

BACKGROUND NOTE ON ACTION PLANS

Action Plans are developed by IFAC members and associates and address policy matters as identified through responses to Compliance Self-Assessment Questionnaires. They form part of a continuous process under the IFAC Member Body Compliance Program to support ongoing development and improvement of the accountancy profession.

Action Plans are drafted by IFAC members and associates for their own use. They reflect national frameworks, priorities, processes and challenges specific to each jurisdiction and will be subject to periodic updates. Action Plans will vary in objectives, content and level of detail due to different national environments and stages of development.

Refer to responses to the Part 1 Assessment of the Regulatory and Standard-Setting Framework Questionnaire and Part 2 SMO Self-Assessment Questionnaire provide background information on each member and associate their environment and existing processes. The responses may be viewed at: http://www.ifac.org/ComplianceAssessment/published_surveys.php

Use of Information

Please refer to the Disclaimer published on the Compliance Program website.

ACTION PLAN

IFAC Member:	Union of Accountants and Auditors of Kyrgyzstan (UAA)
Original Publish Date:	December 2009
Last Updated:	September 2011
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GLOSSARY

CAP–CIPA	Certified Accountant Practitioner; Certified International Professional Accountant
COA	Certificate of Analysis
CoE	Code of Ethics
CPE	Continuing Professional Education
CPD	Continuing Professional Development
ECCAA	Eurasian Council of Certified Accountants and Auditors
IAESB	International Accounting Education Standards Board
IASB	International Accounting Standards Board
IAASB	International Auditing & Assurance Standards Board
ICPAK	International Competition Policy Advisory Committee
IES	International Education Standards
IFAC	International Federation of Accountants
IFRS	International Financial Reporting Standards
IPSAS	International Public Sector Accounting Standards
ISA	International Standards on Auditing
ISQC	International Standard on Quality Control
QC	Quality Control
ROSC	Report on Observance of Standards and Codes
SME	Small and Medium Enterprises
SMO	Statements of Membership Obligations
SRCFM	Service for Regulation and Control of Financial Markets of the Kyrgyz Republic
UAA	Union of Accountants and Auditors

Action Plan Subject: SMO 1 and Quality Assurance (QA)
Action Plan Objective: Development and Implementation of Quality Assurance System

#	State Date	Actions	Completion Date	Responsibility	Resource
<i>Background</i>					
<p>Service for Regulation and Control of Financial Markets of the Kyrgyz Republic (SRCFM) is an authorized body of the government responsible for regulation and supervision of audit activity. It is responsible for certification and licensing of the auditors. Members of the Union of Accountants and Auditors (UAA) are regularly participating in development and review of separate parts of SRCFM exams for auditors, as well as grading of exams.</p> <p>SRCFM does not currently perform Quality Control (QC) procedures. Legislation in the Kyrgyz Republic does not include a provision that auditors must be members of professional organizations. Most auditors who are members of UAA are not directors of audit companies which makes it extremely difficult for UAA to maintain audit QC.</p>					
<i>Quality Assurance System Development and Implementation</i>					
1.	August 2009	Develop the program for International Standard on Quality Control (ISQC) implementation (Comment: as audit activity is regulated by the government there is a limited possibility for professional organizations in the sphere of QC)	December 2011	Audit committee Chairman	Members of the UAA Council
2.	March 2011	Collaborate with SRCFM in the QC system development.	December 2011	President	Members of the UAA Council, Executive management
3.	November 2009	Organize seminars for auditors to study the Quality Assurance Standards.	March 2010 Completed	Audit committee Chairman	Members of the UAA Council

4.	July 2009	Work on reaching an agreement with Service for Regulation and Control of Financial Markets of the Kyrgyz Republic (SRCFM) about participation of UAA experts in Quality Assurance audit.	July 2010 Postponed	Audit committee Chairman, Executive director	Members of the UAA Council
<i>Maintaining Ongoing Processes</i>					
5.	Ongoing	Keep track of changes in the Quality Assurance Standards, to provide with translation and to inform responsible party.	Ongoing	Audit committee Chairman	Members of the UAA Council, Executive management
<i>Review of UAA's Compliance Information</i>					
6.	Ongoing	Provide regular review of UAA's response to the International Federation of Accountants (IFAC) Compliance Self-Assessment questionnaires and update sections when necessary. Inform IFAC Compliance staff about the updates.	Ongoing	Executive director	Members of the UAA Council, Executive management

