Accounting Governance Practices and Financial Reporting Quality: An Empirical Investigating of Listed Firms in Thailand

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Abstract

This research aimed to investigate; 1) the effects of accounting governance practices (accounting analysis management, best accounting practices, accounting control orientation, accounting compliance focus, and accounting risk forecasting) on financial reporting quality; 2) the effect of long-term organizational vision, corporate social responsibility, best accounting experience, stakeholder requirements, and environmental pressure on accounting governance practices; 3) the moderating effect of sustainability culture on the relationships between long-term organizational vision, corporate social responsibility, best accounting practices, stakeholder requirements, environmental pressure and accounting governance practices. Data were collected via a questionnaire from 171 listed firms in Thailand and analyzed using descriptive statistics, content analysis, and statistical regression. The research results were as follows: accounting governance practices have a significant effect on financial reporting quality. In addition, corporate social responsibility has a significant effect on all dimensions of accounting governance practices. Long-term organizational vision and environmental pressure have a significant effect on accounting risk forecasting. Best accounting experience and stakeholder requirements have a significant effect on best accounting practices and accounting control orientation. Stakeholder requirements have a significant effect on accounting analysis and management. Next, sustainability culture moderates the relationship between corporate social responsibility, stakeholder requirements, environmental pressure, and all dimensions of accounting governance practices. Sustainability culture moderates the relationship between the best accounting experience and accounting analysis management, accounting compliance focus, and accounting risk forecasting. Sustainability culture moderates the relationship between long-term organizational vision and accounting compliance focus. The implementation of corporate processes that fulfill financial reporting standards will be improved for non-stock market firms through the study of accounting governance practices. Accounting governance practices have developed into the standards that businesses adopt in their accounting procedures to support regular activities and practices. The implementation of accounting governance procedures is considered a crucial instrument for improving, achieving, and maintaining long-term performance.

Keywords: accounting governance practices; financial reporting quality; firms in Thailand

Introduction

The Thai accounting system, crucial for effective corporate and national financial management, has evolved considerably to meet changing economic and social demands. Initially based on traditional recording methods, the system was significantly transformed with the introduction of the double-entry system. Today, it adheres to International Accounting Standards and leverages advanced information technology to enhance financial management efficiency. In an environment characterized by uncertainty, fluctuations in financial operations can lead to outcomes that deviate from expectations. To address these challenges, organizations must prioritize robust accounting management strategies. Effective accounting practices are vital to minimizing the risk of significant errors. These practices involve standard accounting processes, ensuring the accuracy of financial reporting The Thai accounting system, crucial for effective corporate and national financial management, has evolved considerably to meet changing economic and social demands. Initially based on traditional recording methods, the system was significantly transformed with the introduction of the double-entry system. Today, it adheres to International Accounting Standards and leverages advanced information technology to enhance financial management efficiency. In an environment characterized by uncertainty, fluctuations in financial operations can lead to outcomes that deviate from expectations. To address these challenges, organizations must prioritize robust accounting management strategies. Effective accounting practices are vital to minimizing the risk of significant errors. These practices involve standard accounting processes, ensuring the accuracy of financial reporting according to accounting standards, and utilizing accounting information for business analysis and account control. These elements also aid in forecasting potential risks (Oladele et al., 2013). accounting standards, and utilizing accounting information for business analysis and account control. These elements also aid in forecasting potential risks (Oladele et al., 2013).

The significance of accounting analysis management, adherence to best accounting practices, effective accounting control, compliance with accounting standards, and the forecasting of accounting risks cannot be overstated. These factors are instrumental in enhancing the quality of financial reporting (Safiullah & Shamsuddin, 2019). This study focuses on accounting governance practices as primary variables, offering a framework for assessing accounting conduct (Alzeban & Gwilliam, 2014). The research explores various factors influencing corporate decision-making, including both internal and external elements such as long-term organizational vision, corporate social responsibility, best accounting practices, stakeholder expectations, and environmental pressures. By examining accounting practices through standardized processes, the accuracy of financial statements, and business and account control, this study aims to predict potential threats and improve understanding of accounting governance (Naksomsong & Pongsupatt, 2021).

This study investigates the relationship between accounting governance practices and financial reporting quality, introducing a unique multidimensional framework that distinguishes it from previous research. Utilizing contingency theory, it explains this framework and assesses its impact on organizational performance and success. Future research is expected to deepen understanding of accounting management, support informed decision-making, enhance long-term business success, increase business flexibility, and provide a competitive advantage.

This research will offer valuable insights into how accounting management approaches affect financial and operational outcomes, assist companies in implementing strategies for financial stability and operational efficiency, and provide resources for adapting to evolving market conditions.

Research Objectives

1. To investigate the effects of accounting governance practices (accounting analysis management, best accounting practices, accounting control orientation, accounting compliance focus, and accounting risk forecasting) on financial reporting quality.

