

II. Accounting and Auditing in Viet Nam

This chapter presents an overview of accounting and auditing arrangements in Viet Nam. It provides context for the following chapters on professional infrastructure, accounting and auditing standards, accounting and auditing training, and government budgeting and accounting arrangements. The chapter comprises twenty sections, in two parts, as follows:

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Part One. Accounting

1. Introduction

The history of the development of accounting in Viet Nam correlates with the accounting practices of the countries, which, over the years, have formed strong military, social or trade links with Viet Nam. In the period 1960 to 1969, the Vietnamese accounting system was strongly

influenced by China. During the period 1969 to 1989 the former Soviet Union played a catalytic role and from 1989 to 1995 the French and United States of America had some influence. However a move to International Accounting Standards commenced from the early 1990s. From 1995 to 1998 the European Union Project (EUROTAPVIET) resulted in the Vietnamese students of accounting gaining a comprehensive knowledge of IAS. This Project alerted the government to the international benefits of applying IAS and the EU played a catalytic role in assisting the Viet Nam Accounting Association to join the International Federation of Accountants and thus become a member of the international accounting community. Importantly, it is now planned that a complete set of Vietnamese Accounting Standards, based on IAS, will be issued by the end of 2003.

The Vietnamese Accounting System is the current system required by law to be used by all enterprises in Viet Nam. This System was originally established in 1995 to suit the requirements of the State-owned enterprises. At the time the foreign-owned (or invested) business enterprises and the nongovernment private sector enterprises were a minor part of the economy. Certain foreign businesses were granted exemption from applying the Vietnamese Accounting System in 1998 and were permitted to use the recognized Generally Accepted Accounting Principles of a relevant foreign country. The exemption period terminates at the end of the year 2000 and foreign-invested businesses are expected to commence applying the accounting principles of the Vietnamese Accounting System from the beginning of the year 2001.

2. Ordinance on Accounting and Statistics

In 1986, the Sixth Congress of the Communist Party of Viet Nam put forward a proposal to the National Assembly for the comprehensive renewal of the Socialist Republic of Viet Nam. This reform process gave rise to the promulgation of the 1992 Constitution, which was based on a free market economy, and the introduction of the Ordinance on Accounting and Statistics.

This Ordinance was promulgated by order of the President of the State Council of the Socialist Republic of Viet Nam, dated 20/08/1988. (The official English version of the Ordinance has many mistakes in it, one of the most prevalent being that it was issued in 1998 instead of 1988). This Ordinance was drafted on the basis that accounting records

and reports should be done in such a way as to suit two needs, taxation requirements and statistical needs of the Government.

This Ordinance provides regulations for the accounting and statistics standards to be applied in the national economy. This Ordinance applies to all State-owned enterprises, State private joint enterprises, collective and private units engaged in production and business activities, mass organizations, and agencies and organizations using the funds of the State.

The Ordinance requires that all accounting and statistics work undertaken is uniformly implemented throughout the national economy. The system is completely regulated and all accounting and statistical forms are standardized and issued by the Ministry of Finance and General Department of Statistics. The system involves the following components:

- A primary records system;
- An accounts and book-keeping system;
- A system of forms and reports;
- A system and method of calculating economic and financial targets;
- A classification of national economic sectors, economic forms and schedules of classifications, codifications and contents of the State budget;
- Units of weights and measures; and
- The accounting and statistics year.

The system was mainly introduced for the benefit of the State-owned enterprises and State-private joint enterprises. The Ordinance also requires that each of these enterprises must appoint a chief accountant who is responsible for assisting the director of the enterprise in organizing and supervising the uniform implementation of accounting and statistics work. The Council of Ministers enacts regulations in relation to the chief accountants and these are uniformly applied in the State-owned and State-private joint enterprises.

At the end of each accounting year, all enterprises should prepare an inventory and record the results in the books of account before making a financial report on the year-end accounting.

