



The South East Compact for Reform, Investment, Integrity and Growth Under the EU Stability Pact - Working Table II



**2<sup>nd</sup> Working Group Meeting of the**  
**THE SOUTH EASTERN EUROPEAN**  
**PARTNERSHIP ON ACCOUNTANCY DEVELOPMENT**

**on**  
**“Professional Education, Training and Certification Programmes**  
**for Accountants and Auditors in South Eastern Europe”**

**- Draft -**  
***Background Paper***  
***on Professional Education, Training and Certification Programmes***  
***for Accountants and Auditors in Bulgaria***

**Prepared by the Institute of Certified Public Accountants in Bulgaria**

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## **I. ACQUISITION OF LEGAL CAPABILITY FOR “A CERTIFIED PUBLIC ACCOUNTANT” IN THE REPUBLIC OF BULGARIA**

The basic requirements for professional qualification for allowing the candidates for certified public accountants to enter exams in order to acquire legal capability in our country have been regulated by the Accountancy Law enacted on 01/04/1991. So far, no separate law concerning the certified public accountants has been issued in the Republic of Bulgaria, the legal basis for the creation and development of the auditing profession is granted by chapter VIII “Certified Public Accountants” in the above mentioned law. Chapter VIII of the Accountancy Law regulates the following issues:

- the persons who can qualify as certified public accountants
- the requirements for registration of the specialized auditing enterprises
- the enterprises that are subject to compulsory auditing inspection and certification of their annual financial statements
- regulations for the establishment of the Institute of Certified Public Accountants in Bulgaria and its managing and controlling bodies
- the restrictions on practicing the profession in cases when the independence of the auditor’s opinion may be violated or when there is a conflict of interests
- the requirements concerning the technical attesting of the certification by the personal signature and the seal of the certified public accountant

The Accountancy Law imposes the requirements for Bulgarian citizenship, higher education and professional experience so that a person can acquire a diploma for certified public accountant.

Legal capability for foreign citizens under the Bulgarian legislation is recognized after a successful taking of the exams required by our legislation for the certified public accountants.

Chapter VIII of the Accountancy Law does not specify explicitly the concrete requirements for the professional qualification or the connection between the kind of the higher education acquired by the candidate and the requirements for the kind of his/her experience. These requirements are regulated in the “Ordinance for Applying Chapter VIII “Certified Public Accountants” of the Accountancy Law”. This ordinance is an enacting clause issued within Decree N 131/1998 of the Council of Ministers of the Republic of Bulgaria.

The ordinance allows entry to the exam for acquisition of the legal capability for “certified public accountants” to persons with diplomas for higher education acknowledged in the country. There are no restrictions for the kind of the higher education obtained; i.e. it may be economic, technical, humanitarian, etc.

It is required for the candidates to have minimum the following professional experience:

- seven years as an accountant, a methodologist in accountancy or a lecturer in accountancy and control in universities or in secondary trade or finance and business schools;
- ten-year experience if the person has been a financial or tax inspector in the State Financial Control or in the Tax Administration;
- but if the candidate has a Bachelor’s Degree in Accountancy five-year experience is sufficient and if the candidate has a Master’s Degree in Accountancy the required experience is four years.

From 01/01/2001 it will be compulsory for all the candidates from the above mentioned categories to have spent at least two years working as an assistant-auditor in an auditing enterprise as part of their professional experience. The requirements for professional experience should be met by May 31 of the year in which the candidate has the intention and submits his/her documents to the Institute of Certified Public Accountants for admittance to the exams for acquiring legal capability because the first exam session is held in June.

