

## THEORETICAL ASPECTS OF THE ORGANIZATION OF TOUR OPERATOR ACTIVITIES IN KAZAKHSTAN

**Botagoz A. Amanzholova, Dana M. Ussenova, Togjan B. Junusova**

Academician E.A. Buketov Karaganda State University  
28, Universitetskaya st., Karaganda, Kazakhstan, 100028

*Tourist activity as industry of economy of country requires the reliable legal adjusting, creations of favourable terms for her development. Tourism to a full degree perceives regulative influence of norms of the different fields of law: custom, insurance, administrative, criminal, and ecological, about the protection of consumers of and other. Basic legislative acts regulative tourist activity in Republic of Kazakhstan are examined in this article, and also the structure of management organs is given by tourist industry in Kazakhstan, its aims and tasks.*

*Keywords: legislative bodies, legislation about tourist activity, responsibility for violations of legislation, tourist activity.*

The legislation of the Republic of Kazakhstan in the field of tourist activity is based on the Constitution of the Republic of Kazakhstan and consists of the Civil code of the Republic of Kazakhstan, Tourist activity Act of the RK of June 13, 2001 and other regulatory legal acts of the Republic of Kazakhstan. If the international treaty ratified by the Republic of Kazakhstan established other rules, than those which are provided by the national legal system on tourist activities then the rules of the international treaty are applied, except the cases, when it follows from the international treaty that its application requires the publication of the Act [1].

Let's consider a management structure of a tourist industry in the Republic of Kazakhstan.

The basis of an industry is constituted by the regulatory framework regulating this industry, an entrepreneurship and direct producers of tourist services.

According to the Tourist activity Act the main objectives of state regulation in the field are determined:

- providing the rights of citizens to rest, freedom of travel in the field of tourist activities;
- environment protection;
- creation of conditions for the activities directed to teaching, education and improvement of tourists;
- development of the tourist industry providing needs of citizens when making travel;
- creation of new workplaces, increase in the income of the state and citizens of the Republic of Kazakhstan due to development of the tourist industry;
- development of the international tourist contacts.

Also the priority directions of state regulation in the sphere of tourism are determined in the Act:

- tourism formation as highly profitable industry of economy of the Republic of Kazakhstan;
- accounting of state interests, protection of natural and historical-cultural heritage of the Republic of Kazakhstan when using tourist resources;
- entering of preferential terms for the organization of tourist and excursion work among children, teenagers, youth, disabled people and lower-income strata;
- creating favorable conditions for investment of the tourist industry;
- support and development of the tourist organizations which are engaged in entrance and internal tourism in

the territory of the Republic of Kazakhstan;

- creation of effective system of tourist activities for ensuring requirements of internal and international tourism.

The methods of implementation of state regulation in the sphere of tourism which is performed by means of the following events are specified in the Act:

- determination of policy on development of the industry of tourism and investments into tourism;
- enforcement of regulatory legal acts for the purpose of enhancement of the relations in the sphere of tourism;
- carrying out standardization and licensing in the field of tourist activities according to the requirements provided by the legislation of the Republic of Kazakhstan on licensing;
- provision of budgetary funds for development and implementation of state programs of development of tourist activities according to the budget legislation;
- support to staffing in this sphere of economic activity;
- support to participation of domestic subjects of tourist activities in the international tourist actions and programs;
- assistance in distribution of a national tourist product in the tourist market (world and internal);
- guarantee of rational application, accounting and protection of tourist resources of the state.

The main regulation of tourist activities is performed by the Government of the Republic of Kazakhstan which:

- determines and realizes state policy on tourism development;
- publishes the regulatory legal acts governing the relations in the field of tourist activities within its competence;
- creates the state system of scientific providing in the field of tourist activities;
- approves members and regulations on recommendation on tourism on representation of authorized body;
- performs a cooperation and interaction with foreign states in the sphere of tourism;
- performs other functions assigned to it by the Constitution, Acts of the Republic of Kazakhstan and Acts of the President of the Republic of Kazakhstan.

