

Careers in Accounting



CAREERS IN ACCOUNTING

Industry in a nutshell

Accounting is the source of complete, well-documented and structured financial information needed for management decisions to ensure the effective management of a business. It is the study of how businesses track their income / expenses and assets / liabilities over time.

Accountants engage in a wide variety of activities besides preparing financial statements and recording business transactions including computing costs and efficiency gains from new technologies, participating in strategies for mergers and acquisitions, quality management, developing and using information systems to track financial performance, and tax strategy.

The main objective of management / corporate accounting is the collection and processing of complete and accurate information about the activities of the entity. This information is primarily used for two purposes:

- Making decisions based on financial analysis of such information.
- Implementation of financial controls.

What kind of work can I do?

There are three key areas that you can work in within the field of accounting:

Audit / Accounting

Audit / Accounting: work in this area involves checking accounting ledgers and financial statements within corporations and government. You would generally be working for an audit firm and therefore would have the opportunity to work with clients in varied sectors and of different sizes. You also have the opportunity for early access to senior members of the client team. This work can involve long hours but allows you to really understand how money is being made in the company that you are analyzing.

Tax & Financial

Tax: tax accountants prepare corporate and personal income tax statements and formulate tax strategies involving issues such as how to best treat a merger or acquisition, deferral of taxes, when to expense items etc. This work requires a thorough understanding of tax code. Increasingly, large corporations are looking for persons with both an accounting and a legal background in tax. A person, for example, with a JD and a CPA would be especially desirable to many firms.

Financial: financial accountants prepare financial statements based on general ledgers and participate in important financial decisions involving M&A and long-term financial projections. The work can be varied including analytical or interpersonal skills and requiring a good understanding of both accounting and finance.

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Management Accounting

Management Accounting: management accountants work in companies and participate in decisions about capital budgeting and line of business analysis. Major functions include cost analysis, analysis of new contracts and participation in efforts to control expenses efficiently. This work often involves the analysis of the structure of organizations. Management accountants often work side by side with marketing and finance to develop new business.

Budget Analysis: budget analysts are responsible for developing and managing an organization's financial plans. Besides quantitative skills many budget analyst jobs require good people skills because of negotiations involved in the work.

What further qualification might I work towards?

There are various post-graduate qualifications available within accounting. These include:

Certified Auditor / Certified Public Accountant (CPA) - certified specialist in financial accounting. These qualifications are well regarded within Mongolia but not recognized internationally.

After graduation in a relevant degree it takes on average 2.5 years to pass the Certified Public Accountant (CPA) exams. Training and exams are provided by the Mongolian Institute of Certified Public Accountants.

These exams cover 4 areas:

1. Audit
2. Financial accounting and financial reporting
3. Tax and law
4. Business environment

ACCA- Association of Chartered Certified Accountants- internationally recognized certification in the field of accounting and finance. For which you must pass 14 exams, which on average can take anywhere from three to five years. Many of the major accounting firms (such as PwC or KPMG) will support you through these qualifications. Exams and training are available through Institute of Finance and Economics (IFE) or the PwC Academy (which is open to individuals outside of PwC as well as within).

Fundamental exams: Accountant in Business Management, Accounting Financial Accounting, Corporate and Business, Law, Taxation, Financial Reporting, Financial Reporting, Audit and Assurance, Financial Management

Professional exams (some of them you can choose): Governance, Risk and Ethics (formerly Professional Accountant), Corporate Reporting, Business Analysis, Advanced Financial

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Management, Advanced Performance Management, Advanced Taxation, Advanced Audit and Assurance

Chartered Institute of Management Accountants (CIMA) - an international qualification focused on management accounting. It takes on average 2.5 years to pass the CIMA exams. In Mongolia you can study for the CIMA exams in the Academy of management (a Mongolian government agency).

Other international accounting qualifications such as American CPA are valued in some companies / roles in Mongolia, particularly for roles internal to companies with international operations, although it is not currently possible to study them within Mongolia.

What kind of experience and skills should I have?

In general:

- ✓ Business and commercial awareness (you need to have an understanding of the key influences on inflation, unemployment, economic growth and down-turn).
- ✓ A genuine interest in the sector.
- ✓ Good interpersonal skills.
- ✓ Ability to work within a team and to convey information.
- ✓ Self-discipline, self-management, responsibility, and attention to detail.