3. The Viet Nam Accounting System

The Vietnamese Accounting System (VAS) was promulgated in 1995 and is intended to be used by all enterprises in Viet Nam. The main

reporting focus of VAS is directed at Government enterprises and related agencies. The VAS is a system of accounting and not a set of standards and its main purpose is to outline in detail the following accounting guidelines and functions:

- Systems of Accounting and Standard Documentation including Books of Account and Standard Chart of Accounts and
- Accounting Recording Methods for:
 - Current Assets
 - Fixed Assets
 - Liabilities
 - Owners Equity
 - Revenues
 - Business Production Cost
 - Other Income
 - Other Expenses
 - Off Balance Sheet
- Financial Statements Preparation and Forms
- General Regulations
- Guidance Flow Charts

Legal References

The main legal references for the VAS are:

- Decision 1141/ TC/ QD / CDKT issued by the Ministry of Finance on November 1, 1995 entitled Promulgating the New Vietnamese Accounting System (NVAS) effective January 1, 1996.
- Circular 10TC/ CDKT issued by the Ministry of Finance on March 20, 1997 on the guiding amendment and revision of the NVAS.

Application of the Vietnamese Accounting System

Business entities applying the VAS should follow and comply with current statutory regulations, referred to above, in relation to supporting accounting documents, chart of accounts, accounting records, financial statistics, and filing of accounting documents.

Should any amendment, or adjustment of the accounting procedures and methods be required for meeting specific production or business conditions, business entities must first obtain the written approval of the Ministry of Finance.

There are various systems within the VAS that can be adopted by enterprises and these depend on the size of the entity. There are different systems included in VAS for large businesses, small and medium-size enterprises, and household businesses.

Financial Reporting Requirements of the VAS

Under the VAS, the following financial statements are legally required to be submitted:

- Balance sheet;
- Table of “Off-Balance Sheet” items (includes loan or hire of equipment)
- Profit and Loss statement;
- A table entitled “Obligation to Government” – this is a table detailing all taxes and other duties payable to the State;
- Notes to the financial statements, which include details such as:
 - Summary of operations (structure, activities, number of employees);
 - Accounting policies applied during the period;
 - Details of certain accounts balances such as:
 - Details of operating expenses and cost of sales.
 - Fixed assets movements during the period;
 - Details of the compensation paid to employees. This disclosure should include the “budgeted” salary costs;
 - Movement in equity; and
 - Details of current receivables and current payables.
 - Comments on the business results for the period (report of management);
 - Financial ratios (section 4 refers); and
 - Future business prospects (report of management);

The cash flow statement is optional for inclusion in the annual statutory financial statements. Additional disclosures internally required in the annual financial statements of foreign investment enterprises can be inserted without the permission of the Ministry of Finance.

The Minister of Finance has responsibility for the following reports:

- Annual State Budget Draft, State Budget Accounts and Compensation Fund for Overspending that is approved by the National Assembly

- Spending on development investment, and spending on nonbusiness activities in the fields of Education, Training, Health Care, Culture, Information, Sport and National Programs
- The Annual Budget draft of ministries, and other central agencies
- The Annual Budget draft of provinces

4. Benchmarks, Ratios and Covenants

There are certain financial ratios required to be included as notes to the financial statements under the Vietnamese Accounting System. These ratios include:

- Labor and remuneration indicators
- Inventory indicators
- Sales indicators
- Cash indicators
- Fixed asset indicators

They do not include the standard financial performance indicators, which are universally required as covenants in loan agreements by international finance institutions.

5. Accounting Bases

For Nonprofit organizations and Government, the accounting basis is modified cash.⁴ State-owned enterprises (SOEs) and the non-government private sector use the accrual accounting basis.

All donor-financed expenditure and receipts in kind must be fully accounted for in the accounts. The valuation is based on details of acquisition or purchase cost supplied by the donor.

6. Foreign-invested Business Entities

Although the current accounting laws were mainly promulgated for application to SOEs and State-owned joint enterprises, foreign-invested business entities are also obliged to comply with the accounting and statistical policy specified in the Ordinance on Accounting and Statistics, the Charter of Organization of State accounting, current legal documents on accounting and auditing,

⁴ The modified cash basis has no internationally accepted definition. In the case of Viet Nam, it simply refers to the closure of the cash accounts on some date after 31 December (balance date) each year.

Article 37 of the Law on Foreign Investment, Articles 65–69 in Chapter VIII of Decree 12/CP, Article 223 in Chapter III of the Regulations on consulting services, as well as all provisions stipulated in Circular No. 60 TC/CDKT issued by Ministry of Finance on 1 September 1997.

A foreign-invested business entity is subject to the supervision and control of the financial authorities and the functional management authorities in respect of accounting work. A foreign-invested business entity should execute its accounting work in accordance with the Vietnamese Accounting System (VAS) for business entities. In cases where a foreign-invested business entity has a valid reason for the application of another commonly recognized accounting system, the Ministry of Finance (MOF) should approve this in writing.

