



USAID
FROM THE AMERICAN PEOPLE

ACCOUNTING/CERTIFIED INTERNATIONAL PROFESSIONAL ACCOUNTANT (CIPA) PROJECT

A/CIPA

Success Stories

MARCH 2008

⌘ KAZAKHSTAN ⌘ KYRGYZSTAN ⌘ TAJIKSTAN ⌘ TURKMENISTAN ⌘ UZBEKISTAN

Implemented by the Pragma Corporation

SUCCESS STORIES

Accounting/Certified International Professional Accountant Project

March 2008

Implemented by the Pragma Corporation

As Chief of Party to this USAID project that started in August 2007, I must tell you of the immense pride that I have in what has been achieved by a very dedicated, professional and hardworking project team in Central Asia under the management of The Pragma Corporation.



We in the A/CIPA team are privileged to be in a USAID project that is the culmination of a series of USAID projects that have all contributed towards the outstanding success of accounting reform in Central Asia. This project has consolidated and enhanced the considerable effort made to establish CAP/CIPA as The Premier Russian language accounting and auditing qualification in Central Asia with international recognition being promoted by IFAC (International Federation of Accountants), one of only two of the World's Governing Bodies, during its meeting of the Developing Nations Committee in Almaty in October 2007.

From September 2007 to December 2007 A/CIPA conducted a training of trainers programme to the teachers and professors of 25 Universities throughout Central Asia who are delivering accounting as part of degrees for undergraduates, the training is based on the CAP syllabus; Financial Reporting, Management Accounting and Tax & Law, and the courses delivered included methodology training.

To assist the capacity building of the Professional Bodies, we are delighted to be working with ICAS (The Institute of Chartered Accountants of Scotland, the World's first Institute) and through this cooperative effort we are strengthening ECCAA (The Eurasian Council of Certified Accountants and Auditors) by giving technical assistance on Continuing Professional Education, Members' Services and increasing the efficiency and effectiveness of CIPAEN (The Certified International Professional Accountant Examination Network) who manage the CAP/CIPA examination system.

The success stories that follow are the result of the Herculean efforts of many people, too numerous to mention, and the enthusiasm of those dedicated to promoting the Accounting and Auditing Profession in Central Asia.

Sincerely,

Alex Fawcett
Chief of Party
USAID A/CIPA Project

TABLE OF CONTENTS

Central Asian Republics

- USAID Officially Hands over Certified International Professional Accountant Examination Network (CIPAEN) to the Eurasian Council of Certified Accountants and Auditors (ECCAA)
- CIPA Training of Trainers Program Expands Methodological and Subject Expertise to Ensure Successful Accounting Education for Professionals
- Senior IFAC Executive Visits Central Asia and Participates in Round Table Dialogues with Counterparts

Kazakhstan

- Kazakh Accounting Students Open Lines of Discussion and Communication through Clubs
- Eurasian Council of Certified Accountants and Auditors, and Chamber of Auditors, Visit Institute of Chartered Accountants of Scotland
- CIPA Graduate Sees Practical Imperative for Continuous Accounting Training for Professionals
- Professional Confidence and Growth Gained Through CIPA Earn Program High Marks
- Professional Qualification Plays an Important Role in the Big Four
- Ahead to New Knowledge!
- Certified International Professional Accountant (CIPA) Certification Leads to Promotions
- Persistence Produces Professional Success
- CIPA Training Proves Increasingly Useful As Business Sector Evolves
- CIPA Training Keeps Accountant Ahead of the Curve
- Continued Training and Education is a Must for Accountants
- Certified International Professional Accountant Program Has the Russian Language Advantage

Kyrgyzstan

- CIPA Training Vital, Despite Hard Work
- First National Conference on Accounting and Audit Reform in Kyrgyzstan Opens Wider Dialogue on Reform

Uzbekistan

- CIPA Program – Recognizing the Best!
- USAID/UNDP Collaboration Produces an Effective Certification Pilot for Tax Consultants in Uzbekistan
- Accounting Reform in Uzbekistan: Engaging Professional Associations
- An Exchange of Experiences Helps Guarantee the Success of Future Reforms in Uzbekistan
- Continuous Improvement by Uzbek Association Leads to Success

USAID OFFICIALLY HANDS OVER CERTIFIED INTERNATIONAL PROFESSIONAL ACCOUNTANT EXAMINATION NETWORK (CIPAEN) TO THE EURASIAN COUNCIL OF CERTIFIED ACCOUNTANTS AND AUDITORS (ECCAA)

The first Russian-language program for professional certification of accountants was created under the auspices of USAID in 1997 to administer exams for accountants (CAP/CIPA) in the CIS countries. The program is now on its way to long-term financial Sustainability.

On December 21, 2007, USAID hosted a ceremony to sign a Memorandum of Understanding to transfer control of CIPAEN to ECCAA. The signing ceremony was attended by the Deputy Chairman of the Senate of the Parliament of the Republic of Kazakhstan – Mr. Muhambet Kopei, Director of the USAID Regional Mission in Central Asia – Mr. William Frej, ECCAA Chairman – Mr. Sapar Koshkimbayev, Executive Director of ECCAA – Mr. Dmitriy Schutz, Executive Director of Grata Auditing Firm – Ms. Roza Bayzakova, and a representative of the Regional Mission of the USAID in Central Asia and the CTO of the A/CIPA Project – Ms. Svetlana Golovatskaya.

Deputy Chairman of the Senate of the Parliament, Mr. Mukhambet Kopei, noted that the signing of the Memorandum represented an implementation milestone in the long-term strategic program “Kazakhstan 2030”, which was approved by the President of Kazakhstan in 1997. Mr. Kopei reminded the audience that during a meeting between Presidents Nazarbayev and Bush, both Presidents talked about the need of Kazakhstan to learn about best practices from the US and to introduce international standards.

ECCAA is an Almaty-based international entity comprised of



Mr. William Frej, Director of the USAID Regional Mission in Central Asia, and Mr. Sapar Koshkimbayev, Chairman of the Eurasian Council of Certified Accountants and Auditors (ECCAA)

29 professional accounting and auditing organizations from 11 CIS countries; it is also a regional body of the International Federation of Accountants (IFAC).

CIPAEN is a non-profit organization that was founded in 2002; it administers the Certified Accounting Practitioner (CAP) and Certified International Professional Accountant (CIPA) examinations. The organization’s objective is to test knowledge, expertise and skills in the areas of accounting and audit. CIPAEN develops uniform examinations in accordance with international testing standards, and conducts and grades exams for all candidates in 11 CIS countries: Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine and Uzbekistan.

In 1997, prior to CIPAEN’s establishment, the first Russian-language program for professional certification of accountants, which included the administration of exams for accountants (CAP/CIPA) in the CIS countries, was created under the auspices of USAID. CAP/CIPA certification is increasingly becoming a hiring requirement in private companies and government offices; in 2007, alone, over 25,000 exams were administered. Increasing interest in, and demand for CAP/CIPA certification means that CIPAEN is on its way to financial sustainability. Because of this success, USAID determined that it was time to hand CIPAEN over to ECCAA. USAID, however, will continue to provide technical assistance to ECCAA to ensure CIPAEN’s long-term success.

