

# Corporate financial reporting in the Kyrgyz Republic: achievements supported by KAREP

Andrei Busuioc, Senior Financial Management Specialist, Central Asia FM, WB, KAREP's TTL  
Natalie Manuilova, Senior Financial Management Specialist, WB, KAREP's co-TTL  
Tural Jamalov, Senior Financial Management Specialist, WB

08 June 2022



Kyrgyz Audit and Reporting Enhancement Project

KAREP is funded by:



Schweizerische Eidgenossenschaft  
Confédération suisse  
Confederazione Svizzera  
Confederaziun svizra

Swiss Confederation

Federal Department of Economic Affairs,  
Education and Research EAER  
State Secretariat for Economic Affairs SECO

# Описание проекта



## Компонент 1

[Выполняется реципиентом]:

Совершенствование нормативно-правовой базы в сфере отчетности и аудита

### Цель:

- Улучшение инвест климата
- Повышение прозрачности бизнеса
- Согласование законодательства
- Внедрение текстов между стандартов



## Компонент 2

[Выполняется

Всемирным Банком]:

- Нарращивание институционального потенциала ключевых институтов по разработке политики и контролю соблюдения требований к финансовой отчетности.
- Работа с регуляторами и правительственными органами:

Госфиннадзор, ФУГИ, Нацстатком, НБКР, ГНС



## Компонент 2

[Выполняется

Всемирным Банком]:

- Техническая помощь стратегически важным госпредприятиям
- Работа с ФУГИ по наращиванию потенциала в управлении госпредприятиями



## Компонент 3

[Выполняется реципиентом]:

- Улучшение образования в сфере бухгалтерского учета, повышение уровня финансовой грамотности и использования финансовой информации
- Работа с профильными университетами, МСБ, бизнес сообществом, профессиональными организациями



## Компонент 4

[Выполняется реципиентом]:

Управление проектом, механизм реализации реформы, мониторинг и оценка.



# Overview

- » The higher-level impacts achieved with KAREP support are significant and visible in the improved legal framework, the education system, and the clearer understanding and acceptance of the roles of the SSRSFM as regulator, the PAOs as professional service providers for accountants and auditors and the Universities for their role in accounting and audit education
- » The state of readiness for starting the improved audit quality inspections system, the near achievement of full and associate membership of IFAC and the launch of the public registry of auditors and the depository of financial statements would consolidate the CFR framework in the near future
- » It can be concluded that KAREP has reached its overall objective of strengthening the CFR framework to provide a strong foundation for the remaining elements of CFR reforms to be achieved in the medium term



# Impact of Covid-19

- » The COVID-19 pandemic impacted Project implementation for both in-country activities and regional events that require face-to-face interaction; many project activities were undertaken virtually.
- » While to a large extent the activities were delivered, either virtually, using a mixed approach or face-to-face when situation allows, some of the knowledge exchange through study visits were cancelled due to travel restrictions or restrictions imposed by a country to be visited

## Key KAREP activities cancelled due to COVID-19 restrictions

Beneficiary	Cancelled activities
SSRSFM	Pilot Audit Quality Inspections
OJSC National Energy Holding Company and OJSC Electric Power Stations	Scope of work reduced to (i) training on IFRS and (ii) updating the accounting policies and guidance manuals
State Property Management Fund	Training on Corporate Governance not delivered (remote delivery option was not suitable to reach senior management levels)



**Component 1: Legal framework modernized, including adoption of international accounting and auditing standards (Recipient executed)**

# Result 1.1 Institutional responsibilities and financing arrangements for regulation in financial reporting are clarified

» **Achieved.** The legal framework now clearly defines the roles of the CFR actors: regulator, PAOs, auditors, accountants (i.e., preparers of GPFS). Options for sustainable funding were identified but funding is likely to remain a matter of concern for some of the actors.

