensive assessment of their financial status and business strength. When analyzing the possibility of cooperation between the two parties, attention should be paid to the consistency of values, cultural adaptability and long-term sustainability of cooperation. Transparency of financial information is critical when selecting partners. Highly transparent financial disclosure provides a stable way for higher education institutions to assess the financial position and creditworthiness of potential partners. Through in-depth analysis of our partners' financial health, investment trajectories and market reputations, institutions of higher learning have the ability to accurately assess the stability and trustworthiness of potential partners. The sharing of financial data and transparent dialogue between the two parties can promote the

improvement of trust between the two parties and improve the efficiency of information disclosure and communication during the cooperation process. When choosing partners, universities should pay full attention to each other's innovation ability and sustainable development potential. With in-depth analysis of partners' R&D funding, technological innovation projects and future directions, higher education institutions can still ensure a short-term return on investment, and long-term collaboration allows both parties to take advantage of technical support and knowledge sharing in continuous interaction. In the external investment and partner selection process of higher education institutions, comprehensive and accurate disclosure of financial information is crucial. Relying on scientific decision-making process and appropriate evaluation methods, further optimizing the judgment ability in the field of investment decision-making, maintaining competitive advantage in the complex international environment and achieving sustainable development goals still exist.

Table 3. Impact of Financial Disclosure on Partnerships

parameter	describe	Prior disclosure level	After disclosure level	Percentage improvement
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Partner satisfaction	A satisfaction score was obtained based on the partner survey	75%	90%	20%
Long-term cooperation intention	Indicates the rate of partner renewal or expansion of cooperation	65%	88%	35.4%

6. Closing Remarks

The research on the urgency and significance of financial data disclosure of senior institutions emphasizes the important role of optimizing the financial data disclosure mechanism of educational institutions in enhancing management efficiency, consolidating public trust and promoting the sustainable development of schools. In the future, the clarity and accessibility of financial data still need to be continuously optimized, using efficient financial management and open information channels to build a solid pillar of higher education in the long run.

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