


THE FINANCIAL REPORTING QUALITY FOR COMMERCIAL BANKS - EMPIRICAL EVIDENCE IN VIETNAM

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ARTICLE INFO	ABSTRACT
<p>Article history:</p> <p>Received 24 March 2023</p> <p>Accepted 21 June 2023</p>	<p>Purpose: The financial reporting quality for enterprises in general and commercial banks in Vietnam in particular plays a very important role because it is used by many stakeholders (internal and external) to make relevant decisions. In this study, the author assessed the current status of financial reporting quality for Vietnamese commercial banks through the qualitative characteristics of financial statements.</p>
<p>Keywords:</p> <p>Financial Reporting Quality; Financial Statements; Commercial Bank.</p> <div data-bbox="172 920 480 1167" style="text-align: center;">  </div>	<p>Theoretical framework: In this study, the author assessed the current status of financial reporting quality for Vietnamese commercial banks through the qualitative characteristics of financial statements according to IASB 2018 including 2 fundamental characteristics including relevance and faithful presentation, 4 enhancing characteristics including understandability, comparability, verifiability, and timeliness.</p> <p>Design/Methodology: The author used a set of measures on the qualitative characteristics of financial statements according to some previous studies in the world. The author collected data from the financial statements from 24 commercial banks in the period of 2019 - 2021.</p> <p>Findings: The research results show that financial reporting quality for Vietnamese commercial banks is not high. Specifically, for the financial reporting quality characteristics according to IASB (2018), the timeliness characteristics were assessed to have the highest value, followed by understandability characteristics. The two enhancing characteristics including relevance and faithful representation of the financial statements for Vietnamese commercial banks were rated as low. The remaining two enhancing characteristics which were the understandability and verifiability characteristics were also rated as low.</p> <p>Research, Practical & Social implication: The study shows The financial reporting quality for enterprises in general and commercial banks in Vietnam in particular plays a very important role because it is used by many stakeholders (internal and external) to make relevant decisions.</p> <p>Originality/ value: The research results will be a useful reference for relevant stakeholders such as the Ministry of Finance, the State Bank of Vietnam, bank managers, shareholders, investors, etc. in management and other related fields.</p> <p>Doi: https://doi.org/10.26668/businessreview/2023.v8i6.1421</p>

A QUALIDADE DOS RELATÓRIOS FINANCEIROS DOS BANCOS COMERCIAIS - EVIDÊNCIA EMPÍRICA NO VIETNÃ

RESUMO

Objetivo: A qualidade dos relatórios financeiros das empresas em geral e dos bancos comerciais do Vietnã em particular desempenha um papel muito importante porque é usada por muitas partes interessadas (internas e externas) para tomar decisões relevantes. Neste estudo, o autor avaliou a situação atual da qualidade dos relatórios

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financeiros dos bancos comerciais vietnamitas por meio das características qualitativas das demonstrações financeiras.

Estrutura teórica: Neste estudo, o autor avaliou a situação atual da qualidade dos relatórios financeiros dos bancos comerciais vietnamitas por meio das características qualitativas das demonstrações financeiras de acordo com o IASB 2018, incluindo 2 características fundamentais, incluindo relevância e apresentação fiel, 4 características de aprimoramento, incluindo compreensibilidade, comparabilidade, verificabilidade e pontualidade.

Projeto/Metodologia: O autor usou um conjunto de medidas sobre as características qualitativas das demonstrações financeiras de acordo com alguns estudos anteriores no mundo. O autor coletou dados das demonstrações financeiras de 24 bancos comerciais no período de 2019 a 2021.

Conclusões: Os resultados da pesquisa mostram que a qualidade dos relatórios financeiros dos bancos comerciais vietnamitas não é alta. Especificamente, para as características de qualidade dos relatórios financeiros de acordo com o IASB (2018), as características de pontualidade foram avaliadas como tendo o valor mais alto, seguidas pelas características de compreensibilidade. As duas características de aprimoramento, incluindo relevância e representação fiel das demonstrações financeiras dos bancos comerciais vietnamitas, foram classificadas como baixas. As duas características de aprimoramento restantes, que eram as características de compreensibilidade e verificabilidade, também foram classificadas como baixas.