If we look at the three different areas of accounting the skills vary slightly:

	Audit / Accounting	Tax & Financial	Management Accounting
People skills	High	Medium	Medium
Sales skills	Medium	Low	Low
Communication skills	High	Medium	High
Analytical skills	High	High	High
Ability to synthesize	High	Low	High
Creative ability	Low	Low	Medium
Initiative	Medium	Medium	Medium
Computer skills	High	High	High
Work hours	40 - 70 / week	40 - 70 / week	40-50 / week

What's it like working in this sector?

Accountancy offers relative stability, variety, a decent salary and a well-recognised professional qualification. However, to succeed in this sector you must be prepared to work hard. Audit firms in particular can require long hours, particularly during the busiest time of year, which in

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Mongolia follows the statutory 31 December financial year-end used by all Mongolia organisations.

Graduates entering the profession must be prepared to devote a great deal of time and self-discipline to study for the various professional examinations required through the early years of their career. However, once these qualifications are acquired, accountants have a range of options and can earn good salaries, and sometime exceptional salaries.

Auditors at a management level will earn particularly high salaries as will other accountants in complex sectors such as financial services.

However, salary depends on company (size of company) and your level of experience.

The national average starting salaries, as per the 2012 PwC Salary Survey, for an Accountant are 1.1-1.2m MNT gross per month. Senior Accountant wages then average at 1.7-1.9m MNT gross per month. For candidates with excellent English or additional qualifications, these salaries can be higher. Salaries at the Big 4 are likely to be at, or slightly below, the average but this is offset by the financial investment that they will put into your training and development.

As a Finance Manager, as per the 2012 PwC Salary Survey, the national average stand between 2.8-3.3m MNT gross per month but you would likely need to start as a Finance Analyst on 1.3-1.4m MNT gross per month.

This is a sector in the job market where there is always significant demand and we have seen Chief Accountant candidates with strong qualifications and good language skills earning over 5m MNT per month.

How big is this industry?

2,320 students graduated with a degree in Accountancy last year (Source: Ministry Of Education) and over 3,200 students in Mongolia are currently working towards achieving an accountancy qualification (Source: National Statistical Organization).

There are 2,450 certified auditors in Mongolia (source: test.monicpa.mn).

The finance and business services industry employs almost 0.5% of the Mongolia workforce (based on data received from the National statistical organization).

Where can I work?

It is possible to join companies in an internal accounting role, or to work in government or non-governmental organizations.

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There are 70 audit companies operating in Mongolia. Many of these are local companies but, in addition to these, all of the big 4 global accounting companies are present in Mongolia and

offer world-class training and development to employees. The most established of the Big Four companies in Mongolia is PwC but the others have a growing presence and are investing in building their local capabilities.

Big 4 companies focus on audit services but also provide a range of advisory, including capital markets consulting, financial due diligence, tax advisory and other services. As you build a career within one of these firms you could elect to focus on any one of these areas

Most companies employ accountants within their finance division. Typical entry level positions include Junior Accountant, Payroll Clerk, Accounts Payable Clerk, or Accounts Receivable Clerk.

In addition, accounting qualifications like ACCA (Association of Chartered Certified Accountants) are recognized in over 170 countries. With these qualifications it is possible to work anywhere in the world. The Big 4 firms will typically sponsor the attainment of these qualifications, or you can select to pursue one of them independently.

How can my career develop?

For those with audit experience, your options could include progression with an audit firm. This could include greater positions of responsibility / management, including ultimately a directorship / partnership within the firm.

A strong understanding of accounting, whether this is built in house or in an audit / accounting firm, can lead to financial positions within a company, including ultimately CFO level positions.

Accounting provides an excellent foundation for most professions through a solid understanding of the financial operations of any company.

If you have ideas on how we can improve this document, or are willing to provide a case study of what it means to work in this sector, please contact Uyanga@MongoliaTalentNetwork.com or call +976 77 11 80 50 or +976 77 11 80 51.

With your help we can keep improving the advice that is available and bring greater clarity to important career choices.