

Prevention of Accounting Risks of Commercial Banks in the Era of Financial Technology

Yinuo Wang^a, Jing Xu, Jiaying Zhang, Jiaqi Wang and Yi Han

Shandong University of Science and Technology, Shandong, 250000, China

^arzswyn@163.com

Abstract

The development of high and new technology has brought a new era of financial science and technology, and with the arrival of the new era of financial science and technology, the traditional operation mode of commercial banks has been greatly impacted. Only by seeking change, can the traditional commercial banks not fall behind in the new financial era. The accounting risk of commercial banks is one of the important factors that may affect commercial banks to cater to the changes and development of the times. Financial enterprises should improve accounting, improve accounting internal control, and shape accounting integrity.

Keywords

Financial Technology Era; Accounting Risk; Commercial Banks; Accounting Internal Control.

1. Accounting Risks of Commercial Banks

The so-called accounting risk of commercial banks refers to the decision-making error caused by the error of accounting or the provision of accounting information in the operation and management process of financial institutions, as well as the possibility that the funds, property and reputation of financial institutions may suffer losses due to the deterioration of subjective and objective conditions or other circumstances. We can understand the accounting risk of commercial banks from the following perspectives. From the perspective of authenticity principle: accounting treatment distortion. There are many different behaviors. The results show that the accounting information is distorted due to the lack of information disclosure. Most commercial banks in China have not set up interbank offered accounts, which leads to the failure to disclose this part of the accounts. There may be a high risk. The loan accounting reflects the untrue status of credit assets. From the perspective of prudence principle: the long accounting period of interest receivable on balance sheet increases the operational risk of commercial banks; huge bank loans are hard to return, and bad debts occur frequently. From the perspective of relevance principle: the balance sheet, statement of changes in financial position and profit and loss statement of commercial banks can not fully reflect the phenomenon of "accounts" discrepancy in the current operation of banks, so it is difficult for the users of statements to accurately judge the actual operation status and risk level of banks. From the perspective of the principle of importance: the formation of financial results is not fully revealed, such as the amount of receivables in profits; the financing channels are not fully revealed, so it is difficult to prove the source of the bank's funds and determine the bank's financing risk; the disclosure of escrow and mortgage property is not in place. Although there are certain uncertainties and objectivity in accounting risks, which can not be completely eliminated to some extent, and the risk prevention measures we can take are only "taking precautions" to a great extent, but serious accounting risks will lead to huge credit loss and financial loss of banks, which is very unfavorable for the development of

commercial banks In fact, we have to weaken this risk. So it is necessary and necessary to take measures against accounting risk.

2. The Influence of Financial Technology Era on Commercial Bank Accounting

2.1. Increasingly Competitive Environment and Relatively Broad Regulation

In the era of financial technology, the competition of all walks of life is becoming more and more fierce. More and more non-commercial bank financial institutions and some Internet industry giants enter the business field of commercial banks, and gradually squeeze the living space of commercial banks by using their own advantages. This means that the commercial banks will gradually reduce their financial income for the purpose of attracting more customers in recent years Artificially "processing" or selectively hiding information that is unfavorable to you to make your report look more accurate good-looking.

2.2. The Relevant Accounting Standards of Banks are not Perfect

Commercial banks are different from ordinary industrial enterprises, most of their income comes from their loan business. With the advent of the era of financial technology, a variety of derivative financial instruments emerge in endlessly, and gradually become an important profit point of commercial banks. The expansion of new business needs corresponding accounting system to restrict, manage and plan it. However, it is obvious that the accounting system of financial enterprises in China has not kept up with the trend of the financial technology era, and there is still no suitable system to manage it. But this is quite disadvantageous for the employees of commercial banks: it means that the financial personnel can only use the old standards to handle new accounting business, so they can not transmit true, complete and reliable information to a certain extent. Financial personnel can only rely on their own business experience and understanding of new business to handle related matters, and there is no reliable guidelines. However, due to different personal understanding and experience, the way to deal with the same business may be very different. Commercial banks will not have only one accountant, which means that the business processing of the same commercial bank may be different. Although this behavior is not out of the intention of the bank's financial personnel, the accounting risk of accounting information distortion caused by this actual situation is likely to lead to a greater crisis for the bank.

2.3. The Ability of Bank Financial Personnel is not Enough to Adapt to the Era of Financial Technology

The coming of the financial technology era means that new talents are needed. People who can accept new knowledge and have higher comprehensive quality should be needed. Because of the prevalence of "nepotism" in China's state-owned commercial banks, many positions are "internal recommendation", and the "relationship account" factor accounts for a certain proportion in the promotion. Compared with some private commercial banks, the quality of personnel is quite different. It is the existence of these "relationships" that makes the truly capable people unable to give full play to their strength and have to resign to seek other jobs. As a result, the brain drain rate of commercial banks is getting higher and higher. The new talents in the financial technology era are different from the traditional talents in the old era. If commercial banks still keep the old tradition and employ traditional accounting talents, these traditional talents with traditional old ideas to think about new problems and deal with new business may lead to the inability to accurately deal with new business, or the inability to deal with it in the simplest and most efficient way, which further reduces the work efficiency of commercial banks and is not conducive to the development of commercial banks The development of the times.