Implicações sociais, práticas e de pesquisa: O estudo mostra que a qualidade dos relatórios financeiros das empresas em geral e dos bancos comerciais do Vietnã em particular desempenha um papel muito importante, pois é usada por muitas partes interessadas (internas e externas) para tomar decisões relevantes.

Originalidade/valor: Os resultados da pesquisa serão uma referência útil para as partes interessadas relevantes, como o Ministério das Finanças, o Banco do Estado do Vietnã, gerentes de bancos, acionistas, investidores, etc., em administração e outros campos relacionados.

Palavras-chave: Qualidade dos Relatórios Financeiros, Demonstrações Financeiras, Banco Comercial.

LA CALIDAD DE LA INFORMACIÓN FINANCIERA DE LOS BANCOS COMERCIALES - EVIDENCIA EMPÍRICA EN VIETNAM

RESUMEN

Objetivo: La calidad de los informes financieros de las empresas en general y de los bancos comerciales de Vietnam en particular desempeña un papel muy importante porque es utilizada por muchas partes interesadas (internas y externas) para tomar decisiones relevantes. En este estudio, el autor evaluó la situación actual de la calidad de los informes financieros de los bancos comerciales vietnamitas a través de las características cualitativas de los estados financieros.

Marco teórico: En este estudio, el autor evaluó la situación actual de la calidad de la información financiera de los bancos comerciales vietnamitas a través de las características cualitativas de los estados financieros según el IASB 2018, incluidas 2 características fundamentales, como la relevancia y la presentación fiel, y 4 características de mejora, como la comprensibilidad, la comparabilidad, la verificabilidad y la puntualidad.

Diseño/Metodología: El autor utilizó un conjunto de medidas sobre las características cualitativas de los estados financieros según algunos estudios previos en el mundo. El autor recopiló datos de los estados financieros de 24 bancos comerciales en el período comprendido entre 2019 y 2021.

Conclusiones: los resultados de la investigación muestran que la calidad de los informes financieros de los bancos comerciales vietnamitas no es alta. En concreto, para las características de calidad de la información financiera según el IASB (2018), las características de puntualidad fueron evaluadas con el valor más alto, seguidas de las características de comprensibilidad. Las dos características de mejora, que incluyen la relevancia y la representación fiel de los estados financieros de los bancos comerciales vietnamitas, recibieron una calificación baja. Las dos características de mejora restantes, que eran las características de comprensibilidad y verificabilidad, también recibieron una valoración baja.

Implicaciones sociales, prácticas y de investigación: El estudio demuestra que la calidad de la información financiera de las empresas en general y de los bancos comerciales vietnamitas en particular desempeña un papel muy importante, ya que es utilizada por muchas partes interesadas (internas y externas) para tomar decisiones relevantes.

Originalidad/valor: Los resultados de la investigación serán una referencia útil para las partes interesadas pertinentes, como el Ministerio de Finanzas, el Banco Estatal de Vietnam, los directivos de los bancos, los accionistas, los inversores, etc., en el ámbito de la gestión y otros campos relacionados.

Palabras clave: Calidad de la Información Financiera, Estados Financieros, Banco Comercial.

INTRODUCTION

The information in the financial statements for commercial banks is used by internal and external parties to make relevant decisions, and the right information will lead to the right decisions. Therefore, a bank's financial reporting quality is very important to the users of this information. In Vietnam, there have been quite a few studies on financial reporting quality. However, researchers focusing a lot on financial reporting quality for non-financial companies have not paid much attention to studying financial reporting quality for commercial banks.

In this study, the author assessed the financial reporting quality for Vietnamese commercial banks through the quality characteristics of financial statements according to IASB (2018). According to the IASB (2018), there are two basic characteristics of financial statements consisting of relevance and fair presentation. In addition, there are four enhanced characteristics including understandability, comparability, verifiability, and timeliness. The research results will be a useful reference for relevant stakeholders such as the Ministry of Finance, the State Bank of Vietnam, bank managers, shareholders, investors, etc. in management and other related fields.

This study objective evaluated the current status of financial reporting quality for Vietnamese commercial banks through the qualitative characteristics of financial statements.

MATERIAL AND METHODOLOGY

According to Nguyen Thi Phuong Hong (2016), there are 2 main method groups to measure the financial reporting quality: Measuring according to the quality characteristics of financial statements of IASB 2018 and measuring according to earning quality.