Objectively verifiable indicators (target)	Actual status
Institutional responsibilities in regulating financial reporting are clarified in the legislation	<b>Completed:</b> The financial institutional responsibilities in regulating financial reporting have been significantly clarified by the approved Audit and Accounting Laws. Regulation related to the SSRSFM functions no. 300 was approved on 10 December 2021. As part of recent institutional reform, the SSRSFM was transferred to the Ministry of Economy and Finance (its key functions remain intact).
Financing arrangements are analyzed and sustainable funding mechanism is proposed	<b>Completed:</b> Financing arrangements were analyzed by a local consultant. The option identified by the report suggests increasing financing from the state budget to ensure sustainable funding of the new functions introduced in the new Audit Law/amended Accounting Law in respect of the SSRSFM. However, this mechanism is possible only in respect of quality assurance and translation of amendments to international standards. Examinations under professional qualification, registration in the State Register and recognition of PAOs/universities curricula will be fee-based.

## Result 1.2. Statutory framework for CFR amended to allow for differentiated requirements for various types of entities

» **Achieved.** The international standards (IFRS, the IFRS for SMEs, IPSAS) are all adopted in the Law on Accounting

Objectively verifiable indicators (target)	Actual status
Changes introduced to the Law on Accounting analyzed.	<b>Completed:</b> The proposed amendments to the Accounting Law were adopted by the Parliament of the Kyrgyz Republic in June 2021 and promulgated by the President Office on 09 August 2021.
Inconsistencies with other legislation assessed, changes to legislation drafted.	<b>Completed:</b> Analysis of the legislation for inconsistencies between the proposed amendments to the Accounting Law and other legislation finalized and relevant changes drafted.
Simplified accounting and reporting rules for micro entities are reviewed and updated.	<b>Completed:</b> There is a general consensus on the classification of small (including micro) entities. The criterion on number of employees was removed by Parliament. A draft of the Regulation on Accounting and Reporting Rules for Small Entities has been developed and it is expected that will be adopted within 6 months following Accounting Law approval but not later than end December 2022.
Draft legislation on establishing single financial statements registry is developed; respective mechanisms of FS filing are designed.	<b>Completed:</b> The Concept of the Public Depository of Financial Statements was prepared with WB team support and reviewed by the SSRSFM. The new Accounting Law includes key provisions to allow for the establishment and functioning of the Public Depository of Financial Statements, and submission of financial statements by entities to it. Regulation on establishment and functioning of a Public Registry of Financial Statements was developed with KAREP support and adopted by Government on 30 March 2022.

## Result 1.3. Law on Auditing focused on obligatory audits, reference to non-obligatory audits removed

» **Achieved.** The Law on Audit is focused on mandatory audits. References to voluntary audits remain but the same requirements apply to both mandatory and non-mandatory audits.

Objectively verifiable indicators (target)	Actual status
Law on Auditing analyzed, changes drafted.	<b>Completed:</b> New Audit Law was adopted by the Parliament in final reading on 20 October 2021 and promulgated by the President Office on 03 December 2021.
Relevant changes to the Law are introduced.	<b>Completed:</b> All proposed changes to the Audit Law have been analyzed, discussed, and considered. References to voluntary audits remain but the same requirements apply to both mandatory and non-mandatory audits.
Secondary legislation is developed to support the implementation of the amended legislation, as necessary.	<b>Completed:</b> In accordance with recently adopted Audit and Accounting Laws, the following regulatory legal acts were drafted with KAREP support, and it is expected that will be adopted within 6 months following laws approval but not later than end December 2022: <i>Regulation on the Audit Committee, adopted on 08 April 2022; Regulation on establishment and functioning of a Public Registry of Financial Statements, adopted on 30 March 2022; Regulation on accounting requirements for small entities; Law on liability insurance of an audit organization; Regulation on the Unified State Register of Auditors, Audit organizations, and Professional audit associations; Procedures on preparing and submitting the report on activities of an audit organization and the transparency report; Regulation on Public Oversight Council; Procedures on Quality Assurance control; Regulation on translation and adoption of international standards; Procedure for organizing and conducting professional exams, recognition of work experience, issuance of an auditor's qualification certificate and recognition of internationally recognized qualification certificates in the area of accounting and auditing.</i>