In order to create uniform statutory reporting systems, the decree, which was issued after the New Law of Foreign Investment (NLFI), was passed in November 1996 by the National Assembly of Viet Nam, states in Chapter 8 the following principles:

- VAS is to be used by all foreign-invested companies in Viet Nam – except if “valid reasons” requires the adoption of other standards, (MOF permission is required).
- Monetary unit to be used is the Vietnamese dong (VND) unless otherwise approved by MOF.
- The statutory financial statements are prepared and finalized in accordance with the regulations.
- The audit is required annually and must be done by an independent audit company duly registered, and authorized to do business, in Viet Nam.

7. Role of the Chief Accountant

Article 3 of the Ordinance on Accounting and Statistics requires that all SOEs and State-owned joint enterprises must appoint a Chief Accountant. The duties of the position are generally outlined in the Ordinance; however, the Government decrees the role of the Chief Accountant.

The role of the Chief Accountant has been defined in Decree No. 26/HDBT issued by Government on March 18, 1989 (Chief accountant’s role in State-owned Enterprises). The chief accountant is generally responsible for the safeguarding of the company’s assets for which he is personally liable. The Chief Accountant should not take responsibility

for the profitability of a company but rather with its compliance to approved budgets and plans.

The Chief Accountant must ensure that the annual financial statements are prepared as of December 31 and filed with the tax authorities, the General Statistical Office and the Ministry of Planning and Investment (MPI). These annual financial statements are to be filed with the tax authorities not later than March 31 of the following year and are to include a calculation of the company's tax liabilities. Certain adjustments are allowed to the profit before tax, although these adjustments are strictly defined by the tax legislation and traceable to specific account codes in the chart of accounts.

For enterprises having foreign direct investment and foreign parties entering into business cooperation contracts, monthly and biannually reports have to be done in accordance with Circular No.01/LB issued by General Department of Statistics and MPI dated 31 March 1997. In addition, quarterly filing with tax authorities are to be made comprising the balance sheet and profit and loss account.

Part Two. Auditing

8. Introduction

In response to the requirements of the economy in the process of moving to a market based system and international integration, external auditing activities have come into existence and substantially developed in the latter part of the 1990s. With a view to establishing a legal framework for the establishment, development and management of external auditing activities, the State promulgated the Regulation on Independent Auditing in the National Economy, the Regulation on Examination and Issue of Auditor Certificates, and the Regulation on Registration of Practising Auditing Profession.

The State Audit of Viet Nam was established under Decree No. 70/CP dated July 11, 1994. The State Audit was established as an independent body to assist the Prime Minister in implementing the functions of "verifying, confirming correctness, legality of accounting documents and figures, the consolidated financial statements of State entities, State-owned enterprises and People's Associations and social organizations which use budget grants from the State."

The State Audit has gained affiliations and become a member of international professional auditing organizations such as the

International Organization of Supreme Audit Institutions (INTOSAI), and the Asian Organization of Supreme Audit Institutions (ASOSAI). The membership status in INTOSAI and ASOSAI enabled the State Audit of Viet Nam to integrate rapidly with the regional and international professional community and promote the cooperation, exchange of auditing knowledge and experiences between it and its counterparts.

9. Organization of the State Audit of Viet Nam

The State Audit of Viet Nam is an independent body and has the duty to report audit results to the Government, National Assembly or its Standing Committee. It also conducts audit tasks as required by the National Assembly or by the Standing Committee.

The State Audit of Viet Nam has the responsibility of ascertaining compliance with applicable laws and regulations relating to financial statements of governmental agencies, departments, ministries, other budgetary units under the management of provincial governments, State-owned enterprises and other entities as prescribed or assigned by the Central Government.

The head of the State Audit of Viet Nam is the Auditor General and his deputies are the Vice or Deputy Auditor Generals. These officials are appointed by, and may be dismissed by, the Prime Minister. The Auditor General is responsible to the Prime Minister for the State Audit of Viet Nam's activities.

The organizational system of the State Audit of Viet Nam is established under Central (specializing) Departments and Regional Departments.

The Central Departments have responsibility for conducting examinations of budgets of centrally-managed cities, ministries, central state authorities, large scale State-owned enterprises, governmental aid or loan projects and specialized entities, people's associations, social organizations and for directing the Regional Departments' activities.