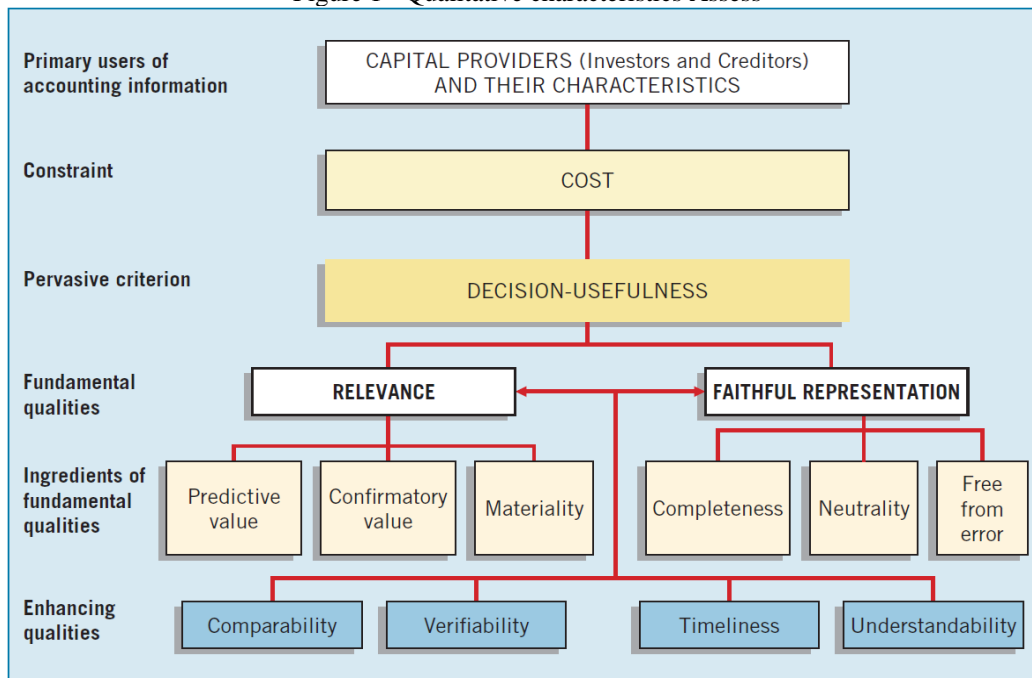
Dechow et al. (2010) state that there are many ways to measure the financial reporting quality according to the earning quality such as properties of earnings, investor responsiveness to earnings, and external indicators of earnings misstatements. The evaluation method of the financial reporting quality based on the earning quality has the advantage that the data used to evaluate are available in the financial statements and enterprise annual reports and can be measured and evaluated directly on these data.

However, using this method, we can only evaluate aspects of financial information. Meanwhile, the measuring method of financial reporting quality according to the qualitative characteristics of financial statements of IASB 2018 evaluates both financial and non-financial aspects to determine the usefulness of financial information, an important goal of financial statements to provide information for users to make decisions.

In this study, the author evaluated the financial reporting quality for commercial banks in Viet Nam according to the qualitative characteristics of financial statements of IASB 2018. The author used a set of scales based on the qualitative characteristics of financial statements according to IASB (2018) including 2 fundamental characteristics including relevance and faithful presentation, and 4 enhancing characteristics including understandability, comparability, verifiability, and timeliness. This set of scales is inherited from the studies of McDaniel et al. (2002), Jonas and Blanchet (2000), Bartov and Mohanram (2004), Beest et al. (2009), Braam and van Beest (2013), Schipper and Vincent (2003), Barth et al. (2001), Schipper (2003), Nichols and Wahlen (2004), Deegan (2002), Orij (2010), Dechow et al. (1996), McMullen (1996), Cohen et al. (2004), Sloan (2001), Maines and Wahlen (2006), Gaeremynck and Willekens (2003), Iu and Clowes (2004), Men and Wang (2008), Cole et al. (2007), Beuselinck and Manigart (2007), Cleary (1999).

Specifically, “relevance characteristic” has 8 items, “faithful presentation” has 4 items, “understandability” has 6 items, “comparability” has 7 items, “timeliness” has 1 item, and “verifiability” has 2 items. Consequently, this comes to a total of 28 items to measure the financial reporting quality.