In the history of independent Kazakhstan 3 state bodies were authorized to regulate tourist activities. Till January 20, 2012 the Committee of the industry of tourism at the Ministry of tourism and sport regulated tourist activities in Kazakhstan. On January 20, 2012 this Ministry was reorganized into the Agency of the Republic of Kazakhstan for sport and physical training. Powers in the field of tourist activities were delegated to the Ministry of the industry and new technologies in which the Committee of the industry of tourism was created. On August 6, 2014 by reorganization of the Government of the RK the Ministry of the industry and new technologies is abolished, functions of the ministry are transferred to the new Ministry for Investments and Development of the Republic of Kazakhstan in which the Department of the industry of tourism is created.

There are often changes in structure of the Government in Kazakhstan, and regulation of tourist activities is transferred under responsibility of the different ministries and departments. Let us consider the structure of public administration of tour operator activities currently.

According to the Tourist activity Act of the RK the competence of Department of the industry of tourism is as follows:

- participates in forming and implementation of single policy on investment attraction in a tourist industry;
- realizes state policy in the field of tourist activities, tourism and tourist industry;
- within its competence develops and approves regulatory legal acts, generalizes the practice of application of the legislation and makes offers on its enhancement;
- performs inter-industry and interregional coordination in the field of tourist activity, interaction with the domestic, foreign and international tourism, public and other organizations and persons performing tourist activities;
- makes claims in courts according to the legislation of the Republic of Kazakhstan;
- exercises the state control of compliance with the Act of the Republic of Kazakhstan on tourist activity;
- within its competence develops, signs and performs the international contracts in the field of tourist activity, and also represents the interests of the state in the field of tourism in the international organizations and on the international actions and participates in their work;
- approves the rules of classification of locations of tourists;
- approves the rules of retraining and advanced training of specialists of tourist activity;
- approves the rules of forming and maintaining the state register of tourist routes and tracks;
- together with authorized body on technical regulation and metrology regulates activities in the sphere of standardization in the field of tourist activity;
- distributes the information on Kazakhstan and its tourist opportunities in the international tourist market and in the state, including by holding republican and international exhibitions and fairs in the field of

- tourist activity;
- approves the standard agreement on tourist servicing;
- determines general requirements to professional training, retraining and advanced training of specialists in the field of tourism;
- approves the qualification requirements imposed to tour operator activities;
- approves the rules of rendering the tourist services;
- keeps the state electronic registers of travel agents, guides (guide-interpreters), instructors of tourism who submitted the notification on the beginning of activities according to the Permissions and Notifications Act of the Republic of Kazakhstan;
- approves the forms of data for the annex to the notification on the beginning of activities of the travel agent, guide (guide-interpreter) and instructor of tourism;
- performs other powers provided by this Act, other laws of the Republic of Kazakhstan, acts of the President of the Republic of Kazakhstan and the Government of the Republic of Kazakhstan.

In the analysis of competence of Department of the industry of tourism it is possible to draw a conclusion that concerning tour operator activities the department performs only 1 function:

- approves the qualification requirements imposed to tour operator activities.

Licensing of tour operator activities is performed by local executive bodies – akimats.

The main functions of Department of the industry of tourism are promotion of a national tourist product, creation of the strategy of development for a tourist industry, regional development, monitoring and regulation of the tourist market.

The department of the industry of tourism created the official tourist portal of the Republic of Kazakhstan, provides in open access the information on the international actions, concepts of development of a tourist industry in Kazakhstan till 2020, cooperation with the international organizations. The department provides free downloading of the register of travel agencies of Kazakhstan, but there are no data on tour operators of Kazakhstan in open access.

The conditions of implementation of activities of tour operators and travel agents are specified in the article 15 “General Terms of Implementation of Tourist Activities” of the Tourist activity Act of the RK of June 13, 2001 (with changes and additions as of 29.12.2014):

1. Implementation of tour operator and travel agency activities is carried out in the presence at tour operator and travel agent of the valid agreement of compulsory insurance of civil responsibility of tour operator, travel agent. The information about tour operator and travel agent is entered in the state register of the persons performing tourist activities based on their statement.
2. Tour operator activities are the licensed type of activity according to the legislation of the Republic of Kazakhstan on licensing.