The audits of provincial budgets and other entities under local management and some centrally-directed entities, which are authorized by the Auditor General, are conducted by Regional Departments. They are independent and act only under the leadership of the Auditor General.

10. Employment of Auditors

The auditors are government officials and are recruited from two sources:

- Those who possess a degree of bachelor or higher in economics, accounting, law and other subjects and have significant work experience in these fields; and
- Those who have just graduated in economics, finance or accounting, auditing and law from universities or colleges and passed the examination held for recruitment of new employees by the State Audit of Viet Nam.

The staff of the State Audit of Viet Nam is increasing annually in accordance with the requirements of the central government. At present, the organization has a staff of nearly 500 employees, and by the year 2005, the number is expected to reach 1,000 employees. A proposal was submitted to the Standing Committee of the National Assembly and Government in order to strengthen the role of the State Audit. This was done because it was considered that the State Audit was understaffed at the time.

11. Functions and Duties of the State Audit

The main functions of the State Audit of Viet Nam are as follows:

- To develop annual audit plans or programs;
- To organize the implementation of such plans or programs;
- To report the results of audits to the Prime Minister, National Assembly or its Standing Committee as required;
- To make comments, assessments or judgments and certifications on compliance with applicable financial and accounting policies, systems and regulations and on correctness, probity and legality of accounting documents and figures and financial statements of audits undertaken;
- To make recommendations on remedial measures to correct weaknesses or irregularities that have been found during the course of the audit in order to strengthen the control of financial resources.
- To take part in developing and promulgating Vietnamese Auditing Standards and Approaches as well as related economic and financial policies and regulations of the Ministry of Finance;

- The State Audit of Viet Nam is empowered to make submissions of misuse of public funds, irregularities of applicable financial and accounting policies by organizations or persons who are charged with the responsibility for those funds;
- The State Audit of Viet Nam is authorized to provide the legal authorities which are specified in related regulations with audit records, documents and results; and
- The State audit of Viet Nam may employ certificated public accountants and independent audit firms to help it in conducting audit tasks but it has to bear full responsibility for the correctness of data, documents and conclusions made by the employed certificated public accountants and organizations.

The operational expenses for the State Audit of Viet Nam are funded from the National Budget. The staff are classified as civil public officials under the management of the Government.

12. Objectives of the State Audit

The following audit objectives are within the mandate of the State Audit of Viet Nam:

- The audit of financial statements of provinces or centrally managed cities. The audits are conducted before they are submitted to the provincial People's Councils for approval;
- The audit of financial statements of the national budget accounts. This audit is also conducted before the accounts are presented to the National Assembly for approval;
- The audit of financial statements of ministries, ministerial bodies, parliamentary bodies, public services, people and social associations that receive budget grants from the Government;
- The audit of financial statements of capital constructions, funded projects either by loans, credits or assistance from the Government; and
- The audits of financial statements of State-owned enterprises.

13. Audit Regulations

The following laws relate to State Audit:

- Law on State Budget
- Law on State Bank
- Decree No. 70/CP dated July 17, 1994 of the Government

- Decision No. 61/TTg dated January 24 1995 of the Prime Minister of the Government

State auditors have unrestricted access to accounts and records pertaining to public funds of all government departments and agencies. State Audit develops an annual audit program for submission to the Prime Minister for approval. The Prime Minister issues a decision assigning the audit program for the State Audit. The State Audit coordinates with the Internal audit units when performing audits of State-owned enterprises.

14. Internal Audit

There are no specific regulations existing for internal audit operations and procedures. Internal audit units have mainly been established in the large SOEs, where the activities are complex, to undertake performance and compliance audits. The SOEs involved are

- Viet Nam Airlines
- Electricity Viet Nam
- Post and Telecommunications of Viet Nam
- Viet Nam Tea Corporation
- Viet Nam Paper Corporation
- Viet Nam Petroleum Corporation

SOEs also have the internal audit units carry out an audit on the financial statements or independent auditing firms may be engaged to carry out this work. The State Audit Office places reliance on these audits when undertaking its annual audit.

The State Treasury Department also has an internal audit unit that is responsible for the examination of internal control procedures and the performance audit within the Central Department and district offices.

