

IFRSPS IN THE BUDGET STATEMENT SYSTEM OF KAZAKHSTAN

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Fundamental changes in the world economy associated with its globalization demanded unification of principles of accounting Statement compiling in order to make it understandable, comparable, reliable and accurate, i.e. providing the overall comparability of financial statements of different countries. Kazakhstan took the underlying approach to develop its national regulations based on international financial reporting standards of the public sector (IFRSPS). IFRSPS today are the international financial language, thus Kazakhstan's transition and implying of principles based on international rules will lay another foundation of mutual trust between Kazakhstan and the international community.

In conditions of a world globalization the to ensure the competitiveness of the economy of the Republic of Kazakhstan is becoming increasingly, determined as the main priority in the coming period by the President. The head of nation notes that the issues of survival for the Kazakh economy are now left behind and what we have ahead is only a choice of the most progressive international experience for the prosperity and sustainable development.

It should be noted that one of the main attributes of transparency and competitiveness of the economy is corresponding of accounting and financial reporting system to international standards.

Forming of a reliable accounting information system has primary importance for the effective management of government (municipal) finance and ensuring government accountability to civil society. "In view of the fact that accounting provides information about the nature of the resources used and can potentially reveal previously unknown facts, it could potentially affect the distribution of power and the organization as a whole" [1].

The quality of accounting information affects the accuracy of analysis of past events and assessment of current situation, correctness of conclusions and degree of validity of budgeting decisions, management of income, expenses, budgetary investments, regional (municipal) debt, cash flow, and ultimately the general direction of ongoing fiscal policy. Information system can be regarded as qualitative only if it reflects the real economic situation, is sufficient for management decision-making, clear, truthful, relevant, timely and comparable for different periods of time and between different reporting entities. These exact information requirements for financial reporting are considered a priority in terms of international financial reporting standards for the public sector and, as a rule, in the absence of such information system report user will not be able to make the correct economic decision.

Application of standards requires a new approach, a new look at the reflection, recognition and disclosure of transactions and events of the organization not burdened with stereotypes of previous accounting system.

The goal of improving of accounting system and consolidated balance sheet of assets and liabilities of the state compiling is to increase the effectiveness, responsibility and accountability, transparency of financial management of the country with the establishment of strategic, comprehensive and transparent budget process which from planning to execution would represent a single reporting sys-

tem used by the society for assessment of the actions of the Government. The basis of the public institution program strategy is incorporated in the formation of a transparent and clear system of state finance management. These requirements form tasks of developing new approaches to accounting and accountability of public institutions where the starting point are the international financial reporting standards of the public sector (IFRSPS).

IFRSPS admittedly are the most advanced and improved accounting standards in the world, which are designed for organizations whose main activity is to provide public services.

Today most countries around the world are applying IFRSPS. However, many of them are still in the process of realization of this task. Purpose of financial statements prepared in accordance with IFRSPS is getting of useful information focused on wider range of users. And as a consequence, it requires from specialists completely new knowledge and skills. However, IFRSPS are not strict and detailed set of rules, they are set of guidelines and requirements. In this connection, a competent authority for the regulation of public institutions accounting developed a set of rules based on the principles and provisions of IFRS-SPS on an accrual method. The task of each specialist of accounting service of public institutions is to study and master different approaches and techniques of accounting approved by normative legal acts of the Republic of Kazakhstan and their implementation in the application to a particular economic situation.

However, the transition to IFRSPS can not be regarded as the sole objective of the reform of Kazakhstan's accounting and reporting. In fact, reform should be much deeper and must consist of building an effective add-on for a new type of economic relations. As a result there should be created an environment that ensures the formation of useful and objective information about the financial position and results of operations.

An effective system of public finance management is needed for policy and reaching goals of development through the efficient allocation of resources and efficient service delivery. In conditions of reforming the budgetary system and shifting the focuses of budgetary process from "budgetary resources management" to "results management" or transition to a model of "budgeting for results", the system of public finance management is a mechanism designed to achieve results. In order to make consolidate all commercial and non-profit organizations within the

public sector possible, their financial statements should be prepared by the same rules.

