



Capacity Building for MNAO through Establishing a Continuing Professional Development Strategy and Program (P155305)

EAST ASIA AND PACIFIC | Mongolia | Governance Global Practice | Recipient Executed Activities | Investment Project Financing | FY 2016 | Seq No: 2 | ARCHIVED on 16-Dec-2016 | ISR26394 |

Implementing Agencies: Mongolia National Audit Office

Key Dates

Key Project Dates

Bank Approval Date:22-Jan-2016

Effectiveness Date:04-Feb-2016

Original Closing Date:30-Aug-2018

Revised Closing Date:30-Aug-2018

Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The main objective of the proposed project is to strengthen MNAO's capacity, primarily in financial audit and audit firm contracting and oversight. To achieve this objective a comprehensive and systematic continuing professional development strategy together with a time-bound action plan that is needs-driven, tailored and sustainable will be developed and implemented. For this purpose, the current capacity strengths and gaps in financial audit and related areas will be independently assessed by a peer SAI. In parallel to this assessment, MNAO personnel will be surveyed and participate in focus groups to identify their requests for and perceptions of their professional development needs and alternative means to achieve these objectives. The results of the financial audit peer review and the knowledge and learning needs assessment to be carried out under this proposed project, as well as the 2010 performance audit peer review, will feed into development of a CPD strategy for the institution that will then be developed into a 3-year knowledge and learning program. Furthermore, as part of the project, tailored training materials will be developed and actual training will be delivered to MNAO staff as per the CPD strategy and the knowledge and learning program. While the specific content and depth of topics to be covered under the CPD program are largely to be identified and tailored as per the assessments to be carried out, an early indication of capacity gaps reveals such areas as MNAO staff's knowledge and understanding of the relevant standards, i.e. IPSAS and the newly translated ISSAIs, quality control, contracting and quality assurance of private audit firm engagements, and audit of the consolidated financial statements of the Government.

Has the Project Development Objective been changed since Board Approval of the Project Objective?

No

Components

Name

Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	● Satisfactory	● Satisfactory



Overall Implementation Progress (IP)

● Satisfactory

● Satisfactory

Implementation Status and Key Decisions

During the current ISR period, the project has made good progress in implementing Activity 1: Peer review of MNAO. Based on discussions amongst the MNAO and Bank teams and international experts, MNAO concluded that a peer review by another SAI (Supreme Audit Institution) was its preferred approach. The UK National Audit Office (UK NAO) was at the top of MNAO's short list of SAIs given its familiarity and previous engagement with MNAO, its knowledge and experience with the SAI PMF (the peer review methodology promulgated by INTOSAI, the worldwide body of SAIs), and the ease of using English as the peer review language. UK NAO was contracted for the assignment and the peer review field work took place in Ulaanbaatar from November 14-25, 2016. UK NAO completed drafting the SAI Performance Report (peer review report) and will deliver it to MNAO in the coming days. The final SAI Performance Report was planned for submission at year-end or shortly thereafter and it now appears that this activity will be completed as planned.

The MNAO project team has commenced preparatory work for the next planned Project activities: Activity 2: Comprehensive training needs assessment; Activity 3: Development of a continuing professional education strategy and an action plan; and Activity 5: Procurement process for selecting private audit firms for outsourced audits. Because of the interrelations between these activities, a combined TOR has been prepared for the consultancy to carry these out and the project aims to immediately start the procurement processes for the consultancy. Timely completion of the peer review was important as it informs these other activities.

MNAO is committed to successfully implementing the project and the MNAO Strategic Management Department continues to be the main counterpart leading project implementation.

Risks

Overall Risk Rating

Risk Category	Rating at Approval	Previous Rating	Current Rating
Overall	● Moderate	● Moderate	● Moderate

Results

Project Development Objective Indicators

►MNAO has made demonstrable progress in implementing the targeted improvements which emerge from the financial audit peer review (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	25.00
Date	11-Jan-2016	28-Jun-2016	15-Dec-2016	31-Aug-2018

►MNAO auditors have been trained in the priority areas identified by the CPD strategy and action plans (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
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Value	0.00	--	0.00	50.00
Date	11-Jan-2016	--	15-Dec-2016	31-Aug-2018

►MNAO has utilized a strengthened procedure for selection of private audit firms contracted to conduct audits of government entities (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	N	N	N	Y
Date	11-Jan-2016	28-Jun-2016	15-Dec-2016	31-Aug-2018

Overall Comments

Intermediate Results Indicators

►A peer review report including recommendations for improvement of MNAO's financial audit capabilities submitted (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	N	N	N	Y
Date	11-Jan-2016	28-Jun-2016	15-Dec-2016	31-Jan-2017

