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METHODOLOGICAL ASPECTS OF ORGANIZATION OF ACCOUNTING IN THE STATE SECTOR OF THE REPUBLIC OF KAZAKHSTAN: ON CASH BASIS AND ACCRUAL BASIS METHOD OF ACCOUNTING

Abstract. The article is devoted to methodical aspects of recognition and accounting of incomes and expenditures of state institutions in the conditions of reforming the accounting system in the public sector of the Republic of Kazakhstan. The article presents the results of the conducted study on the transition from the cash method to the accrual method in accordance with international standards of financial reporting of the public sector. In the course of the research, methods of critical analysis and comparison of the methodological foundations of historically developed accounting practices and a new evolving accounting system were used.

Keywords: public sector, accounting, cash method, accrual method, international public sector financial reporting standards (IPSAS).

As part of the transition program on reforming the accounting system in public institutions to the accrual basis method, there were identified tasks for the formation and implementation of new accounting rules and other regulatory legal acts on the organization of accounting and the formation of financial statements in accordance with a new methodological basis.

The traditional methodological basis of accounting in public institutions on a cash basis allowed to fulfill the primary tasks of providing accounting information on the implementation of financing plans and control over the targeted use of budget resources.

In the article "Transition to Accrual Accounting. Technical notes and manuals", prepared by employees of Fiscal Affairs Department IMF Abdul Khan and Stephen Mayes stressed the importance of switching to the accrual basis: "At the macrofiscal level, the importance of accrual accounting for macroeconomic policy arises from the fact that it measures assets and liabilities that are relevant to the overall stance of fiscal policy and fiscal sustainability, but which are not measured by cash accounting. An accrual accounting framework is essential to systematically determine the full costs of a government's activities. Full cost information (including noncash costs such as depreciation, and accrued civil service pensions) is essential for assessing the efficiency of government services and thus is a key element of any public sector performance management framework".

In the conditions of accounting organization in public institutions which act in accordance with a cash basis method the classification by the source of financing was adopted as a methodological foundation for the record expenditures.

This methodological approach allowed to realize accounting and operational control of the targeted use of allocated budget funds, so far as the accounting records for each type of expenditure corresponded directly with the appropriate accounts of allocated funding.

For the accounting of budget financing processes by public institutions, the following accounts of the "Financing" section were set aside: expenditure financing of the public institution and other activities from the budget; financing of capital investments from the budget; financing from other budgets; transfers