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## MSME NEEDS IN ACCESSING ACCOUNTING SERVICES AND BUSINESS ADVICE IN GEORGIA

Commissioned by the World Bank under joint EU/WB  
Georgia Financial Inclusion and Accountability Project

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## Table of contents

Executive summary .....	4
Introduction .....	7
Methodology.....	7
Findings.....	9
Characteristics of businesses.....	9
Service/advice received from accounting/auditing firms and needs from accounting/auditing services in the future.....	12
Perspectives on accounting firms.....	17
Conclusions .....	20
Annex 1: Frequency tables.....	21

## Table of figures

Figure 1. Has the business ever applied for any SME promotion program available in Georgia? .....	9
Figure 2. SME promotion program business has applied for.....	10
Figure 3. The reason why you did not apply to any SME promotion program?.....	10
Figure 4. Professional organization accountant is a member of.....	11
Figure 5. Currently receive services from an accounting/auditing firm?.....	12
Figure 6. How did businesses find the accounting/auditing firm? .....	13
Figure 7. Services received from an accounting/auditing firm?.....	13
Figure 8. Services received from an accounting/auditing firm, by SARAS categories.....	14
Figure 9. Business is going to receive (additional) services from an accounting/auditing firm in the future: yes/no? .....	14
Figure 10. The main reasons why services might be needed .....	15
Figure 11. Services that might be needed in the future.....	15
Figure 12. Services that might be needed in the future, by the SARAS categories .....	16
Figure 13. Rate an accounting/auditing firm with the following criteria.....	17
Figure 14. Agree/disagree with the following statements regarding accounting/auditing firms... ..	18
Figure 15. Businesses (would) work with a firm which operates... ..	18

## Table of frequently used abbreviations and acronyms

CRRC – Caucasus Research Resource Center

SARAS – Service for Accounting, Reporting and Auditing Supervision

SME - Small and Medium sized enterprises

MSME – Micro, Small, and Medium sized enterprises

GFPAA – Georgian Federation of Professional Accountants and Auditors

GFAAFM – The Federation of Auditors, Accountants and Financial Managers

UK ACCA – UK Association of Chartered Certified Accountants

## EXECUTIVE SUMMARY

This survey on micro, small, and medium sized enterprises (MSMEs) needs in accessing accounting services and business advice in Georgia was commissioned by the World Bank and conducted by CRRC-Georgia. The objective of this study is to better understand the views of MSMEs on their need for accounting services. The survey also looked at how companies perceive business advice they receive from accounting firms, with an emphasis on future services and advice, as well as their perspectives on these firms. CRRC-Georgia administered a telephone survey using the Computer Assisted Telephone Interviewing (CATI) method. Survey results are representative of MSMEs as defined according to Service for Accounting, Reporting and Auditing Supervision (SARAS) standards.

The survey results show the following:

Characteristics of businesses:

- The majority of businesses have been operating in Georgia for less than 10 years (67%).
- Most businesses (59%) operate in Tbilisi.
- The sectors that these businesses most commonly operate in are: trade (32%), services (27%), production (10%), construction (10%), transportation (4%), and tourism (2%).
- Only 8% of businesses have applied for the SME promotion programme available in Georgia. Approximately a fifth (21%) of medium size businesses applied for the programme, but only 14% of small businesses and 7% of micro businesses applied for the SME promotion programme.
- The most popular programmes applied to were Enterprise Georgia (60% of those that applied) followed by Preferential Agro Credit (33%), GITA Promoting Innovation (12%), and BAS Program (EBRD) (9%).
- The main impediment for businesses in applying for the SME promotion programme is their disinterest in the opportunity (48%). More than a fifth (23%) said that their business did not fit the criteria of the programmes.
- The majority (87%) of businesses employ an accountant in their company.
- More than a quarter (28%) of these firms do not know or refuse to answer whether their accountant is a member of any professional accountancy organization (PAO). Accountants from about half (49%) of these businesses are not members of a PAO. Among businesses which have an accountant that is a member of a PAO, 19% are members of the Georgian Federation of Professional Accountants and Auditors (GFPAA), 2% the Georgian Federation of Auditors, Accountants and Financial Managers (GFAAFM), and 2% the Association of Chartered Certified Accountants (UK ACCA), while a fifth (20%) are members of other PAOs. .
- The Majority (78%) of top managers of businesses have heard about GFPAA. More than half (58%) and almost half (44%) know about GFAAFM and UK ACCA respectively.