15. Private Sector Auditing Firms

The auditing profession has been gaining momentum in recent years and this has resulted in more and more competition among independent auditing firms. There are now 18 auditing firms in Viet Nam:

- Six state-owned audit firms
- Six private locally-owned firms
- Five foreign-owned firms, and

- One joint venture firm.

The 'big five' international accounting firms are all represented:

- Ernst & Young
- PriceWaterhouseCoopers (Viet Nam) Ltd.
- KPMG
- Deloitte Touche Tohmatsu (Viet Nam Auditing Company)
- Arthur Andersen

At least two Vietnamese citizens hold senior positions in these firms after having received approximately two years' training in the United States. Australian, British and some Philippine citizens hold most senior positions. At the end of 1998, in relation to private sector auditing firms:

- 1,331 personnel (including support staff) were employed in 17 firms
- 1,036 of these were undertaking audit work (including qualified and graduated)
- 258 had Certified Public Accountant (CPA) qualifications (Bachelor of Accounting Degree), and
- 86 Foreigners had CPA qualifications. All these are employed in the 'Big Five' and the Viet Nam Auditing Company (which has four foreigners).

In addition to the basic auditing services, most independent auditing companies have rapidly developed many kinds of financial and accounting services to give clients more choices, which enhances the profession as a whole. These additional services include financial accounting supervision; assets assessment; advice on enterprise equitization proposals, financial and accounting consultancy, taxation advice, professional training on financial management, etc. Auditing firms are often required to convert financial statements prepared under the Vietnamese Accounting System to an IAS form of financial statements especially to suit the needs of foreign holding companies and international lending institutions.

The growing presence of foreign independent auditing firms is an important factor which has contributed much to the rapid and sound development of the Vietnamese auditing profession in recent years and will continue to do so in the future. This presence is not only giving the domestic independent auditing companies opportunities to learn and compete but also to have "auditing technology" transferred to Vietnamese auditors, making them increasingly professional in their work.

As a result, independent auditing companies in Viet Nam are diversifying their financial and accounting services to suit the changing needs of customers, ranging from domestic to foreign enterprises; including State agencies, public and social organizations, and international bodies and internationally funded projects.

The Vietnamese auditing profession is, however, facing many challenges among which are many obstacles that it cannot overcome by itself. The biggest difficulty is the absence of a comprehensive auditing practice legal framework, which involves mainly the establishment of a complete set of auditing standards.

Viet Nam has no comprehensive regulations on independent audits, and the national accounting and auditing standards have not been completed in line with international accounting and auditing standards. Many independent auditing companies must apply the international accounting and auditing standards though they know that there are still many difficulties in which Viet Nam finds itself in the transition period. This has led to various consequences as follows:

- Assessment of the quality of audit reports is lacking general benchmarks against which measurements may be made;
- The auditing profession has not been standardized; and
- Once disputes arise, there are no formalized processes for settling issues regarding auditors' legal liabilities.

Due to the lack of a regulated standard system, there still exists a discrepancy of views between the auditors and tax authorities, and this concerns many foreign investment enterprises. An audit report, which is not totally accepted by the tax authority, leads to questioning of the quality of the audit.

16. Licensing of Auditing Firms

In order for independent auditing firms to undertake the audit of nongovernment enterprises and foreign-invested firms, the auditing firms must meet the following requirements in order to obtain their license:

- Be legally established;
- Capital of at least D2 billion, or in the case of foreign firms, capital of at least US\$300,000;
- At least 10 auditors in each firm must be CPA or have a Financial Auditor License of Viet Nam; and
- A minimum number of 50 clients per annum.

17. Quality Control of Auditing Firms

Although the quality control of auditing firms is contained in the functions of the Viet Nam Accounting Association (VAA) Charter, this task is currently being undertaken by the Accounting Policy Department of MOF.

Approximately one-third of the auditing firms are subjected to a quality check each year, this includes the “big five” international auditing firms. This check is done in the form of a questionnaire being distributed before a meeting is held between the Department and each firm. The review generally covers compliance with regulations, competence of the auditing firm, organization structure, and review of auditors’ qualifications. Each review lasts for one to two days. Minutes of the Review of Compliance are done in accordance with Decree 07/CP issued by the Government on 29 January 1994.

Firms are normally selected on a random basis but may be selected if complaints from the public are lodged. Contentious issues have arisen with international auditing firms involving access to client’s confidential files and signatures on audit reports. This has sometimes led to “no opinion” being expressed by the Department because of noncompliance. The international auditing firms generally disagree with the quality review being done by a government department, in their opinion this review should be done by the VAA.