Action Plan Subject: SMO 2 and International Education Standards (IESs)
Action Plan Objective: Continue on Promoting Convergence with the IES Requirements

#	State Date	Actions	Completion Date	Responsibility	Resource
<i>Background</i>					
<p>The SRSFM is responsible for examining, certifying and licensing auditors. Ministry of Science and Education of Kyrgyz Republic develops national educational standards by involving trainers of leading universities and educational institutions. UAA members are not involved in the standard setting process. Universities and educational institutions develop syllabuses on the base of national educational standards.</p> <p>The Law on Audit Activity requires that candidates with a university degree in economics/finance must acquire three years of relevant experience, while candidates not holding such a degree must have seven years of relevant experience.</p> <p>UAA is a member of the Eurasian Council of Certified Accountants and Auditors (ECCAA) and conducts trainings for Certified Accountant Practitioner; Certified International Professional Accountant (CAP/CIPA) program, actively participates in updating and improving the program. As ECCAA member UAA participates in forming the ECCAA policies in advanced accounting education and practical experience requirements. UAA also collaborates with some universities interested in further development of accounting profession and following IFAC recommendations. In accordance with the IES 7, UAA develops annual Continued Professional Development (CPD) programs for its members, prepares studying materials and conducts trainings. UAA's education regulations require 40 hours of CPD to be completed each year.</p>					
<i>Education and Development Activities</i>					
7.	October 2008	Cooperate with ECCAA on improvements of requirements of the CAP/CIPA program.	September 2011 In progress	Executive director, Education committee Chairman	Members of the UAA Council, Executive management
8.	July 2009	Cooperate with ECCAA on inclusion an additional level to the CAP/CIPA program in accordance to the IES requirements.	Ongoing	Executive director, Education committee Chairman	Members of the UAA Council, Executive management

#	State Date	Actions	Completion Date	Responsibility	Resource
9.	September 2009	Cooperate with ECCAA on making changes in qualification requirements for CAP/CIPA candidates to increase the term of practical experience.	Ongoing	Executive director, Education committee Chairman	Members of the UAA Council, Executive management
10.	As required	Collaborate with the universities on the promotion of IESs and curriculum conformity to IES requirements	Ongoing	Executive director, Education committee Chairman	Members of the UAA Council, Executive management
11.	September 2010	UAA member's examination of the IESs requirements.	Ongoing	Executive director, Education committee Chairman	Members of the UAA Council, Executive management
<i>Qualification improvements</i>					
12.	January 2009	Conduct annual CPD courses for UAA members and associate members.	Annually, 40 hours duration	Education committee Chairman, Executive director	Executive management
13.	February 2011	Develop CPD course program for 2012 and appropriate study materials, have it approved by the UAA Council.	September 2011	Education committee Chairman, Executive director	Members of the UAA Council, Executive management
14.	Ongoing	Provide annual report to the UAA Council about CPD courses provided.	Annually	Education committee Chairman, Executive director	Members of the UAA Council, Executive management
<i>Maintaining Ongoing Processes</i>					
15.	Ongoing	Work on incorporating all IES requirements.	Ongoing	Education committee Chairman, Executive director	Members of the UAA Council, Executive management
<i>Review of UAA's Compliance Information</i>					

#	State Date	Actions	Completion Date	Responsibility	Resource
16.	Ongoing	Provide regular review of the UAA's response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to SMO 2 as necessary. Inform IFAC Compliance staff about the updates.	Ongoing	Executive director	Members of the UAA Council, Executive management

Action Plan Subject: SMO 3 and International Auditing and Assurance Standards Board (IAASB) Pronouncements
Action Plan Objective: Promoting Convergence with the IAASB Pronouncements