2. To investigate the effect of long-term organizational vision, corporate social responsibility, best accounting experience, stakeholder requirements, and environmental pressure on accounting governance practices.

3. To investigate the moderating effect of sustainability culture on the relationships between long-term organizational vision, corporate social responsibility, best accounting practices, stakeholder requirements, environmental pressure, and accounting governance practices.

Scope of Research

Content of the study: This research applies contingency theory to explain and modify the research relationship (Fiedler, 2015). Accounting governance practices refer to a system that manages business accounting internal control, aiming to improve service administration and add value to organizations. It focuses on quality, honesty, transparency, equitability, efficiency, and clear goals. Financial reporting quality refers to financial reports providing accurate, comprehensive information about an investor's economic condition, events, and performance, promoting timely monitoring and sound decision-making, and emphasizing the importance of financial transparency (Pourheidari & Shuraki, 2015).

Population and Sample: There were 675 Thai listed firms as of November 12, 2022, according to the Stock Exchange of Thailand (SET) database. 672 listed firms comprise the relevant population, excluding rehabilitation firms, which are non-performing and were withdrawn from trading boards (The Stock Exchange of Thailand, 2022). Krejcie and Morgan (1970) state that a sample size of 245 respondents is necessary. A questionnaire should be issued to 1,225 firms to accomplish this with the 20% response rate that is common for social science surveys (Aaker et al., 2001). To secure enough responses for the mail survey, the entire population was included due to the size of the population. The key informants were accounting chief executives or accounting directors.

Area: These listed firms in Thailand are divided into eight industrial sectors: Agro and Food Industry, Consumer Products, Financials, Industrials, Property and Construction, Resources, Services, and Technology.

Time: During January–March 2023.

Literature Review

Accounting Governance Practices

Accounting governance practices have become the guidelines that firms use in their accounting practices that will help in practice and operation. It refers to a system that manages business accounting internal control, aiming to improve service administration and add value to organizations. It focuses on quality, honesty, transparency, equitability, efficiency, and clear goals. This study defines accounting governance practices as data gathered from standard accounting processes, the accuracy of financial statements that maintain accounting standards, and accounting information implemented for business analysis and accounting control that can be used to forecast future hazards. The study will include five areas: accounting analysis management, best accounting practices, accounting control orientation, accounting compliance focus, and accounting risk forecasting. Accounting analysis management refers to how an accountant evaluates financial transactions and statements, testing them according to requirements. They analyze operations and statements, gaining a deep understanding of the organization's facts and characteristics. This helps in making informed decisions and monitoring firm health (Mahgoub et al., 2021). Best accounting practices refer to accounting functions that rely on accepted principles and standards, with methods for improvement including correct record-keeping, audits, and teamwork. Accountants should focus on maintaining financial documents, fostering partnerships, and actively learning from prior experience. Effective accounting controls are essential for maintaining financial stability and ensuring compliance (Ninlaphay et al., 2012). Accounting control orientation refers to accounting controls that are essential for businesses to improve efficiency and compliance, ensuring accurate financial statements. They involve modifying accounting processes and data collection systems and are implemented by organizations to support optional, modified, and integrated processes (Jaipiem et al., 2012). Accounting compliance focus refers to following accounting laws and regulations that guide firms in choosing the correct format and manner of accounting, ensuring compliance, monitoring changes, and streamlining processes for efficient financial transaction documentation and confirmation (Länsiluoto et al., 2016). Accounting risk forecasting refers to recognizing, evaluating, and managing business hazards that reduce risks and potential damages, build shareholder trust, and contribute to compliance requirements. Effective accounting risk predictions and procedures help reduce risks and ensure compliance with internal and external stakeholders (Al-Qudah et al., 2015).

Financial Reporting Quality

Financial reporting quality is an outcome of accounting governance practices. It refers to financial reports providing accurate, comprehensive information about an investor's economic condition, events, and performance, promoting timely monitoring and sound decision-making, and emphasizing the importance of financial transparency (Pourheidari & Shuraki, 2015). It is financial reporting quality is described as performance outcomes that indicate the organization's financial stability, with a stable operating system and consistent methods for shareholder value and future business growth, ensuring successful management and stakeholder satisfaction. Hence, financial reporting quality implies the output of implementing accounting governance practices and their outcomes. Antecedents of accounting governance practice implementation, while financial reporting quality is important for a firm to apply accounting governance practices, there may be factors involved. In this study, factors are divided into two categories. Internal factors; long-term organizational vision, corporate social responsibility, best accounting experience, and external factors stakeholder requirements and environmental pressure.

Long-term Organizational Vision

Long-term organizational vision is the first internal factor of accounting governance practices. It refers to an organization's sustainability vision, which considers future performance, strategic goals, employee adaptation, and stakeholder needs, aiming beyond financial profits (Garg, 2014).