The main purpose of forming of consolidated financial statements of the public sector at the subnational level in Kazakhstan, as well as in other countries, is to provide high-quality, transparent, objective and comparable information on the activities of public authorities of the Republic of Kazakhstan and local governments. This information should be presented in the assessment that most accurately reflects the economic situation of the Republic of Kazakhstan entity.

In accordance with the requirements of IFRSPS, consolidated financial statements allow comparative analysis of the financial situation of similar institutional units of the public sector and other sectors of the economy, analysis of financial performance and the effectiveness of financial management, the comparative analysis of different countries' public sectors for comparable periods, assess creditworthiness and the quality of financial management of the Republic of Kazakhstan entity.

IFRSPS are primarily focused on the external users (investors, creditors, citizens, voters, its representatives and other members of society), nevertheless, statements prepared in accordance with them, are useful for management purposes.

Public financial reports, both for individual departments and the government as a whole are an important tool for the legislative and executive authorities to be used for effective management and control of state activities. They also represent a mechanism to ensure fiscal accountability to society, just as private businesses use their annual reports for fiscal accountability to their shareholders. Government financial reports should include information on performance of the government, relevant costs and benefits, as well as how the government's stated objectives of public policy are being achieved.

Government financial reports are especially important for legislators who take state budget, officials who perform it, investors who invest, economists who forecast and examine the impact of government on the economy, special interested groups and other analysts who rate policy choices and the impact of government on individuals and businesses, government officials for management purposes, and the society. In addition, government financial reports should provide an idea of what the financial position of individual agencies or a government at a specific time, as well as serve as an instrument of forecasting [2].

The financial statements are prepared on a basis of an ongoing activities, unless the institution does not intend to liquidate or to stop them, or has no real alternative except for doing so.

In financial statements any serious doubts about the possibility of an institution's following the principle of continuity are revealed. If an institution does not follow this principle, the financial statements reveal a discrepancy with this principle, a basis on which the financial statements are prepared, and the reasons why the institution is not considered as a continuously active.

While preparing the financial statements, management should evaluate the possibility of continuing its activities

for at least twelve months after the reporting date, i.e. the date of the financial statements.

The financial statements of public institutions are prepared on an accrual method basis, except for the statement of cash flows. According to Articles 115-117 of the Budget Code of the Republic of Kazakhstan, starting January 1st, 2013, all public institutions maintain accounting records and prepare financial statements on an accrual method basis [3].

Accrual method accepts all economic flows of an organization regardless of whether they involve monetary transactions or not, as well as all assets owned by organization and organization's commitment. Six key characteristics that are typical for accounting on an accrual method basis by the principle of double entry are as follows:

1. The concept of a reporting unit - a legal entity that owns assets and liabilities;
2. Accounting transactions reflected in a single currency;
3. Accounting associated with the following contrasts:
 - increase and decrease of physical availability of funds and goods;
 - increase or decrease of debt to other natural or legal persons or receivable debts from them;
 - increase and decrease of their own assets and liabilities of the organization;
4. Net capital (sometimes called "Funds" for public sector organizations) as a difference between assets and liabilities of an organization;
5. Excess (deficit) as the net increase (or decrease) of their own funds in equity over time;
6. Accounting period during which excess or deficit is measured.

Accrual method has an important advantage over other methods of accounting because it allows reflecting the real economic situation due to a number of features of the accounting process:

- registration or accepting expenses when they occur;
- records of all resource flows including those that do not give rise to cash flows but affect the cost of services (depreciation);
- ability to obtain information about the status of assets and liabilities;
- possibility of separate cash flow accounting and legal liabilities associated with it but inconsistent in the time period (receipt of cash and the right to receive cash; the payment of cash and the legal liabilities to pay cash);
- possibility of accounting non-cash transactions, such as offsets, creation and repayment of debt. And finally, accrual method accounting is a tool that creates conditions for transparency and accountability. Since the accounting system on an accrual method basis contains information on all economic flows, assets and liabilities of the organization, it allows providing comprehensive reporting. Furthermore, when such financial reports are verified by independent auditors and the results of these audits are published, credibility increases.

