

IX. Main Deficiencies and Action Plan

Mongolia has made progress in reforming accounting and auditing arrangements to meet the needs of a mixed-market economy but inappropriate institutional arrangements impede further development. 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
Supporting the reassignment of institutional responsibilities, the establishment of a statutory body with accounting-standard responsibilities, and development of related legislative changes	High	✓	✓	■■■■■■■■
Supporting the establishment of a Continuing Professional Education (CPE) System for CPAs	High	✓	✓	■■■■
Support for training accountants in the countryside	High	✓	✓	■■■■■■■■■■
Assisting the development of a project to train accountancy lecturers and professors in modern methods of teaching accountancy	High	✓	✓	■■■■■■■■
The excessive requirements for audits and the short timeframes in which those audits must be performed	High	✗	✓	■■■

FINANCIAL MANAGEMENT AND GOVERNANCE ISSUES IN MONGOLIA

Issue	Priority	Donor Assistance?	Country Support	2001 ~ 2005
The granting of CPA titles to unqualified accountants (i.e. after the first of three exams is passed)	High	✗	✓	■■■■
The retention of CPA titles by accountants who qualified under low criteria from 1993 to 1997	High	✗	✓	■■■■■
Supporting a comprehensive review of reference and training materials and the development of new materials	Medium	✓	✓	■■■■■■■■
Assisting with the provision of training on IAS and Financial Reporting to personnel from the Banking Supervision Department of the Bank of Mongolia	Medium	✓	✓	■■■■■
Supporting the continuation of public education initiatives on the nature and uses of financial information	Medium	✓	✓	■■■■■■■■
Assisting in a project to develop a supervision regime for the activities of accounting and auditing firms	Medium	✓	✓	■■■■■
Supporting the establishment of subsidiary membership categories in MICPA (e.g. accounting technician and public sector accountant)	Medium	✓	✓	■■■■
The lack of recognition given to the public sector accounting policies developed under the governance reform program	Medium	✗	✓	■■

MAIN DEFICIENCIES AND ACTION PLAN

Issue	Priority	Donor Assistance?	Country Support	2001 ~ 2005
The withholding of CPA certificates from the 18 candidates who qualified under the ADB-supported training scheme	Medium	✘	✔	■ ■