Corporate Social Responsibility

Corporate social responsibility is the second internal factor of accounting governance practices. It refers to the organizational operational model that prioritizes social and environmental participation, communication, and operations for societal survival, addressing economic, societal, and environmental concerns (Kamatra & Kartikaningdyah, 2015). However, it does not only help shareholders; it is through the simultaneous integration of these three factors that growth and societal benefits are realized. In other words, a business that focuses on social responsibility may also have good corporate governance. It can also provide earnings for shareholders at the same time.

Best Accounting Experience

Best accounting experience is the third internal factor of accounting governance practices. It refers to accounting, which is crucial for timeliness and involves acknowledgment, learning, and skill development. Companies should support employees in improving their accounting processes for future responsibilities (Khammongkol et al., 2018).

Stakeholder Requirement

Stakeholder requirement is the first external factor of accounting governance practices. It refers to policies that consider stakeholders' needs and objectives, communicate information, and address operational performance and short- and long-term needs. Effective approaches have been developed to address these requirements (Lata et al., 2018).

Environmental Pressure

Environmental pressure is the last external factor in accounting governance practices. It refers to environmental, legal, and client changes that impact firm operations, necessitating careful attention to detailed procedures and adjusting to changing regulations for responsible environmental management (Martin & Javalgi, 2016).

To straighten the research relationship, sustainability culture is a moderator of long-term organizational vision, corporate social responsibility, best accounting practices, stakeholder requirements, and environmental pressure on accounting governance practices.

Sustainability Culture

Sustainability culture is defined as a corporate strategy based on survival instinct, increased client expectations, technological advancements, and adaptability to change, which are crucial for a firm's long-term survival in challenging business environments (Zahra et al., 2022). It is challenging to adopt accounting governance practices, develop them, and renew their governance.

Research Methodology

Population and Sample

In this study, accounting executives (chief accounting officers, accounting directors, accounting managers or accounting heads) are the key informants.

Data Collection

The questionnaire with dichotomous scales was utilized as a key instrument for collecting data. In this study, a total of 672 key participants from listed firms in Thailand were contacted (The Stock Exchange of Thailand, 2022). The mailed questionnaire was distributed to these participants as the accounting chief executives or accounting directors of these targeted firms. The participants were requested to complete the questionnaire and return it to the researchers. Concerning the questionnaire distribution, 175 responses were received. Of the surveys completed and returned, 171 were usable. The effective response rate was approximately 25.60%. With an appropriate follow-up procedure suggested by Aaker et al. (2001) the response rate for a mailed survey as being greater than 20 was considered acceptable. In addition, to verify potential non-response bias, a comparison of the first and the second wave data as recommended by Armstrong & Overton (1977) was considered. This study had no response bias problems for investigating the research relationships because there were no statistically significant differences between the first and the second groups at a 95% confidence level as firm age ($t = 0.17$, $p > 0.05$), firm size ($t = 0.14$, $p > 0.05$) and firm capital ($t = 0.19$, $p > 0.05$).

Validity and Reliability

To achieve the validity and reliability of the model, three criteria are examined (Hair et al., 2014). Firstly, the factor loadings of all items are greater than 0.60. Secondly, Cronbach alpha coefficients as well as the composite reliability are achieved with scoring greater than 0.70. Lastly, item-total correlations are greater than 0.30 indicating the achievement of the convergent validity. Based on these criteria, all the indices can be accepted. Table 1 presents the validity and reliability results for multiple-item scales used in this study.

Table 1 Results of Measure Validation

Items	Factor Loading	Item-total Correlations	Reliability (Cronbach's Alpha)
Accounting Analysis Management (AAM)	(0.828-0.959)	(0.758-0.937)	0.955
Best accounting practices (BAP)	(0.886-0.983)	(0.842-0.975)	0.980
Accounting Control Orientation (ACO)	(0.828-0.964)	(0.764-0.944)	0.959
Accounting Compliance Focus (ACF)	(0.835-0.910)	(0.754-0.886)	0.937
Accounting Risk Forecasting (ARF)	(0.760-0.917)	(0.669-0.871)	0.931
Financial Reporting Quality (FRQ)	(0.831-0.956)	(0.753-0.923)	0.941
Long-term Organizational Vision (LOV)	(0.826-0.939)	(0.743-0.882)	0.927
Corporate Social Responsibility (CSR)	(0.914-0.984)	(0.876-0.975)	0.974
Best Accounting Experience (BAE)	(0.759-0.887)	(0.641-0.801)	0.900
Stakeholder Requirements (SRE)	(0.950-0.972)	(0.634-0.859)	0.975
Environmental Pressure (ENP)	(0.831-0.954)	(0.920-0.954)	0.934
Sustainability Culture (SUC)	(0.745-0.913)	(0.743-0.921)	0.915

Research Results

The descriptive statistics and correlation matrix for all variables are presented in Table 2. Multicollinearity might occur when the inter-correlation in each predictor variable is greater than 0.80, which suggests a strong relationship (Hair et al., 2014). The correlations range from 0.456 to 0.890 at the $p < 0.01$ level, which suggests that the possible relationships of the variables in the conceptual model could be tested. Thus, there are no substantial multicollinearity problems encountered in this study.