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Background</i>					
Service for Regulation and Control of Financial Markets of the Kyrgyz Republic (SRCFM) is an authorized body of the government responsible for regulation and supervision of audit activity. International Standards on Auditing (ISAs) are adopted in Kyrgyz Republic, but there is no established process in place for ongoing convergence and implementation. UAA cooperates with SRCFM to resolve this issue.					
<i>To Promote Convergence with the IAASB's Pronouncements</i>					
17.	Ongoing	Assist SRCFM in the process of translation and implementation of international standards.	Ongoing	President Executive director	Members of the UAA Council, Executive management
18.	Ongoing	Continue to develop relationship with other Russian speaking professional bodies of IFAC, to have regular access to recently translated IAASB Pronouncements.	Ongoing	President Executive director	Members of the UAA Council, Executive management
19.	Ongoing	Provide UAA members with support for continuing professional education (CPE) and inform them about latest changes in IAS and ISA.	Ongoing	President Executive director	Members of the UAA Council, Executive management
20.	Ongoing	Participate in discussions of the IAASB draft documents and projects.	Ongoing	President Executive director	Members of the UAA Council, Executive management
<i>Review of UAA's Compliance Information</i>					

#	Start Date	Actions	Completion Date	Responsibility	Resource
21.	Ongoing	Provide regular review of UAA's response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to SMO 3 as necessary. Inform IFAC Compliance staff about the updates.	Ongoing	Executive director	Members of the UAA Council, Executive management

Action Plan Subject: SMO 4 and the International Ethics Standards Board for Accountants (IESBA) Code of Ethics (CoE)
Action Plan Objective: Use Best Endeavors to Adopt and Implement IESBA Code of Ethics

#	State Date	Actions	Completion Date	Responsibility	Resource
<i>Background</i>					
In 2008 UAA adopted IESBA's Code of Ethics. UAA provides its members with information about CoE provisions and CoE is included in CPD courses.					
<i>Further Ensure Effective Implementation of the Code of Ethics</i>					
22.	2008	Adopt the IESBA Code of Ethics (issued in 2005) on the annual UAA meeting	June 2008 Completed	Executive director	Executive management
23.	2008	Post the IESBA Code of Ethics (issued in 2005) on UAA website.	June 2008 Completed	Executive director	Executive management
24.	September 2009	Develop recommendations on informing UAA members about changes in the IESBA Code of Ethics	December 2009 Completed	Membership committee Education committee	Membership committee Education committee Executive management
25.	September 2010	Include the requirement of studying the Code of Ethics in the CPD courses offered.	Ongoing	Membership committee Education committee	Membership committee Education committee Executive management
26.	Ongoing	Review ethics requirements interpretations in accordance with the IESBA Code of Ethics	Ongoing	Membership committee, Members of the UAA Council	Membership committee, Members of the UAA Council, Executive management
<i>Maintaining Ongoing Processes</i>					

#	State Date	Actions	Completion Date	Responsibility	Resource
27.	Ongoing	Continue to support ongoing adoption and implementation of the IESBA Code of Ethics. This includes review of the implementation of the Action Plan to date and updating the Action Plan for future activities as necessary.	Ongoing	Membership committee, Members of the UAA Council	Membership committee, Members of the UAA Council, Executive management

Action Plan Subject: SMO 5 and International Public Sector Accounting Standards (IPSASs)
Action Plan Objective: Use Best Endeavors in Facilitating the Adoption and Implementation of IPSASs in Kyrgyzstan

#	State Date	Actions	Completion Date	Responsibility	Resource
<i>Background</i>					
The Statute for administration and conducting of accounting in state entities was adopted in 2008 in accordance with a plan of actions for reorganization of the State Finance Control System. Authors of the Statute were guided by IPSAS. UAA members participated in the Statute development. In 2009 the Medium-term plan of actions for reformation of the State Finance Control System was adopted for 2009-2013. The plan includes convergence with IPSASs in 2011.					
<i>Assist in Development of IPSASs</i>					
28.	Ongoing	Make efforts to establish cooperation with the State organizations on the IPSAS adoption and implementation.	Ongoing	President	Members of the UAA Council, Executive management
29.	June 2010	Collaborate with public body for giving information to accountants (who are working in the public body) concerning IPSAS requirements. (Today all requirements for public accounting entities are partly correspond to IPSAS).	Ongoing	President, Executive director	Members of the UAA Council, Executive management
<i>Maintaining Ongoing Processes</i>					
30.	Ongoing	Continue to make efforts in identifying opportunities to further assist in implementation of IPSASs.	Ongoing	Executive director	Executive management
<i>Review of UAA's Compliance Information</i>					

