

Corporate Governance Development in Mongolia: The Role of Professional Accountants

Authors : Ernest Nweke

Abstract : The work of Professional Accountants and Corporate governance are synonymous and cannot be divorced from each other. Organizations, profit and non-profit alike cannot implement sound corporate practices without inputs from Professional Accountants. In today's dynamic corporate world, good corporate governance practice is a sine qua non. More so, following the corporate failures of the past decades like Enron and WorldCom, governments around the world, including Mongolia are becoming more proactive in ensuring sound corporate governance mechanisms. In the past fifteen years, the Mongolian government has taken several measures to establish and strengthen internal corporate governance structures in firms. This paper highlights the role of professional accountants and auditors play in ensuring that good corporate governance mechanisms are entrenched in listed companies in Mongolia. Both primary and secondary data are utilized in this research. In collection of primary data, Delphi method was used, securing responses from only knowledgeable senior employees, top managers, and some CEOs. Using this method, a total of 107 top-level company employees and executives randomly selected from 22 companies were surveyed; maximum of 5 and minimum of 4 from each company. These companies cut across several sectors. It was concluded that Professional Accountants play key roles in setting and maintaining firm governance. They do this by ensuring full compliance with all the requirements of good and sound corporate governance, establishing reporting, monitoring and evaluating standards, assisting in the setting up of proper controls, efficient and effective audit systems, sound fraud risk management and putting in place an overall vision for the enterprise. Companies with effective corporate governance mechanisms are usually strong and fraud-resilient. It was also discovered that companies with big 4 audit firms tend to have better governance structures in Mongolia.

Keywords : accountants, corporate disclosure, corporate failure, corporate governance

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