Research on the Factors Affecting the Disclosure of Accounting Information of Chinese Merchant Commercial Banks in the New Era

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Abstract
With the continuous development of China's market economy, commercial banks, which are the basic financial-oriented enterprises in China, have also been developing rapidly, and the truthfulness and adequacy of accounting information disclosure in the development process of commercial banks have a very important role for commercial banks. Therefore, the information about the accounting should be required With a high transparency, information disclosure to achieve a high transparency to avoid the occurrence of financial crisis. However, from the real situation, the accounting information disclosure of commercial banks in China. However, in reality, there are still some defects in the disclosure of accounting information of commercial banks in China, which restrict the development of commercial banks. The article analyses the defects of accounting information disclosure from the perspective of its importance to commercial banks, and proposes several measures to improve the level of accounting information disclosure of commercial banks in China, in order to promote the long-term and stable development of commercial banks in China.

Keywords
Commercial banks, accounting information disclosure, improvement measures

In recent years, with the strengthening of China's support and policy inclination, China's commercial banks have basically completed the transformation of the joint-stock system. Nevertheless, there are still some problems with the disclosure of accounting information of commercial banks in China, for example, the information disclosure system of commercial banks is not perfect, the audience of accounting information is not clear enough, the supervision system of banks themselves is not sound enough, and the ability of banks to identify and control risks is lacking. “This article will analyse the shortcomings of commercial banks' accounting information disclosure and put forward some suggestions, hoping to gradually improve and enhance the level of commercial banks' accounting information disclosure.” (Zheng Qiuhao, 2018).

1. Issues of Accounting Disclosure in Commercial Banks

1.1 Inadequate disclosure of accounting information by commercial banks

The main vehicle for the disclosure of accounting information of commercial banks in general is the financial report, which includes the balance sheet, cash flow statement and income statement, basically covering the main financial and accounting information of commercial banks. However, according to the survey report on commercial banks' information disclosure published by the Ministry of Finance of China in the past five years, it is easy to see
that there are still major differences in the adequacy of accounting information disclosure in China's banking industry. “The report shows that the disclosure of accounting information by China's four largest state-owned commercial banks is significantly better than that of local commercial banks at all levels” (Wu Danyun & Zhang Chen, 2009). Although it is clear from the report that there is a steady upward trend in the disclosure of information in the banking industry, local joint-stock and urban commercial banks still need to make more efforts in disclosing the adequacy of their reports.

1.2 Inadequate truthfulness of accounting disclosures by commercial banks

The confirmation of accounting information in an enterprise requires a series of activities to be carried out by the accounting department to confirm, measure and report on the actual transactions or events that have taken place though. The financial reports used for accounting information disclosure are woven by accountants, whose subjective intent may be to falsify the accounting information in the reports under the pressure of the enterprise or the operator to have achieved the operator's desired data. This can, to a certain extent, lead to wrong decisions by users of the information and thus affect the credibility of the business. At the same time, not only are the bank's accountants at risk of violating the code of ethical accounting, but the bank's management may also make mistakes and lose out on the long-term development of the business due to an excessive pursuit of short-term immediate goals. For commercial banks in particular, it is possible for managers to "fine-tune" data such as capital adequacy ratios and liquidity ratios in financial reports to have achieved the short-term gains or goals that managers want to achieve.

1.3 Inadequate accounting information disclosure norms for commercial banks

The quality of accounting information disclosure of commercial banks relies on the efforts of the enterprises themselves is far from enough, the standard system will also have an indispensable role to play. In recent years, China has introduced many standards on information disclosure in the banking industry, but after comparing them, we can easily find that there are still certain contradictions and loopholes in the relevant standards, and the lack of uniformity in standards will greatly reduce the authenticity and comparability of accounting information disclosure of commercial banks in China. In addition, the degree of coordination of regulatory bodies will also affect the credibility of the industry's information disclosure. “At present, the Ministry of Finance, the Securities Regulatory Commission and the People's Bank of China are the only institutions that can play a supervisory role over commercial banks in China” (Xu Wen, 2012). At the same time, each agency has its own guidelines, and there are areas of overlap in supervision functions, with individual gaps left unchecked. This makes it impossible to guarantee the quality of accounting information disclosure by commercial banks.

2. Factors affecting the disclosure of accounting information in commercial banks

2.1 Analysis of causes external to the bank

In terms of the general macro environment, China's commercial bank accounting information disclosure system is still being improved and converging with international standards, but the market policies and economic environment are not at the ideal level. In particular, the number of supervisory authorities for the banking industry in China is quite large, making it difficult to achieve complete uniformity in the regulatory regime and strength, and the flow of data between multiple institutions is not complete and timely. The largest group of people who influence commercial banks externally is still the information users, whose degree of demand urges commercial banks to make timely and complete accounting information disclosure to a certain extent. At the same time, the effect is reciprocal; only if commercial banks continue to improve the quality of accounting information disclosure will external stakeholders have a stronger desire for information. All these external issues have created a series of problems in accounting information disclosure in the banking sector.

2.2 Analysis of causes within the bank

(1) Bank management issues. Generally, the governance of an enterprise will disclose complete, timely and error-free accounting information in order to gain the trust of information users and society, but it does not preclude the management from selectively hiding some accounting information or delaying the disclosure of information for higher profit returns. Secondly, the skill level of management personnel can also affect the quality of accounting
information disclosure. A lower level of management can significantly reduce the level of trust that information seekers have in a company.

