An Analysis of the Current Situation of Social Responsibility Report Authentication in China

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Abstract. Since the 21st century, people have paid more and more attention to corporate social responsibility and social image, the business of social responsibility authentication is also rising gradually in our country. However, the number of social responsibility reports published is not ideal, and the number of certified responsibility reports is very few. The development of social responsibility report in China is not optimistic. This paper discusses the problems and solutions of social responsibility report, the status quo of social responsibility report authentication and so on.

Introduction
China's economy is experiencing a new era of rapid development, and the people's living standards have gradually reached the level of a comprehensive well-off society. But what followed was a huge change in the business environment and the intensification of various major contradictions caused by the company’s future pursuit of profits. Environmental pollution, poor product quality, and the lack of protection of the basic interests of employees have also become increasingly prominent. As a part of social relations, enterprises can not only pay attention to their own interests but ignore the rights and interests of stakeholders. Enterprises take the initiative to assume social responsibilities, which is an inevitable requirement for the development of market economy. Maintaining the vital interests of stakeholders is conducive to sustainable development of enterprises. Only the certified social responsibility report has credibility, and now the certified social responsibility report only accounts for a very small part of the total social responsibility report, and there are still big problems.

The Development of Social Responsibility Report and Its Verification

Basic Situation of Social Responsibility Report
From 2006 to 2017, Chinese companies are paying more and more attention to their social responsibilities, and the number of social responsibility reports is also increasing rapidly. This article takes the number of published social responsibility reports in the past five years as the research object, and analyzes the overall situation and development trend of China's social responsibility report in the past five years. Its specific distribution is shown in Figure 1.

![The development trends of social responsibility report in the past five years](image.png)

Figure 1. Trends in social responsibility reporting.
From the above figure we can see: 2013-2017, The number of social responsibility report forensics is more than 1,200 per year, of which the number of social responsibility reports in 2014 is up to 2029. In the following years, the number of social responsibility reports was decreasing again, and it was not until 2017 that the social responsibility report was in a negative growth state.

This shows that although the awareness of corporate enterprises in fulfilling and disclosing social responsibility has increased, the overall social responsibility report is still at a low level. At present, China is still in the initial stage of social responsibility accounting development, and the state does not require the listed company to disclose the performance of its social responsibility from the legal level. Therefore, business managers and the public do not pay much attention to the significance of social responsibility reporting and the need for disclosure.

Basic Situation of Social Responsibility Report Verification

In recent years, China’s social responsibility report has published more than 1,000 copies, however, the number of certified social responsibility reports is very few. By the end of 2017, the number of social responsibility report certifications issued by Chinese enterprises has not exceeded 200 copies per year. Its annual distribution is shown in Figure 2.

![Figure 2. Number and trend of social responsibility report verification.](image)

The above figure shows that in the past five years, the number of social responsibility reports certified by Chinese enterprises has generally shown an increasing trend and its proportion is also increasing. In addition to the 2016 Social Responsibility Report, the number of witnesses is only 32, accounting for only 2.5% of the total. However, the overall situation of China’s social responsibility report verification is more severe, and the certified social responsibility report does not account for more than 10% of the total number. 2017, which is in good condition, only accounts for 7.72% [1]. It can be seen that although the overall number of forensic reports is increasing, the proportion of forensic evidence has not increased significantly and the overall level is still at a low level. This shows that investors, managers, and consumers are still only concerned with the need for companies to conduct financial reporting audits and pay only attention to financial information such as business performance, financial status and cash flow. However, they do not pay enough attention to the social responsibilities that enterprises should perform, and they do not pay enough attention to the social obligations that enterprises should perform. A good enterprise should not only assume legal and economic responsibilities, but should also assume social responsibility; it should not only pay attention to the audit of financial reports, but also the verification of social responsibility reports.
Literature References Problems Faced by Social Responsibility Report Verification and Improvement Methods

Social Responsibility Report Assurance Standard

Although China’s accounting standards are converging with the international community, in the field of social responsibility report verification, it has not achieved convergence with international standards. The reason is that the country does not have clear legal guidelines that require Chinese companies to issue standard social responsibility reports, nor does it require that the financial report must be audited by an accounting firm to require that the social responsibility report must be verified by a third party. And there is no uniform standard for specific assurance disclosure standards, formats, content, time, obligations, etc. According to the KPMG Corporate Social Responsibility Report, legislation is the most important and crucial driving force for social responsibility information disclosure[2]. Our country’s laws do not require companies to issue social responsibility reports every year, let alone to conduct social responsibility report verification. Profit-seeking is the nature of the enterprise. Today, with more and more attention to environmental issues and quality of life, it is not enough to promote the disclosure and verification of corporate social responsibility solely by its social consciousness. This requires the state to establish sound laws and regulations for social responsibility report verification and promote the development of China’s social responsibility assurance business.

Social Responsibility Report Disclosure Quantity

In general, the number of social responsibility reports in China is increasing, and the number of social responsibility report forensics is also increasing. However, among the more than 3,000 listed companies, only about 50% of the social responsibility reports are disclosed, while the social responsibility for certification is very small, even 10% is not available, and the number is very small. The reason is that business managers lack awareness of social responsibility. They only aim at maximizing the economic interests of enterprises, and do not care about the external effects generated by various behaviors of enterprises and the future development of enterprises. In order to improve the enthusiasm of enterprises to disclose social responsibility reports and forensics, on the one hand, the government should vigorously publicize the necessity and importance of social responsibility reports for enterprises and the mass consumer groups, and let managers realize the importance of social responsibility report verification from the external level. On the other hand, strengthen internal corporate training, enable employees to enhance their sense of social responsibility, and strengthen publicity from within. In addition, the state can also adopt appropriate reward and punishment systems to reward and disclose good enterprises through tax reductions and preferential policies[4].

Supervision of Social Responsibility Report Verification

The quality of China’s social responsibility report is uneven. Most companies regard social responsibility reporting as an important way to improve their corporate image. They only disclose their own advantages and contribute to society, and for the shortcomings of the enterprise, it is only a matter of passing, few companies seriously reveal their own shortcomings and improve them in the future. This has misled the public to a certain extent and has hidden the real situation of the enterprise.

It can improve the lack of supervision from the inside and the outside. Externally, government departments should set up special supervision agencies to regularly review the authenticity and comprehensiveness of social responsibility reports issued by major companies. Thereby improving the reliability of social responsibility reporting. Only when the government begins to pay attention to the authenticity of the social responsibility report, will the company pay attention to the verification of the social responsibility report and pressure the enterprise from the outside. From the inside of the enterprise: the internal supervision department can be set up within the enterprise. Its main job is to verify and verify the various information publicly released by the enterprise, and to maintain the independence and reliability of the internal audit work.
Summary

Corporate Social Responsibility Report Assurance is a common requirement of domestic and foreign enterprises in the new era. As China's economic development lags behind the developed capitalist countries in the West, it is still in the initial stage of development in the disclosure and verification of social responsibility reports, and there are obvious deficiencies in all aspects. At this time, enterprises and governments need to work together to pay sufficient attention to the role of social responsibility report verification at the legal, economic and social levels. And then, promote the standardization, unification and internationalization of social responsibility report verification, and improve the quality of social responsibility report verification. To this end, it is necessary to refine the social responsibility report assurance standards, and allow a variety of different opinions, such as affirmative opinions and negative opinions, to ensure that the attestation subject provides a fair and objective assessment of opinions, thereby enhancing the reliability of the attestation opinions.

References