►Report on MNAO training needs assessment (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	N	N	N	Y
Date	11-Jan-2016	28-Jun-2016	15-Dec-2016	30-Jun-2017



►CPD strategy and an action plan have been developed and adopted (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	N	--	N	Y
Date	11-Jan-2016	--	15-Dec-2016	31-Aug-2017

►Materials developed for 50% of the courses included in the CPD action plan (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	50.00
Date	11-Jan-2016	--	15-Dec-2016	31-Jan-2018


►Selection procedure for private audit firms that would perform contracted audits developed (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	N	N	N	Y
Date	11-Jan-2016	28-Jun-2016	15-Dec-2016	30-Jun-2017

Overall Comments

Data on Financial Performance

Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	Disbursed
P155305	TF-A1838	Effective	USD	0.38	0.38	0.00	0.08	0.31	 20%

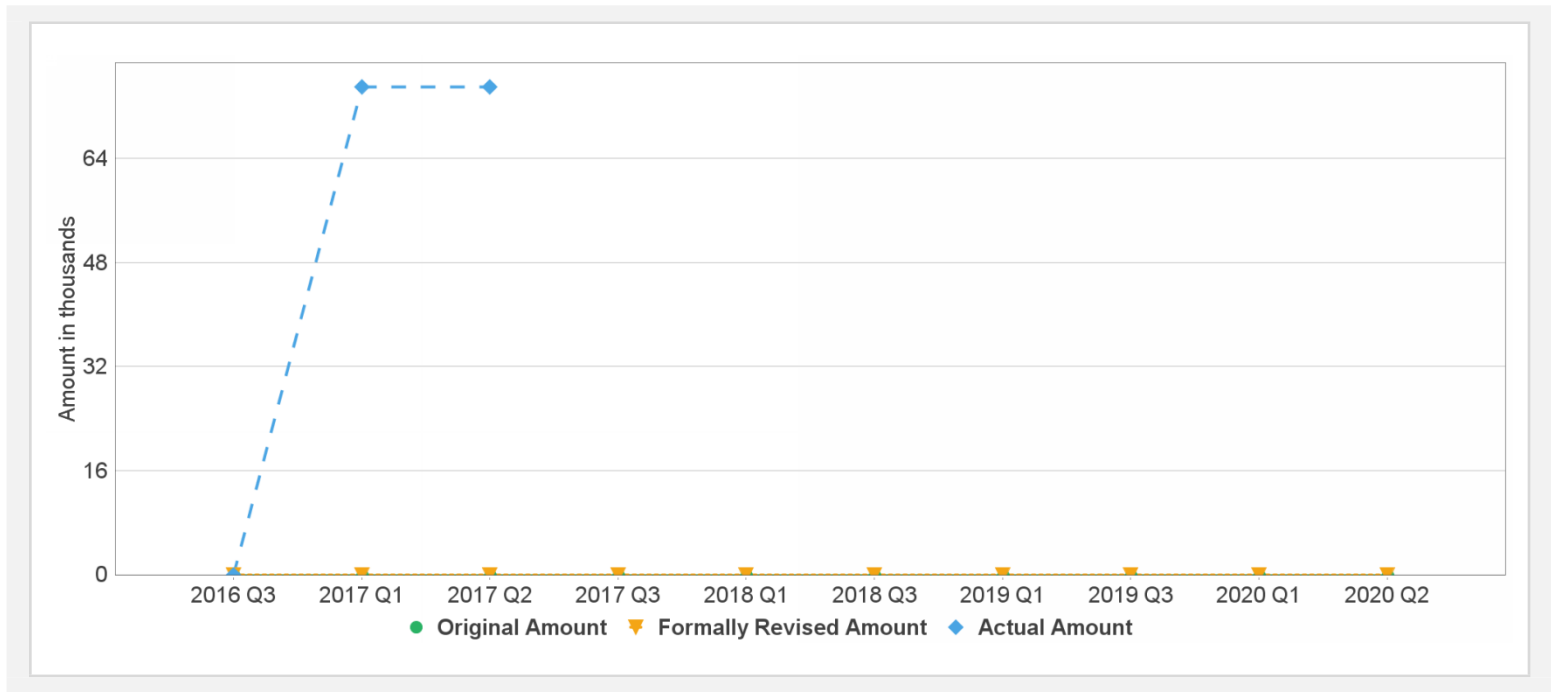
Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
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P155305	TF-A1838	Effective	22-Jan-2016	04-Feb-2016	04-Feb-2016	30-Aug-2018	30-Aug-2018
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Cumulative Disbursements



Restructuring History

There has been no restructuring to date.

Related Project(s)

There are no related projects.