Services and advice received from accounting/auditing firms:

- A fifth (21%) of businesses receive services from an accounting firm.
- Under a third (27%) of the businesses refused to provide information on the amount they pay for accounting/auditing service. Almost a third (32%) pay up to GEL 5,000 per year, about one fifth (23%) pay GEL 10,000 to 50,000, and a small proportion (18%) pay between GEL 5,000 and 10,000 annually.
- Most businesses (66%) found their accounting/auditing firms through recommendations from others.
- Businesses communicate mostly with the director (41%), manager (40%), partner/owner (32%) or accountant (13%), and/or with auditors (6%) of accounting/auditing firms.
- Most businesses receive accounting services (68%) and financial statement audits (63%). More than a third (35%) receive tax services.
- The majority of businesses that do not receive accounting/auditing services at present, do not plan to obtain them in the future, with only 10% planning to do so. Similarly, the majority of businesses receiving such services (58%) do not intend to receive any additional services in the future. Furthermore, more than a third (38%) do not know whether their working arrangement with their accounting/auditing service will continue.
- The main reasons necessitating the services of an accounting/auditing firm include reducing tax liabilities (59%), assisting in complying with laws and regulations (56%), and helping improve their businesses (49%).
- Most businesses may need a financial statement audit (73%), accounting services (70%), an internal audit (68%), and tax services (63%). The least common services are liquidation and/or corporate restructuring (18%) and preparation of loan applications (28%).

#### Perspectives on accounting/auditing firms:

- The majority of businesses reported many characteristics as important when assessing accounting/auditing firms. .
- Most businesses agree that the accounting/auditing firm they collaborate with, or would collaborate with, must fully meet their business requirements (78%). More than half (52%) agreed that an accounting/auditing firm is/would be the first entity they turn to for business advice.
- The majority of businesses would work with accounting/auditing firms that operate within Georgia. Furthermore, most state that it does not matter where the accounting/auditing firm operates provided it meets their needs.
- Among businesses which plan to collaborate with an accounting/auditing firm in the future, more than half would prefer to work with firms that operate as part of an international network (59%) or who work in different regions (61%). The corresponding percentages are less for those businesses which already work with accounting/auditing firms.

#### Recommendations:

- As only 8% of businesses have applied for the SME promotion programme available in Georgia, more active promotion and better communication with micro, small, and medium sized businesses might be an effective way to increase awareness of businesses towards the SME promotion programmes.
- As only a fifth of businesses receive accounting/auditing services, the sector should drastically increase their engagement with micro, small, and medium sized businesses in order to improve knowledge about the advantages of collaboration.

## INTRODUCTION

The World Bank contracted CRRC-Georgia to conduct this nationally representative telephone survey. The survey focuses on the needs of Georgian micro, small, and medium sized businesses from accounting services, as well as their perspectives on these firms.

The survey focuses on the following research questions:

- The views of Georgian micro, small, and medium sized (enterprises) (MSMEs) on their needs from accounting services and the business advice they receive or are looking to receive from accounting/auditing firms in the future;
- The perspectives of accounting/auditing firms, with regard to Georgian micro, small, and medium sized enterprises (MSMEs).

To address these questions, CRRC-Georgia interviewed the owners, directors, and managers of micro, small, and medium sized enterprises in Georgia. The report proceeds as follows. First, the study's methodology is described. The findings section presents: (a) key characteristics of Georgian MSMEs, (b) how they evaluate the quality of services received from accounting/auditing firms, and (c) how they perceive such services. Supplemental materials attached to this report are the study's survey data frequency tables (Annex 1).

## METHODOLOGY

The study used quantitative data collection and analysis. The survey was conducted between **March 25, 2022 and April 21, 2022**. CRRC used the lists of businesses provided by [portal.ge](http://portal.ge) as a sampling frame. The sampling frame included 53,991 businesses: 592 medium, 4,182 small, and 49,217 micro businesses. The sample consisted of three categories as defined according to SARAS standards:

- Medium businesses (Category II by SARAS) – 187 interviews<sup>1</sup>
- Small businesses (Category III by SARAS) – 437 interviews<sup>2</sup>
- Micro businesses (Category IV by SARAS) – 432 interviews<sup>3</sup>

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<sup>1</sup> Medium businesses (Category II by SARAS). This category includes businesses which meet at least two of the following three criteria: a. total assets up to 50 mln GEL, b. annual turnover up to 100 mln GEL, c. average number of employees up to 250.

<sup>2</sup> Small businesses (Category III by SARAS). This category includes businesses which meet at least two of the following three criteria: a. total assets up to 10 mln GEL, b. annual turnover up to 20 mln GEL, c. average number of employees up to 50.

<sup>3</sup> Micro businesses (Category IV by SARAS). This category includes businesses which meet at least two of the following three criteria: a. total assets up to 1 mln GEL, b. annual turnover up to 2 mln GEL, c. average number of employees up to 10.

