



# 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: 3 | ARCHIVED on 29-Jun-2017 | ISR28928 |

Implementing Agencies: Mongolia National Audit Office, Ministry of Finance

## Key Dates

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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

All five main project activities have been planned in a sequence except for Activity 5 on developing a transparent and documented procedure for outsourcing audits to private audit firms. So far, Activity 1 has been fully completed with the MNAO peer review report by the UK NAO finalized and quality reviewed by the International Donor Initiative (IDI) of the International Organization of Supreme Audit Institutions (INTOSAI) that developed the methodology for reviewing performance of Supreme Audit Institutions. Activity 2 has also been completed with MNAO carrying out the training needs assessments at various levels of the organization e.g. central and local branches. Relevant surveys and focus group discussions took place in January and a final report on results of the training needs assessment was submitted to the Bank in March 2017. With the findings and recommendations from Activity 1 and 2, Activity 3 on developing a Continuing Professional Education Strategy and Action Plan for MNAO has commenced with an international consultant, previously associated with the UK NAO and with previous experience working with MNAO, engaged in the activity. The field mission of the international consultant is currently ongoing and the draft CPE strategy and the action plan are expected to be delivered and discussed by the end of September 2017. Activity 4 on delivering priority training under the CPE strategy and action plan has not yet commenced and is expected to start in the fall upon finalization and adoption of the CPE strategy and action plan. As for Activity 5, selection of a local consultant was made to carry out the task of developing MNAO policy and procedures for outsourcing audits to audit firms. While the process of finalizing the contract was underway, the selected consultant informed her unavailability to do the work due to personal reasons. MNAO and the Bank team are currently looking into options of either going with the 2nd ranked candidate or re-advertising to push forward on this activity. There has been some changes in staffing at MNAO. The project, however, continues to be anchored in the Strategy Department of MNAO. The Project Steering has been re-established in April with an Advisor to the Auditor General appointed as the Head of the Steering Committee. Overall, the project implementation is on track and remain satisfactory.

## Risks

### Overall Risk Rating

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

### Comments

There is no change to the project risk rating.

## 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	15-Dec-2016	26-Jun-2017	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
Value	0.00	--	0.00	50.00
Date	11-Jan-2016	--	27-Jun-2017	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	15-Dec-2016	27-Jun-2017	31-Aug-2018

#### Overall Comments

The project implementation remains on track. While Activity 1 and 2, which are the necessary prerequisites for Activity 3 & 4, are completed, the indicators above are largely connected with Activity 3, 4 and 5, so their fulfilment is yet to be seen. It is however expected that notable progress in this regard will have been made by the time of the next ISR for the project in 6 months' time.

#### 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	Y	Y
Date	11-Jan-2016	15-Dec-2016	27-Jun-2017	31-Jan-2017



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

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	N	N	Y	Y
Date	11-Jan-2016	15-Dec-2016	27-Jun-2017	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	--	27-Jun-2017	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	--	27-Jun-2017	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	Y
Date	11-Jan-2016	--	27-Jun-2017	30-Jun-2017

Overall Comments

Intermediate results indicators with regards to Activity 1 and 2 of the project have now been fulfilled while others are yet to be implemented and noted.



**Data on Financial Performance**

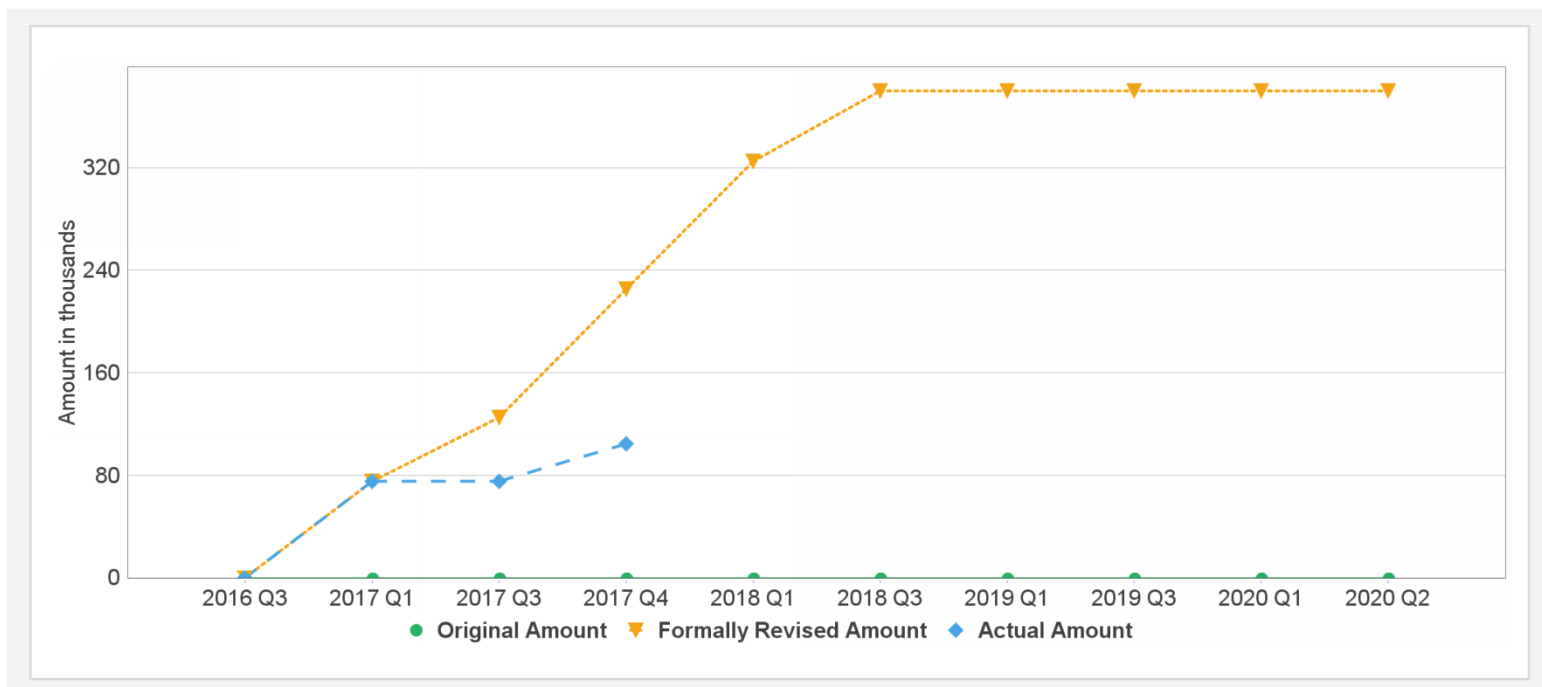
**Disbursements (by loan)**

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	Disbursed
P155305	TF-A1838	Effective	USD	0.38	0.38	0.00	0.10	0.28	28%

**Key Dates (by loan)**

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

**Cumulative Disbursements**



**Restructuring History**

There has been no restructuring to date.

**Related Project(s)**



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There are no related projects.

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