
**Intergovernmental Working Group of Experts on International
Standards of Accounting and Reporting
(ISAR)**

**40th SESSION
17 – 19 October 2023**

Thursday, 19 October 2023

**Agenda item 5 (b). Insights from recent implementation of
the Accounting Development Tool**

Presented by

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ADT ASSESMENT in Kyrgyzstan 2022-2023

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ADT ASSESSMENT IN KYRGYZSTAN: Key issues and Stages

**Kick off Meeting:
25 November 2022**

Key issues



- **Assessment of regulatory, institutional and human capacity**
- **Sustainable development action plan**

Stages:

- 1 A national kick off meeting with national stakeholders
- 2 Questionnaire survey of participants
- 3 Interim report and consolidated questionnaire of the ADT assessment exercise
- 4 Working on the UNCTAD comments for the interim report
- 5 Deliver a national consultative workshop with national stakeholders
- 6 A complete interim report and questionnaire in English, including feedback from the stakeholders meeting
- 7 Summary report and complete questionnaire, including comments from UNCTAD and the independent peer reviewer

ADT ASSESSMENT IN KYRGYZSTAN: Stakeholders Feedback

Stakeholders of ADT: 30

Summary: Number of participants per pillar

No. of participants for Pillar A	24
No. of participants for Pillar B	23
No. of participants for Pillar C	18
No. of participants for Pillar D	12
No. of participants for Addendum	10

Kick off Meeting

21 (man: 7 (33,3%), woman 14 (66,7%))



15 comments

National consultation meeting

21 (man: 6 (28,6%), woman 15 (71,4%))



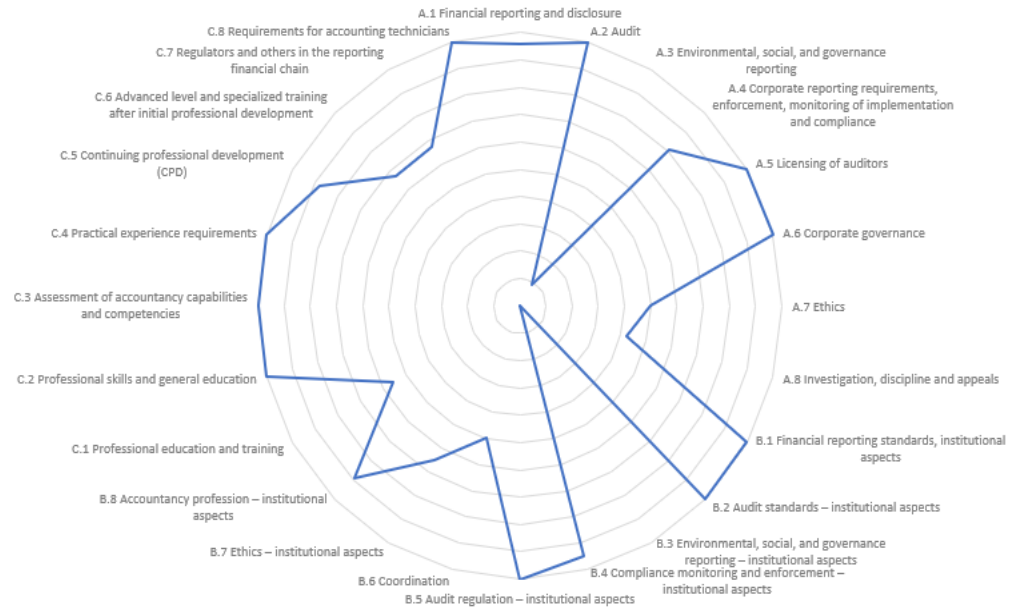
7 comments

ADT ASSESSMENT IN KYRGYZSTAN: Spider chart

The national consultation meeting: 17 March 2023



ADT assessment in Kyrgyz Republic 2022-2023



CONSOLIDATED QUESTIONNAIRE RESPONSES

Pillar A – Legal and Regulatory Framework

Indicator	Score
A.1 Financial reporting and disclosure	96%
A.2 Audit	100%
A.3 Environmental, social, and governance reporting	9%
A.4 Corporate reporting requirements, enforcement, monitoring of implementation and compliance	81%
A.5 Licensing of auditors	100%
A.6 Corporate governance	100%
A.7 Ethics	50%
A.8 Investigation, discipline and appeals	42%
Total:	72%