#	State Date	Actions	Completion Date	Responsibility	Resource
31.	Ongoing	Provide regular review of UAA's response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to SMO 5 as necessary. Inform IFAC Compliance staff about the updates.	Ongoing	Executive director	Members of the UAA Council, Executive management

Action Plan Subject: SMO 6 and Investigation and Discipline

Action Plan Objective: Use Best Endeavors to Create and Implement UAA's Investigation and Disciplinary System

#	State Date	Actions	Completion Date	Responsibility	Resource
<i>Background</i>					
Currently, UAA does not have an investigation and disciplinary system in place. The UAA Member Committee is currently working on its development. Disciplinary measures are limited to the ones prescribed by the national legislation. The most common measure is the termination of the UAA membership with a following cancellation of CAP/CIPA certificate.					
<i>Establish I&D system</i>					
32.	September 2009	Develop a system for investigation and disciplinary measures in accordance with SMO 6.	December 2009 Completed	Membership committee Executive director	Membership committee Executive management
33.	December 2009	Inform UAA members on the draft of investigation and disciplinary measures developed according to SMO 6 requirements.	February 2010 Completed	Executive director	Executive director
34.	February 2010	Make corrections to the draft investigation and disciplinary mechanism developed according to SMO 6 requirements by using UAA members' comments and recommendations.	June 2010 Completed	Membership committee Executive director	Membership committee , Executive director
35.	June 2010	Approve investigation and disciplinary measures developed according to SMO 6 requirements in the annual UAA meeting.	June 2010 Completed	Executive director	Executive director

36.	Ongoing	Make efforts to ensure compliance of UAA's investigation and disciplinary measures to SMO 6 requirements. This includes review of the existing mechanism and updating the Action Plan for future activities where necessary.	Ongoing	Membership committee, Executive director	Membership committee , Members of the UAA Council, Executive director
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Action Plan Subject: SMO 7 and International Financial Reporting Standards (IFRSs)
Action Plan Objective: Use Best Endeavors to Implement an Ongoing Program for Adoption and Implementation of IFRS

#	State Date	Actions	Completion Date	Responsibility	Resource
<i>Background</i>					
<p>The Law of the Kyrgyz Republic “On accounting” states that the only methodological basis for accounting and financial reporting are IFRSs. IFRS are not obligatory for individual entrepreneurs and state entities. At the moment, the Concept for accounting development is being developed that includes Report on Observance of Standards and Codes (ROSC) recommendations to divide business entities into several groups. Each group is to use appropriate standards: corporate entities will use IFRSs, while non-corporate entities are to use national standards. Different groups of non-corporate entities are supposed to use different standards. UAA members participate in the Concept development insisting on the use of IFRS for Small and Medium Enterprises (SMEs) as national standards for non-corporate entities.</p>					
<i>Ongoing Program for Adoption and Implementation of IFRSs</i>					
37.	Ongoing	Continue working on IFRSs implementation and following their changes.	Ongoing	President, Standards Committee Chairman, Executive director	Members of the UAA Council, Executive management
38.	April 2009	Participate in working on Framework of Accounting and Audit Development in Kyrgyzstan	To Framework adoption In progress	President, Standards Committee Chairman, Executive director	Members of the UAA Council, Executive management
39.	September 2010	Participate on the work under the new law project “about accounting”. Use best endeavors to make national standards for non-stock companies as an International standard for small and medium business.	Before law adoption In progress	President, Executive director	Members of the UAA Council, Executive management
40.	January 2009	Provide accountants with consultations on how to implement IFRSs.	Ongoing	President, Standards Committee Chairman, Executive director	Members of the UAA Council, Executive management

41.	January 2010	Publish an article that addresses questions pertaining to the practical application of IFRSs	Ongoing	President, Members of the UAA Council, Executive director	Members of the UAA Council, Executive management
<i>Review of UAA's Compliance Information</i>					
42.	Ongoing	Provide regular review of UAA's response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to SMO 7 as necessary. Inform IFAC Compliance staff about the updates.	Ongoing	Executive director	Members of the UAA Council, Executive management