## Result 1.4. International standards texts incorporated into Kyrgyz legislation. Translation process is established.

- » **Almost achieved.** Norms for the translation and publication of auditing and financial reporting standards are established in the respective laws. Good progress on public availability of the Russian versions of the standards is made; The Kyrgyz versions are to be made publicly available once final approval from the respective international standard-setters is received, tentatively by end December 2022. Some concern over the funding of the future costs of translations remain (see table with Objectively Verifiable Indicators on next slide).

## Result 1.4. International standards texts incorporated into Kyrgyz legislation. Translation process is established.

Objectively verifiable indicators (target)	Actual status
Sustainable mechanism for adopting, translating, and maintaining translations of international texts is established.	<b>Completed.</b> Recently adopted Audit and Accounting Laws include key provisions for the translation and publication of IFRS, the IFRS for SMEs, the Code of Ethics and ISAs.
Relevant changes to the legislation drafted.	<b>Completed.</b> The procedure for translation and maintaining translations of audit standards, quality control standards, related standards, the Code of Ethics, IFRS, and the IFRS for SMEs into the state language and publication has been drafted. Financing for maintaining translations will be provided from state budget.
Relevant, approved translations of IFRS published in the Government domain.	<b>Completed.</b> Translation of IFRS into the Kyrgyz language was finalized. However, adoption and publication will be finalized by end December 2022 after translation is coordinated with international standard-setter. On October 1, 2018 a license agreement was signed on the use and publication of IFRS in Russian language and translation into Kyrgyz language. Russian translation is published.
Approved translation of the IFRS for SMEs, published in the Government domain.	<b>Completed.</b> Translation of the IFRS for SMEs into the Kyrgyz language was finalized. However, adoption and publication will be finalized by end December 2022 after translation is coordinated with international standard-setter. The IFRS for SMEs in Russian language is published.
Approved translation of ISA published in the Government domain.	<b>Completed.</b> Translation of ISA into the Kyrgyz language was finalized. However, adoption and publication will be finalized by end December 2022 after translation is coordinated with international standard-setter. On July 12, 2018 a license agreement and a copyright waiver agreement were signed with IFAC for official use of ISA and their translation by the Kyrgyz Republic. Russian translation of ISAs is published.
Detailed analysis is prepared on gaps and compatibilities of respective Standards with those applied by the Eurasian Economic Union.	<b>Completed.</b> A report analyzing the legislation of member states of the Eurasian Economic Union in terms of the application of international financial reporting standards and international audit standards has been prepared



**Component 2.1 “Enhanced  
institutional capacity of regulators  
and profession” (WB-executed)**



## Result 2.1: Professional body(ies) are full members of IFAC, administer robust quality control mechanisms over their members, and are self-financed.

» **Partially achieved.** Initial steps for IFAC membership application process are initiated by both PAOs (one PAO for full membership, and another for associate membership); final applications are expected to be made by the end of 2022. The role of the PAOs in audit quality assurance is defined in Article 12 of the Law on Auditing. The Unified Public Register of Auditors is provided for in law. Supporting procedures for the register are drafted. A local contractor is working on the IT system for the register (see table with Objectively Verifiable Indicators on next slide).

## Result 2.1: Professional body(ies) are full members of IFAC, administer robust quality control mechanisms over their members, and are self-financed.

