

IX. Main Deficiencies and Action Plan

The People's Republic of China has made remarkable progress in reforming accounting and auditing arrangements to meet the needs of a mixed-market economy. Given the sheer size of this task, it is not surprising that this study has identified gaps and weaknesses, which may be categorized as follows:

- Those deficiencies that are better able to be resolved with external assistance.
- Those deficiencies that are able to be resolved without the need for external assistance.

Issue	Priority	Donor Assistance?	Country Support	2001 ~ 2005
Assisting CICPA with a project to improve professional supervision	High	✓	✓	■■■■■■
Assisting CICPA to reform the CPA examination system	High	✓	✓	■■■■■■
Assisting the MOF to reform the National Uniform Accountant examination system	High	✓	✓	■■■■■■■■
Assisting CICPA to develop a strategic plan for the development of accounting profession	High	✓	✓	■■■
Assisting the CNAO to develop an explicit strategy for professional development	High	✓	✓	■■■
Assisting the CNAO to identify, procure, and implement computerized audit support systems	High	✓	✓	■■■■■■
Assisting the CIIA to develop a set of professional standards and guidelines and training materials to support their introduction	High	✓	✓	■■■■■■

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Issue	Priority	Donor Assistance?	Country Support	2001 ~ 2005
Assisting in the development and implementation of a training program for accounting professors and lecturers be developed and implemented	High	✓	✓	■■■■■■■■■■
Conflicts between Regulations and Accounting Standards	High	✗	✓	■■■■
Assisting the establishment of a professional organization to represent accountants (Non-CPAs)	Medium	✓	✓	■■■■■■■■■■
Assisting the Chinese Institute of Internal Auditing (CIIA) to develop internal auditor examination systems and certification procedures	Medium	✓	✓	■■■■■■
Assisting CICPA to improve training materials for CPA continuing professional education	Medium	✓	✓	■■■■■■■■
Assisting the CIIA to develop a set of Internal Auditing Standards, based upon International Internal Auditing Standards	Medium	✓	✓	■■■■■■
Assisting in the development and implementation of public sector standards	Medium	✓	✓	■■■■■■■■■■
The lack of independence of the accountancy profession (CICPA) from the Government	Medium	✗	✓	■■■
The lack of independence of accounting standard-setting responsibilities from the Government	Medium	✗	✓	■■■■■■■■