

## **ВЫСТУПЛЕНИЯ**

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### **THE BELARUS FINANCIAL REPORTING SYSTEM AND THE NEED FOR INTERNATIONALLY ACCEPTED ACCOUNTING STANDARDS**

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**Keywords:** Belarus General Accepted Accounting Principles, international financial reporting standards.

*The article presents findings of the study conducted in Belarus. As early as 2008, some Belarus companies started to prepare consolidated financial reports in accordance with International Accounting Standards. The main objectives of this article are to draw lessons learned from the experience of Belarus in implementing IFRS and to discuss the findings with a view to facilitating sharing of experience among countries that are either implementing IFRS or that intend to do so in the coming years.*

The Belarus General Accepted Accounting Principles (Belarus GAAP) are principle based accounting standards. They consist of Law "On accounting and reporting" (which is underlying the principles of accounting since 1994; revised 2013) and accounting regulations of Ministry of finance. Each accounting system needs to define its objectives and to develop accounting standards accordingly. The contents of Law "On accounting and reporting" (is based on the IFRS framework ideas, nevertheless it is rather abstract. So the law is setting objectives of Belarus accounting system needs.

The Law "On accounting and reporting" lack detailed descriptions for specific accounting issues. Every accounting system needs to develop accounting standards. Therefore, accounting regulations of Ministry of finance (named as accounting regulations and standards) are basic part of the accounting system.

Financial statements according to Belarus GAAP are not only prepared to provide information for investors. They are the first source of information for government about the safety of Government property (About 80% of property in Belarus is governmental) a tax repayments. The government and nongovernment property protection is the predominant objective in Belarus. The Belarus GAAP focus on property protection, because government is mainly interested in the safety of property in the company to strengthen the fight against corruption and tax evasion, and strengthen the capacity to repay tax debt when due. And please do not forget about the tax component of Belarus accounting. The accounting in Belarus is a tax oriented accounting, because the payment of taxes is a top priority for businesses in accordance with Tax code.

The function of accounting to determine distributable profits is the minor.

The Belarus GAAP comprises of numerous principles which together form a prudent accounting system.

An important feature of this accounting system is the distortion of realization principle. The realization principle ensures that only realized gains are recognized as profits; the distortion of realization principle does not require accounting for unrealized gains and losses as realized in all cases. This is primarily due to the fiscal interests of the state. For instance, gains and losses from exchange rate differences always considered realized in the Belarus accounting. Moreover, they affect the amount of profit from operating activities and net income in income statement. And in addition they are subject to income tax.

In addition, the creation of various provisions (including provisions for doubtful debts) is optional and voluntary. The tests for the impairment of property and valuation of the property at fair value are also not mandatory.

Belarus government had and has till present time an increased demand for money (capital). But financial statements prepared according to Belarus GAAP were not accepted by foreign creditors. The first problem of acceptance arose mainly due to the fact that Belarus GAAP was not known outside of Belarus at all. Other reasons drove Belarus government to prepare financial reporting in IFRS format were to improve some governmental companies' image and Belarus presentation to investors as whole. It became obvious how much the international accounting systems differed from Belarus GAAP when financial state-

ments were prepared in accordance with national GAAP and the figures were compared with those prepared under IFRS.

It were revealed substantial discrepancies in the given information and specific accounting positions.

There are the following features of Belarus GAAP in comparison with IFRS and US GAAP:

- Too tax-oriented and thus too much emphasis on the prudence principle;
- Tax accounting affects profit accounting and distorts the objectives of the commercial income statement and financial position statement;
- Distortion of results of operations (I mean some provisions for certain expenses permitted, including reserve for repairs etcetera).