Mr. William Frej, Director of the USAID Regional Mission in Central Asia, noted at the ceremony that: “USAID is proud of the role it played in the development of the program of professional certification of accountants, and is sure that professional accountants participating in the CAP/CIPA program will continue to increase their positive impact on economic development of Central Asian countries under the guidance of the ECCAA”.

CIPA TRAINING OF TRAINERS PROGRAM EXPANDS METHODOLOGICAL AND SUBJECT EXPERTISE TO ENSURE SUCCESSFUL ACCOUNTING EDUCATION FOR PROFESSIONALS

“The goal of accounting education and practical experience is to produce competent professional accountants capable of making a positive contribution to the profession and society in which they work. In the face of the increasing changes that accountants meet, it is essential that accountants develop and maintain an attitude of learning to maintain professional competence.”

Introduction to the International Education Standards for Professional Accountants of the Education Committee of the International Federation of Accountants (IFAC)

From September 3 – December 22, 2007, the USAID Accounting/Certified International Professional Accountant Project (A/CIPA) conducted Training of Trainer (TOT) courses, on Certified Accounting Practitioner (CAP) subjects, in a number of cities, in four Central Asian Countries: Almaty, Astana, Pavlodar, Shymkent, Uralsk (Kazakhstan); Bishkek (Kyrgyzstan); Dushanbe (Tajikistan); and Tashkent (Uzbekistan). The 263 course participants came from 45 educational institutions. Within this group, 171 individuals attended a course on Financial Accounting-I (60 hours), 124 - attended the Managerial Accounting-I (60 hours), 147 – Tax & Law (60 hours), and 128 – Training Methodology (20 hours).

A majority of participants found the learning process interesting but difficult since they had to combine their work demands with intensive study and homework assignments. These participants persevered, however, because the training provided them with an excellent opportunity to learn about international practices, and to improve their own professional competencies through unique interactive training methods. The 20 letters of appreciation received by the CIPA program, from participating

universities and companies, demonstrates the regard in which the training opportunity was held. Below are excerpts from some of those letters:

“The courses provided participants with advanced subject material and useful multimedia training aids were utilized. Following the training, a number of participants expressed a desire to take the Financial Accounting I and Managerial Accounting I exams.”

– G. S. Seitkasimov, member of the National Academy of Science of the Republic of Kazakhstan, Rector of the Kazakh University of Economics, Finance and International Trade, Astana

“The courses were conducted during a very convenient time for participants. We were able to increase our knowledge because innovative training methodologies were used, and practical lessons were included. The trainers are highly professional; they have both practical and training experience and inspire deep respect. The lessons were interesting and useful for teachers of all economic disciplines”

– K.M. Kasenov, Professor, Pro-Rector on academic issues of the Kazakh State Architectural and Construction Academy, Almaty

“These courses are particularly valuable since their content complies with requirements of special disciplines of the 2006 State Compulsory Educational Standard (GOSO) of the Republic of Kazakhstan on the Accounting and Audit discipline. It should be noted that in light of the introduction of the International Financial Reporting Standards (IFRS) in the Republic of Kazakhstan, the importance of these courses increases since they explain the specifics of the IFRS application.”

– A. Taltenov, the First Pro-Rector of the S. Toraygyrov Pavlodar State University

The A/CIPA project ensures that trainers who teach its courses are highly qualified, both in terms of subject matter and pedagogical technique. TOT provided by A/CIPA is conducted by professional trainers, and methodologies used focus on task-oriented activities. In addition, each participant is given a complete set of updated training materials. The knowledge and skills that trainers gain through CIPA programs, contributes to an increase in professionalism within the accounting and audit community.

SENIOR IFAC EXECUTIVE VISITS CENTRAL ASIA AND PARTICIPATES IN ROUND TABLE DIALOGUES WITH COUNTERPARTS

The International Federation of Accountants (IFAC) is an international organization of almost 160 professional accountancy organizations, in 120 countries, representing 2.5 million accountants in public practice, education, government service, industry and commerce. In Central Asia, the Chamber of Auditors (Kazakhstan) is a full member of IFAC; the Union of Accountants and Auditors (Kyrgyzstan) and the National Association of Accountants and Auditors (Uzbekistan) are associate members.

One of the most prominent events of 2007, for the accounting and auditing communities of all Central Asian countries, was the February visit of Mr. Neil Wallace, Technical Manager of the Developing Nations Committee of the International Federation of Accountants (IFAC).

Mr. Wallace traveled to Kazakhstan, Kyrgyzstan, Uzbekistan and Tajikistan, to meet with representatives of the Ministries of Finance, professional associations, and leading economic universities. He also participated in a series of Round Tables in which he presented overviews of IFAC's role, and IFAC Educational Standards. In addition, Mr. Wallace and his counterparts discussed ways in which collaboration could be pursued between IFAC and interested parties in the four countries.

Mr. Wallace was impressed by the active role played by professional bodies in Central Asia, in developing accounting and auditing, and was encouraged by their interest in cooperating with the international community. He announced that the next meeting of the Developing Nations Committee of IFAC would be held in Central Asia, for the first time. The conference subsequently took place in Almaty, Kazakhstan, in October 2007.



From left to right: Neil Wallace, Alex Fawcett, and Sapar Koshkimbayev, during the round-table discussion held in Almaty, Kazakhstan.

In addition to discussions with Mr. Wallace, Round Table discussions also focused on issues such as International Financial Reporting Standards (IFRS), International Standards of Audit (ISA), and continuing professional development for accountants and auditors. In their comments, representatives of important national corporations and of the "Big Four" accounting firms highlighted the significant increase in demand for qualified specialists in accounting and auditing; they also shared their experiences in developing and strengthening the accounting profession in the region.

Ms. Raushan Kartamysova, Chief Accountant of LLP "Eurasia Soft," and a Round Table participant noted that "The visit of the IFAC representative to Kazakhstan helped us assess the accounting and auditing situation in the Central Asian countries, from the point of view of the international community; it also helped us better understand how we might coordinate with IFAC in transferring IFRS and ISA practices to our countries. This meeting also demonstrated the readiness of the professional accounting and auditing community, in all Central Asian countries, to apply IFAC Educational Standards for further development of the profession."



KAZAKH ACCOUNTING STUDENTS OPEN LINES OF DISCUSSION AND COMMUNICATION THROUGH CLUBS

In January 2005, during a meeting between the Minister of Education and Science of the Republic of Kazakhstan, and representatives of the nation's youth, a group of students expressed their desire to create a student organization to serve as a forum to discuss problems, concerns, and possible solutions regarding issues related to higher education. This idea became a reality in 2007, when a number of student clubs were established in Kazakh universities.

Accounting and finance students in Kazakhstan's universities are not casual observers of the life of the young nation. To share their achievements, plans, and concerns, they established student clubs in the fall of 2007. With support from the USAID Accounting/CIPA Project, Young Accountants Clubs were opened in the Kazakh Economic University, Caspian Public University, and Kazakh University of Economics, Finance and International Trade. As the clubs began to become active, students from other economic departments expressed their interest in becoming full members of the clubs. As such,



the new clubs expanded their activities: they accepted students ranging from freshmen to seniors and opened lines of communication between all members.