Pillar C – Human Capacity

Indicator	Score
C.1 Professional education and training	56%
C.2 Professional skills and general education	100%
C.3 Assessment of accountancy capabilities and competencies	100%
C.4 Practical experience requirements	100%
C.5 Continuing professional development (CPD)	88%
C.6 Advanced level and specialized training after initial professional development	67%
C.7 Regulators and others in the reporting financial chain	67%
C.8 Requirements for accounting technicians	100%
Total	85%

Pillar B – Institutional Framework

Indicator	Score
B.1 Financial reporting standards, institutional aspects	100%
B.2 Audit standards – institutional aspects	100%
B.3 Environmental, social, and governance reporting – institutional aspects	0%
B.4 Compliance monitoring and enforcement – institutional aspects	95%
B.5 Audit regulation – institutional aspects	100%
B.6 Coordination	50%
B.7 Ethics – institutional aspects	65%
B.8 Accountancy profession – institutional aspects	89%
Total	75%

Pillar D – Capacity-building process

Indicator	Score
Capacity-building process	80%

Public sector

Indicator	Score
P.1 Financial reporting and disclosure	50%
P.2 Audit	45%
P.3 Monitoring and compliance	22%
P.4 Institutional aspects	58%
Total:	44%

RECOMMENDATION FOR NEXT STEPS

Pillar A – Legal and Regulatory Framework:

1. Consider including an ESG component in the ESG financial statement depository.
2. Consider using the Stock Exchange's membership of the UN Sustainable Stock Exchange program to ensure continuity of ESG practices for listed companies.
3. Consider including a sustainability reporting requirement for large and listed companies in the regulatory framework. If possible, the UNCTAD GCI Guide could be used as one of the methodological bases for reporting requirements.
4. Consider strengthening at a regulatory level the requirement for a code of ethics for professional accountants.
5. Consider regulating corporate reporting investigations for professional accountants.
6. Consider prohibiting members of the investigations committee from being both a member of the disciplinary committee on the same issue.
7. Consider introducing a publicity requirement for information on requirements and procedures for professional accountants and auditors.
8. Consider establishing a procedure for coordinating parallel investigations.
9. Consider requiring that members of the appeals committee be independent of the perpetrators and others involved.
10. Consider to define the procedural terms of consideration and the mandatory publication of the results of the considered case.
11. To bring paragraphs 8 and 16 of the "Procedure for the creation, management of a Public Depository of financial statements and presentation of financial statements " in line with each other. The requirements for publication of the financial statements, consolidated financial statements, notes to the financial statements, auditor's report should be the same.
12. Consider introducing liability of auditors for fraud in an audit of financial statements in sectoral laws of the Kyrgyz Republic.

RECOMMENDATION FOR NEXT STEPS

Pillar B – Institutional Framework:

1. It is recommended to define the body/function formally responsible for the ESG reporting requirements.
2. The Kyrgyz Stock Exchange is recommended to start collecting/compiling ESG data of public and large companies.
3. Consider developing a mechanism to ensure coordination between accounting regulation and other regulators involved or affected by the accounting regulations, including in the ESG area.
4. It is recommended to conduct training for key regulators on the core principles for independent audit regulators issued by IFIAR.
5. Consider identifying a statutory body formally responsible for ethics for accountants.
6. Consider establishing a coordination mechanism for professional bodies of accountants.
7. It is recommended to strengthen the regulator's monitoring function, including through the possibility use of the ADT tool.

Pillar C – Human Capacity:

1. Consider the issue of inclusion into the educational programmes of higher education institutions:
 - ESG agenda issues; - IFRS for SMEs.
2. Consider including components in professional development programs for accountants and auditors:
 - ESG reporting; - Accounting for SMEs (including based on UNCTAD TOT on SME Accounting guidelines);
 - IFRS for SMEs.
3. Consider including into the legal and regulatory framework a requirement for mandatory professional development for accountants.
4. It is recommended to establish a platform for regular exchange of experience and information between the regulator and the accounting and auditing trade union, in particular in the area of CPD.
5. It is recommended to motivate specialists who have passed international qualification exams with additional salary allowances.

RECOMMENDATION FOR NEXT STEPS

Pillar D – Capacity-building process:

1. It is recommended to update the Strategic action plan for corporate accountability capacity building with a focus on the Sustainable Development Goals (SDGs).
2. Consider inclusion of ESG information in company reporting in the country action plan.

Public sector:

1. Gradually develop the use of IPSAS in cooperation with international organisations and mandatory systematic professional development and digitalisation of the accounting process.
2. Consider inclusion of ESG reporting requirements in the reporting requirements of public sector entities.
3. It is recommended to develop the application of INTOSAI auditing standards.



Thank you!



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