Objectively verifiable indicators (target)	Actual status
The leading professional bodies have achieved IFAC membership.	<b>Partially completed.</b> The Project provided extensive support with the aim that two leading PAOs would apply for IFAC membership (one for full membership, and one for associate membership). Initial steps for the application process were initiated by both PAOs with support from the Project's main consultant for the education component, the Institute of Chartered Accountants in England and Wales (ICAEW). However, since this process requires more time final application for IFAC membership is expected to be submitted by PAOs after the Project's closing date, tentatively by end of December 2022.
The role of the professional bodies in audit quality assurance is defined and accepted.	<b>Completed.</b> The new Audit Law includes a separate chapter regulating the registration and activity of PAOs, including their role in audit quality assurance.
Public registry of auditors is created, published, and operational.	<b>Completed.</b> A local IT company supported the SSRSFM with creation of a public registry of auditors. It will be operational only after related bylaws are adopted, tentatively by end of December 2022.
Minimum 6 workshops delivered	<b>Completed.</b> 7 workshops were delivered directly or in cooperation with other WB projects on topics relevant for PAOs.
Appr. 100 auditors trained in ISA.	<b>Completed.</b> 11 auditors attended an event on new Quality Management Standards, delivered by CFRR in cooperation with IFAC on June 2, 2021. Targeting training on application the audit guidance was provided jointly under Recipient Executed (RE) component and 96 auditors were trained under KAREP.
Knowledge exchange visits to peer professional bodies.	<b>Completed.</b> Five events were facilitated to allow knowledge exchange both directly with other PAOs and at various regional platforms (Accounting Forums, World Congress of Accountants, IFAC events) in cooperation with other WB projects.

## Result 2.2: Enhanced capacity of SSRSFM to perform their functions, analyze financial statements, carry out audit quality procedures, and operate within a stable State Budget envelope (part I)

- » **Almost achieved.** A manual of internal operating regulations covering how to run a quality assurance program and an inspection visit methodology was prepared and delivered to the SSRSFM. The quality assurance review program is included in the by-law regulation as an annex. The methodology for analyzing and monitoring financial statements by the SSRSFM is developed and piloted. The team also provided recommendations for an investigation and disciplinary system. An Audit Oversight Council is provided for in the new Audit Law. To date, the Audit Oversight Council has not been operationalized. The legal requirements are, however, appropriate. The process related to quality assurance and public oversight still needs to be bedded down, and there is concern about the availability of resources to assist in this process and the preparedness of the audit industry for the change.

Objectively verifiable indicators (target)	Actual status
Development of methodology for analyzing and monitoring the financial information.	<b>Completed.</b> The methodology for analyzing and monitoring the financial information/financial statements was developed with ICAEW support and provided to SSRSFM.
Development and delivery of training programs tailored to the needs of the respective regulators.	<b>Completed.</b> The SSRSFM staff have been involved in almost all training events delivered under WB executed component, in particular covering topics relevant for regulation and supervision of the financial market. Tailored training on quality assurance was delivered in 2022 by ICAEW. For additional details see Annex A.
Rulebook/Procedures regulating function of quality assurance reviews developed.	<b>Completed.</b> A manual which contains internal operating regulations of how to operate quality control was prepared and delivered to the SSRSFM, and an inspection visit methodology was also provided.

## Result 2.2: Enhanced capacity of SSRSFM to perform their functions, analyze financial statements, carry out audit quality procedures, and operate within a stable State Budget envelope (part II)

Objectively verifiable indicators (target)	Actual status
Quality Assurance Review Program drafted.	<b>Completed.</b> The Manual delivered by the ICAEW project covered exactly how to run a quality assurance program, from selecting visits to potential disciplinary action. The project team also provided recommendations for an investigation and disciplinary system. The quality assurance review program provided to SSRSFM by ICAEW has been incorporated into the draft Quality Assurance Regulation as an annex.
Assessment of IT capacity.	<b>Completed.</b> In 2021 a local IT company conducted an assessment of IT capacity of the SSRSFM, and relevant recommendations were provided.
Minimum 6 workshops delivered. Approx. 20 staff of SSRSFM trained in international standards.	<b>Completed.</b> SSRSFM staff were involved in eight workshops and learning events covering various topics to enhance their capacity to perform functions, analyze financial statements, and carry out audit quality procedures. Under BE component 113 representatives of SSRSFM attended various training events. In addition, specific topics related to ISA, IFRS, and the IFRS for SMEs were covered under Recipient executed components
Knowledge exchange visits to other regulators in the region.	<b>Completed.</b> The WB team facilitated 2 knowledge exchange webinars with public oversight regulators from Slovenia and France. In addition, a knowledge exchange webinar on the public availability of financial statements via a depository was delivered in cooperation with the National Business Center of Albania.
The number of relevant articles published.	<b>Completed.</b> Information on key activities, including reports was periodically published on SSRSFM's and CFRR's websites. Articles were published under the RE-component (see result 3.4).
Brochures and relevant communication material published.	<b>Completed.</b> Selected reports, prepared under KAREP and information on key activities were periodically published on SSRSFM's and CFRR's websites. The activity was supported by both, RE and BE components.



