

III. Professional Infrastructure

This chapter describes the professional accountancy infrastructure in Uzbekistan which comprises the Association of Accountants and Auditors (AAA), the Republican Union of Auditors (RUA), and their respective members. The chapter is structured as follows:

- 1 – Introduction
- 2 – Association of Accountants and Auditors (AAA) – describes the objectives, organization status and structure, and membership requirements of the AAA.
- 3 – Republican Union of Auditors (RUA) – describes the status and objectives of the RUA.

1. Introduction

As described in the previous chapter, neither professional accountants nor an accountancy profession were required under the Soviet accounting system. However, Uzbekistan's move to a market economy, following independence in 1991 did require that an accountancy profession be established.

Uzbekistan's first professional accountancy organization, the Association of Accountants and Auditors (AAA), was formally established as a nongovernmental organization in March 1992 and currently has around 4,000 members. The approval of the *Auditing Law*, in May 2000, provided for the establishment of a state organization that would license auditors and audit firms (the 'Statutory Auditor Agency' or SAA), and the Republican Union of Auditors (RUA) that would act as a professional body for auditors. The process for issuing auditing licences was approved by the Cabinet of Ministers on 22 September 2000.²⁷ The MOF will fill the role of the Statutory Auditor Agency.

Five bodies are involved in the regulation and organization of Uzbekistan's accountancy profession; the MOF, the 'Statutory Auditor Agency,' the RUA, the AAA, and the Ministry of Justice. The MOF takes a coordinating role with respect to the accountancy profession. Table 3 depicts the roles and responsibilities of the other four organizations.

²⁷ Resolution of the Cabinet of Ministers (No. 365). 22 September 2000. *On the Improvement of Audit Activity and Promotion of the Role of Audit Inspection.*

Table 3: Organizational Roles and Responsibilities

Roles and Functions	Statutory Auditor Agency (MOF)	Republican Union of Auditors (RUA)	Association of Accountants and Auditors (AAA)	Ministry of Justice
Organization type:				
• Government agency	✓	✓
• Membership-based	..	✓	✓	..
Auditor Registration:				
• Qualification criteria	✓	Advises
• Curriculum determination	✓	Advises
• Examination preparation	✓	✓
• Examination administration	✓	✓
• Examination grading	✓	✓
• Reviews licence applications	✓
• Issues licences	..	✓
• Registers audit firms
Public Accountants:				
• Training courses	✓	..
• Grants Accountant titles	✓	..

2. Association of Accountants and Auditors (AAA)

Introduction

The AAA was set up during a founding conference in 1992 and was registered with the Ministry of Justice as a nongovernmental organization (NGO) in March 1992. The Association's 4,000 members include individuals and incorporated organizations. The AAA's head office is in Tashkent. Regional offices are in Urgench, Bukhara, Nukhs, Karshi, Samarkhand, Gulistan, Andjan, and Ferghana. Its objectives are to: provide training and education on accounting and auditing issues; certify accountants; respond to government requests for input on the development of accounting and auditing standards and regulations; and provide consulting services and advice.

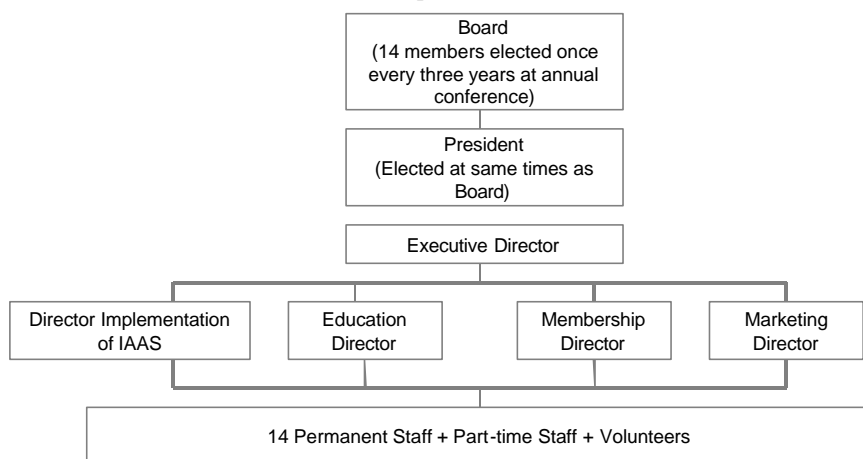
The Association became a member of the International Federation of Accountants (IFAC) in May 2000. It is also a member of the Confederation of Professional Organizations of Eurasia (COPOE) – the Association hosted the annual COPOE conference in November 2000.

Organizational Status and Structure

The Association has no legal status, other than as an NGO. It has a board whose main functions are to: determine strategy and monitor its implementation, receive and review reports from the President, and receive and review reports from committees (Figure 2 refers).

Figure 2: Structure of the Association of Accountants and Auditors

Committees are formed on an *ad hoc* basis to deal with issues as they arise. There are, however, four permanent committees as follows: the



education committee, the membership committee, the marketing

committee, and the International Accounting and Auditing Standards implementation committee.

The AAA is financially self-sufficient – membership fees comprise 25 percent of revenue and are supplemented by revenue from publishing, exhibitions, seminars, conferences, and training programs with international agencies (e.g. USAID, EU-TACIS, and Soros Foundation).

Membership Categories and Requirements

The Association has two membership categories: associate member and full member. There are currently around 3,000 associate members and 1,000 full members. The membership requirements for each category are described in the following table. Membership can be attained on the basis of qualifications from either a technical college or a university:

Stage	University Graduate	Technical College Graduate
Academic qualifications	Bachelor's degree or equivalent in any area (four years)	Course at technical college
Practical experience	<ul style="list-style-type: none"> • Three years experience. • Must be employed as an accountant or auditor (either in the Government or private sector). Relevant teaching experience is acceptable. 	<ul style="list-style-type: none"> • Ten years experience. • Must be employed as an accountant or auditor (either in the Government or private sector). Relevant teaching experience is acceptable.
Level I Professional Exams	Attend courses, sit and pass exams for AAA membership	Same
Membership I	Associate Member	Associate Member

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Stage	University Graduate	Technical College Graduate
Level II Professional Exams	Attend courses, sit and pass exams for advanced AAA membership. These courses have usually been designed, delivered and graded with international assistance (particularly USAID).	Same
Membership II	Full Member	Full Member

The Republic of Uzbekistan has sector-neutral accounting and auditing standards and a unified accounting profession. As such, officials do not consider it necessary to establish a separate membership category for public sector members.

Continuing Professional Education (CPE)

Continuing professional education is voluntary but highly recommended. The AAA provides advice and input to universities and technical colleges in terms of developing accounting and auditing courses.

3. Republican Union of Auditors (RUA)

On 7 August 2000, the RUA was registered with the Ministry of Justice under Article 27 of the *Auditing Law 2000*. RUA is a nongovernmental, noncommercial organization that represents auditors on a voluntary basis. The Union's objectives are to assist in the development and support of professional auditors, and to defend their professional interest. The Union's activities, which are prescribed in the *Auditing 2000*, are to:

- participate in the design and approval of the curriculum and structure of the qualifying auditor examinations
- conduct the qualifying auditor exams, and
- design and prepare proposals on improving audit legislation.

The *Auditing Law 2000* provided for the establishment of the RUA in response to concerns about the availability, and the quality, of

accounting training in non-urban areas. RUA expects to establish divisions in each of the nine Uzbekistan regions – subdivisions have already been established in the Namaghhan and Surkhandaria regions – and to provide training in both the Uzbek and the Russian languages (in five regions).