Under the legislation in force in the Republic of Bulgaria the following four exams should be passed successfully so that the candidate can acquire the legal capability for a “certified public accountant”:

- a written examination in accountancy - the candidate should solve a task with a different number of practical cases and situations, each correctly solved case, depending on its complexity, brings a definite number of points. It is required that the candidate should achieve at least 80% of the maximum possible points in order to pass the exam successfully. Usually, from 15% to 20% of the candidates who take the written exam annually succeed to pass it successfully.
- an oral examination in accountancy - it is taken only by the candidates who have passed the written examination successfully. For the last few years the duration of the exam has been not less than 30 minutes and not more than 45 minutes per candidate. The exam is held in front of an examination commission of three certified public accountants with proven professionalism and pedagogic experience. All examination commissions for all the exams are assigned by an order issued by the Chairman of the Institute of Certified Public Accountants. The oral examination is taken on the International Accountancy Standards (IAS) and on the national accountancy legislation, but the tendency is the exam to be held mainly on IAS subjects. Usually, from 40% to 50% of the candidates who take the oral examination pass it successfully.
- an oral examination in auditing control and tax legislation - it covers the subjects of the international auditing standards, the national auditing standards, auditing procedures and the basic tax laws: corporate tax, physical persons income tax and the regulations concerning the value added tax.
- an oral examination in the Bulgarian commercial legislation - it is taken before the commission of examiners habilitated in law. The exam covers the Commercial Act with its three parts/merchants and trade companies, transactions and insolvency/, Liabilities and Contracts Law, the banking, insurance, social insurance and legal orders concerning the foreign investments in the country. The examination subjects also include the tax procedure code and all the other specialized laws in connection to the business activity of the different merchants.

The examinations in accountancy take place in June, the examinations in auditing control and tax legislation - in September and those in commercial legislation - in October every year. Each successfully passed exam is valid for the following three consecutive sessions, i.e. the candidate is not deprived of the validity of successfully passed exam and can pass all the exams minimum within a year or, maximum, within four years. After having passed the exams successfully, the certified public accountant acquires a diploma for legal capability and is listed in the register of the certified public accountants, which is kept by the Institute of Certified Public Accountants in Bulgaria. The Institute annually publishes the full register of the certified public accountants and the specialized auditing enterprises in the State Gazette not later than 31 March.

The existing system for the preparation of the candidates for certified public accountants in Bulgaria needs some radical changes. Actually, there is no system for preparation, what is mainly relied on is the self-

preparation of the candidates themselves. The Institute of Certified Public Accountants (ICPA) organizes one-week seminars on the subjects of all the exams with the purpose of helping the process of self-preparation of the candidates. The generally accepted opinion is that this is not enough. That is why we are in the process of developing of a new system for preparation and organization of the exams for certified public accountant candidates. The Managing Board of the ICPA approved an intention project for the development of such a system at one of its regular meetings. The three directions for the improvement of the existing system are the following:

- the preparation of the candidates
- the selection for admittance to the exam
- the testing and assessment of the candidates' knowledge

In order to improve the preparation of the candidates, it has been found expedient to establish a permanent training center. The training will be organized in two academic terms in compliance with the regulations concerning the extra-mural education and will include the disciplines as follows:

- IAS and the European Community Directives in the accountancy field;
- NAS and the national accountancy legislation;
- Auditing control;
- Tax legislation;
- Commercial legislation.

The training in each of the disciplines will end with taking a test. Every trainee who has passed his/her training course successfully will be issued a respective certificate.

The admittance to the exams will take place according to the existing procedure as described above, those of the candidates who have not completed the program of the training center will have to take a preliminary test covering the whole material necessary for the admittance to the legal capability exams. Candidates who do not have higher education with either a Bachelor's Degree in Accountancy or a Master's Degree in Accountancy will have to take a preliminary exam before enrolling in the training center of the Institute of Certified Public Accountants.

The Managing Board of the Institute finds it appropriate to raise the criterion for the successful pass of the written exam by requiring the candidates to have at least 85% of the maximum possible points.

The funding of the training center can be based mainly on the tuition fee.

Every year, after successfully passed all the exams for achieving the legal capability for certified public accountants, around 50 people acquire a diploma. It can be stated that the existing licensing system in Bulgaria is based on the principle of strict requirements for the professional qualification and theoretical knowledge of the outflow of certified public accountants. In this way the purpose is this profession to strengthen its position as the top level of accountancy and tax consultancy. Of course, even the most precise system is not error-proof, but it can be stated that the gaps in the professional training of the people who acquire a diploma for a certified public accountant are rather accidental exceptions. From the very beginning the system for licensing experts imposed the rigid requirement for the high level of professionalism and knowledge in the fields of accountancy, auditing control and commercial legislation as a prerequisite for obtaining the legal capability as a "certified public accountant". But it should be mentioned that the next stage, after the acquisition of the diploma, is of great importance as well, i.e. the permanent maintenance of the high level of professional qualification of the certified public accountants who have already acquired their diplomas.