## Result 2.3 Other regulators and supervisory bodies are equipped with the knowledge and tools on IFRS requirements and can reconcile statutory returns to their regulated entities' CFRs

- » **Achieved.** Evaluation of the existing overlap of functions and data between regulators already collecting general purpose financial statements was made as part of drafting the Concept Note on Public Depository of Financial Statements.
- » Targeted assistance was provided to the NBKR and to the Tax Authority. A methodology for identifying and recognizing red flags in the analysis of commercial banks' IFRS 9 Financial Instruments provisions and prudential provisions was developed and provided to the NBKR; a sample of financial statements of banks were reviewed based on drafted methodology (see table with Objectively Verifiable Indicators on next slide).



## Result 2.3 Other regulators and supervisory bodies are equipped with the knowledge and tools on IFRS requirements and can reconcile statutory returns to their regulated entities' CFRs

Objectively verifiable indicators (target)	Actual status
Evaluation of the existing overlap of functions and data between regulators already collecting general purpose financial statements, proposed changes for cooperation, and information sharing.	<b>Completed.</b> Evaluation of the existing overlap of functions and data between regulators already collecting general purpose financial statements was done as part of drafting the Concept Note on Public Depository of Financial Statements. Proposed changes for cooperation and info sharing were considered while drafting amendments to legislation and bylaws.
Development and delivery of training programs tailored to the needs of the respective stakeholder groups to enable the other regulators to reconcile financial statements with other regulatory statements, including capital adequacy and tax computations.	<b>Completed.</b> Targeted assistance was provided to the NBKR and to the Tax Authority, including development and delivery of training programs tailored to their respective needs. In 2021 18 representatives of the Tax Authority participated in a 5-day training on IFRS, tailored to their needs. 10 Representatives of NBRK were trained in 2022. In addition, their staff participated in various learning activities, delivered under KAREP.
Approx. 8 workshops / conferences delivered.	<b>Completed.</b> Nine learning events were facilitated by the WB team, at local and regional level on topics specific for regulators.
Approx. 80 staff of regulators trained in international standards.	<b>Completed.</b> 247 representatives of regulators (SSRSFM, NBRK, Tax Authority) received training on international standards including specific topics such as IFRS 9 under BE-component.
Assessment of IT capacity (shared database).	<b>Completed.</b> A local IT company conducted an assessment of IT capacity, including shared database of the SSRSFM, and relevant recommendations were provided, including on the development and adoption of an information security policy.

## Result 2.4. Feasibility on establishing a public registry of financial statements

- » **Achieved.** The legal basis for a public depository for financial statements was included in Article 6-1 of the Accounting Law. A by-law to establish the Public Depository and operating mechanisms was also drafted; it was adopted by the Government on 30 March 2022. Terms of Reference for an IT solution for the registry were provided.