A number of initiatives have been undertaken by the clubs to serve the needs of their members: meetings have been organized, for example, with faculty and with activists from other universities, to discuss issues of relevance. The club operating in the Kazakh Economic University hosted a meeting with Mr. Neil Wallace, Deputy Director of Institute of Chartered Accountants of Scotland (ICAS), whose visit to Kazakhstan was facilitated by the Eurasian Council of Certified Accountants and Auditors (ECCAA). Discussions with Mr. Wallace focused on student concerns regarding ways to establish contacts with employers, strategies to best "sell" themselves to employers, ways in which ICAS and international organizations can help students find employment, and how student clubs operate in other countries.



Club organizers now hope to increase the exchange of information between universities and businesses to foster greater interest in the accounting profession, and improve recent graduates' competitiveness in the Kazakh market.

The president of the Young Accountants Club at the Kazakh Economic University, Saule Saparbayeva, has stated that the clubs "will always welcome interested young people who wish to join the club and are willing to support initiatives in conducting various activities."



EURASIAN COUNCIL OF CERTIFIED ACCOUNTANTS AND AUDITORS, AND CHAMBER OF AUDITORS, VISIT INSTITUTE OF CHARTERED ACCOUNTANTS OF SCOTLAND

Representatives from the Eurasian Council of Certified Accountants and Auditors (ECCAA), and the Chamber of Auditors of Republic of Kazakhstan, visited the Institute of Chartered Accountants of Scotland (ICAS). The visit was conducted in May 2007, and organized by the USAID Accounting/Certified International Professional Accountant (A/CIPA) Project.

The Institute of Chartered Accountants of Scotland (ICAS) is the oldest accounting and audit trade association in the world. It provides the services basic to professional accounting unions, including: elite-level training for professionals; training and education for business audiences; quality control in the performance of auditing firms; protection of the interests of accountants and auditors in private and public circles; public relations initiatives to enhance the reputation of the accounting and auditing professions; publication of periodicals and training materials; support for the harmonization of accounting standards world-wide; and, expansion of international links among professionals and organizations. ICAS' accounting training is considered to be the "gold standard," and the Chartered Accountant qualification it confers is given international recognition.

At present, ICAS has over 16,000 members, from around the world, and



is the most rapidly expanding accounting association in Great Britain. From 2000-2006, for example, student membership in the Institute increased by 60 percent.

Members of the Kazakhstan-based Eurasian Council of Certified Accountants and Auditors (ECCAA) and Chamber of Auditors visited ICAS in May 2007. The visitors hoped to learn about ICAS' accountant training system, and the external quality control system it uses for auditors and auditing firms. In addition, the delegation wanted to meet the Institute's staff and management, and set a foundation for future collaboration on all levels.

At their first meeting, external quality control of auditors was discussed. ICAS emphasized that it was important to assure the community at large of the professional standards maintained by auditors. Part of this assurance is based on continuous education and training for auditors to upgrade standards of individuals.

At another meeting, the delegation met with Neil Wallace, who is currently ICAS' International Affairs Director. Mr. Wallace was previously the Technical Director of the Developing Countries Committee of the International Federation of Accountants (IFAC). In that capacity, Mr. Wallace held a series of IFAC



meetings in Kazakhstan, and other Central Asian countries, in February 2007.

Neil Wallace talked with delegates about the three-level ICAS training and examination system, and the qualification requirements of chartered accountants and auditors. The program was impressive and prompted the ECCAA delegation to suggest it as a model the council might consider in Kazakhstan.

The informative and collegial meetings in Scotland created an impetus for continued collaboration between the Eurasian Council of Certified Accountants and Auditors, Chamber of Auditors, and Institute of Chartered Accountants of Scotland. The accounting and auditing profession in Kazakhstan will benefit from this new relationship, as will ultimately the economy of Kazakhstan.



CIPA GRADUATE SEES PRACTICAL IMPERATIVE FOR CONTINUOUS ACCOUNTING TRAINING FOR PROFESSIONALS

Elena Aleksandrovna Lysikova is an Economist with the Economy and Planning Department of Bogatyr Trans LLP, one of the leading companies in the Pavlodar Oblast of Kazakhstan. She is an enthusiastic graduate of the CIPA program, who now also teaches CIPA courses. Elena often talks with colleagues about the positive impact CIPA has had on her career, and about the importance of A/CIPA training for accountants. She shared her thoughts with CIPA project staff.

“By accident,” Ms. Lysikova notes, “in 1999 I found out about the Tax and Law course conducted by Style LLP in Pavlodar. While attending that course, I learned about and became interested in certification of accountants within the CIPA program.

Why have I decided to participate in the CIPA program? To improve my qualifications and gain new knowledge. There was a severe lack of information on international standards in the country, and training materials distributed during training courses were the only source of professional information.

I enrolled in the CIPA program and started with Financial Accounting I, since at that time I was teaching Accounting at Pavlodar State University. I passed the exam on the first attempt and scored 90 points, which was very gratifying. In fact I passed all three CAP level exams on the first attempt. Studying was difficult primarily because I had to combine my job with homework assignments; I was also not accustomed to the exam format. The content of exams, however, conformed closely to the training program and there were hardly any questions from untaught material. This made the exams more straightforward.

During the second level exams – the CIPA level – I had to spend more time on preparation, since the exams themselves were much harder and the

questions covered more material. In 2005, I passed all four CIPA level exams and was awarded the CIPA certificate. I was especially pleased when I passed the exam in Financial Management because, at the time, there were no courses available in this field in Pavlodar. Achieving CIPA certification required several years of hard work and all of my free time; it is, however one of my greatest professional successes.

Since CIPA courses are offered in Russian and cover a vast array of subjects, the training and certification process gives participants an opportunity to share experiences, obtain new knowledge, and receive up-to-date information on accounting. Participation in the CIPA program is also useful during job searches because employers pay attention to professional certificates and professional development. Moreover, certification and continued education are particularly important as laws and regulations change; the adoption of the Accounting Law and introduction of International Financial Reporting Standards (IFRS) is such an example.

The knowledge I have gained from the CIPA program in managerial accounting and finance helps me greatly in coping with my job responsibilities. My education has also made it possible for me to become a trainer in Financial



Accounting I for Style LLP and teach CIPA courses in universities; in preparing for the classes, I am constantly updating handouts for courses.

I always recommend the CIPA program because I have seen the extent of its practical application in my own career. Professionals are required to improve their qualifications continuously, the market changes very rapidly, and requirements for accounting positions continue to expand. A qualified professional accountant cannot and should not limit him/herself to the knowledge obtained in university. The world is changing, the market poses new, increased requirements for professionals, and we must comply with these requirements in order to be in demand in the market.”



PROFESSIONAL CONFIDENCE AND GROWTH GAINED THROUGH CIPA EARN PROGRAM HIGH MARKS

At present, I am a director of an audit firm that provides Kazakh companies with assistance in transitioning from Kazakh Accounting Standards to International Financial Reporting Standards (IFRS), and that helps them prepare financial statements in accordance with IFRS.

In 2003, Kazakh companies began adopting the International Financial Reporting Standards (IFRS). Many chief accountants realized that in order to stay confident about their professional futures, they had to study international financial reporting standards, not only the tax code. I was a chief accountant of a state company, at the time, and agreed with these views.