The tour operator provides rendering to tourists all

services entering a tourist product, independently or with involvement of the third parties to whom the tour operator assigns execution of a part or all liabilities to tourists.

The tour operator in the sphere of outbound tourism enables promotion and the realization of a tourist product only through travel agents [2].

Suspension of the license for tour operator activities attracts a prohibition on rendering tourist services, except for the liabilities following from earlier signed agreements.

Suspension of the license for tour operator activities, deprivation of the license for tour operator activities is performed in the order, stipulated by the legislation the Republic of Kazakhstan about administrative offenses.

According to article 12, licensing of tour operator activities is performed by local executive body of region, city of republican value, capital.

Tourist activities as an industry of national economy require reliable legal regulation, that is creating favorable conditions for its development [3]. Tourism fully perceives the regulating impact of regulations of various industries of the right: customs, insurance, administrative, criminal, ecological, about consumer protection, etc. Tour operator activities in the Republic of Kazakhstan are regulated, and also monitoring of tourism is carried out on the basis of the following documents:

1. International legal documents:

- Tourism charter;
- The Hague declaration on tourism;
- The Manila declaration on world tourism (Extraction);
- Osaka Millennium Declaration;
- The directive of Council of the European Economic Community on travel, leaves and trips including everything;
- Frankfurt table;
- The international hotel convention concerning the conclusion of contracts by owners of hotels and to travel agents of June 15, 1979;
- International hotel rules;
- The agreement between the Government of the Republic of Kazakhstan, the Government of the Kyrgyz Republic and the Government of the Republic of Uzbekistan on a cooperation in the field of tourism (Tashkent, on December 8, 1997);
- The decision on June 18, 2010 No. 311 (St. Petersburg) “On Instruction about an order of making of customs transactions concerning the goods for private use moved by physical persons through a customs border, and reflection of the fact of recognition of such goods not being under customs control” [4].

2. Legislation of the Republic of Kazakhstan:

- Tourist Activities Act in the Republic of Kazakhstan;
- Consumer Protection Act;
- Especially Protected Natural Territories Act;
- State Frontier Act of the Republic of Kazakhstan;
- Population Shift Act;
- Small business Act;
- Licensing Act.

3. Regulatory legal acts of the Republic of Kazakhstan:

- The order of the Minister of investments and development of the Republic of Kazakhstan of January 30, 2015 No. 81 “On approval of the standard agreement on tourist servicing”;
- The order of the Minister of investments and development of the Republic of Kazakhstan of January 30, 2015 No. 80 “On approval of rules of rendering tourist services”;
- The order of the Minister of investments and development of the Republic of Kazakhstan of January 30, 2015 No. 79 “On approval of the qualification requirements imposed to tourist operator activities and the list of the documents confirming compliance to them”;
- Requirements for registration of UMRA VISAS;
- The order of the Minister of Transport and Communications of the Republic of Kazakhstan “On approval of Rules of issue and the bases for refusal in issue of permissions to accomplishment of the international irregular flights” of August 13, 2010 No. 359.

Formulating the principles of state regulation of tourist activities, the law assigns to the state of an obligation to promote tourist activities and to create favorable conditions for its development, to determine and support the directions of the tourist activities (that is to make the choice in what directions to develop domestic tourism), to create ideas of other country as to the country favorable for tourism, to perform support and protection of the Kazakhstan tourists, tour operators, travel agents and their associations [5].

In May, 1999 the Kazakhstan Tourist Association (KTA) with assistance of the President of the Republic of Kazakhstan was created.

KTA is non-profit, nongovernmental organization, republican industry Association. The Kazakhstan association of hotels and restaurants (KAH and R), tourist, insurance and airlines, higher education institutions and media are a part of KTA. The association protects interests of its members, performs lobbying and promotion of a tourist industry of RK.

KTA is a member of:

- Council on tourism at MI and D of the RK of Department of the industry of tourism;
- Forum of Entrepreneurs of Kazakhstan (FEK);
- Russian Union of Travel Industry (RUTI);
- National chamber of entrepreneurs of RK (NCE).