Table 2: Descriptive Statistics and Correlation Matrix– explain according to the results shown in the table

	AAM	BAP	ACO	ACF	ARF	FRQ	LOV	CSR	BAE	SRE	ENP	SUC
Mean	3.614	3.609	3.683	3.371	3.228	4.531	3.118	3.506	3.428	3.425	3.462	3.433
S.D.	0.291	0.288	0.338	0.325	0.207	0.493	0.332	0.471	0.376	0.455	0.457	0.458
AAM	1.000											
BAP	0.547***	1.000										
ACO	0.629***	0.639***	1.000									
ACF	0.858***	0.620***	0.692***	1.000								
ARF	0.488***	0.588***	0.665***	0.584***	1.000							
FRQ	0.456***	0.600***	0.616***	0.601***	0.634***	1.000						
LOV							1.000					
CSR							0.696***	1.000				
BAE							0.466***	0.676***	1.000			
SRE							0.601***	0.717***	0.633***	1.000		
ENP							0.634***	0.828***	0.667***	0.890***	1.000	
SUC							0.633***	0.835***	0.734***	0.845***	0.856***	1.000

*** Correlation is significant at the 0.01 level (2–tailed), **Correlation is significant at the 0.05 level (2–tailed)

Table 3 presents the results of multiple regression and hypotheses testing of the direct and moderating hypotheses. Interestingly, accounting analysis management has an important positive effect on financial reporting quality (β = 0.403, $p < 0.05$). In addition, best accounting practices have a critical positive effect on financial reporting quality (β = 0.321, $p < 0.05$). Accounting control orientation has a critical positive effect on financial reporting quality (β = 0.430, $p < 0.01$). Indeed, accounting compliance focus has a critical positive effect on financial reporting quality (β= 0.519, $p < 0.01$). Lastly, accounting risk forecasting has a critical positive effect on financial reporting quality (β = 0.555, $p < 0.01$).

Table 3: Results of Multiple Regression analysis and beta coefficients with standard errors in parenthesis

Independent Variables	Dependent Variables FRQ
AAM	0.403** (0.180)
BAP	0.321** (0.128)
ACO	0.430*** (0.145)
ACF	0.519*** (0.177)
ARF	0.555*** (0.185)
FAG	-0.003 (0.055)
FSZ	-0.040 (0.055)
CGA	0.065 (0.053)
Adjusted R^2	0.534

***p < 0.01, **p < 0.05, *p < 0.10

Table 4 presents the results of multiple regression analysis and hypotheses testing of the moderating research relationships. The third category is the five antecedents of accounting governance practices, comprised of long-term organizational vision, corporate social responsibility, best accounting experience, stakeholder requirements, and environmental pressure. All antecedent variables align with their definitions and prior literature. Firstly, long-term organizational vision has a critical positive effect on accounting risk forecasting (β = 0.111, p < 0.05). Nevertheless, the long-term organizational vision does not affect accounting analysis management (β = -0.065, p > 0.10), best accounting practices (β = 0.015, p > 0.10), accounting control orientation (β = -0.81, p > 0.10), and accounting compliance focus (β = 0.038, p > 0.10). Secondly, corporate social responsibility has a critical positive effect on all dimensions of accounting governance practices consisting of accounting analysis management (β = 0.329, p < 0.01), best accounting practices (β = 0.308, p < 0.01), accounting control orientation (β = 0.477, p < 0.01), accounting compliance focus (β = 0.330, p <0.01), and accounting compliance focus (β = 0.179, p < 0.01). Thirdly, best accounting experiences have an important positive effect on best accounting practices (β = 0.162, p < 0.05) and accounting control orientation (β = 0.149, p < 0.10). However, the best accounting experience does not affect accounting analysis management (β = -0.014, p > 0.10), accounting compliance focus (β = -0.012, p > 0.10), and accounting risk forecasting (β = -0.037, p > 0.10). Fourthly, stakeholder requirements have a positive effect on accounting analysis management (β = 0.190, p < 0.05), best accounting practices (β = 0.200, p < 0.05), and accounting control orientation (β = 0.191, $p < 0.10$). However, stakeholder requirements do not affect accounting compliance focus (β= 0.101, $p > 0.10$) and accounting risk forecasting (β = 0.073, $p > 0.10$). Finally, environmental pressure has a positive effect on accounting risk forecasting (β = 0.137, $p < 0.10$). However, environmental pressure has no effect on accounting analysis management (β = –.111, $p > 0.10$), best accounting practices (β = –0.036, $p > 0.10$), accounting control orientation (β = –0.080, $p > 0.10$), and accounting compliance focus (β = 0.040, $p > 0.10$).