Figure 1 - Qualitative characteristics Assess



Source: IASB, 2018

RESULTS AND DISCUSSION

In order to evaluate the status of financial statements for Vietnamese commercial banks, the author collected financial statements of 24 commercial banks in the period of 2019 – 2021 and evaluated the qualitative characteristics of financial statements according to IASB (2018) through SPSS 26 software. The evaluating results of the financial reporting quality are as follows:

Relevance Characteristics of Financial Statements

Research results showed that the relevant characteristics of financial statements for commercial banks were generally not high, and the mean overall was 2.27. In particular, the highest mean of the disclosure on capacity utilization and division was 3.44, and the lowest mean of 1.00 belonged to the disclosure of non-financial information regarding business risks and opportunities, and the disclosure of feedback information on how significant past events and transactions affected the enterprise position and performance. This showed that the information on the usage and division of departments published in the financial statements was the most relevant (through full disclosure) compared to the rest of the items.

Relating to the annual report discloses of enterprise forward-looking information, there was a minimum value of 1 in the sense that there was no information to help predict the future, while the maximum value was 5 in the sense that the information helping predict the future was useful for creating expectations, and that the mean was 2.6667 means that most financial statements had their own subsection on information, helping predict the future.

In terms of the disclosure of non-financial information regarding business risks and opportunities, the minimum value was 1, meaning only the original price, while the maximum value and the mean were also 1, meaning that all banks had financial statements using the original price.

Concerning the fair value usage instead of historical cost in preparing financial statements, there was a minimum value of 1 in the sense that the financial statements did not disclose non-financial information related to risks and business opportunities, whereas the maximum value was 3 in the sense that the financial statements fully disclosed non-financial information related to risks and business opportunities. The mean of 1.6944 meant that the majority of financial statements were less likely to disclose non-financial information related to risks and business opportunities.

In relation to risk management procedure disclosure, there was a minimum value of 1 in the sense that the financial statements did not disclose the risk management process, while

the maximum value was 3 in the sense that the financial statements fully disclosed the risk management process, and the average value of 1.722 meant that the majority of financial statements were less likely to disclose the risk management process.

For an annual report containing disclosure on Corporate Social Responsibility (CSR), there was a minimum value of 2 with the meaning that financial statements were less applicable to CSR, whereas the maximum value was 5 with meaning that financial statements comprehensively apply CSR, and the mean of 3.25 meant that the majority of financial statements fully disclose CSR.

In connection with disclosure of feedback information on how significant past events and transactions affected the company's position and performance, minimum, maximum and mean values were all 1, meaning that all banks had financial statements that did not disclose feedback on the importance of past events and transactions to the enterprise position.

Concerning about disclosure on human resources, there was a minimum value of 3 with the meaning that the financial statements fully disclosed information about human resources, while the maximum value was 4 with the meaning that the financial statements were widely available information about human resources, and the mean was 3.3889, meaning that most financial statements fully disclosed information about human resources.

For disclosure on capacity utilization and division, there was a minimum value of 3 with the meaning that the financial statements fully disclosed information about the use and division of departments, while the maximum value was 4 with the meaning that the financial statements publicly disclose information about the use and division of departments, and the mean was 3.4444, indicating that most financial statements published full information about the use and division of departments.

Table 1. Current status of relevance characteristics of financial statements

Contents of relevance characteristics of financial statement	Minimum	Maximum	Mean	Standard deviation
The annual report discloses forward-looking information about the company	1.00	5.00	2.6667	1.18678
Disclosure of non-financial information regarding business risks and opportunities	1.00	1.00	1.0000	0.00000
The use of fair value instead of historical cost in preparing financial statements	1.00	3.00	1.6944	0.70489
Disclosure of Risk management procedure	1.00	3.00	1.7222	0.67599
To what extent annual report contains disclosure on CSR	2.00	5.00	3.2500	0.98938
Disclosure of feedback information on how significant past events and transactions affected the company's position and performance	1.00	1.00	1.0000	0.00000
Disclosure on human resources	3.00	4.00	3.3889	0.49092

Disclosure on capacity utilization and division	3.00	4.00	3.4444	0.50039
Mean			2.2708	

Source: Author's Collected Data, SPSS 26

Faithful Presentation Characteristics of Financial Statements

The study results showed that the faithful presentation characteristics of financial statements for commercial banks were assessed as relative, with the mean of 2.96875. The the mean of the annual report includes an unqualified auditor's report as high as 4.00, and the lowest mean of 1.00 belonged to the annual report, highlighting the positive and negative events in a balanced way when discussing the annual results. This showed that the financial statements attached to the audit report had an unqualified opinion showing the highest value of honesty compared to the rest of the items.