## **II. PROFESSIONAL EDUCATION IN ACCOUNTANCY IN THE REPUBLIC OF BULGARIA**

The professional education in accountancy in the Republic of Bulgaria is realized at two levels:

- there is a great number of specialized state and private trade colleges throughout the country which train and prepare future junior staff of secondary education for the accountancy departments of the enterprises
- education for acquiring a diploma of higher education in accountancy with its three degrees: a specialist in accountancy, a bachelor in accountancy and a master in accountancy, realized mainly in the Economic Universities in the cities of Sofia, Varna and Svishtov and their subsidiaries. These universities have the respective departments in accountancy and control, which exercise the methodological control of the education.

There is an “Accountancy and Control” specialty in the university education in the Republic of Bulgaria. The degrees of education are in accordance with the standards for obtaining higher education in the countries with well-established market economy. The students who have graduated with a bachelor’s degree have studied more than ten academic disciplines in accountancy, control and financial-accounting analysis. The International Accountancy Standards are studied as a separate academic discipline.

The higher education in the “Accountancy and Control” specialty is obtained after the defense of a diploma thesis.

The university education is well arranged in terms of the preparation of future personnel in the accountancy sphere.

## **III. PROFESSIONAL PRACTICAL TRAINING**

We consider practical training as an approach to acquiring practical habits and skills for applying the requirements of the accountancy legislation. This kind of training is not organized. It can be carried out in two directions: individually on the part of each specialist and by organizing post-graduation studies with the duration of 18 months. The latter is organized by special institutes for post-graduation education founded mainly at the universities. Besides that, some firms hold although periodically seminars for training in definite topics or problems with different duration. These seminars treat various problems such as tax theory and practice issues, social and health insurance, etc.

Our country is planning changes in the accountancy legislation and one of the new stipulations will concern the professional practical training of accountants and mainly of those who, by law, have the function of preparing the annual financial statements. We highly appreciate the university professional education, but, nevertheless, believe that there is much more that should be done with respect to the professional practical training.

INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS IN BULGARIA

## **Conspectus of subjects of accountancy**

### **THEME No 1**

Framework for the preparation and presentation of financial statements- introduction, purpose of the financial statements, frameworks, qualitative characteristics of the financial statements, the elements of the financial statements, recognition of the elements of the financial statements, assessment (measurement) of the elements of the financial statements, concepts of capital and its maintenance. Interpretations of the International Accounting Standards- SIC 6.

General Provisions of the National Accounting Standards.

### **THEME No 2**

IAS 1- Presentation of Financial Statements- purpose and elements of the financial statements, responsibilities for the financial statements, structure and content of the financial statements, notes. Interpretations of the International Accounting Standards- SIC 8.

The Fourth Directive of The European Community- general provisions, general provisions for the Balance Sheet and Profit and Loss Account, Balance Sheet's structure, Profit and Loss Account's structure, methods of assessment, content of the notes, content of the management's report, publicity.

NAS 1- Presentation of Financial Statements.

### **THEME No 3**

IAS 2- Inventories- scope and definitions, assessment (measurement) of the inventories, formulas for cost allocation, net realizable value, recognition as an expense, disclosure. Interpretations of the International Accounting Standards- SIC 1.

NAS 2- Accounting for the main operating expenses and expenses for delivery.

### **THEME No 4**

IAS 4- Depreciation Accounting- scope and definitions, depreciation, disclosure.

IAS 16- Property, Plant and Equipment- scope and definitions, recognition, initial measurement, subsequent expenditure, measurement subsequent to initial recognition, recoverability of the carrying amount- impairment losses, retirement and disposal, disclosure. Interpretations of the International Accounting Standards- SIC 14.

NAS 4- Accounting for long- term tangible assets.