The results of multiple regression analysis and hypotheses testing of the moderating research relationships. Sustainability culture moderates the long-term organizational vision- accounting compliance focus relationships (β = 0.491, $p < 0.01$). Sustainability culture moderates the corporate social responsibility, and all dimensions of accounting governance practices relationships consist of accounting analysis management (β= 0.674, $p < 0.01$), best accounting practices (β = 0.661, $p < 0.01$), accounting control orientation (β = 0.261, $p < 0.01$), accounting compliance focus (β = 0.981, $p < 0.01$), and accounting risk forecasting (β = 0.432, $p < 0.01$). Sustainability culture moderates the stakeholder requirements, and all dimensions of accounting governance practices relationships consist of accounting analysis management (β = 0.35, $p < 0.10$), best accounting practices (β = 0.666, $p < 0.01$), accounting control orientation (β = 0.649, $p < 0.01$), accounting compliance focus (β = 0.983, $p < 0.01$), and accounting risk forecasting (β = 0.537, $p < 0.01$). Sustainability culture moderates the environmental pressure, and all dimensions of accounting governance practices relationships consist of accounting analysis management (β = 0.532, $p < 0.05$), best accounting practices (β = 0.509, $p < 0.01$), accounting control orientation (β = 0.554, $p < 0.01$), accounting compliance focus (β = 0.757, $p < 0.01$), and accounting risk forecasting (β = 0.382, $p < 0.01$).

Table 4: Results of Multiple Regression analysis and beta coefficients with standard errors in parenthesis.

Independent Variables	Dependent Variables				
	AAM	BAP	ACO	ACF	ARF
LOV	−0.065 (0.082)	0.015 (0.080)	−0.081 (0.089)	0.038 (0.084)	0.111** (0.053)
CSR	0.329*** (0.083)	0.308*** (0.081)	0.477*** (0.091)	0.330*** (0.085)	0.179*** (0.054)
BAE	−0.014 (0.072)	0.162** (0.071)	0.149* (0.079)	−0.012 (0.075)	−0.037 (0.047)
SRE	0.190** (0.094)	0.200** (0.092)	0.191* (0.103)	0.101 (0.096)	0.073 (0.061)
ENP	−0.111 (0.114)	−0.036 (0.112)	−0.080 (0.125)	0.040 (0.117)	0.137* (0.074)
LOV*SUC	0.270 (0.189)	0.215 (0.181)	0.272 (0.192)	0.491*** (0.187)	0.141 (0.117)
CSR*SUC	0.674*** (0.228)	0.661*** (0.218)	0.261*** (0.231)	0.981*** (0.224)	0.432*** (0.141)
BAE*SUC	0.283* (0.165)	0.082 (0.158)	0.181 (0.167)	0.362** (0.163)	0.222** (0.102)
SRE*SUC	0.635* (0.361)	0.666*** (0.345)	0.649*** (0.365)	0.983*** (0.355)	0.537*** (0.223)
ENP*SUC	0.532** (0.440)	0.509*** (0.421)	0.554*** (0.446)	0.757*** (0.433)	0.382*** (0.273)
FAG	0.011 (0.039)	−0.005 (0.037)	0.078* (0.040)	−0.016 (0.039)	0.019 (0.024)
FSZ	0.059 (0.038)	−0.013 (0.036)	−0.047 (0.038)	0.033 (0.037)	0.066*** (0.023)
CGA	−0.041 (0.038)	0.010 (0.037)	−0.056 (0.039)	−0.010 (0.038)	−0.077 (0.024)
Adjusted R^2	0.359	0.402	0.510	0.501	0.514

***p < 0.01, **p < 0.05, *p < 0.10

Discussion

This research investigates the effects of accounting governance practices (accounting analysis management, best accounting practices, accounting control orientation, accounting compliance focus, and accounting risk forecasting) on the financial reporting quality of Thai listed firms.