Related to the annual report highlighting the positive and negative events in a balanced way when discussing the annual results, having a minimum value, maximum value and the mean of 1 meant that all financial statements did not clearly disclose adverse events.

Concerning the annual report including an unqualified auditor's report, the financial statements include an unqualified opinion with a minimum value, maximum value, and the mean were all 4 which means that all financial statements had an unqualified opinion.

In connection with the annual report extensively disclosing information on corporate governance issues, financial statements widely disclosed information on corporate governance issues, with a minimum assumption of 3 in the sense that the financial statements fully disclosed information about the company's governance issues, the maximum value was 4 with the meaning that the financial statements were widely available information about the company's governance and the mean was 3.4583 which means that the majority of financial statements fully disclosed information about the company's governance.

Regarding disclosure on environmental issues, the level of disclosure of environmental issues in the financial statements had a minimum value of 2 meaning that the financial statements were published with fewer environmental issues in the financial statements. The maximum value was 5 meaning that the financial statements comprehensively disclosed environmental issues, and the mean of 3.4583 meant that the majority of financial statements were fully disclosed environmental issues.

Table 2. Current status of faithful presentation characteristics of financial statements

Contents of faithful presentation characteristics of financial statements	Minimum	Maximum	Mean	Standard deviation
The annual report highlights the positive and negative events in a balanced way when discussing the annual results	1.00	1.00	1.0000	0.00000
The annual report includes an unqualified auditor's report	4.00	4.00	4.0000	0.00000
The annual report extensively discloses information on corporate governance issues	3.00	4.00	3.4167	0.49647
Disclosure on Environmental issues	2.00	5.00	3.4583	0.85477
Mean			2.9688	

Source: Author's Collected Data, SPSS 26.

Understandability of Characteristics of Financial Statements

The results presented in Table 3 showed that, in general, the understandability characteristics of financial statements for commercial banks were rated at an above-average level. Specifically, the mean was 2.8727. Out of the 6 easy-to-understandability feature measurement items, graphs and tables clarify the information presented to have the highest mean, with the mean of 4.19, and the annual report includes a comprehensive glossary with the lowest mean of 1.00.

The degree to which the annual report was well-organized had a minimum value of 2 in the sense that the financial statements were relatively well designed, while the maximum value was 5 meaning that the financial statements were presented and designed especially reasonably, and the mean was 3.5833 which meant that the majority of financial statements were very well designed.

That the notes to the financial statements were clear had a minimum value of 2 meaning that the financial statements had clear but incomplete annotations, while the maximum value was 4 meaning that the financial statements were explained especially clearly and completely, and the mean of 3.1806 meant that the majority of financial statements had clear and complete annotations.

Graphs and tables clarifying the information presented had a minimum value of 3 in the sense that the financial statements had between 30-60 pounds per chart, while the maximum value was 5 meaning that the financial statements had more than 90 pounds per chart and the mean of 4.1944 meant that the majority of financial statements have between 60-90 pounds per chart.

That the use of language and technical jargon was easy to follow in the annual report had a minimum value of 1 meaning that the language and technical terms in the financial statements were not explained, while the maximum value was 2 meaning that the language and

technical terms in the financial statements were explained briefly, and the mean of 1.5694 meant that most financial statements briefly explain languages and technical terms.

The annual report includes a comprehensive glossary in which minimum value, maximum value, and the mean were all 1. This meant that all financial statements did not use a detailed glossary.

Disclosure on mission, vision, and strategy had a minimum value of 2 in the sense that the financial statements were published with less mission, vision, and strategy, while the maximum value was 5 meaning that the financial statements were comprehensively announced about the mission, vision, and strategy, and the average value was 3.7083 meaning that most banks publicize their mission, vision, and strategy in financial statements.