(2) Bank personnel problems. Accounting information in financial reports is done through indispensable procedures such as recognition and measurement, and the poor technical level of commercial banks themselves in obtaining accounting information will have a negative impact on the quality of accounting information. What is more important is the accounting personnel who complete these accounting procedures. The number of accounting practitioners in China is extremely large at present, which inevitably leads to the uneven ability of accounting personnel, which also leads to the collection and judgment of accounting information by the accounting department of enterprises (Zhou R H & Zhou J, 2019).

3. Measures to improve the disclosure of accounting information of commercial banks in China

3.1 Strengthening the construction of the accounting system of commercial banks

A perfect accounting system is conducive to the preparation of objective and true financial statements by commercial banks and can improve the level of accounting information disclosure, therefore, commercial banks should strengthen the construction of the accounting system from various aspects. On the one hand, commercial banks should strengthen the control of the accounting process, and should control the whole process, i.e. including the control before, during and afterwards; on the other hand, the accounting information disclosure of commercial banks should not only meet the requirements of the international accounting system, but also adapt to the requirements of international accounting information disclosure, and the content of accounting information disclosure should not only include the bank's financial position and operating results, but also the bank's. The disclosure of accounting information should not only include the bank's financial position and operating results, but also the disposal of non-performing assets, the quality of credit assets, etc.

3.2 Comprehensive disclosure of accounting information

Firstly, the disclosure of information on off-balance sheet operations should be strengthened, which is conducive to enhancing the usefulness and comparability of accounting information and strengthening the link between on-balance sheet and off-balance sheet operations, so that users of accounting information can have a more comprehensive understanding of the operations of commercial banks. Lastly, the disclosure of non-financial information should be strengthened and a corresponding safeguard mechanism should be established (Cuong N M, Dung N, & Cng H T, 2021). On the one hand, the People's Bank of China, the Ministry of Finance, the State Administration of Taxation and other relevant departments should coordinate and improve financial regulations and implementation rules to ensure the truthfulness of commercial banks' accounting information disclosure by legal means; on the other hand, the CBRC should make truthfulness checks the focus of on-site supervision. On the other hand, the CBRC should make truthfulness checks the focus of its on-site and off-site supervision, conduct strict verification of the data and quality of financial institutions' loans, urge financial institutions to operate legally, and increase penalties for accounting information disclosure violations.

3.3 Continuously improve the governance structure and incentive mechanism of commercial banks

The basic prerequisite for improving the disclosure of accounting information of commercial banks is a sound governance structure and incentive mechanism of commercial banks, in most of the commercial banks in China, the major shareholders have more power, while the small and medium shareholders only have the power to participate in the disclosure of accounting information and cannot participate in the decision-making, which to a certain extent greatly reduces the quality of accounting information disclosure. This greatly reduces the quality of accounting information disclosure. Therefore, commercial banks should give small and medium shareholders the power to supervise the disclosure of accounting information and impose the necessary constraints on the major shareholders.

4. Summary

At present, domestic commercial banks have gradually realized the important role of information disclosure, and they are also improving day by day. The situation of information disclosure, on the one hand, is the characteristics of the development of the banking industry, on the other hand, it is also the result of the doubling of the speed of domestic information transmission. The analysis of this paper proves the five assumptions of this paper. It provides
some enlightenment for the future banking supervision arrangement and the development direction of banks themselves: 1. As the information disclosure of China's commercial banks is currently in a period of rapid development of information disclosure, many small banks still lack experience in improving information disclosure, so regulators can suggest this aspect encouraging policies and suggestions, provide samples or disclosure platforms to guide commercial banks to information disclosure to improve, steady development in the direction of health. 2. Due to the vast territory of our service and the significant differences between the eastern and western regions, and this is also significantly reflected in me. In terms of the information disclosure of Chinese commercial banks, the branches around the regulatory authorities can adopt different information. Disclosure standards to promote the development of commercial banks in China; bank letters in the same region interest management should not be one-size-fits-all management, should consider the development of the bank at the same stage and give guidance and different standards to guide their healthy development. 3. As the information disclosure of commercial banks is greatly affected by the scale, this shows that the larger the scale of commercial banks is the more significant the demand for information disclosure, the listed banks have giant chaos information and other exchange websites Lu, so there is no disclosure problem, and the disclosure demand of the unlisted big banks is not available. Therefore, regulators should establish corresponding platforms to meet the needs of banks in this area. 4. The proportion of independent directors plays no significant role in the information disclosure of commercial banks, which is compared with Forker (1992). The author believes that this is not due to the unclear role of independent directors in Chinese commercial banks. Obviously, but because the performance of independent directors in commercial banks is not satisfactory. And, according to the investigation, Not only in the bank but also in other types of companies and listed companies, all kinds of companies in China are with the lowest supervision. The requirement of the number of independent directors further narrowed the gap in the proportion of independent directors among banks. Therefore, China, not only at the level of commercial banks, needs to further improve the independent director system and encourage it. In the case of need, appropriately increase the seats of independent directors according to their own conditions. 5. As the information disclosure of commercial banks removes the impact of scale and controls whether it is state-owned and the largest shareholder. The shareholding ratio and the time of registration still have a significant positive impact on the profitability of banks, so business Banks can beat their competitors by improving their disclosure levels to capture market share and, indeed The effect will be more effective when regulators establish appropriate disclosure platforms.

References