Objectively verifiable indicators (target)	Actual status
Analysis of the existing legislative gaps and practical constraints to establishing the wholesome financial statements registry.	<b>Completed.</b> A Concept Note on Public Depository of Financial Statements (i.e., financial statements registry) was prepared and accepted by the SSRSFM. Key provisions, to allow the establishment, functioning, and submission of Financial Statements by entities via a single depository, are included in the recently adopted Accounting Law.
Legal framework drafted to allow for creation of central financial statements repository.	<b>Completed.</b> Key provisions, to allow establishment, functioning and submission of FSs by entities via a single depository are included in the recently adopted Accounting Law. Bylaw on establishing Public Depository and mechanisms was adopted on 30 March 2022.
Development of terms of reference for the specification of the public registry	<b>Completed.</b> The terms of reference for the specification of the public registry were drafted by a local IT company and delivered to the SSRSFM.



## **Component 2.2 “Improved financial reporting capacity of pilot SOEs” (WB-executed)**

## Result 2.5. Pilot SOEs have systems that enable production of robust general purpose financial statements (part I)

- » **Almost Achieved.** Targeted support to 4 SE/SOEs to improve their capacity to draft annual financial statements in compliance with IFRS is completed. Due to COVID-19 restrictions and timing constraints (delayed selection of 2 pilot SOEs), the scope of work in respect of two SOEs, selected in 2021 was reduced to (i) training on IFRS and (ii) updating the accounting policies and guidance manuals. There was also capacity development to the SPMF to improve its capacity to analyze and use the IFRS based financial statements.

Objectively verifiable indicators (target)	Actual status
Detailed assessment of pilot SOEs financial reporting capacity.	<b>Completed.</b> All four pilot SOEs selected, their financial reporting capacity assessments completed.
Development of individual assistance package to approx. 4 pilot SOEs.	<b>Completed.</b> Individual assistance package developed and delivered for four pilot SOEs (OJSC Kyrgyztelekom, OJSC Kyrgyzteploenergo, National Energy Holding Company OJSC, and OJSC Electric Power Stations). Scope of work in respect of two SOEs (National Energy Holding Company OJSC, and OJSC Electric Power Stations), selected in 2021 was reduced to: (i) training on IFRS and (ii) updating the accounting policies and guidance manuals due to COVID-19 restrictions.
Training needs assessed for key accounting and financial personnel on IFRS; non-financial management on importance of correct and transparent financial information.	<b>Completed.</b> Training needs assessed for key accounting and financial personnel of all four selected pilot SOEs, including on IFRS and non-financial management. Completed as Phase I for all individual TA contracts.
Minimum 8 workshops / conferences delivered.	<b>Completed.</b> Target achieved and 12 workshops/webinars delivered on various topics relevant to SOEs.

## Result 2.5. Pilot SOEs have systems that enable production of robust general purpose financial statements (part II)

Objectively verifiable indicators (target)	Actual status
Approx. 80 financial staff of SOEs trained in IFRS; non-financial management on importance of correct and transparent financial information.	<b>Completed.</b> During the Project, 127 representatives of four pilot SOEs were trained on relevant topics (IFRS for SOEs; the importance of correct and transparent financial information, etc.).
Assessment of IT capacity of FM systems to properly and promptly record all relevant transactions, enabling population of required statistical reports and financial statements.	<b>Partially completed.</b> Assessment of IT capacity of FM systems, with relevant recommendations, was completed for two pilot SOEs (OJSC Kyrgyztelekom and Kyrgyzteploenergo). This task was dropped for the energy sector pilot SOEs (National Energy Holding Company OJSC and Electric Power Stations OJSC) due to delays in selecting and limited time before the Project closing date.
Accounting Manuals developed.	<b>Completed.</b> The task completed for four pilot SOEs and Accounting Manuals developed and delivered.
Knowledge exchange visits to peer companies in the region.	<b>Completed.</b> Completed in virtual format in 2020. Four peer experience exchange webinars were delivered in cooperation with relevant counterparts from Ukraine, Kazakhstan, Brazil and Lithuania. Face-to-face peer exchange was cancelled due to COVID-19 travel restrictions.
Audited financial statements of pilot SOEs published.	<b>Completed</b> for the largest seven SOEs that published and available at public access: 1. OJSC Kyrgyzaltyn ( <a href="#">Финансовый отчет</a> ; <a href="#">Отчет аудитора</a> ); 2. OJSC Severelectro ( <a href="#">Финансовый отчет</a> ; <a href="#">Отчет аудитора</a> ); OJSC Electric Power Plant ( <a href="#">Финансовый отчет</a> ; <a href="#">Отчет аудитора</a> ); 4. OJSC National Electrical Grid of Kyrgyzstan ( <a href="#">Финансовый отчет</a> ; <a href="#">Отчет аудитора</a> ); OJSC Oshelectro ( <a href="#">Финансовый отчет</a> ; <a href="#">Отчет аудитора</a> ); OJSC Manas International Airport ( <a href="#">Финансовый отчет</a> ; <a href="#">Отчет аудитора</a> ); OJSC Bishkekteploset ( <a href="#">Финансовый отчет</a> ; <a href="#">Отчет аудитора</a> ). Enforcement was strengthened by joint efforts under the Debt Suspension Initiative (WB).



