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Organization of Accounting in the Field of Banking: Problems and Prospects

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Annotation

The article examines the basics of setting up accounting in commercial banks with the aim of the efficiency of the banking business and the ability to make economically sound management decisions to increase investment attractiveness.

***Keywords**: accounting, banking institutions, changes in legislation, problematic issues of accounting organization.*

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The organization of accounting in banking institutions is regulated by the Law “On Accounting”, taking into account certain provisions of the Laws “On the Bank” and “On Banks and Banking Activities”, bank regulations. The organization of accounting is a system of conditions and elements of the accounting process to obtain reliable and timely information on the conduct of operating, financial and investment activities, control over the correct and rational use of material, financial, labor resources of the enterprise. Almost all employees of the accounting and reporting department experience difficulties in entering the enterprise's business operations database, compiling reports and reporting.

Commercial banks keep accounting of property, liabilities by double entry on interrelated accounting accounts, which are included in the working chart of accounts approved by the head in accordance with the Chart of Accounts. To serve customers of a commercial institution and an organization of analytical accounting, personal accounts are opened. The structure of the accounting service depends on the structure of the bank's management, the technology for providing banking services, the volume of accounting work performed, and the technical means of accounting [1].

Data security and confidentiality, according to surveys in accounting programs, are a priority for 71% of all respondents and 75% of chief financial officers / financial vice presidents [2]. This is not surprising given the volume, complexity and sensitivity of the data financial groups must manage and keep secure. These security concerns are exacerbated by the fact that more data storage is moving to the cloud, presenting a wide range of new security threats. To protect cloud solutions, the system must have management rights, backups, and encryption to protect sensitive files.

The software used has complex reporting. Accounting statements need to be customized based on the settings to filter the required metrics, and you need to set up a dashboard for instant analysis, displaying important figures such as balances, revenues, liquidity ratios, construction progress, and other daily issues that require close monitoring in one panel.

According to studies conducted by ACCA, "the development of intelligent automated accounting systems" has been identified as the main issue that should affect accounting over the next three to ten years [3]. The main accounting systems of a commercial bank are shown in Figure 1.

The main tasks of organizing accounting for a commercial bank are:

1. providing reliable information about the activities of a banking institution, its property status, which is necessary for various users of financial statements;
2. maintaining reliable and fully meeting the objectives of the accounting of banking operations, reflecting all requirements and obligations, reflecting operations on the use of material and financial resources by a banking institution;
3. Determination of on-farm reserves of a banking institution to ensure its financial stability and prevent negative performance results.

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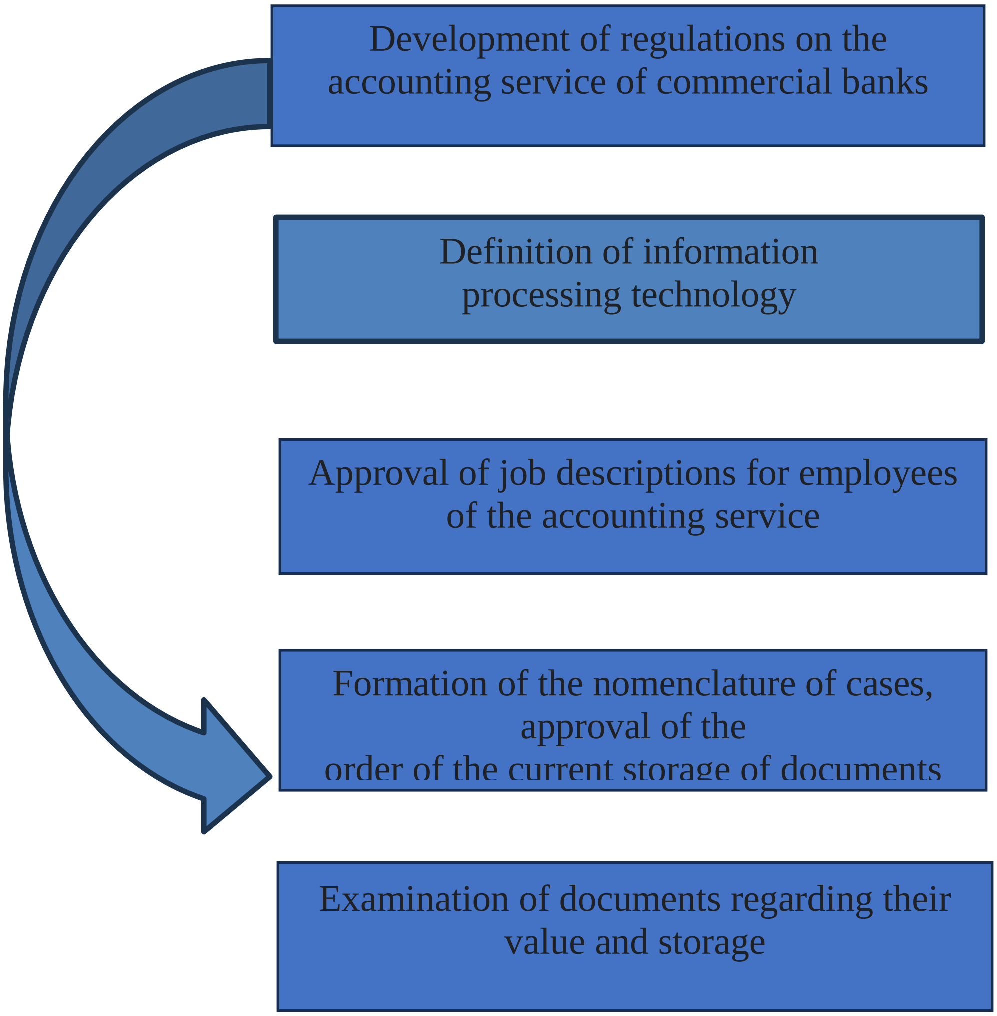