### **THEME No 5**

IAS 7- Cash Flows Statements- scope and definitions, benefits of cash flow information, presentation of cash flow statement, reporting the cash flow from the main operating activities, reporting the cash flow from investment and financial activities, reporting cash flow on a net base, foreign exchange cash flow, extraordinary items, interests and dividends, income taxes, investments in subsidiaries and associates and joint ventures, acquisition and disposal of subsidiaries and other business entities, non- cash transactions, components of cash available and cash equivalents, disclosure.

NAS 7- Reporting the Cash Flows.

**THEME No 6**

IAS 8- Net Profit or Loss for the Period, Fundamental Errors and Changes in Accounting Policies- scope and definitions, net profit or loss for the period, fundamental errors, changes in accounting policies, appendices.

NAS 8- Presenting of Profits or Losses from the Enterprise's Activity, Errors in Preparation of Financial Statements and Changes in Accounting Policy.

**THEME No 7**

IAS 10- Contingency and Events Occurring After the Balance Sheet Date- scope and definitions, contingencies, events after the Balance Sheet date, disclosure.

IAS 14- Segment Reporting- scope and definitions, identifying reportable segments, segment accounting policy, disclosure, appendices.

IAS 10- Events after the Balance Sheet Date.

**THEME No 8**

IAS 11- Construction Contracts- scope and definitions, combining and segmenting construction contracts, contract revenue, contract expenses, recognition of contract revenue and contract expenses, changes in estimates, disclosure, appendix.

NAS 11- Reporting of Construction Contracts.

NAS 6- Reporting of Environmental Costs.

**THEME No 9**

IAS 12- Income Taxes- scope and definitions, recognition of current tax assets and liabilities, recognition of deferred tax assets and liabilities, recognition of current and deferred tax, presentation of tax assets and tax liabilities and tax expenses, disclosure, appendices.

NAS 12- Reporting of Taxes on Profit.

**THEME No 10**

IAS 15- Information Reflecting the Effects of Changing Prices- scope and explanation, responding to changing prices, disclosure.

IAS 29- Financial Reporting in Hyperinflationary Economies- scope, restatement of the financial statements, prepared on the base of historical cost or current cost, end of financial statements preparation in hyperinflationary economies.

NAS 29- Annual Financial Statements in hyperinflationary conditions.

**THEME No 11**

IAS 17- Leases- scope and definitions, classification of lease contracts, lease in the lessees' financial statements, lease in the lessors' financial statements, sale and leaseback transactions, appendix. Interpretations of the International Accounting Standards- SIC 15.

NAS 17- Reporting the Lease Contracts.

NAS 13- Indices for Financial and Accounting Analysis of the Enterprise.

#### **THEME No 12**

IAS 18- Revenue- scope and definitions, measurement of revenue, identification of the transaction, sale of goods, rendering services, interests, royalties and dividends, disclosure, appendix.

NAS 18- Recognition of revenue.

IAS 20- Accounting for Government Grants and Disclosure of Government Assistance- scope and definitions, government grants (related to assets and to income and repayment of government grants), government assistance, disclosure, transitional provision. Interpretations of the International Accounting Standards- SIC 10.

NAS 20- Accounting for State Grants and disclosure of State Assistance.

#### **THEME No 13**

NAS 19- Employee Benefits- scope and definitions, short- term employee benefits, recognition and measurement of post- employment benefits in defined contribution programs, recognition and measurement of post- employment benefits in defined benefit programs, other long- term benefits of employees, termination benefits, equity compensation benefits, disclosure, transitional provisions, appendices.

NAS 19- Staff Benefits.

#### **THEME No 14**

IAS 21- The Effects of Changes in Foreign Exchange Rates- scope and definitions, foreign currency transactions, financial statements of foreign operations, all changes in foreign exchange rates, disclosure. Interpretations of the International Accounting Standards- SIC 7 and SIC 11.

NAS 21- Accounting for the Influence of Changes in Foreign Exchange Rates.

IAS 23- Borrowing Costs- scope and definitions, borrowing costs- benchmark treatment, borrowing costs- allowed alternative treatment, disclosures. Interpretations of the International Accounting Standards- SIC 2.

#### **THEME No15**

IAS 22- Business Combinations (in effect since 1 July 1999)- scope and definitions, nature of a business combination, acquisition, uniting of interests, income taxes in business combinations, disclosure, transitional provisions (restatement of the goodwill or negative goodwill).