For the first research objective, the research focuses on the effects of accounting governance practices (accounting analysis management, best accounting practices, accounting control orientation, accounting compliance focus, and accounting risk forecasting) on the financial reporting quality of Thai listed firms. Interestingly, accounting analysis management has an important positive effect on financial reporting quality. Firms with a robust accounting analysis system and an effective financial reporting process enhance operational efficiency and data quality. This leads to more efficient operations, reduced errors, and trustworthy financial statements. The finance director emphasizes building accounting capabilities for decision-making, forecasting, and operational strategy formulation (Sopa & Kalasindhu, 2021). In addition, best accounting practices have a critical positive effect on financial reporting quality. Best accounting practices result in the presentation of high-quality financial statements and the reliability of financial reports. Additionally, it aligns with research stating that the best accounting practices encompass high-quality data accumulation, efficient accounting systems, and regular monitoring. Critical for data management in accounting tasks, bookkeepers need to ensure that financial information is securely stored, backed up, and easily retrievable (Al-Attar, 2021). Accounting control orientation has a critical positive effect on financial reporting quality. An emphasis on compliance with the laws should be integrated with the national financial regulatory oversight agency because it affects the quality of financial reporting, and quality reports influence managerial decision-making. Additionally, it is linked to operational performance in both the short and long term (Filip, Labelle, & Rousseau, 2015). Ethical practices, including regulatory compliance, systematic document management, operational processes, technology application, and internal control, positively correlate with the quality of financial reports, aiding informed economic decision-making (Kamwass, 2022). Lastly, accounting risk forecasting has a critical positive effect on financial reporting quality. Accounting risk forecasting enhances financial reporting quality by aligning risk management processes with organizational context, promoting transparency, trust, and efficient decision-making, thereby enhancing the quality of accounting information and operational strategies (Mangkang & Phenwuthikul, 2023).

The second objective is to investigate the effect of long-term organizational vision, corporate social responsibility, best accounting experience, stakeholder requirements, and environmental pressure on accounting governance practices. Firstly, long-term organizational vision has a critical positive effect on accounting risk forecasting. The long-term vision of an organization impacts accounting risk forecasting, and aids in budget planning, operational performance improvement, financial efficiency, and error prevention, thereby promoting financial and non-financial success for organizations (Boonbungkird & Chaiyakhet, 2022). Nevertheless, the long-term organizational vision does not affect accounting analysis management, best accounting practices, accounting control orientation, and accounting compliance focus. The long-term organizational vision may not directly impact accounting governance practices. The COVID-19 pandemic has prompted a need for adaptation of business strategies and accounting processes, potentially causing operational guidelines to not align with the current situation (Ratanasongtham, 2021). Secondly, corporate social responsibility has a critical positive effect on all dimensions of accounting governance practices, consisting of accounting analysis management, best accounting practices, accounting control orientation, accounting compliance focus, and accounting compliance focus. Corporate social responsibility enhances accounting processes by prioritizing activities based on socially accepted criteria, resulting in stable practices and trustworthy financial information, promoting trustworthiness and societal acceptance, and establishing organizational sustainability (Sinbangwa & Sincharoonsak, 2017). Thirdly, best accounting experiences have an important positive effect on best accounting practices and accounting control orientation. The best accounting experience establishes good practices and ensures consistent future practices. It fosters effective control, data analysis, and efficient reporting. This knowledge fosters understanding and confidence in providing reliable information to management, ensuring a business maintains high standards (Pansophon & Sudsomboon, 2019). However, the best accounting experience does not affect accounting analysis management, accounting compliance focus, or accounting risk forecasting. The best accounting experience does not necessarily impact accounting analysis management, accounting compliance doesn't depend on past work experience, but it doesn't affect risk forecasting. Past experiences may not align with current circumstances, making best practices difficult to implement. COVID–19 declines necessitate adjustments (Ratanasongtham, 2021). Fourthly, stakeholder requirements have a positive effect on accounting analysis management, best accounting practices, and accounting control orientation. A firm must analyze stakeholder needs and develop sound accounting practices while adhering to standards and principles and complying with laws and regulations. This enhances confidence in financial reports, enabling stakeholders to make informed decisions. Stakeholder requirements impact accounting analysis and management. Consequently, businesses have undertaken systematic accounting analysis to support decision–making with accounting data tailored to stakeholder needs (Harrison & Smith, 2015). However, stakeholder requirements do not affect accounting compliance focus and accounting risk forecasting. Stakeholder requirements do not affect accounting compliance focus and accounting risk forecasting due to their external factors. Firms already adhere to comprehensive standards, regulations, and laws, so stakeholder needs do not affect accounting operations (Ratanasongtham, 2021). Finally, environmental pressure has a positive effect on accounting risk forecasting. The competitive firm environment demands businesses manage diverse goods and services, mitigate operational issues, and consider risks like inaccurate forecasts and inventory management, especially in the face of competitors' large product volumes. The competitive business environment is a crucial factor that is linked to forecasting the risks arising from accounting practices and aids in the development and enhancement of efficient accounting methods

(Thongpracha & Vetchagool, 2022). However, environmental pressure does not affect accounting analysis management, best accounting practices, accounting control orientation, and accounting compliance focus. The COVID-19 pandemic has led businesses to prioritize customer satisfaction over compliance with regulations, resulting in a decrease in good accounting practices. This is due to the focus on profit-making and economic recovery, rather than adhering to strict regulatory practices. Environmental pressures do not have a positive impact on accounting compliance focus. This is because most firms listed on the stock market already have accounting systems in place and adhere to quality controls in accounting practices as required by regulations (Khuntong & Kalasindhu, 2021).