Table 3. Current status of understandability characteristics of financial statements

Contents of understandability characteristics of financial statements	Minimum	Maximum	Mean	Standard deviation
The degree to which the annual report is well-organized	2.00	5.00	3.5833	0.81793
The notes to the financial statements are clear	2.00	4.00	3.1806	0.56485
Graphs and tables clarify the information presented	3.00	5.00	4.1944	0.57259
The use of language and technical jargon is easy to follow in the annual report	1.00	2.00	1.5694	0.49863
The annual report included a comprehensive glossary	1.00	1.00	1.0000	0.00000
Disclosure on mission, vision and strategy	2.00	5.00	3.7083	1.05400
Mean			2.8723	

Source: Author's Collected Data, SPSS 26.

Comparability Characteristics of Financial Statements

Regarding the comparability characteristics of the financial statements for commercial banks according to the results of Table 4, it was rated as quite high, with the mean of 3.4187. The mean of the notes to changes in accounting policies explained the implications of the change, and disclosure of feedback information on how significant past events and transactions affect the company's position and performance. Furthermore, the company's previous accounting period's figures were adjusted for the effect of the implementation of a change in accounting policy or revisions in accounting estimates with the highest mean of 4.91, and disclosure on shareholding patterns with the lowest mean of 2.05. This suggested that notes on changes in accounting policies or fully and comprehensively published estimates and judgments represent the highest comparability value compared to the rest.

This suggested that notes on changes in accounting policies or fully and comprehensively published estimates and judgments represent the highest comparable value compared to the rest.

That the notes to changes in accounting policies explained the implications of the change had a minimum value of 1 in the sense that the financial statements did not explain the notes of changes in accounting policies, while the maximum value was 5 in the sense that the financial statements comprehensively explained the notes about changes in accounting policies, and the mean was 4.9167 meaning that most financial statements comprehensively explained notes on changes in accounting policies.

That the notes to revisions in accounting estimates and judgments explain the implications of the revision had a minimum value of 1 in the sense that the financial statements had amended but did not publish notes to changes in accounting estimates and judgments, while the maximum value was 5 with the meaning that the financial statements would be published and comprehensively annotated with the notes to changes in accounting estimates and judgments, and the mean of 4.9167, meaning that the majority of financial statements were published and annotated with comprehensive notes for changes in accounting estimates and judgments.

That the company's previous accounting period's figures were adjusted for the effect of the implementation of a change in accounting policy or revisions in accounting estimates had a minimum value of 1, meaning that the financial statements were not published with the figures of the previous accounting period of the company adjusted due to the effect of the implementation of accounting policy changes or revisions in accounting estimates. In contrast, the maximum value was 5 in the sense that the financial statements were comprehensively published with the figures of the previous accounting period of the company adjusted due to the effect of the implementation of accounting policy changes or revisions in accounting estimates, and the mean of 4.9167 meant that the majority of financial statements were comprehensively published with the numbers of the previous accounting period of the company adjusted due to the effect of the implementation of changes in accounting policies or modifications in accounting estimates.

Concerning the results of the current accounting period compared with those of previous accounting periods, the minimum, maximum, and the mean were all 2, meaning that the financial statements with the current accounting period results were only compared with the previous accounting period ones.

That the information in the annual report was comparable to that provided by other organizations, the maximum and average values were both 3, meaning that all financial statements had information in the financial statements that were comparable to most financial

figures and explanations. Disclosure on shareholding patterns had a minimum value of 2 in the sense that the financial statements announce adjustments in the forms of share ownership. Its maximum value was 3 meaning that the financial statements announce the adjustments along with the impacts to the current year on the forms of share ownership, and the mean of 2.0556 meant that the majority of financial statements all announced adjustments to the forms of share ownership.

That the annual report presents financial index numbers and ratios had a maximum value of 4 in the sense that financial statements present 6-10 financial indicators, and the mean of 2.1250, meaning that the majority of financial statements present 1-2 financial indicators.

