

“Enhancing Accounting, Auditing and Corporate Financial Reporting In Mongolia”

Roundtable Discussion

Opening speech by Mr. Ch. Ulaan, Minister of Finance

Ladies and Gentlemen,

It has not been long since Mongolia made the transition to the market economy. However, International Accounting Standards have been introduced, actions have been taken progressively towards having financial reporting comply with the international best practices and introducing auditing of financial reports, and reasonable outcomes have been reached.

While making an effort to further develop these actions, to strengthen accounting, financial reporting and auditing at the entities level, and to supply the macro economy with credible information, it has been concluded that the Report on Observance of Standards and Codes (ROSC): Accounting and Auditing prepared jointly by the World Bank and the International Monetary Fund was an important study conducted at the right time.

We support and accept the findings raised by the ROSC study team, as we hope that the findings - which include some advantages of our actions, but most importantly, detailed descriptions of the weaknesses and shortcomings of our actions, and issues that need further attention - would give their benefits to our operations. First of all, weaknesses and shortcomings that exist in our operations in the areas of enhancing statutory and legal framework for accounting, financial reporting, and auditing; improving accountancy profession, education, and training; and enforcing accounting and auditing standards have been identified correctly. I would like to address that it is important for the Ministry of Finance and other institutions to study the report carefully, conduct self-assessment of their own operations, and take the relevant corrective actions to rectify the weaknesses and shortcomings that exist in their functions.

It is appropriate to study the issues included in the recommendations (i.e. revisions of the Laws on Accounting and Auditing, improvements in setting and persistently enforcing standards, and development of professional education in accounting and auditing) in detail and take specific actions regarding changes to the inter-related laws and regulations that are currently in force.

The Government of Mongolia and the Ministry of Finance believe that it is required for us to continue our cooperation with the World Bank, the International Monetary Fund, and other development partners of Mongolia in order to expand the study within the framework of ROSC.

We would like to express our gratitude to the working group of the World Bank, which carried out the study, and wish much success in their future endeavours.

We also would like to request all participants of this workshop to contribute to our operations by sharing your ideas and suggestions freely on the Report on Observance of Standards and Codes.

Thank you for your attention.