Fortunately, while reading the Accountant's Bulletin, I discovered the two-level CIPA program, which included the Certified Accounting Practitioner (CAP) and Certified International Professional Accountant (CIPA) courses. The only thing that was left for me to do was to go through training and pass exams.

Throughout 2003, I attended all the CAP courses at the Institute of Professional Accountants and Auditors of the Republic of Kazakhstan. I successfully passed the exams and was awarded my CAP certificate that year.

However, to gain in-depth knowledge, achieve higher professional goals, and open more professional opportunities, I needed to pass the second level of certification and obtain the CIPA qualification.

The level of training needed to receive the CIPA certificate is high and is regarded as the equivalent of the auditor's qualification. To get closer to my goal of becoming an auditor, I resigned from my position as chief accountant at the state company, and got a job as a regular specialist with Interconsult, an audit firm. I also began studying to qualify as an auditor and receive the CIPA certificate.

At first, I thought all of my professional hopes had been dashed when I realized that just sitting through the second level CIPA courses would not be enough to pass the exams. It was clear that that CIPA professional qualification could not be achieved without extensive training and practical experience.

In April 2006, after two years of study, I was awarded the CIPA certificate. It was an important day in my professional life. The CIPA program not only teaches the necessary disciplines, but also fosters professional growth and character development. Along with my



Elena Bulkina
Director of Interconsult Audit Firm

professional competency and the opportunities certification opens, have come the respect of my colleague auditors and clients.

Many companies today employ specialists who are able to work with international standards. The level of confidence managers have in these employees, however, is often dependent on their level of preparedness and training, and the level of preparedness is confirmed by internationally recognized certificates. I recommend that everyone try to attain CAP/CIPA certification, and wish the program and its organizer much success in the Republic of Kazakhstan.



PROFESSIONAL QUALIFICATION PLAYS AN IMPORTANT ROLE IN THE BIG FOUR

I found out about the USAID Certified International Professional Accountant (CIPA) certification program from clients who were very excited about the possibility of obtaining international accounting certification in the Russian language. At the same time, however, they were concerned about the high level of difficulty of the exams, and the time required to prepare for them. Having heard about the program, I was interested in learning more because I hoped to expand my professional knowledge and improve my skills as an accounting and audit consultant.



Nikolay Demidov
Audit Partner - Deloitte LLP

My clients were right: the time required to prepare for CIPA exams is really enormous – on average, preparation for each exam required over 100 hours, which is a great deal of time, particularly for those who spend 10 hours a day in the office. I spent every spare moment studying for the exams – thirty minutes before work, thirty minutes after work, during weekends and holidays, during flights, and while traveling on the train. I literally had to give up my personal life while preparing for the exams.

Despite the challenges, certification is not an impossible task. Although the CIPA exams are difficult, the training materials are well selected. If one studies the materials well, it is not difficult to pass because all the subjects covered in the exams are included in the training materials. Another very useful aspect of this program is that exams are given a number of times a year. Participants do not need to take all the exams at once and are able to work out an acceptable schedule for studying and for passing the exams.

The CAP/CIPA program offers the first level examination, 'Certified Practicing Accountant' or 'CAP', three times a year, and administers the second level examination, 'Certified International Professional Accountant' or 'CIPA', two times a year.

Professional qualifications play an important role in my company, Deloitte LLP, and are required for promotions. We support employees interested in pursuing the CAP or CIPA qualification by covering course expenses and allocating business hours for attending courses. In addition, all employees with professional qualifications such as CAP or CIPA, get a salary raise. This practice is applied to current and prospective employees.

I recommend the CAP/CIPA program not only to all those involved in the sphere of accounting and audit, but also, of course, to those who from January 1, 2009, will have to have the professional qualification to comply with the most recent accounting legislation.



AHEAD TO NEW KNOWLEDGE!

Ekaterina Borisovna Kapayeva, CIPA, is well known among many accountants, auditors and others interested in issues of accounting and audit development in Kazakhstan. Ms. Kapayeva won the CIPA-2006 Best Trainer of the Year contest, which was sponsored by USAID. She is a partner in the Risk Management and Personnel Training Department in BDO Kazakhstanaudit, an international audit company. Below is her story of what impact CIPA certification had on her professional life.

“I was one of the first Kazakh professionals to receive the Certified Accounting Practitioner (CAP) certificate in October 2002. At that time, I was Director of Analysis and Oversight Department at Kazakhstanaudit, and my company had been admitted as a member to BDO Global Coordination International Association. My responsibilities included the provision of audit training to company staff, in accordance with International Audit Standards and the Policy of Audit Quality Control Procedures accepted in BDO; I was also responsible for oversight of these procedures in the course of our audits. The knowledge I gained during preparation for the CAP examination helped me master the audit methodology in a very short period of time, and to train my company’s staff. Certified International Professional Accountant (CIPA) training also served my firm well: the company successfully passed peer review by the Czech office of BDO, as well as an inspection by the World Bank. This recognition was a significant achievement for the company: while it has maintained the advantage of being a local firm, it has also been recognized internationally and obtained international status.

The knowledge I gained in the course of the CIPA certification program, along with the experience I have garnered in applying this knowledge in practice, have made it possible for me to be a lecturer in the Institute of Professional Accountants and Auditors. In this capacity, I prepare trainees for

CAP, CIPA, and audit certification, and teach candidates in Master’s and Ph.D. programs in Business Administration. In addition, I teach at the Center for Executive Education and Professional Development at KIMEP University. I am proud to note that some of my students have successfully passed the CPA examination (Chartered Public Accountant in the United States), others are members of the Qualification Committee on Certification of Auditors at the Chamber of Auditors of the Republic of Kazakhstan, or occupy senior management positions in banks and large corporations.

I also serve as a member of the Qualification Committee on Certification of Auditors at the Chamber of Auditors of the Republic of Kazakhstan. The Committee has used the CIPA program as a basis for developing candidate qualification requirements. My CIPA training makes me a confident participant in all stages of the process of certification of accountants and auditors.

Certification increases the prestige of the accounting and auditing profession,



allows one to establish common ground in communicating with representatives of large international audit companies, and makes professionals more confident in communicating with clients. As such, in addition to CIPA certification, I completed a distance-learning program with the Institute of Professional Financial Managers of Great Britain, in 2006. My CIPA training made it possible for me to successfully pass the examination and receive a diploma from the Institute. During the Annual Conference of Financial Managers from Eastern European and CIS Countries, which was held in London in 2006, I received the Financial Manager Diploma, IFRS Diploma, and an International Financial Manager Diploma. In addition, I was awarded the Best IFRS Student of the Year certificate.

The CIPA abbreviation appears after my name on my business cards. This generates genuine interest: in Kazakhstan, this abbreviation commands respect and recognition. In other countries, for example in BDO offices in Bulgaria and the United Kingdom, people are interested in learning about this certification program. Of course, I have studied for these diplomas and certificates not because I wanted to add the CIPA or IFM abbreviations after my last name, but because these designations show that the holder possesses a certain level of knowledge and experience, and is able to use them when needed. This competence is highly valued by clients and employers.