**Component 3: Improved accounting education curricula, enhanced financial literacy, and increased awareness of the usefulness of financial information (Recipient executed)**

## Result 3.1 Preparers of general-purpose financial statements receive training in and can produce required GPFS

- » **Partially achieved.** A significant amount of relevant training was delivered covering the target groups, including training-of-trainers. The extent to which the training delivered a capability to produce GPFS is not confirmed.

Objectively verifiable indicators (target)	Actual status
Development and delivery of training programs tailored to the needs of the respective stakeholder groups (IFRS, IFRS for SMEs).	<b>Completed.</b> Target was achieved. Training needs on IFRS and the IFRS for SMEs identified, content of training module developed, and cohort of trainers fully trained.
Development and delivery of Train the Trainers program tailored to the needs of the respective stakeholder group (IFRS, IFRS for SMEs).	<b>Completed.</b> Train the Trainers program developed and delivered. Training module through a competency-based approach delivered. Presentations covering the main (relevant) IFRS and the IFRS for SMEs in Kyrgyzstan; practical cases considering local specifics. All training materials have been translated into Russian language. 19 trainers selected. 8-day workshop for trainers conducted (3 to 10 July 2019).
Minimum 12 workshops / conferences delivered.	<b>Completed.</b> 12 trainings on IFRS and on the IFRS for SMEs delivered and one training on application of the Accounting Rules for Small Businesses.
Approx. 100 of accountants/ preparers of financial statements trained on IFRS and IFRS for SMEs.	<b>Completed.</b> The program has trained 327 accountants during 2018-2021 on IFRS and on the IFRS for SMEs (134 PIEs' accountants and 193 SMEs' accountants).
Brochures and relevant communication material published.	<b>Completed.</b> Training materials and other relevant materials shared with participants as part of trainings and other learning events. The extent to which the training delivered a capability to produce required general purpose financial statements is not confirmed.

## Result 3.2 University education is aligned with legislated CFR and Auditing requirements

- » **Partially achieved.** Two Universities have received four ACCA subject exemptions each. The system for recognition under the new 3-tier education system for auditors will only come into effect from July 2022.

Objectively verifiable indicators (target)	Actual status
Benchmarking study of accounting and audit models taught at local universities with international standards and best practices.	<b>Completed.</b> Benchmarking study of accounting and audit models taught at local universities with international standards and good practices has been completed.
Report recommending the best curriculum model for local universities.	<b>Completed.</b> Report with recommendations on the best curriculum model for the universities has been prepared and published
Development and/or update of manuals and course materials in line with the updated curricula.	<b>Completed.</b> As part of a component implemented in parallel by IFAC/DFID to support PAO development in the Kyrgyz Republic with ICAEW support, learning materials were developed in line with improved curricula which include Question & Answers banks and 2 mock exams for 12 modules. Learning Materials for level III are available to the SSRSFM while for level I and II these will be distributed for information only; the license being provided by the IFAC to the Union of Accountants and Auditors (UAA) only.
Approx. 12 workshops and Training of Trainers delivered.	<b>Completed.</b> 12 trainings on various topics were delivered for teachers and lecturers; 31 trainers were additionally trained on the training materials for the first level of auditors' professional qualification (with support from WB executed component).
Training of approx. 30 teachers and lecturers in international standards.	<b>Completed.</b> During 2019-2022 under RE-component 312 teachers benefited of tailored trainings. In total, KAREP learning activities involved 509 teachers and lecturers.