18. Financial Auditor Licenses

Auditors who are required to personally sign audit reports or audit certificates must possess a Financial Auditor License of Viet Nam. As of October 1999, the Ministry of Finance had issued 256 auditor licenses to Vietnamese practitioners and 26 licenses to foreign auditors working for independent auditing firms in Viet Nam.

In order to be granted a Financial Auditor License candidates must first pass examinations that are set by the State Examination Council of Auditors and coordinated by the Accounting Policy Department. The officers of this department are required to attend these exams, which generally last for one week. It is their duty to safeguard the examination papers and answers and to supervise the exams.

Examinations for the Financial Auditor License were held in 1999 in Ho Chi Minh City and Hanoi. Ninety-four Vietnamese and 26 foreigners passed.

For the year 2000, the examinations were held at the end of August:

- 100 Vietnamese sat for the first time
- 74 Vietnamese sat for the second time
- 16 Foreigners sat for the first time, and
- Four Foreigners sat for the second time.

For Vietnamese students, the examination subjects are as follows:

- Economics Law of Viet Nam
- Money and Credit
- Accounting
- Auditing
- Analytical Economics
- Informatics
- English

The accounting subject of the above Financial Auditor License exam covers the Vietnamese Accounting System and the current Vietnamese Accounting Standards proposals. For non-citizen students the examination is conducted on Foreign Investment and includes the following subjects:

- Independent Audit
- Accounting
- Finance of Foreign Enterprises
- Tax Policy
- Credit and Banking
- Labor Policy

Either one month or two weeks' training courses are organized for candidates to sit for these exams by the Center for Training and Consulting of Auditing and Accounting, which is a unit of the VAA

19. Audit of Foreign-invested Business Entities

All foreign-invested business entities must be audited regarding compliance with both the accounting procedures and the financial statements presentation by a Vietnamese independent auditing firm or another independent auditing firm licensed to operate legally in Viet Nam.

An Auditors Report should be attached to a foreign-invested business entity's financial statements. An Auditors' Report should include the following main contents:

- Confirmation of the objectiveness, truth and fairness of the financial statements and accounting records;

- Opinion and assessment of the accounting work, compliance with the accounting system registered and approved by the Ministry of Finance, compliance with the accounting law, system and procedures; and
- Recommendations.

An Auditors' Report should be signed by the auditor with indication of his (her) first name and surname and his (her) audit certificate (diploma) number, with the signature of the director and sealed by the independent auditing firm. This point is a contentious issue with international auditing firms because in most cases the audit manager signs in the name of the company and not in his own name, for avoidance of personal responsibility.

Another issue attracting much attention is the legal status of ownership of the independent auditing firms. The independence of many auditing companies in Viet Nam in the form of SOEs controlled by the Ministry of Finance, have become doubtful. The Government should divest itself of any form of ownership in these types of enterprises as soon as possible and the establishment of more private auditing firms should be encouraged in order to ensure the independence and integrity of the auditing profession as a whole.

There are more than 5,000 SOEs in Viet Nam, owned by the central Government and "managed" by the Ministry, which has functions, and powers that relate to that SOE. While this procedure may be suitable from an administrative point of view, it does present problems in the nature of a conflict of interest regarding the operations of State-owned accounting and auditing firms.

A typical example is the case of the Viet Nam Auditing Company (VACO), the largest and most successful State-owned auditing company in Viet Nam, which is "managed" by the Ministry of Finance. Conflicts of interest could arise in the following circumstances:

- The letting of tenders for auditing and accounting work either when the Government is awarding a tender or where the Government plays a role in recommending a certain tender;
- Representatives of the Ministry of Finance are the officials to whom the public makes complaints in connection with the competency of accounting and auditing firms. There is an obvious conflict of interest if a complaint is received involving the VACO; and
- The Ministry of Finance is responsible for the "quality control" of accounting and auditing firms. This could also give rise to a conflict of interest situation.

20. Qualifications of Auditors

A student who has the qualifications of a Bachelor in Accounting is required to have three years' experience working in an auditing firm or five years' experience as an accountant.

After fulfilling these criteria, the student is then qualified to take an examination in order to obtain a Financial Auditor License, which is issued by the Minister of Finance.