NAS 22- Reporting for Business Combinations.

#### **THEME No16**

IAS 25- Accounting for investments- scope and definitions, classification of investments, cost of investments, carrying amount of investments, changes in the carrying amount of the investments, disposal of investments, transfers of investments, switches of investments in a investments portfolio, reporting for incomes, specialized investment enterprises, taxes, disclosure.

NAS 25- Accounting for investments.

NAS 16- Presentation of the financial statements of state- budget enterprises.

## **THEME No17**

IAS 26- Accounting and reporting by Retirement Benefit Plans- scope and definitions, defined contributions plans, defined benefit plans, valuation of the assets of the plan, disclosure.

NAS 26- Presentation of the financial statements of retirement benefit enterprise and of the voluntary retirement fund.

IAS 24- Related Party Disclosures- scope and definitions, the related party issue, disclosure.

NAS 24- Disclosure of the Related Parties and the transactions between them.

## **THEME No 18**

IAS 27- Consolidated Financial Statements and Accounting for the Investments in Subsidiaries- scope and definitions, presentation of consolidated financial statements, scope of consolidated financial statements, consolidation procedures, accounting for the investments in subsidiary in the parent's separate financial statements, disclosure. Interpretations of the International Accounting Standards- SIC 12.

The Seventh Directive of the European Community- conditions for preparation of consolidated financial statements, method of preparation of consolidated financial statements, consolidate management's report, control on consolidated financial statements, publicity of consolidated financial statements, temporary and transitional provisions.

NAS 27- Consolidated Financial Statements.

## **THEME No 19**

IAS 28- Accounting for investments in Associates- scope and definitions, consolidated financial statements, separate financial statements of the investor, application of equity method, impairment losses, disclosure. Interpretations of the International Accounting Standards- SIC 3.

The European Community Directive for coordination of laws, enacting clauses and administrative provisions concerning the enterprises of joint investments in transferable securities.

NAS 15- Presentation of the financial statements of investment companies.

## **THEME No 20**

IAS 30- Disclosures in the Financial Statements of Banks and Similar Financial Institutions- scope, background, accounting policy, income statement, Balance Sheet, contingencies and commitments, maturities of assets and liabilities, concentration of assets, liabilities and off balance sheet items, losses on loans and advances, general banking risk, assets pledged as security, trust activities, related party transactions.

NAS 30- Presentation of Banks Financial Statements. Large and internal credits, capital adequateness, provisions, liquidity- Ordinances № 7, 8, 9, 11, issued by The Bulgarian National Bank.

## **THEME No 21**

IAS 31- Financial Reporting of Interests in Joint Ventures- scope and definitions, jointly controlled operations, jointly controlled assets, jointly controlled entities, transactions between the venturer and the

joint venture, reporting interests in joint ventures in the financial statements of an investor, managers of joint ventures, disclosure. Interpretations of the International Accounting Standards- SIC 13.

NAS 28- Reporting Jointly Controlled Enterprise.

**THEME No 22**

IAS 32- Financial Instruments: Disclosure and Presentation- scope and definitions, presentation, disclosure, appendix. Interpretations of the International Accounting Standards- SIC 5 and SIC 16.

IAS 39- Financial Instruments: Recognition and Measurement- scope and definitions, recognition (initial recognition, trade date vs. settlement date, derecognition), measurement (initial and subsequent, considerations regarding fair value measurement), gains and losses on financial remeasurement to fair value, impairment and uncollectability of financial assets, hedge, disclosure.

NAS 32- Financial Instruments.

**THEME No 23**

IAS 33- Earnings per share- scope and definitions, basic earnings per share, diluted earnings per share, restatement, presentation, disclosure.

NAS 33- Earnings per share.

NAS 23- Accounting for Liquidation and Insolvency.

**THEME No 24**

IAS 34- Interim Financial Reporting- scope and definitions, content of an interim financial report, disclosure in annual financial statements, recognition and measurement, restatement of previously reported interim periods, appendices.

NAS 34- Interim Financial Statements.

NAS 14- Presentation of Financial Statements of Insurance Companies.