## Result 3.3 Professional education, training and qualification of accountants and auditors is aligned with IFAC's IES

- » **Achieved.** The outcome is the clear structure for the professional education system to become a qualified accountant and/or auditor. The respective roles of Universities, PAOs and the SSRSFM are enshrined in the new laws.

Objectively verifiable indicators (target)	Actual status
Segregation of responsibilities in professional qualification, registration, and continuing education for professional accountants and auditors is clarified between SSRSFM and professional bodies.	<b>Completed.</b> Key provisions on responsibilities of the SSRSFM and PAOs in respect of professional qualification, registration, and continuing professional development for professional accountants and auditors are included in recently adopted accounting and auditing laws; related bylaws drafted.
Structure and content of education program and examination for auditors developed.	<b>Completed.</b> A three-level framework of Professional Audit Qualification, syllabus, and matrix of skills competences have been developed and approved by the SSRSFM.
Improved professional qualification curriculum and materials required to deliver that curriculum.	<b>Completed.</b> Training materials and mock exams were developed for three-level framework of Professional Audit Qualification.
Courses and examination delivered.	<b>Completed.</b> Courses delivered with ICAEW support.
Training materials for CPD courses prepared.	<b>Completed.</b> A contract for the license to use the Audit Manual and to conduct train the trainers was signed with ICAEW on August 1, 2020. A translation of the Audit Manual from English into Russian language has been completed and reviewed by the SSRSFM's review committee. Training provided.
Number of CPD courses delivered.	<b>Completed.</b> Five courses on the application of the audit manual, recognized as CPD, were delivered for auditors.

## Result 3.4 General public (policy makers, business owners, top managers, opinion formers are more aware of beneficial effect of good financial reporting on public accountability, improved access to finance, lowering the cost of capital.

- » **Achieved.** The outcome is the increased awareness generated by a training program, including training-of-trainers, that targeted current and future users of financial statements and journalists. All planned outputs were delivered.

Objectively verifiable indicators (target)	Actual status
Development and delivery of training programs tailored to the needs of the respective stakeholder groups.	<b>Completed.</b> The needs of journalists in the application of financial reporting have been analyzed and a training program has been developed.
Development and delivery of Train the Trainers program tailored to the needs of the respective stakeholder group.	<b>Completed.</b> As part of the training of trainers, two trainers have been trained to conduct training for journalists.
Approx. 4 trainings for opinion formers and business leaders organized.	<b>Completed.</b> There were organized four national forums, one regional forum and a seminar for opinion formers and business leaders.
Approx. 4 workshops for business journalists organized.	<b>Completed.</b> Four trainings for 62 journalists working on business topics, specifically tailored to their need.
Minimum 10 articles written in newspapers relating to the topic.	<b>Completed.</b> Ten articles were published on the financial portal "Akchabar". The website of the SSRSFM has been upgraded: <a href="http://fsa.kg">http://fsa.kg</a> Facebook page is functioning. Information is regularly posted on SSRSFM's website and Facebook page.
Guide for journalists published.	<b>Completed.</b> A guide "Financial reporting and audit for journalists" was published in Russian language. A manual for journalists, "The Basics of Auditing" was published in Kyrgyz language.
Brochures and relevant communication material published.	<b>Completed.</b> Soft copies of training materials were given to the participants.