



The Ministry of Finance of  
the Kyrgyz Republic



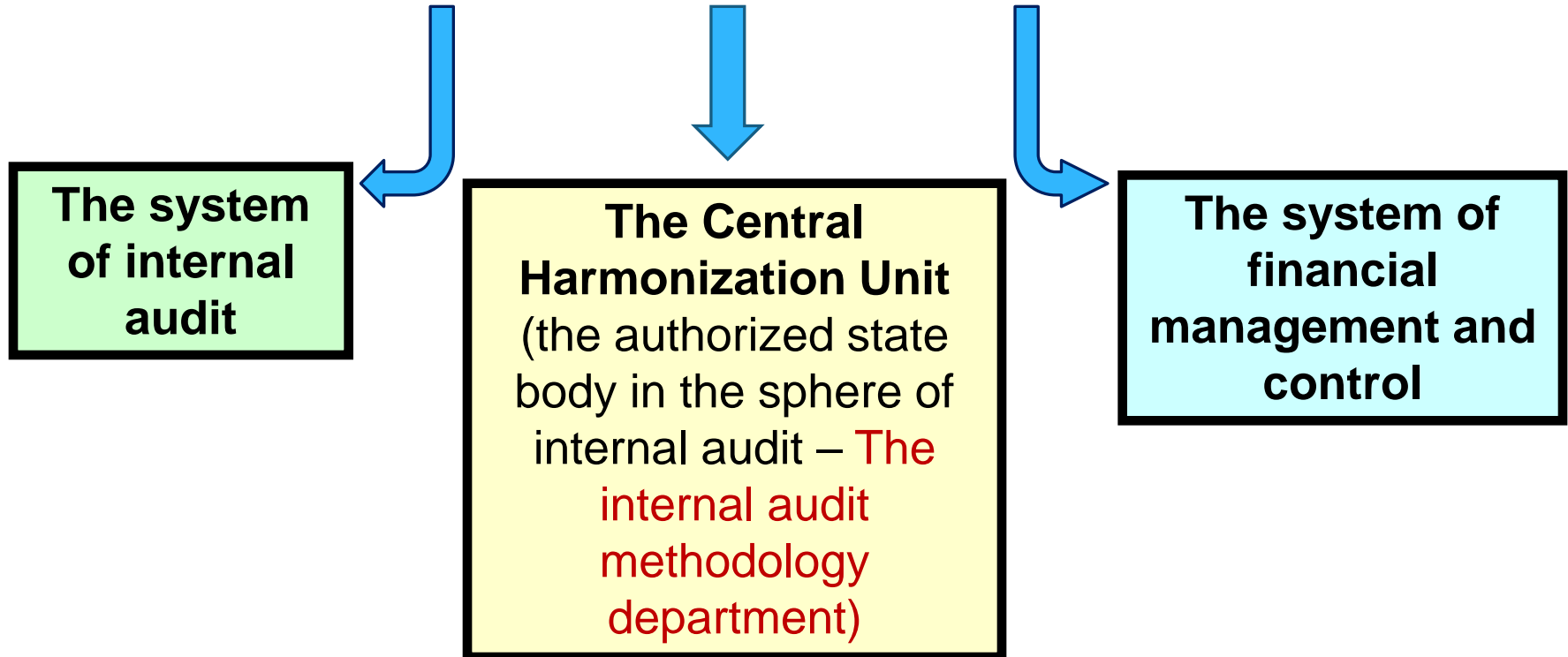
# The System of Financial Management and Control in the Kyrgyz Republic

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# The System of State Internal Financial Control in the Kyrgyz Republic



# The system of financial management and control in the Kyrgyz Republic

## Regulatory -legal and methodological framework of financial management and control:

- **Regulation on financial management and control in budgetary institutions**, approved by Decree of the Government of the Kyrgyz Republic, of December 31, 2013, No. 722;
- **The Guidelines for preparation of an annual report on the state of financial management and control in budgetary institutions and the Questionnaire on preparation of an annual report**, approved by Order of the Ministry of Finance of the Kyrgyz Republic, of March 27, 2014, No. 44-П.

# Regulation on financial management and control in budgetary institutions

**According to the Regulation,** heads of budgetary institutions perform financial management and exercise control through the following interrelated components:

- Control environment;
- Risk management;
- Control measures;
- Information and communications;
- monitoring.