Main objectives of KTA:

- consolidation on a voluntary basis of the entities and organizations, the entrepreneurs performing the activities in the hotel and tourist sphere, interested in increase in level of professionalism and quality of the provided services;
- protection of the rights and legitimate interests of members of association;
- representation of interests of members of association in government and non-governmental institutions and organizations;
- promotion of ecotourism as main tourist’s product of Kazakhstan;
- preparation and publication of information, analytical and expert materials on tourism problems;

- organization of participation in work of the international tourist exhibitions, including by creation of single regional information stands;
- creation of modern system of retraining and advanced training of a personnel of tourist and hotel business, promotion of services of the KTA Training center;
- assistance to creation of conditions for effective functioning of the entities of hotel and tourist infrastructure in the territory of RK;
- participation in working-out of development programs of tourism and small entrepreneurship;
- rewarding of the best specialists of an industry.

Functions of association:

1. The association interacts with authorities and represents the interests of its members at all levels.
2. The association represents the interests of its members on the congresses, symposiums, conferences, seminars and various meetings concerning questions of development of hotel and travel business.
3. Performs informing the public on activities of association, assists creation of favorable image of association in mass media.
4. Organizes training for members of association: practical seminars on management, marketing, the advanced hotel technologies.
5. Holds the presentations of the services realized by members of association.
6. Organizes the work with travel agencies and tour operators and hotel services [6,77].

On January 30, 2012 the amendments to the Act of the RK “On Modification and Additions in Some Legal Acts of the Republic of Kazakhstan concerning Improvement of Licensing Systems” according to which the licensing of travel agency activities is cancelled.

After cancellation of the state licensing of travel agency activities people, working in this sphere and entrepreneurs lost an opportunity to identify in the market as retail sellers of a tourist’s product. The license performed not only the disciplining function, but also confirmed belonging of firm to a certain professional market of services [7]. It became impossible to distinguish the entity-travel agency from the entity of other profile with lack of such identifying sign.

With respect thereto KTA made the decision on creation of the Unified republican register of travel agents of the Republic of Kazakhstan (URRTARK). In the conditions of cancellation of licensing of travel agency activities the emergence of the register of travel agents of Kazakhstan was important for tour operators and for consumers. First of all, the project helped to orient with the choice of the partner, and the second – search of legitimate travel agency from whom it is possible to buy a tour [8].

By consideration of the application submitted to the register specialists of KTA check such documents as the insurance policy GPO, the certificate on the state registration, the order on appointment, the identity certificate of the head of travel agency. Despite the basic principle of maintaining URRTARK – voluntariness, at the moment there are more than 550 companies which were successfully registered.

The travel agencies registered in URRTARK and which got the certificate of registration and a unique number have several advantages in the market:

1. A psychological factor – the company which was tested legally by KTA in the opinion of the consumer is credible more, than the agency existing independently.
2. Support of most the largest Kazakhstan tour operators who in case of the conclusion of agreements with travel agents specify the registration number of URRTARK as the obligatory point.

At the same time the Unified register of travel agents of the RK brings benefit for consumers of tourist services: first of all, it is availability of information.

Anyone can find on the website of KTA not only the list of the companies registered in URRTARK in his city but also summary.

The register performs function of updating of reliable information about the entities working at the travel agency market, ensuring its transparency. Responsibility for illegal actions of this or that subject of the market is born by owners and heads of these entities.

But at the same time the company which submitted all main constituent documents, not afraid to declare oneself to all Kazakhstan, most likely, has serious intentions and it won’t be the one day company.

However many Kazakhstan tour operators and travel agents are dissatisfied with activities of KTA. With respect thereto in Kazakhstan the Association of Tour Operators of Kazakhstan (ATOK) and the Association of the Tourist Agencies of Kazakhstan (ATAK) were created. Thus, in Kazakhstan 3 tourist associations with membership of tour operators work.

5 largest tour operators of Kazakhstan are a part of ATK: “Kaz Tour”, “Kaz Unon”, “Travel System”, “Tez Tour”, “Kompas”.