CERTIFIED INTERNATIONAL PROFESSIONAL ACCOUNTANT (CIPA) CERTIFICATION LEADS TO PROMOTIONS

Dinara Baitysheva graduated from the Accounting and Audit department of the Akmolinsk Agrarian University (presently S. Seifullin's Kazakh Agro-Technical University) in 1998. She went to work as a chief accountant in Sheber LLP, and in 2004 moved to KazAgroFinance JSC, where she served as a leading accountant.

Within six months of joining KazAgroFinance JSC, Dinara passed all Certified Accounting Practitioner (CAP) exams and was almost immediately promoted to the position of the Deputy Chief Accountant. Six months later she received a Certified International Professional Accountant (CIPA) certificate, and a new promotion to the position of Managing Director of Accounting, Reporting and Financial Management. Dinara notes that she believes "that the CAP and CIPA certificates played a significant role in both promotions." The importance of training and certification is

also obvious to Dinara's colleagues. Since Dinara's arrival at KazAgroFinance JSC, four company staff have been awarded CAP certificates, and three more passed the higher CIPA certification examinations.

The utility of CAP/CIPA training, and the importance of continued professional education is very clear to Dinara. For example, the company for which she works, KazAgroFinance JSC, was established in 1999 to support the agricultural sector by providing access to financial resources, and by leasing machinery and technological equipment. In 2003, the company opted to transfer to International Financial Reporting Standards (IFRS). This represented an important step for KazAgroFinance JSC: utilization of the standards increases a company's investment attractiveness, competitiveness, and transparency, and ensures reliability of financial information in the marketplace.



In addition, Ms. Baitysheva notes that Kazakhstan "is striving to be one of the 50 most competitive countries of the world. This objective cannot be achieved without qualified specialists. Integration into the world economy and acceptance into the WTO will not be possible without appropriate accounting and reporting. Utilizing professional accounting standards, and IFRS, is crucial in achieving the nation's goals."



PERSISTENCE PRODUCES PROFESSIONAL SUCCESS

The company for which I work has always encouraged staff training and professional development. In 2003, we were considering new training services offered in the market and discovered the Certified Accounting Practitioner/ Certified International Professional Accountant (CAP/CIPA) Program in Kazakhstan. Company management decided that all Finance Department employees would be sent to this training. Because there were so many employees taking the class, USAID agreed to provide us with trainers in our offices; this made it possible for us to save on travel time and focus on the training itself. The course turned out to be very informative and interesting, and the training materials we were given covered many subjects. Although it seemed that I was learning about things I knew, the lectures and training materials gave me a deeper understanding of the subject matter.

I took the first exam in Financial Accounting I in November 2003, and realized at the time that without the CAP training I would have had a harder time passing this examination. Subsequently, I took exams in Managerial Accounting I and Tax & Law, and passed those successfully as well. My CAP certificate was received.

In June 2004, I decided to register for the second level exam in Managerial Accounting 2. Six others took the test

at the same time, some of whom were leading trainers. Of course, taking an exam with such individuals did not give me much hope for success, especially since I did not go through appropriate training. I was very surprised, therefore, to receive the examination results – I passed! The success energized me and gave me the impetus to continue with second level exams.

Preparation courses for the second level examinations were not offered as widely as they are today. However, the program was available at the Institute of Professional Accountants and Auditors of the Republic of Kazakhstan, one of the highest quality training centers. The management of my company enthusiastically supported my decision to go forward with higher level training and, in 2005, several colleagues and I began the program. The exams at this level were much more difficult, but I successfully passed the examination in Financial Accounting 2 and Finance.

After some time, there was only one exam left, Audit, and the CIPA certificate was nearly at hand. At that point, however, I started encountering difficulties. My first two exam attempts were a failure, and in both cases I was only a few points shy of passing. Although I began to be discouraged, I redoubled my efforts, studied over and over again, and reread textbooks and



Natalya Asanova
Financial Manager, Regent Ankara Hotel
in Almaty, Kazakhstan

training materials. Finally, in the summer of 2007, I was able to achieve my goal. What a great feeling of victory, and what an important achievement in self-development and professional growth! The knowledge I have gained, and the training I was given, is not only critical for the day-to-day work of a financial manager, but has also helped me understand the perspectives of shareholders, analysts and managers in general.

I am grateful to the organizers of the CAP/CIPA program, and hope that they will come up with other projects that will challenge the professionals in the financial sector and give us practical skills that will help our developing economy.



CIPA TRAINING PROVES INCREASINGLY USEFUL AS BUSINESS SECTOR EVOLVES

I am an auditor in a small town and I love my profession. If 30 years ago someone told me that I would be an auditor, I would have never believed it. At that time, I had no idea what an auditor did. Today, however, I cannot imagine what else I could do that would give me so much professional satisfaction: I enjoy the fact that I can help companies, accountants and entrepreneurs in resolving problems that they encounter during their work.

As part of my training, I acquired a CIPA certificate. Although I liked the certification training system, I struggled at first with unfamiliar definitions and applications that were never encountered in real practice. It was not quite clear why we needed all this. However, since I believe that there is no useless information in life, I continued to study enthusiastically. This effort was made easier by the excellent level of teaching, and by the very good selection of available training materials.

Now, years later, I realize that because the business sector is evolving, everything covered in the CIPA certification program becomes useful in my professional life sooner or later. While in years past, for example, few companies conducted international operations, today practically every company with a significant amount of sales strives to move into the international market. In addition, to transfer accounting records to the International Financial Reporting Standards (IFRS), an accountant must possess a high level of professional training.

To be in demand, and for purposes of career growth, it is essential that accountants pursue and maintain necessary qualifications. I am very appreciative of the CIPA program and believe it is very fortunate that it exists to help members of my profession in their professional endeavors.



Galina Stolyarova
AK Salyk-Service LLP



CIPA TRAINING KEEPS ACCOUNTANT AHEAD OF THE CURVE

The CIPA international accountant certification program, established by USAID, offers a unique chance to get contemporary education and to build a career in the sphere of accounting and audit.

Maria Yakimenko, a graduate of the Kazakh State University, decided to continue her family tradition in the accounting profession. Her grandfather who started working as an accountant before World War II, was the first to lay the foundation of this tradition. Since that time, practically every woman in her family has worked as an accountant.

Maria's professional career has been successful since the very start: right after graduation the young specialist was hired by a large international legal company as an assistant to the chief accountant. Six months into her employment, Maria was hired as an accountant by a foreign legal company. She now works as a Financial Controller for Kazakhstan Grain Company LLP, and continues her professional education through the MBA program offered by MIRBIS, the Moscow Business School.

Maria heard about the Certification of International Professional Accountants (CIPA) program in 2002, and immediately began pursuing her CAP (Certified Accounting Practitioner) and CIPA certificates. At that time, it was understood that companies would be required to adopt the International Financial Reporting Standards (IFRS) in the near future. It was quite clear to Maria that the time had come to start

professional training. That was why she went to the Institute of Professional Accountants, where she attended all the courses required by the CIPA.