3. Prevention and Resolution of Commercial Bank Risks in the Financial Technology Era

3.1. Sound Accounting System is Indispensable

One of the root causes of commercial bank risk is the existence of information asymmetry, which makes the managers of commercial banks and the parties related to commercial banks, such as investors, savers, financial regulators, the public have a strong desire for information. In order to implement internal control, formulate various rules and regulations, and make various management and operation decisions, the managers of commercial banks need all kinds of information reflected in the operation and operation of various internal departments, as well as all kinds of external market information, customer information, and competitor information. Report the bank's operating results and financial status to the outside, so that market participants can understand the bank's operating status and need information. Financial regulators need to understand the business situation of commercial banks, judge and determine the degree of risk, so as to take timely and effective preventive measures, and need to collect and analyze information. In a word, all parties in the management of commercial banks need data and information from the internal and external environment of commercial banks to help them effectively identify, estimate and evaluate the risks of commercial banks, so as to reduce or avoid the economic losses caused by risks by adopting the methods of prevention, avoidance, dispersion or transfer.

3.2. Sound Accounting can Meet the Information Needs of Risk Management

The accounting information generated by commercial bank's accounting is the main information source of commercial bank's risk management. Commercial bank accounting is the data description of all financial transactions, all financial transactions will be measured, classified, recorded and reflected through accounting. The accounting information generated by the accounting activities of commercial banks is the most direct reflection of financial activities.

The accounting information provided by the accounting of commercial banks can meet the needs of risk management of commercial banks. The accounting information of commercial banks has the following characteristics: 1.As the hub of the whole society's capital activities, commercial banks play the role of the whole society's capital clearing center, credit center and cash cashier center, and the accounting of commercial banks, as the general accounting of society, reflects the complex relationship between creditor's rights and debt and other economic relations. Therefore, bank accounting must be accurate, timely, true and complete. In order to ensure the quality of accounting, bank accounting often adopts extremely strict and unique internal control methods, such as double line accounting, double line check, double counter, replacement check, internal and external reconciliation, to ensure the correct accounting treatment of the bank. The banking industry was once known as "three railways" (iron account book, iron abacus, iron rules) is the best description of the accuracy of bank accounting information. 2.The accounting information of commercial banks is macro. The accounting of commercial banks directly faces the whole society, national economic departments, enterprises, units and individuals. All departments, enterprises, units and individuals of the national economy handle the collection and payment of funds through opening accounts in commercial banks. These economic activities will be comprehensively reflected in the financial statements of commercial banks. Therefore, commercial bank accounting not only accounts for, reflects and supervises the bank's own business activities and financial revenue and expenditure activities, but also accounts for, reflects and supervises the capital activities of various departments, enterprises and units through the increase and decrease of account funds and the context. Bank accounting not only calculates, reflects and

supervises the micro economic activities, but also calculates, reflects and supervises the macro economic activities. It can be seen that commercial bank accounting can provide valuable risk information for risk management through presentation, disclosure and disclosure. Only a sound accounting system can generate and provide high-quality accounting information to fully reveal the risks of commercial banks, which is the premise of effectively preventing and resolving the risks of commercial banks.

3.3. Strict Accounting Internal Control Mechanism is an Important Means to Prevent and Resolve Risks

Accounting internal control is an important part of bank internal control. Accounting internal control refers to the sum of accounting principles, policies, procedures and measures formulated and implemented by banks in order to ensure the effective conduct of business activities, protect the safety and integrity of assets, prevent and correct errors and frauds, and ensure the authenticity, legality and integrity of accounting data. In order to ensure the quality of accounting, the strict and unique internal control methods adopted by bank accounting are the embodiment of the internal control mechanism of accounting. Accounting internal control is an important part of bank internal control system. It is imperative to deeply analyze the weak links in the implementation of accounting internal control in financial institutions, scientifically set up internal control defense line and deepen the construction of accounting internal control.

1. Revise and improve the internal control system of accounting, so that accountants have rules to follow. First, in line with the principle of simplification, efficiency and practicality, financial institutions should revise and improve the existing management methods and rules and regulations in close combination with the actual situation of their own units, and timely supplement them according to the needs of business development, so as to establish a complete, systematic and standardized accounting internal control system. Second, establish and improve the post responsibility system. The key to optimize the labor mix is to set up the post reasonably and make the post responsibility. In the design of post responsibility, the principle of "combination of responsibility, power and interest" should be embodied, and the responsibilities of each post, the responsibilities of operation errors and accidents, and the constraints between posts should be clarified. Third, establish a scientific and effective evaluation mechanism. Banks at all levels of financial institutions should set up internal control evaluation teams to regularly check the bank's internal accounting control, timely correct the existing problems, further clarify the level by level responsibility system, and make a comprehensive, objective and fair evaluation on the internal control construction of subordinate banks by the superior, so that the management can truly understand the bank's internal control status and risk degree, and find out the vulnerable links of risk, so as to provide reference for prevention and control We will build a foundation for defusing risks.