The last objective is to investigate the moderating effect of sustainability culture on the relationships between long-term organizational vision, corporate social responsibility, best accounting practices, stakeholder requirements, environmental pressure, and accounting governance practices. Sustainability culture moderates the long-term organizational vision-accounting compliance focus relationships. Sustainability culture moderates the best accounting practices-accounting analysis management, accounting compliance focus, and accounting risk forecasting. Finally, sustainability culture moderates corporate social responsibility, stakeholder requirements, environmental pressure, and all dimensions of accounting governance practices. Relationships consist of accounting analysis management, best accounting practices, accounting control orientation, accounting compliance focus, and accounting risk forecasting. In the existing literature, sustainability culture is defined as the ability of firms to use businesses to prioritize accounting controls that emphasize accounting compliance with existing regulations to enhance operational efficiency, foster a sustainable organizational culture for future endeavors, and ensure long-term connectivity. The emphasis is placed on legal regulations and standards to minimize operational errors and establish best practices based on societal norms and accepted principles. This process instills a sense of conscientiousness regarding regulatory compliance within the organization. A firm's long-term accounting vision focusing on sustainability in the future affects the accuracy of controlling accounting practices and aligning accounting with accounting standards and financial reporting standards (Kamfun & Pongpanpattana, 2017).

Conclusion

Accounting governance practices are a good guiding principle in accounting skills. The objective of this study is to investigate the effects of accounting governance practices on financial reporting quality, the antecedent, and the moderator of accounting governance practices. Accounting governance practices comprise accounting analysis management, best accounting practices, accounting control orientation, accounting compliance focus, and accounting risk forecasting. Both structural equation models and multiple regression analyses are utilized to test both direct and indirect effects.

The results of this study found that all dimensions of accounting governance practices positively affect financial reporting quality. Accounting analysis management has an important positive effect on financial reporting quality (β = 0.403, $p < 0.05$). In addition, best accounting practices have a critical positive effect on financial reporting quality (β = 0.321, $p < 0.05$). Accounting control orientation has a critical positive effect on financial reporting quality (β = 0.430, $p < 0.01$). Indeed, accounting compliance focus has a critical positive effect on financial reporting quality (β= 0.519, $p < 0.01$). Lastly, accounting risk forecasting has a critical positive effect on financial reporting quality (β = 0.555, $p < 0.01$).

In addition, Firstly, long-term organizational vision has a critical positive effect on accounting risk forecasting (β = 0.111, $p < 0.05$). Nevertheless, long-term organizational vision does not affect accounting analysis management (β = –0.065, $p > 0.10$), best accounting practices (β = 0.015, $p > 0.10$), accounting control orientation (β = –0.81, $p > 0.10$), and accounting compliance focus (β = 0.038, $p > 0.10$). Secondly, corporate social responsibility has a critical positive effect on all dimensions of accounting governance practices consisting of accounting analysis management (β = 0.329, $p < 0.01$), best accounting practices (β = 0.308, $p < 0.01$), accounting control orientation (β = 0.477, $p < 0.01$), accounting compliance focus (β = 0.330, $p <0.01$), and accounting compliance focus (β = 0.179, $p < 0.01$). Thirdly, best accounting experiences have an important positive effect on best accounting practices (β = 0.162, $p < 0.05$) and accounting control orientation (β = 0.149, $p < 0.10$). However, the best accounting experience does not affect accounting analysis management (β = –0.014, $p > 0.10$), accounting compliance focus (β = –0.012, $p > 0.10$), and accounting risk forecasting (β = –0.037, $p > 0.10$). Fourthly, stakeholder requirements have a positive effect on accounting analysis management (β = 0.190, $p < 0.05$), best accounting practices (β = 0.200, $p < 0.05$), and accounting control orientation (β = 0.191, $p < 0.10$). However, stakeholder requirements do not affect accounting compliance focus (β= 0.101, $p > 0.10$) and accounting risk forecasting (β = 0.073, $p > 0.10$). Finally, environmental pressure has a positive effect on accounting risk forecasting (β = 0.137, $p < 0.10$). However, environmental pressure does not affect accounting analysis management (β = -.111, $p > 0.10$), best accounting practices (β = -0.036, $p > 0.10$), accounting control orientation (β = -0.080, $p > 0.10$), and accounting compliance focus (β = 0.040, $p > 0.10$).