Training for the CIPA program took two and a half years overall. In 2002, Maria was able to pass three exams simultaneously; later, however, she shifted to preparing for one exam per session because she believed that only a 'deep plunge' into the subject being studied, and serious preparation for the exam, would ensure success. In November 2005, Maria passed her last exam, and in the spring of 2006, she received her Certified International Professional Accountant (CIPA) certificate. Maria repeats a motto to which she adheres, "per aspera ad astra," which means "success comes through hardship."

Maria has had a chance to apply her new knowledge, in practice, in a wide array of areas. Soon after receiving the CIPA certificate, she was hired as a chief accountant by a foreign company engaged in development and implementation of the ERP (Enterprise Resource Planning) system for small businesses. Since Maria had already passed exams in Financial Accounting and Managerial Accounting, it was not difficult for her to do accounting according to both KFRS (Kazakh Financial Reporting Standards) and



IFRS (International Financial Reporting Standards). Courses on IFRS and international audit standards were especially helpful to her when one of the 'Big Four' auditing firms audited her company's IFRS financial statements.

Because of her training and range of skills, Maria's work responsibilities have expanded. She is not only responsible for financial and managerial accounting in her company, but is also able to participate in evaluations of investment projects – an activity which is of great professional interest to her.

Maria believes that the in-depth knowledge made available to professionals through the CIPA program is fundamental for personal professional growth, and critical for opening career opportunities in the expanding economy of Kazakhstan.



CONTINUED TRAINING AND EDUCATION IS A MUST FOR ACCOUNTANTS

Education plays an important role in the development of an economy, particularly in development of Kazakhstan's transition economy. After adopting the international Financial Reporting Standards (IFRS), the country was confronted with a personnel qualification problem: since development of the accounting system is inseparably connected with improvement of audit activities. In addition, the quality of services offered by audit companies even today, is not always up to international standards. Universities, private companies, and professional associations, therefore, need to start paying closer attention to encouraging and supporting continuous improvement of the accounting and audit fields. Professional qualifications can now be upgraded through such programs as the Certified International Professional Accountant (CIPA) program, which was established by USAID in 1997.

Azhar Karamendinova is the Chief Accountant of the Affiliate Office of the Southern Alberta Institute of Technology (SAIT) in the Republic of Kazakhstan, and a member of the Chamber of Auditors of the Republic of Kazakhstan. She graduated from the Kazakh State Academy of Management, in the fields of Accounting and Operating Analysis, and studied for the auditor's qualification exam at the Institute of Professional Accountants and Auditors. Her Auditor Certificate was awarded in 2002.

Kazakhstan's economy and legal framework continue to develop, and qualifications required of accounting and audit professionals continue to evolve; as such, Azhar needs to maintain her professional standards through on-going training and certification. Courses and programs for

professional education and certification in Kazakhstan are limited; Azhar was therefore happy to learn about the Certified International Professional Accountant (CIPA) program. She was also pleased to know that the auditor qualification exams she had previously taken, counted toward the Certified Accounting Practitioner (CAP) certificate.

Azhar received her CAP certificate in 2003, and in 2005, continued her participation in the CIPA program through the Institute of Professional Accountants and Auditors. She studied for and received her CIPA certificate the same year.

Although the CIPA exams are difficult, and preparation requires much time and effort, Azhar believes that the level of training she received through the CIPA program, including the



Azhar Esimkhanovna Karamendinova

qualified instructors and important resource materials, made it possible for her, and other students, to pass the exams.

Azhar notes that "...in times of tight competition in the employment market, training and certification are great assets because they provide extensive, relevant and current knowledge, as well as faster career growth possibilities."



CERTIFIED INTERNATIONAL PROFESSIONAL ACCOUNTANT PROGRAM HAS THE RUSSIAN LANGUAGE ADVANTAGE

When I decided to get my certification in 2003, the professional British certification Association of Certified Chartered Accountants (ACCA) was known in Kazakhstan, and I really wanted to take part in the program. Unfortunately the training and exams were administered in English. I speak conversational English, but the certification exams required specific accounting and audit terminology at a higher level of language proficiency. Through colleagues, however, I discovered the Certified Accounting Practitioner/Certified International Professional Accountant (CAP/CIPA) program and learned that training and exams were offered in Russian.

Materials were very well prepared and, at that time, very good textbooks were distributed free of charge. Additionally, the cost of exams was not as high as those at ACCA. I decided to try the CAP/CIPA program and, after passing the first of several exams, I had a natural desire to continue.

When I began preparing for the CAP exams, there were very few specialists on IFRS who were able to share their priceless knowledge; as such, I attended training for Financial

Accounting I. In addition, I self-studied for Managerial Accounting I and Tax & Law. I took all the CAP examinations together and, although it was difficult, I was able to pass all the exams on the first attempt.

When preparing for CIPA, I took a different approach. I took each exam separately and attended training courses to prepare. The Institute of Professional Accountants and Auditors (IPA) provided excellent training and used practicing auditors as trainers. The exam questions were very interesting and not impossible if one studied the training materials well.

I finally received my CIPA certificate in the beginning of 2007.

The CIPA program is not only very useful in terms of the material one learns, but it is also necessary for those who want to have a career in the financial sector, including positions such as chief accountant at a medium or large company, financial director, auditor, and financial consultant. In my everyday work, I face situations where expert knowledge is necessary. The courses that I attended gave me a unique opportunity to understand



Rasul Medeuov CIPA, graduated from the Kazakh Agrarian University, Astana, as an accountant. He currently works as a chief accountant in a financial organization in Kazakhstan.

the complexities of almost any accounting and audit situation, and to find solutions for a wide array of problems.

Because international recognition is so important for financial specialists, I wish success to all international certification programs like CIPA and ACCA!



CIPA TRAINING VITAL, DESPITE HARD WORK

When I started my job as an instructor of Economics at the Union of Accountants and Auditors (OBA), I was required to teach Certified Accounting Practitioner (CAP) and Certified International Professional Accountant (CIPA) courses. That is when I first heard about the CIPA program.

The CIPA program is the only Russian language, international certification program for accountants; in addition, it provides an examination network that is independent and transparent. These program features make it possible for anyone willing to work hard, to complete the accounting training, and get the certification offered.

After assessing the offerings, organization and structure of the CIPA program, I enrolled. Although the

courses and exams required much effort and time, I passed all the exams and was awarded a CIPA certificate in 2003.

In addition to helping professionals expand and update their knowledge of accounting-related issues, the program gives accountants the opportunity to increase their standing in the eyes of employers. In fact, I have observed that in Kyrgyzstan, holders of CAP/CIPA certificates have greater chances of getting job offers when competing against candidates who do not have this qualification.

Because this program provides very promising opportunities for accountants in CIS and Central Asian countries, I strongly recommend it to all my colleagues, friends, and contacts.



Alexander Melnikov
Instructor, Union of Accountants and Auditors (OBA), Kyrgyz Republic



FIRST NATIONAL CONFERENCE ON ACCOUNTING AND AUDIT REFORM IN KYRGYZSTAN OPENS WIDER DIALOGUE ON REFORM

Following the adoption of International Financial Reporting Standards (IFRS) in 2001, and International Standards of Auditing (ISA) in 2003, Kyrgyz professionals working in the field of accounting and auditing confronted obstacles with the application of IFRS and ISA. Because of these difficulties, IFRS and ISA are not used as widely as would be expected. According to the latest data available to the National Statistical Committee of the Kyrgyz Republic, nationwide, 3,943 businesses or 40.6% have prepared their financial statements in compliance with IFRS; 1,559 or 16.1% of businesses operate on the basis of Kyrgyz Accounting Standards; while 4,198 businesses or 43.3% still employ old Soviet accounting standards.