Reforming the system of budget reporting in the Re-

public of Kazakhstan in accordance with international standards as well as convergence of accounting and reporting in commercial sector with IFRS creates preconditions for the formation of country's consolidated financial statements for all organizations (non-profit and commercial) within the public sector, which certainly opens up new perspectives to improve the effectiveness of public finance management.

It should be noted that IFRS and IFRSPS are not "frozen" standards, they are regularly processed and supplemented. This is due to a constant process of change in the world economy (globalization of financial markets,

emergence of new industries, new accounting objects, new kinds of relationships, etc.) and the development of an accounting science itself.

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THE DEVELOPMENT TRENDS OF TOURISM SECTOR IN KARAGANDA REGION

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The article is examining the main trends in the development of tourism, analyzes of its current state and reveals problems of tourism development in the Karaganda region. The article defines the role of the Karaganda region in developing the country's tourism.

The Republic of Kazakhstan – is a very big country possessing rich natural resources and conditions for the development of tourism both domestic and international. Kazakhstan's geographic location between Europe and Asia also predetermines the development of tourism. The Head of State Nursultan Nazarbayev has defined this branch as one of the priorities directions of the development of the economy. However, despite the fact that the government is taking the necessary measures, to raise tourism on a high level is quite complicated. As a result, currently tourism is not a significant source of income in our country.

Tourism - a large-scale and rapidly growing sector that can bring considerable income to the state treasury. Many countries are developing successfully thanks to the tourism sector. In the transition to more environmentally pure forms of activities, changing of the state economy with the release of the tourism sector is the most expedient. Tourism is also a factor of development of related industries: evolving the hotel industry, excursion activities, thriving small business, creating new jobs for the population. Tourism has an impact on the spiritual life of the population, the country's culture, values and philosophy.

For today, worldwide travel business is the most lucrative and promising field of capital investment, keeping the pace of development even during the energy, currency and economic crises.

The annual growth in revenues from tourism and recreation in the world is 2.7%. And in the long-term plan that sector of the economy is the undisputed leader among the group of export of the world economy. Economically developed countries rightly attach a great importance to the development of this industry. To market conditions and, accordingly, tourism demand affects regional characteristics of tourism development that are radically different in

the proportions and rates of development. Table 1 summarizes the differentiation of regional disparities tourism.

As the table shows the development of tourism in the Republic of Kazakhstan by region is rather uneven. The most developed regions in all indicators are Almaty region, including the city of Almaty, further Akmola region, including the republic's capital Astana city, and the Karaganda region.

Karaganda region has all the prerequisites for the development of tourism. Here are certain tourist landscapes, a sufficient number of tourist organizations, more than 2,000 historical and cultural monuments, of which more than 1,500 are under state protection, 25 monuments have national status.

The main directions of development of tourism in the Karaganda province are beach tourism (Lake Balkhash), ecotourism (State National Natural Park of Karkaraly, Kent and Kyzylarai mountains), sports tourism (hiking, mountain), cultural tourism and business tourism [2].

A significant proportion of the total segment occupies outbound tourism – about 60%. The main stream of tourists are choosing destination of Turkey, Germany, UAE, China, Thailand.

In the whole country, countless travel agencies generally develop only one direction – outbound tourism. Thus, out of more than 1,000 travel agencies only 14.5 percent are engaged in the organization of inbound tourism, which certainly has a negative impact on the budget. And the vast majority of entering tourists come to Kazakhstan on a business trip.

Domestic tourism makes about 3% of all tourism revenue. For comparison, in developed countries this figure is about 50%.

The low level of development of domestic tourism is

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