Moreover, sustainability culture moderates the long-term organizational vision- accounting compliance focus relationships (β = 0.491, $p < 0.01$). Sustainability culture moderates the corporate social responsibility, and all dimensions of accounting governance practices relationships consist of accounting analysis management (β= 0.674, $p < 0.01$), best accounting practices (β = 0.661, $p < 0.01$), accounting control orientation (β = 0.261, $p < 0.01$), accounting compliance focus (β = 0.981, $p < 0.01$), and accounting risk forecasting (β = 0.432, $p < 0.01$). Sustainability culture moderates the stakeholder requirements, and all dimensions of accounting governance practices relationships consist of accounting analysis management (β = 0.35, $p < 0.10$), best accounting practices (β = 0.666, $p < 0.01$), accounting control orientation (β = 0.649, $p < 0.01$), accounting compliance focus (β = 0.983, $p < 0.01$), and accounting risk forecasting (β = 0.537, $p < 0.01$). Sustainability culture moderates the environmental pressure, and all dimensions of accounting governance practices relationships consist of accounting analysis management (β = 0.532, $p < 0.05$), best accounting practices (β = 0.509, $p < 0.01$), accounting control orientation (β = 0.554, $p < 0.01$), accounting compliance focus (β = 0.757, $p < 0.01$), and accounting risk forecasting (β = 0.382, $p < 0.01$).

Accounting governance practices (accounting analysis management, best accounting practices, accounting control orientation, accounting compliance focus, and accounting risk forecasting) are significant sources for financial reporting quality in the long term. This study looks into the interaction between the firm's internal and external elements, as well as the five characteristics of accounting governance procedures. It demonstrates the long-term organizational vision, corporate social responsibility, and best accounting experience. Stakeholder requirements and environmental pressure are considered external considerations; however, they have a direct impact on accounting governance processes, with sustainability culture acting as a moderator.

Suggestions

Theoretical Implication and Directions for Future Research

Future research may need to examine the reconceptualized direct relationships between accounting governance practices (all dimensions) and antecedent variables (internal and external factors) using a comprehensive literature review and systematic existing literature. In addition, the research results of the moderating effects as presented at 10% significance are generally regarded as Future research may pay attention to the increased response rate to build the power of the tests and verify the research results. Moreover, to achieve a generalized verification of the study, future research may consider using a comparative study to collect data from different groups or larger groups to prove the generalizability of the study. And collect at least 200 more investigations to use other statistics, such as structural equation models.

Managerial Implication

Accounting governance practices are important for enhancing firms' success, survival, and sustainability in the long term. Firms must create, build, develop, and utilize it as a valuable strategy and technique for competing in rapid environmental changes and uncertain competitive markets. Therefore, they need to learn and understand the characteristics and processes of accounting governance practices and successfully apply them in an organization. In addition, firms must systematically invest their resources and assets in the concept of accounting governance practices, which includes its frameworks and procedures. Accordingly, accounting governance practices serve as a strategic tool for businesses to achieve firms' outstanding accounting positions, sustainable competitiveness, and long-term performance and benefits. In summary, firms need to implement accounting governance practices to help them provide the best business practices and achieve great business results in both long-term and future aspects.

New Knowledge

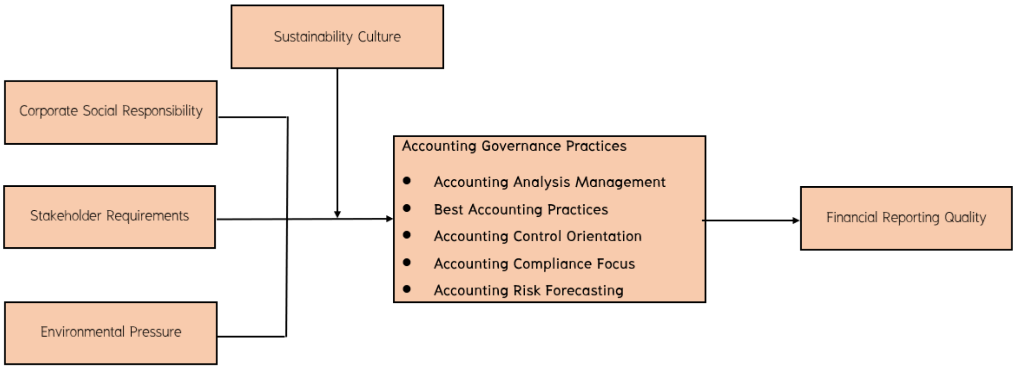

Figure 1 The relationship between accounting governance practices – financial reporting quality

According to the model found that the implementation of corporate processes that fulfill financial reporting standards will be improved for non-stock market firms through the study of accounting governance practices. Accounting governance practices have developed into the standards that businesses adopt in their accounting procedures to support regular activities and practices. The implementation of accounting governance procedures is considered a crucial instrument for improving, achieving, and maintaining long-term performance.

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