For the first time in the history of Kyrgyzstan, a national conference was held, in December 2007, to open sector-wide discussions focused on accounting and auditing reform in the Republic. The First National Conference on Accounting and Auditing Reform was held in Bishkek, Kyrgyz Republic; the event was organized and supported by USAID A/CIPA Project, in collaboration with Financial Market Oversight and Regulation Service (FMORS) of the Kyrgyz Republic, and Institute for Accounting and Auditing Development (IAAD). One of the core conference goals was to develop recommendations for regulators for further accounting and auditing reforms.

The conference was attended by representatives of state bodies, professional associations of accountants and auditors, auditing firms including the 'Big Four' public accounting firms (the world's four largest accounting and consulting companies), businesses, commercial banks, insurance companies, institutions of higher education, and other stakeholder organizations. In addition, conference participants included Mr. Ken McNamara, Deputy Country Representative, USAID/CAR in the Kyrgyz Republic; Mr. Y.J. Toychubekov, Chairperson of Financial Market Oversight and Regulation Service of the Kyrgyz Republic; Mr. Alex Fawcett, Chief of Party of USAID A/CIPA Project; and, Mr. John



McDonagh, Accounting Reform Education Expert, A/CIPA.

A variety of important presentations were made, including those focused on the application of IFRS in the business environment, including methodological aspects; the significance of disclosures in business financial statements; the importance of continuous professional education and development among accountants and auditors; quality control in auditing; and, IFAC education standards.

All presentations were followed by lively and stimulating question and answer periods. Because the issue of quality control in auditing is new to many professionals, it engendered the most vociferous discussion.

The Chairman of Organizational Committee and President of Institute of Accounting and Auditing Development Public Union, Mr. Sadykov, noted that participants “had

a productive exchange of opinions on issues that had accumulated during the last seven years of accounting and auditing system reform in the Kyrgyz Republic. The conference produced a Resolution which will serve to develop recommendations for regulators on the further development of accounting and auditing in the Kyrgyz Republic.”

The USAID A/CIPA Project created an impetus for reform in the accounting sector by organizing the First National Conference on Accounting and Auditing Reform. This event, however, was only a start. Professionals and other stakeholders and interested parties will need to continue the debate and discussion. Continuous involvement of the accounting and auditing sector in the reform process will help foster continued progress and development of accounting and auditing systems and regulations in the Kyrgyz Republic.



CIPA PROGRAM – RECOGNIZING THE BEST!

The USAID Accounting/Certified International Professional Accountant Project (A/CIPA) together with professional associations in the field of accounting and audit developed and conducted the “Best Accounting Professional 2007 Competition.” The 2007 competition was the first of what will be an annual event.

In December 2006, the USAID Accounting/Certified International Professional Accountant Project (A/CIPA) suggested that a competition be held to recognize professional accountants who have excelled in their fields of specialty. Such a competition would serve numerous purposes and goals: it would acknowledge the best specialists in accounting, financial consulting, audit, taxation, and training; stimulate the interest of young specialists studying accounting and audit in Uzbek universities; increase the prestige of, and public awareness about, the accounting, auditing, consulting and teaching professions; foster increased solidarity among accounting and auditing specialists; and, promote high quality services in accounting consulting and CIPA program training in the universities.

An accounting competition was developed and conducted in 2007, and the winners were announced on September 7, 2007. Prizes were awarded in six categories:

- The Best Accountant of 2007
- The Best Auditor of 2007
- The Best Consultant of 2007
- The Best CIPA Program Trainer in Professional Training Centers in 2007
- The Best CIPA Program Trainer in Universities of the Republic of Uzbekistan in 2007
- “Rising Hope” or The Best University Student in Accounting and Audit 2007

The competition was well received and widely recognized by the

country’s accounting and audit professionals, as well as by the Government of Uzbekistan. In his address to the award ceremony participants, the Deputy Minister of Finance expressed his hope that the tradition initiated by USAID A/CIPA, of recognizing professionals who excel, will continue.

In addition to the wide interest generated among sector professionals and government, Uzbekistan’s mass media covered the Best Accounting Professional 2007 Competition widely, and published 14 articles, about the event in various national newspapers and magazines.



Winners of the “Best Accounting Professional 2007 Competition,” Deputy Minister of Finance of the Republic of Uzbekistan Mr. Sunatulla Bekenov, USAID Country Representative for Uzbekistan Mr. James Bonner, representatives of organizations, and sponsors of the event



USAID/UNDP COLLABORATION PRODUCES AN EFFECTIVE CERTIFICATION PILOT FOR TAX CONSULTANTS IN UZBEKISTAN

A tax consultant assists businesses to calculate, report, and pay taxes, and can represent the firm in courts and other tax enforcement authorities. A collaborative effort between The USAID Accounting/Certified International Professional Accountant Project (A/CIPA) and the UNDP Reform of State Finances in Uzbekistan Project produced an effective system of professional training and certification of tax consultants, based on six specialized tax and law disciplines and interactive methods of training. A training workshop and certification exam were crucial due to the necessity to prepare, train and confirm the status of highly qualified specialists in tax consulting in Uzbekistan, who are familiar with the principles of taxation and accounting, and possess detailed knowledge of the current legislation and court practices.

Tax consulting is a new profession in Uzbekistan; as such, training and certification are not only critical for new professionals, but are important mechanisms through which working professionals can update their knowledge of current legislation and court decisions. In December 2007, the USAID Accounting/Certified International Professional Accountant (A/CIPA)

Project, together with the UNDP Reform of State Finances in Uzbekistan Project, agreed to support a professional training and certification program for tax consultants that would help strengthen this sector.

A pilot workshop for the training program was held from December 3 – 15, 2007. The training was organized by the USAID A/CIPA Project, in conjunction with the Tax Academy of the State Tax Board of the Republic of Uzbekistan, and the Chamber of Tax Consultants Public Union. USAID A/CIPA staff in Tashkent designed the syllabus, developed the training materials, identified and hired trainers, and monitored all the courses. Workshop participants included entrepreneurs, certified accountants, economists, auditors and experts in taxation.



For two weeks, trainers with extensive theoretical and practical experience delivered courses in legal foundation of regulation of economic relations; accounting and financial reporting; tax law, including tax regulations for legal entities and individuals; organizational legal framework; tax consulting methodology, and financial analysis in tax planning. At the conclusion of the training workshop, participants were awarded certificates.

To assess the effectiveness of the pilot training, USAID A/CIPA Project personnel, together with CIPAEN, administered a rigorous examination to 32 select participants on December 28, 2007. USAID A/CIPA Project staff in Kazakhstan selected questions, prepared examination modules, and evaluated exam responses.

Training, post-training exams and certification, which will be provided by the USAID A/CIPA – UNDP supported training program, will ensure the professional competency of certificate holders, and will increase confidence of interested parties in the program and its graduates.