Table 4. Current status of comparability characteristics of financial statements

Contents of comparability characteristics of financial statements	Minimum	Maximum	Mean	Standard deviation
The notes to changes in accounting policies explain the implications of the change	1.00	5.00	4.9167	0.52407
The notes to revisions in accounting estimates and judgments explain the implications of the revision	1.00	5.00	4.9167	0.52407
The company's previous accounting period's figures are adjusted for the effect of the implementation of a change in accounting policy or revisions in accounting estimates	1.00	5.00	4.9167	0.52407
The results of the current accounting period are compared with the results of previous accounting periods	2.00	2.00	2.0000	0.00000
Information in the annual report is comparable to information provided by other organizations	3.00	3.00	3.0000	0.00000
The annual report presents financial index numbers and ratios	1.00	4.00	2.1250	0.76798
Disclosure on shareholding patterns	2.00	3.00	2.0556	0.23067
Mean			3.4187	

Source: Author's Collected Data, SPSS 26

Verifiability Characteristics of Financial Statements

Concerning the verifiability characteristics of financial statements, according to the results in table 5 below, in general, the verifiability characteristics of financial statements for commercial banks were rated as not high, with an average value of 2.1667. The mean of the annual report explaining the assumptions and estimates made clearly was 2.375, higher than the average value of the annual report explaining the choice of accounting principles clearly 1.958. This suggested that the assumptions and estimates in the financial statements (explained in general) represent a higher value in terms of verifiability than the explanations of the choice of accounting principles (which are only briefly explained).

That the annual report explain the assumptions and estimates made clearly had a minimum value of 1 in the sense that the financial statements only describe assumptions and

estimates, while the maximum value was 3 meaning that the financial statements make specific assumptions about the estimates, and the average value was 2.3750 meaning that most financial statements only explained the assumptions and estimate.

That the annual report explains the choice of accounting principles clearly had a minimum value of 1 in the sense that the financial statements did not assume the choice of accounting principles, while the maximum value was 3 in the sense that the financial statements fully explained the selection of accounting principles, and the mean was 1.9583, meaning that the majority of financial statements briefly explain the selection of accounting principles.

Table 5. Current status of verifiability characteristics of financial statements

Contents of verifiability characteristics of financial statements	Minimum	Maximum	Mean	Standard deviation
The annual report explains the assumptions and estimates made clearly	1.00	3.00	2.3750	0.77709
The annual report explains the choice of accounting principles clearly	1.00	3.00	1.9583	0.84649
Mean			2.1667	

Source: Author's Collected Data, SPSS 26.

Timeliness Characteristics of Financial Statements

Table 6 presents the timeliness status of financial statements for joint-stock commercial banks. The results showed that, in general, the timeliness characteristics of financial statements were assessed as quite high, with the mean of 4.269. The number of days the auditor took to sign the audit report had a minimum value of 3 meaning that the financial statements had a natural logarithm of the number of days which was 3-3.99, while the maximum value was 4.63 with means that financial statements had a natural logarithm of 5-5.99 days, and the mean of 4.2690, meaning that most financial statements had a natural logarithm of 4-4.99.

Table 6. The status of timeliness characteristics of financial statements

Timeliness characteristics of financial statements	Minimum	Maximum	Mean	Standard deviation
The number of days the auditor took to sign the audit report	3.00	4.63	4.2690	0.32816

Source: Author's Collected Data, SPSS 26

CONCLUSION

To evaluate the financial reporting quality for these commercial banks, the author used a scale inherited from a number of related world studies. The author collected data from the financial statements from 24 commercial banks in the period of 2019 - 2021. The research results showed that financial reporting quality for Vietnamese commercial banks was not high.

Specifically, for the financial reporting quality characteristics according to IASB (2018), the timeliness characteristics were assessed to have the highest value with the mean of 4.3, followed by understandability characteristics with the mean of 3.4. The two enhancing characteristics including relevance and faithful representation of the financial statements for Vietnamese commercial banks were rated as low, with the mean of 2.3 and 3.0, respectively. The remaining two enhancing characteristics which were the understandability and verifiability characteristics were also rated as low, with the mean of 2.9 and 2.2, respectively. The Ministry of Finance, the State Bank of Vietnam, bank managers, shareholders, investors, etc can base on this research results in order to make relevant decisions.

According to Nguyen Thi Phuong Hong (2016), the quality of financial statements is difficult to directly observe, stemming from this feature, in previous studies, many different measurement methods were also used. The group can be divided into 2 main methods: Measuring by quality characteristics of financial statements and measuring by earnings quality. However, this study only evaluated the financial reporting quality of Vietnamese commercial banks through the financial reporting quality characteristics according to IASB (2018), future studies may assess the quality of the financial statements according to the earnings quality by using the earnings management or the relevance value of financial statements.

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