**THEME No 25**

IAS 35- Discontinuing Operations- scope and definitions, recognition and measurement, presentation and disclosure, appendices.

NAS 35- Discontinuing Operations.

NAS 31- Presentation of Financial Statements of Juridical Persons, Which Are Non- Profitable Organizations.

**THEME No 26**

IAS 36- Impairment of Assets- scope and definitions, identifying an asset that may be impaired, measurement of recoverable amount, recognition and measurement of an impairment loss, reversal of an impairment loss, disclosure, appendices.

**THEME No 27**

IAS 37- Provisions, contingent liabilities and contingent assets- scope and definitions, recognition, measurement, reimbursements , changes in provisions, use of provisions, application of the recognition and measurement rules, disclosure, appendices.

NAS 3- Accounting for Provisions, Expenses Deferred for Future Periods and Revenue Deferred for Future Periods.

**THEME No 28**

IAS 38- Intangible Assets- scope and definitions, recognition and initial measurement of an intangible asset, recognition of expenses, subsequent expenditure, measurement subsequent to initial recognition, amortization, recoverability of the carrying amount – impairment losses, derecognitions (retirement and disposal), disclosures.

NAS 5- Accounting for Intangible Assets.

**Note:** the Accountancy Law and The National Book of Accounts are included each of these themes.

## **Conspectus of subjects of auditing control and tax legislation**

### **Theme No 1**

Nature and contents of financial control. Subjects and objects of financial control. Independent financial control. Nature, purpose and characteristics. Subjects and objects. Legal order. The Accountancy Law (AL), the Commercial Law (CL), the Banks and Credit Activities Law (BCAL), the International Auditing Standards (IAuS-s). Requirements for certified public accountants. Responsibilities of auditors.

### **Theme No 2**

Purpose of audit and its main principles.

### **Theme No 3**

Nature of internal financial control. Internal auditor and the specific characteristics of an internal auditing. Internal auditing and its legal regulation with respect to different enterprises- banks, insurance companies etc. Specific characteristics of the legal regulation of an internal audit in banks.

### **Theme No 4**

Procedures for acceptance of auditing engagements. Nature and technology. Procedures for initial investigations in audit. Auditor's engagement for the performance of the contracted procedures and for a limited inspection of the financial statements.

### **Theme No 5**

Auditing procedures for risk assessment. Nature and technological characteristics with respect to different non- financial and financial enterprises. Materiality in audit.

### **Theme No 6**

Auditing procedures for ascertainment of errors, frauds and misappropriation. Nature and distinguishing criteria. Incorrectness as a process of permissible errors, ascertained throughout the year-round auditing engagement. Discussing the differences between the measurements of the auditor and the business management. Exposure from management.

### **Theme No 7**

Audit sample. Nature of audit sample, technological characteristics of its determination with respect to different audited objects and different enterprises. Risk, varieties and specificity of auditing risk. Selection of variants for risk adjustment at sampling approach.

### **Theme No 8**

Planing and programming the audit and its procedures. Differences during the first and the following years of permanent auditing control. Specificity of planing and programming with respect to different enterprises and different scope of audit. Program for an inspection in essence.

### **Theme No 9**

Audit evidences. Kind of and specific characteristics of evidences with respect to different audited objects and different enterprises. Analytical procedures and their use for assessment of an enterprise that is a going concern.

**Theme No 10**

Procedures for presentation of auditor's report. Contents of the report- certificate and the detailed report about property status and financial position of enterprise. Specific characteristics with respect to different enterprises and different audit engagements. Contingencies and events after the Balance Sheet date and the auditor's report date.

**Theme No 11**

Organization of auditing process. Use of cooperation with internal auditor. Organizing participation of assistants, experts and other specialists in audit. Joint auditing procedures between the main auditor and other auditor. Use of the measurements and conclusions of the other auditor. Cooperation between auditors in related enterprises. Control on quality of auditing procedures performed and auditor's engagement.

**Theme No 12**

Comments on legal base of auditing profession and the Institute of Certified Public Accountants. Laws, regulations, ordinances, by- laws, professional ethic code, standards, etc.