The ATAK was created in October, 2014. Members of the ATAK consider the KTA as the insolvent organization in crisis situations that was shown in bankruptcy of tour operator “Gulnar Tur”.

Founders of association ATAK suggest to create the fund “Baytak”. The essence of fund is that average and small travel agents, which have no means for the order of planes can enter it and therefore they in case of a collapse will sustain big losses and risks. Now in Kazakhstan there are about three thousand such agencies, and for them the admission fee constitutes 180 thousand tenge. As a result, all travel agencies which will be a part of fund “Baytak” will be considered automatically as its cofounders. Money will be kept on deposits, and it will be possible to withdraw them only with a consent of at least five members of the board of trustees. Small tour operators also can be a part of the ATAK. At the moment members of the ATAK are 66 travel agencies, from them 64 travel agencies, 2 tour operators – “ITTH” and “Meridian Travel & Tourism”. The ATAK will organize the tourist fair “Luxury Travel Fair 2015”, conducts courses of managers on tourism with cost worth 60000 tenge.

Thus, state regulation of tour operator activities in Kazakhstan was considered, activities of Department of

the industry of tourism at the Ministry for Investments and Development are studied, work of the Kazakhstan tourist association is considered, the relations of tourist associations in Kazakhstan are revealed.

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## TRENDS OF INTERNAL AUDIT IN THE REPUBLIC OF KAZAKHSTAN

Aigerim N. Lambekova, Dosymhan M. Akynov, Sayan S. Shakeyev

Academician E.A. Buketov Karaganda State University  
28, Universitetskaya st., Karaganda, Kazakhstan, 100028

*In the current market conditions with the active development of the regulatory framework of audit in accordance with the requirements and principles of international standards there is an objective need for the development of theoretical positions and practical aspects of the scientific organization of internal audit as a basis for on-farm audit system reform. Place and role of the internal audit system are clarified in the present study as well as its classification, which is given here and in this work is also proposed a sequence of on-farm audit in public institutions in the present study.*

Currently, the role of internal audit as an integral part of management has been increasing. Unfortunately, today, the internal audit is focused more on “postaudit” because it is held primarily for the purpose of identifying and addressing already committed breach of budget and other legislation of the Republic of Kazakhstan and internal regulatory documents of the organization.

In turn, the leading international experience indicates that the internal audit should be focused on “anticipation” of events and facts. Internal audit has to be all-seeing and all-embracing, spreading and penetrating the business processes of the organization both vertically and horizontally.

The internal audit activity can't allow any limitations and conflicts of interest that can lead to breaches of the internal audit principles, and also to the negative results of the audit. Internal Auditor to fully express its opinion only on the basis of strictly checked and tested documents, facts and events. Another key issue of the internal audit is the lack of theoretical and practical professional personnel training across whole system of internal audit, which is compounded by weak financial and resource provision of internal audit.

As a result, there are a lot of problems associated with the implementation of low-quality internal audit, which is carried out by low-skilled workers of internal audit. Implementation of effective and efficient internal audit is impossible without standardization of audit of business processes. What will the adoption of internal audit standards

of Kazakhstan give to internal auditors? Firstly, standards codify audit procedures, and secondly, they establish united standards for the implementation and execution of the audit requirements; thirdly, standards will define the criteria for assessing the quality of audit, order of auditors preparation and assess of their qualification [1].

At the same time the internal audit body should maintain its independence, authority and accountability directly to the first head of the organization. Internal audit is a part of the internal control of management system and it is created primarily to perform work on the determination that the other components of internal control operating properly.

Accordingly, the internal audit work is aimed at strengthening the system of internal control by executive staff. Internal audit must be independent, means free from conditions that could pose a threat to the internal audit's ability to perform their duties impartially and objectively [2].

Research problems of improving the internal audit of the scientific concept devoted to the works of foreign authors as well as some regulations in table 1.

A variety of the definitions due to the lack of a single regulatory document, regulating relations in the field of internal auditing as you can see, in some positions they have a substantial list, for example, about the independence of thought, voiced by internal audit, about what is it that is the internal audit - appraisal activity or department. Detailed analysis of each contradiction makes no sense,

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