The pilot training program for tax professionals demonstrates how effective collaboration between UNDP and USAID can significantly contribute to strengthening and expanding the Tax Consulting Profession in Uzbekistan. The tax professionals in the country look forward to full implementation of the program, and to the benefits it will bring to their profession.



ACCOUNTING REFORM IN UZBEKISTAN: ENGAGING PROFESSIONAL ASSOCIATIONS

The USAID Accounting/Certified International Professional Accountant (A/CIPA) Project, together with the UNDP Reform of State Finances Project and the Uzbekistan Ministry of Finance, organized a round table entitled 'Accounting Reform in Uzbekistan: Results and Perspectives.' The conference fostered dialogue among accounting professionals and provided a framework for effective reform of the accounting and auditing sectors.

On October 18, 2007, the USAID Accounting/Certified International Professional Accountant (A/CIPA) Project, together with the UNDP Reform of State Finances Project and the Uzbekistan Ministry of Finance, organized a round table entitled 'Accounting Reform in Uzbekistan: Results and Perspectives.' The conference was designed to foster dialogue among accounting professionals to assess Uzbekistan's accounting system, and recommend ways in which it could be improved. In particular, discussions were expected to focus on Uzbekistan's accounting and financial reporting standards. Roundtable participants included professional associations and public associations that had been involved in implementing accounting reforms and resolving reform-related difficulties confronted by accountants, auditors and tax consultants.

The Ministry of Finance presented a detailed comparative analysis of completed accounting-related reforms, as well as a comparison of international

accounting practices and national standards. Mr. S. Khaidarov, Head of the Accounting and Audit Methodology Department of the Ministry of Finance, presented the analysis. Other issues discussed at the meeting included: accounting trends in Uzbekistan, the status of the accounting profession in relation to international standards, introduction of –consolidated financial statements for businesses and organizations, and accounting practices for investment liabilities.

In light of the importance of the event in the context of Uzbekistan's development, the roundtable organizers ensured public access to the issues discussed. Twelve articles were published in periodicals, a video report was produced and made available, and a TV show, in English, was produced and aired.

As a result of the active debates that characterized the Accounting Reform Roundtable, numerous recommendations on ways to improve the effectiveness of Uzbekistan's



accounting system were developed. These recommendations serve as the framework for continued, effective reform of the accounting and auditing system and will serve as a defining agenda for the accounting profession.



AN EXCHANGE OF EXPERIENCES HELPS GUARANTEE THE SUCCESS OF FUTURE REFORMS IN UZBEKISTAN

The USAID Accounting/Certified International Professional Accountant Project (A/CIPA) was one of the organizers of a productive and useful study tour, for Uzbek professionals, related to accounting and audit reform. Study tour participants visited counterparts in the Russian Federation, and returned with many useful ideas that they have already begun to implement.

The Accounting and Audit professions in Uzbekistan are undergoing major reforms. To support these initiatives and encourage productive dialogue, USAID's Accounting/Certified International Professional Accountant Project, and the UNDP Reform of State Finances Project, teamed up to sponsor a study tour to the Russian Federation, for Uzbek stakeholders. The tour was held in June 2007, and participants included professional accounting associations; businesses with practical experience in accounting, audit and tax consulting and, the Uzbek Ministry of Finance.

The Russian Federation was chosen because it is generally used as a standard for the accounting and auditing profession, for Russian speaking countries. The Uzbek delegates and their Russian counterparts discussed such critical issues as Russia's experience with International Financial Reporting Standards (IFRS)-related reforms, legislative drafting capacity building for accounting reform, professional certification of accountants and auditors, and association development for accounting and audit organizations. The delegation also participated in a Conference held at Moscow State University, entitled, "Reforms in Accounting, Audit and Accounting Education in Accordance with International Standards."



As a result of the exchange of views and ideas that occurred in the Russian Federation, concrete changes were undertaken in Uzbekistan. The Uzbek Ministry of Finance developed a new national standard for accounting of earnings; it also drafted a new standard, "Methodology of Accounting Systems and Internal Control During an Audit," and reformed certification regulations for auditors.

Reforms and improvements were also undertaken by the participating Uzbek professional associations. Nozir Ibragimov, of the Association of Teachers of Business Disciplines (ATBD), noted that "The trip was very useful. For example, we are now providing Continuous Professional Development classes for our members." Minovar Tulakhodjaeva, Chairperson of the National

Association of Accountants and Auditors, said "We have used the information we gathered to develop new Quality Control Standards for our auditors, and improve our registration and membership services."

Ravshan Khaydarov, Chairperson of the Chamber of Auditors of Uzbekistan, thanked "USAID and UNDP for sponsoring the tour." He noted, that "As a direct result of this study tour, we got the opportunity to join the prestigious Russian Auditing Company Group 'FBK.'" Mariya Sharipova, Vice Chairperson of the Chamber of Auditors added, "From the materials gathered during the tour, we have been able to prepare a teacher's edition of a book on Auditing. Furthermore, because we have expanded our member services, our membership has increased."



CONTINUOUS IMPROVEMENT BY UZBEK ASSOCIATION LEADS TO SUCCESS

According to the International Education Standards issued by the Education Committee of the International Federation of Accountants (IFAC): “All professional accountants have an obligation to develop and maintain their professional competence, relevant to the nature of their work and professional responsibilities. This obligation applies to all professional accountants, irrespective of whether they are involved in traditional accounting fields or other areas.”

The Association of Trainers in Business Disciplines of Uzbekistan (ABTD) was originally founded with USAID support. Although it has existed for only a few years, the Association is becoming more popular among professional accountants in Uzbekistan because it provides good member services, regularly conducts Continuous Professional Development (CPD) for its members, and has developed procedures for certification of trainers. ABTD started in Tashkent, but now has branches in nine regions of Uzbekistan providing training services to accountants.

ABTD makes every effort to adhere to International Federation of Accountants (IFAC) educational standards. It teaches Certified Accounting Practitioner (CAP) and Certified International Professional Accountant (CIPA) courses, and conducts Training of Trainers (TOT) on interactive methods of training for adults. These

interactive methods give participants the opportunity to listen to lectures, as well as actively participate in discussions and presentations, and take practice exams. Because the Association focuses on excellence in teaching, ATBD teachers regularly update CAP training materials so that they parallel the content of certification exams. Feedback from training participants shows that these CAP and CIPA textbooks are viewed to be well structured and excellent sources from which to prepare for exams.

In June of 2007, the USAID Accounting/Certified International Professional Accountant Project (A/CIPA) announced a tender to conduct CAP training for university professors in Kazakhstan, Kyrgyzstan, Uzbekistan and Tajikistan; the purpose of the activity was to promote integration of the CAP disciplines into university curricula in the region.



Because of ATBD’s focus on CPD and interactive training, and because of the high level of quality of its updated training materials, the Association was selected as the training provider for all four Central Asian countries. As a result of the training, 276 trainers improved and expanded on their qualifications. These participants came from Economics, Accounting, Audit and Finance departments representing 45 universities of Central Asia.

Training provided by ATBD represents a good start for greater integration of the CAP curriculum into regional universities, and for introducing students to International Financial Reporting Standards (IFRS). The integration and implementation of internationally recognized financial standards will help move the four Central Asian countries into the world economy and spur economic growth in the region.