# Regulation on financial management and control in budgetary institutions

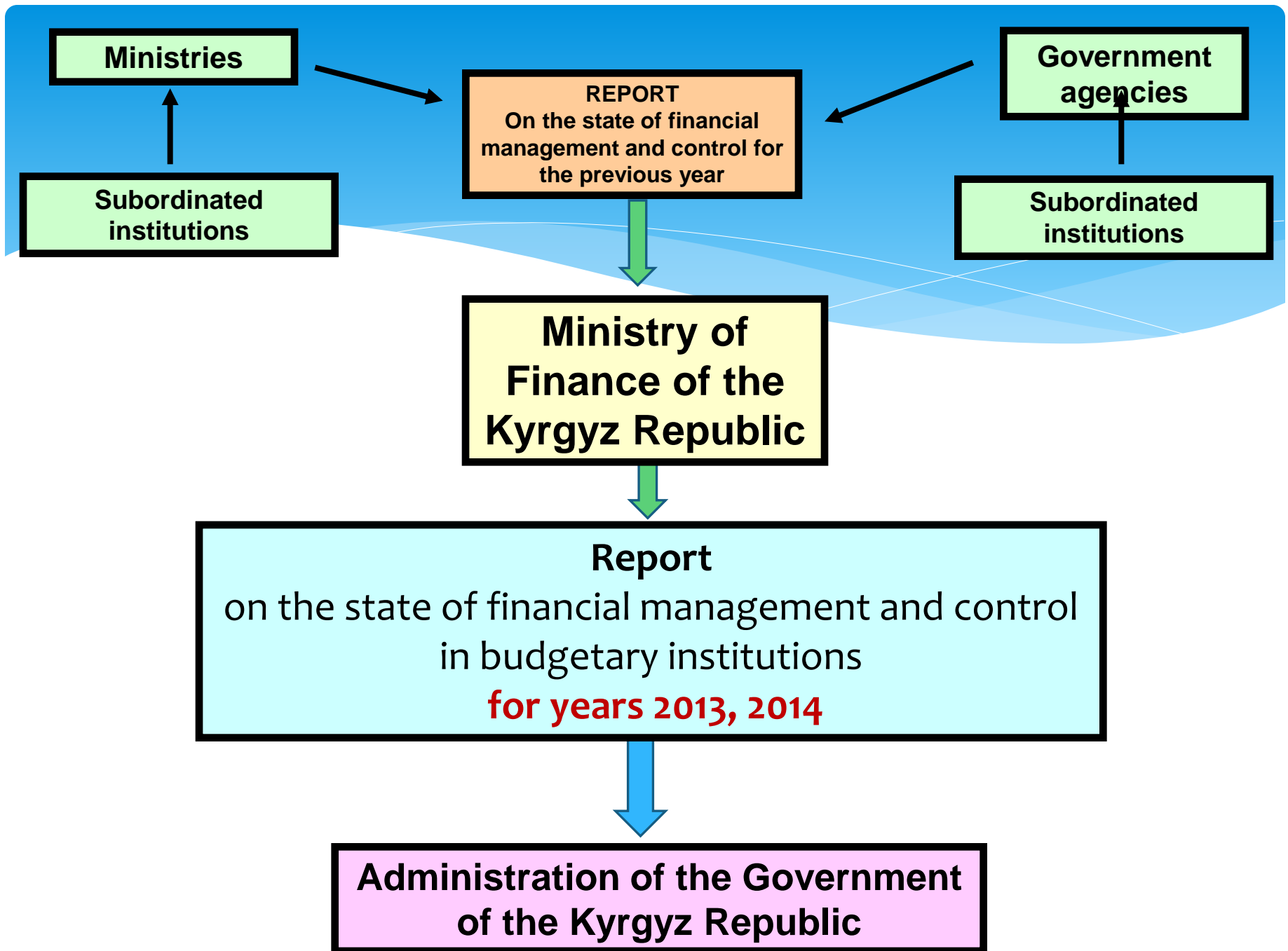
In accordance with the Regulation, the Ministry of Finance performs the following:

- Development and implementation of standards and methodological documents related to financial management and control in accordance with the international standards on internal control;
- Coordination and organization of retraining of specialists from budgetary institutions in the sphere of financial management and control;
- Monitoring of financial management and control in budgetary institutions on the basis of information received from budgetary institutions and from internal audit reports;
- Presentation to the Government of the Kyrgyz Republic of the annual report on the state of financial management and control in budgetary institutions **not later than May 1 of the year following the reporting year.**

# **The Guidelines for preparation of an annual report on the state of financial management and control in budgetary institutions**

**According to the Guidelines for preparation of an annual report on the state of financial management and control:**

- Budgetary institutions prepare the annual report on the state of financial management and control for the previous year and submit it to the Ministry of Finance of the Kyrgyz Republic according to the schedule approved by the authorized body.



# **Program of development of financial management and control, internal audit systems in the Kyrgyz Republic for 2015 - 2020**

**The main goal of the Program** is implementation of the financial management and control system and development of the internal audit system.

**Objectives of the Program** are as follows:

- Development and improvement of regulatory, legal and methodological documents on financial management and control, on internal audit;
- Implementation of the financial management and control system in public bodies and institutions;
- Advanced training of specialists in the sphere of internal audit, financial management and control, implementation of the program of continuous professional development for internal auditors;



# **Program of development of financial management and control, internal audit systems in the Kyrgyz Republic for 2015 - 2020**

## **Objectives of the Program are as follows:**

- Implementation of the program of guarantees and improvement of quality of internal audit and of the system of training and certification for internal auditors;
- Raising awareness of heads of public bodies and institutions in the field of financial management and control, internal audit;
- Development of the information and substantial web portal and software for carrying out internal audit and monitoring of the financial management and control system;
- Establishment of a structural subdivision for financial management and control methodology in the Ministry of Finance of the Kyrgyz Republic.

# Problems of the financial management and control system as of today :

- Lack of necessary methodological and regulatory-legal base in the field of financial management and control;
- Lack of programs for continuous training for efficient and effective execution of tasks by managers and staff members of entities;
- Lack of evaluation of the degree of probability of risks associated with set tasks of ministries and agencies;
- Lack of control measures at most ministries and agencies;
- Lack of understanding of the financial management and control system as a whole, from the side of managers of entities;
- Imperfection of the system of monitoring of financial management and control for the purpose of evaluation of adequacy of its functioning and ensuring timely update of the control system in case conditions change.



**Thank you for attention!**