Belarus opened up its accounting system to internationally accepted accounting standards in 1992. Since 1992 several resolutions were adopted by the Council of Ministers of the Republic of Belarus: of 30.03.1992 No. 174 " *On the transition of the Republic of Belarus on internationally accepted accounting and statistics system* ", of 27.08.1992 No. 523 " *On the Republican program of transition of the Republic of Belarus accounting and statistics on internationally accepted system* ", of 09.06.1992 No. 347 " *About the organization of accounting in the national economy of the Republic of Belarus on the basis of principles of international practice.* " The latter resolution stated that the accounting and financial reporting in Belarus based on internationally accepted accounting standards starting from January 1, 1993. However, these programs have not been implemented. As a consequence, in 1998 it was adopted by the Council of Ministers a resolution of 04.05.1998 No. 694 « *On the State program of transition to international accounting standards in the Republic of Belarus* ". The program is determined to bring the national accounting system in line with international financial reporting standards (IFRS) as the main goal of the Belarus accounting system reforming. The result of implementation of the program was to be the transition of organizations and individual entrepreneurs to IFRS on January 1, 2008. However, and this program has not been implemented. Therefore, the Law " *On Accounting and Reporting* " (revised 2013) has been narrowed range of businesses, which are required to apply IFRS. According to Article 17 of the Law so called socially important organizations and banks are required to prepare the annual consolidated financial statements in accordance with IFRS for 2016 and subsequent years. Public companies with subsidiaries, as well as banks and non-bank financial institutions, insurance companies are regarded as socially important o IFRS are only required for a small number of about 50 companies. Compare to the larger number of roughly 500 000 organizations and individual entrepreneurs, most of which prepare first of all tax reporting, and only small amount of them prepare both separate (consolidated) financial and tax statements. So, Belarus GAAP will be the predominant regulations at present and in the nearest future. Due to the number of functions a separate financial accounting with its separate financial statements has to fulfill (revenue recognition and profit distribution, serving as a base for tax accounting) IFRS are not applicable for these financial and tax statements at the moment.

The explicit objective of the legislator is to further develop Belarus GAAP towards an information oriented accounting system, harmonizing the requirements in accordance with IFRS. Besides, most companies do not yet see the benefits of converging Belarus GAAP to IFRS, because IFRS is perceived as a voluminous and much more complex set of accounting standards. Usually permit to attract foreign investments gives the government or the President of Belarus. So there are no major concerns – both for corporations and small and medium-sized enterprises (SMEs) – as to the applicability of these standards, which are intended to serve the purposes of capital market investors.

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## РЕИНЖИНИРИНГ БИЗНЕС-ПРОЦЕССОВ ПРИ ПОСТАНОВКЕ КОНТРОЛЛИНГА В ОРГАНИЗАЦИИ

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**Ключевые слова:** реинжиниринг, контроллинг, бизнес-процессы.

*Статья посвящена обоснованию необходимости и особенностям проведения реинжиниринга бизнес-процессов в организации в ходе постановки функции контроллинга.*

Ведение бизнеса в современных условиях требует серьезного переосмысления процессов, происходящих в организации, с точки зрения рыночных перспектив и создания потребительской полезности. Глобализация информационного пространства ужесточает условия хозяйствования и выдвигает новые требования к руководителям при работе с информацией и принятии решений в режиме on-line.

Чтобы добиться успеха и признания на рынке, необходимо внедрять в практику наиболее прогрессивные методы управления. К числу таких новаций относится прежде всего внедрение контроллинга, который выступает как система обеспечения выживаемости компании, в краткосрочном плане нацеленная на оптимизацию прибыли, в долгосрочном – на поддержание гармоничных отношений с внешней средой. Глубокое изучение и внедрение контроллинга сегодня необходимо, поскольку он позволяет использовать самые современные методы менеджмента намного раньше конкурентов, способствуя внедрению инноваций.

На предприятиях легкой промышленности Республики Беларусь также предпринимаются усилия по созданию подразделений контроллинга и внедрению этой концепции в процесс управления. Теоретики и практики управления сходятся во мнениях, что современному бизнесу для достижения успеха не обойтись без внедрения системы контроллинга или отдельных его элементов, интегрированных в систему управления организации.

В ходе внедрения системы контроллинга на предприятии нередко возникает необходимость произвести частичную реорганизацию его структуры и технологий ведения бизнеса. Обычно в действующей организационной структуре управления обнаруживается большое количество мест возникновения необоснованных дополнительных затрат, а также противоречий в распределении полномочий, устранение которых позволило бы уменьшить производственные и логистические издержки и существенно сократить время исполнения различных этапов основных бизнес-процессов. В этом случае речь идет о реинжиниринге.

Реинжиниринг — это фундаментальное переосмысление и радикальное перепроектирование деловых процессов для достижения резких, скачкообразных улучшений главных показателей деятельности компании, таких, как стоимость, качество, сервис и темпы [2].

Основопологающей целью реинжиниринга бизнес-процессов является гибкое и оперативное приспособление к ожидаемым изменениям запросов потребителей: соответствующее изменение стратегии, технологии, организации производства и управления на основе эффективной компьютеризации.

В организациях легкой промышленности в Беларуси назрела необходимость переосмысления способов ведения бизнеса и перехода на новый уровень эффективности использования ресурсов за счет внедрения управленческих и маркетинговых инноваций.

С точки зрения инноваций реинжиниринг представляет собой инновационный процесс, целью которого является существенное улучшение основных показателей эффективности хозяйственной деятельности организации путем перепроектирования. Реинжиниринг предполагает внедрение ин-