**Theme No 13**

Auditing procedures for inspection of annual financial statements (Balance Sheet, Income Statement and notes). General and specific characteristics of inspection- programming the inspection, risk assessment, permissible errors, specificity of stages and procedures of an audit conducted at different enterprises.

**Theme No 14**

Auditing procedures for inspection of cash flows. Specific characteristics with respect to different enterprises.

**Theme No 15**

Auditing procedures for inspection of Company's capital, capital structure and capital concentrations and assets. Net value of capital. Specific characteristics with respect to different enterprises.

**Theme No 16**

Auditing procedures for inspection of current and periodical measurements of the assets and liabilities of the enterprise. Specific characteristics of the audit with respect to different enterprises.

**Theme No 17**

Auditing procedures for inspection of enterprise's expenses (operation expenses, financial expenses, extraordinary expenses). Specific characteristics of the inspection of the expenses deferred for future periods. Specific characteristics of the audit with respect to different enterprises.

**Theme No 18**

Auditing procedures for inspection of revenue (operating revenue, financial revenue, extraordinary revenue). Specificity of inspection of revenue deferred for future periods. Specific characteristics of the audit with respect to different enterprises.

**Theme No 19**

Auditing procedures for inspection of Off Balance Sheet assets and liabilities. Specific characteristics of the audit with respect to different enterprises.

**Theme No 20**

Auditing procedures for inspection of ordinary and unusual transactions with related parties. Specific characteristics of the inspection of consolidated financial statements. Specific characteristics of auditing in different enterprises.

**Theme No 21**

Auditing procedures for inspection of true and correct reflection of business combinations. Specific characteristics with respect to different variants of business combinations and different enterprises.

**Theme No 22**

Auditing procedures for inspection of some specific operations: lease contracts, research and developments costs, supply cost, provisions for doubtful trade receivables and uncollectible trade receivables, accounting for fluctuations of foreign exchange rates, etc.

**Theme No 23**

Auditor's assessment of financial position and financial stability of an enterprise. Final assessment for an enterprise that is a going concern.

**Theme no 24**

Auditor's assessment of management's report, business contract relationships throughout the current year and changes in the management of the enterprise.

**Theme No 25**

Specific characteristics of bank audit as a result of the organization of the bank system and the information contacts inside. Specific characteristics of a general and specialized bank supervision. Internal control in the Bulgarian National Bank and merchant banks. Legal base of bank control functioning. Interactions between the auditors and the bank control system.

**Theme No 26**

Auditing procedures for inspection of the main regulators in bank system. Legal base and legal requirements for measurement of liquidity, capital adequateness, profitability. Assessment of credit policy, credit activities, etc.

**Theme No 27**

Auditing procedures for inspection of the annual financial statements of insurance company. Specific characteristics of planing and programming the inspection, the scope of inspection and selection of procedures. Legal base of the inspection.

**Theme No 28**

Auditing procedures for inspection of some specific objects and indices of insurance companies. Legal base and specific requirements for the audit of insurance companies and for assessment of financial indecis.

**Theme No 29**

Auditing procedures for inspection of investment companies. Specific characteristics of inspection with regard to different investment companies. Legal base with respect to investment companies and requirements for its application at the audit.

**Theme No 30**

The problem 2000 and its impact on management's and auditors' work.

**Theme No 31**

Tax policy. Taxes. Tax administration.

**Theme No 32**

Value added tax. Excise. Scope, methodology and technique of inspection of relationships between an enterprise and the state budget in reference to the Value Added Tax and the Excise.

**Theme No 33**

The Corporate Income taxation. Scope, methodology and technique of inspection of relationships between an enterprise and the state budget in reference to the tax on profit and the alternative taxes.

**Theme No 34**

Physical Persons' Income Tax. Scope, methodology and technique of inspection of relationships between an enterprise and the state budget in reference to Physical Persons' Income Tax.

**Theme No 35**

Local taxes and charges. Scope, methodology and technique of inspection of relationships between an enterprise and the state budget in reference to local taxes and charges.

**Theme no 36**

Auditing procedures for inspection of accounts payable to and accounts receivable from the Social Insurance.

Note: Any newly effected legal acts in the field of tax legislation will be included and required.