Figure 1. Accounting system of a commercial bank

Responsibility for the organization of accounting is assigned to the head of the credit institution, the responsibility for the formation of accounting policies, reporting, and record keeping lies with the chief accountant of the credit institution.

The centralized form of the accounting apparatus is mainly used in banking institutions, which implies the existence of centralized accounting, the maintenance of synthetic and analytical accounting. The subdivisions carry out only the primary organization of banking accounting operations.

The transition to centralized processing of accounting information, a decrease in the number of documents received on paper, a decrease in the client base of credit institutions leads to a gradual decrease in the burden on employees of the accounting service and a reduction in the number of employees.

The principles of accounting in a commercial bank are currently quite close to the principles of accounting under IFRS (International Financial Reporting Standards). The transition to IFRS financial reporting standards by credit institutions is carried out only from 2019. The revocation

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of licenses from commercial banks raises a large number of "questions" from banking institutions regarding how to reflect "hanging" funds in accounting and reporting, for which bank customers do not apply, whether these funds can be written off for losses, etc. [4].

For correct work on the new chart of accounts for banking institutions, it is necessary to have specialized software that fully meets the methodology and standards of IFRS. Preservation of the previous accounting analytics is not always possible due to differences in accounting, there are serious changes in synthetic and analytical accounting for accounting objects and terms for attracting and placing funds from a credit institution. In connection with the transition to IFRS, there is a shortage of specialists in the field of accounting for securities in accordance with IFRS in banking institutions.

The transition to a new chart of accounts requires a complete restructuring of the bank's operational system and the workflow of its structural divisions. The transition to IFRS 9 caused a loss of capital of commercial banks in the amount of 20 to 50%, but the bank currently does not require these losses to be taken into account when calculating the standards. Commercial banks in connection with the transition to IFRS 9 increased the indicators of overdue debt by 1.1 trillion. rub., as a result, the level of overdue debt increased to the level of 7.5% of the bank's loan portfolios.

Thus, the incorporation of IFRS into the financial statements of commercial banks had a significant impact on the structure and size of the balance sheet of banking institutions, had a negative impact on the dynamics of the financial result. The bank proposes to minimize the impact of IFRS through a modified calculation of capital and mandatory ratios by banking institutions. Accordingly, in view of the change in the calculation methodology, the assessment of the economic position of banking institutions will be carried out in accordance with prudential indicators, without adjustments and revaluation of the value of financial assets and liabilities.

According to banking institutions, IFRS 9 provides a more realistic picture of changes in the fair value of assets in a bank, its loan portfolio. But, when conducting such an assessment, a large number of questions arise regarding the calculations, quite often external experts or verified models are involved in the assessment.

Improved analytics and technology are now required to develop forward-looking cost and revenue models and methods that focus on economic and operational reality and causality, and not just on accounting standards. Accountants require a broader range of knowledge, skills and experience to improve business partnerships and make better use of operational resources and processes, diverse experience, interpersonal and leadership skills, and technology, analytical and information skills.

Commercial bank accounting systems contain sensitive information that must always be kept secure. The consequences of unauthorized access can be devastating, from identity theft issues to the loss of irreplaceable data. When bank accounting data is changed or deleted on purpose or by accident, it creates confusion in the accounting department, calling into question the reliability or accuracy of all data. The authentication process typically involves granting rights to users; not all users have access to all information. Profiles can be configured to give certain users access to the accounts payable module only, while others can only access reports, limiting the risk of data misuse.

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