2. Pay close attention to the implementation of the system and strengthen the supervision and inspection of accounting. First, on the basis of establishing standardized business operation and effective internal control system, strengthen the supervision and assessment of the implementation of internal control system, so that any accounting personnel and any accounting business processing link are effectively controlled and restricted. Second, actively explore new ideas of accounting supervision and inspection, and gradually form a comprehensive and multi-level accounting risk monitoring mode. The supervision and inspection should break through the simple superficial balance sheet, focus on the inspection of the implementation of the system, highlight the pertinence and timeliness of the inspection, pay attention to the implementation, supervise the rectification, implement the responsibility, and seriously punish, so as to effectively achieve the purpose of finding problems, plugging loopholes, eliminating hidden dangers, and preventing risks.

3. For the purpose of effectively preventing capital risk, highlight the supervision function of accounting afterwards. In the actual accounting work, we should actively take effective measures to give full play to the risk prevention function of post supervision. The first is to further improve the "post supervision and management system", using the progress of modern science and technology to implement the supervision of internal control system of accounting business; the second is to improve the comprehensive quality of post supervision personnel, strengthen the assessment and treatment, and improve the authority of post supervision. Afterwards supervision shall supervise the whole process of business processing, truthfully record and reflect the errors and potential risks in business operation, and regularly report to the Accounting Director and superior competent department.

4. Integrate the existing internal resources and comprehensively control the accounting risk. In reality, in the face of the new accounting management system, financial institutions should actively explore new ways of internal control, cooperate with the bank's internal resource integration, reorganize the existing internal control construction supervision departments, form internal control forces, and regularly determine the various risks existing in the accounting system and the accounting internal control system and the effectiveness of the accounting internal control system Through qualitative and quantitative analysis, we can find and find risk factors, analyze the degree of risk and the effectiveness of internal control system, find and find loopholes, increase the punishment to the person directly responsible and the person in charge of management, and make the accounting work institutionalized and standardized.

3.4. Building Accounting Integrity in Financial Enterprises

The financial industry is different from the ordinary industrial and commercial enterprises, it operates the currency credit, has the remarkable publicity and the sociality. As a tool to check and reflect the operation and management of financial enterprises, financial accounting must produce accurate, timely, true and complete accounting information, which is directly related to the interests of depositors and investors, and is the social responsibility of the financial industry. China's banking industry is known as "iron rules, iron accounts, iron abacus" reputation, which is the embodiment of bank accounting integrity. To strengthen the construction of financial integrity, we should do the following:

Strengthen the professional ethics education of financial accounting practitioners, and improve the integrity and public credibility. In order to be honest, adhere to the standards, do not make false accounts, do not succumb to and cater to any pressure and unreasonable requirements, and do not seek personal interests by taking advantage of their positions, accountants need to strengthen the education of accounting professional ethics.

Establish a reasonable accounting personnel mechanism. Accountants with good professional judgment ability are valuable resources of banks. Such resources are not formed overnight, and need a long-term accumulation process. When untrue accounting statements are placed in front of accounting auditors, if they have higher audit skills and skills, they can also return their true purpose. It is necessary to further strictly define the procedures and methods of accounting treatment in various economic activities of banks, reduce the flexible choice space of accounting personnel as far as possible, and make use of the scientific and technological advantages of the financial industry to open the comprehensive accounting business system, centralize the accounting data, so as to reduce the possibility of accounting fraud as far as possible.

It is particularly important to raise the cost of accounting fraud, strengthen the legal education of accountants at all levels, and make them firmly establish the accounting concept of "not making false accounts".

Establish a perfect accounting integrity evaluation system. The shaping of financial accounting integrity depends not only on the self-restraint of accountants, but also on the construction of financial accounting integrity evaluation system.

Improve the corporate governance of financial enterprises. In order to fundamentally solve the problem of false financial information in financial enterprises, we must strengthen corporate governance and strengthen the functions and roles of supervisory bodies such as the board of supervisors. The accounting integrity of the financial industry represents the fundamental interests of the broad masses of the people. We should understand the accounting integrity from the height of maintaining the credibility of the financial industry. With the development of accounting, accounting information and accounting management to the direction of "centralization", the influence of accounting fraud in financial industry is more and more extensive, and the task of accounting anti fraud is also more and more arduous. The financial industry should inherit and carry forward the fine tradition of financial accounting, do not make false accounts, maintain integrity, cherish the reputation of the industry, and strive to be a model of integrity.

4. Summary

Under the impact of big data, artificial intelligence and a series of related financial products derived from the background of Internet finance, the advantages of commercial banks as traditional financial institutions are gradually losing. To solve the accounting risk of commercial banks, we should solve the problem of ability on the one hand, and improve the accounting internal control system and accounting system from the perspective of the system.

References

- [1] Liu Guangbo. On the causes and prevention of financial risks, science and technology information (Academic Research), 2007, (18).
- [2] Hong Xin. Analysis of financial accounting [J], accounting learning, 2018, (29).
- [3] Bai Yingtao, On the strategic choice mode of commercial banks in the era of financial technology, time finance, 2019.