Businesses were randomly sampled within each category. The samples are representative of each of these three categories, as well as for all currently active businesses in Georgia, excluding the ones operating in the occupied territories of Abkhazia and South Ossetia, large businesses, and individual entrepreneurs. For each business, a business manager, financial manager, or owner were interviewed. In the event that the interviewers failed to make contact with the business, they returned for a second, and then, if necessary, for a third contact attempt, before classifying the interview attempt as a non-response.

The survey instrument for the study was developed by the World Bank and minor adjustments were made by CRRC-Georgia to reflect the specificities of the country. The final survey questionnaire includes questions on the following subjects:

- Characteristics of businesses;
- Service/advice received from accounting firms;
- Perspectives on accounting firms.

The study primarily uses descriptive statistics, including frequencies and crosstabs. Frequencies describe the overall situation nationally, while cross tabulations are used to show data for different groups (or demographics). In the report below, cross tabulations are presented for business size. The mentioned variables are used as independent variables for regression analysis to test significant differences between groups (or demographics). Whenever significant differences are observed between groups, they are reported.



## FINDINGS

This section of the report answers the two main research questions: what are the needs of Georgian micro, small, and medium sized enterprises from accounting services, as well as these businesses perspectives on accounting/auditing firms. Before moving on to the main questions, the report will provide information about the lifespan of businesses operating in Georgia, the sectors in which they operate, , the services they receive from accounting/auditing firms, the amount that they pay for these services, the perceived quality of accounting/auditing firms, and the methods of communication used by accounting/auditing firms.

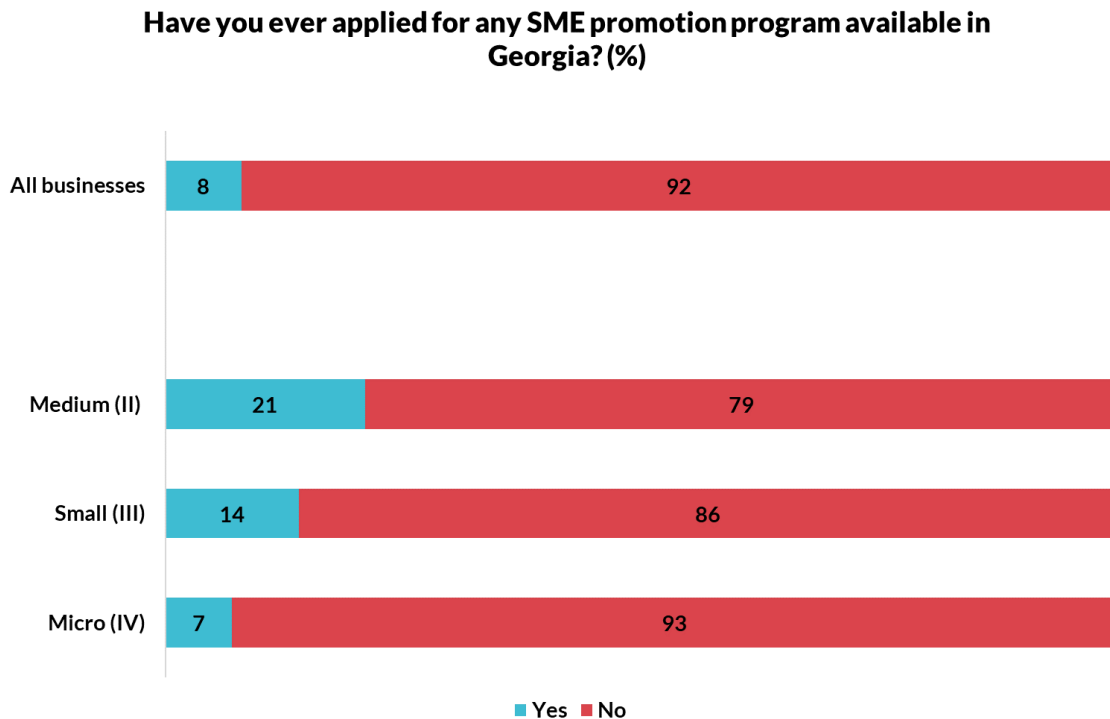
### Characteristics of businesses

Overall, 1056 firms were surveyed in the study. The majority have been operating in Georgia for up to 10 years (67%), slightly more than a fifth (26%) for 10-20 years, and only 7% for more than 20 years.

The majority of businesses (59%) operate in the capital. The sectors that these businesses are operating in are: trade (32%), services (27%), production (10%), construction (10%), transportation (4%), and tourism (2%), with a small segment working in a financial services, agriculture, telecommunications, and information technologies.

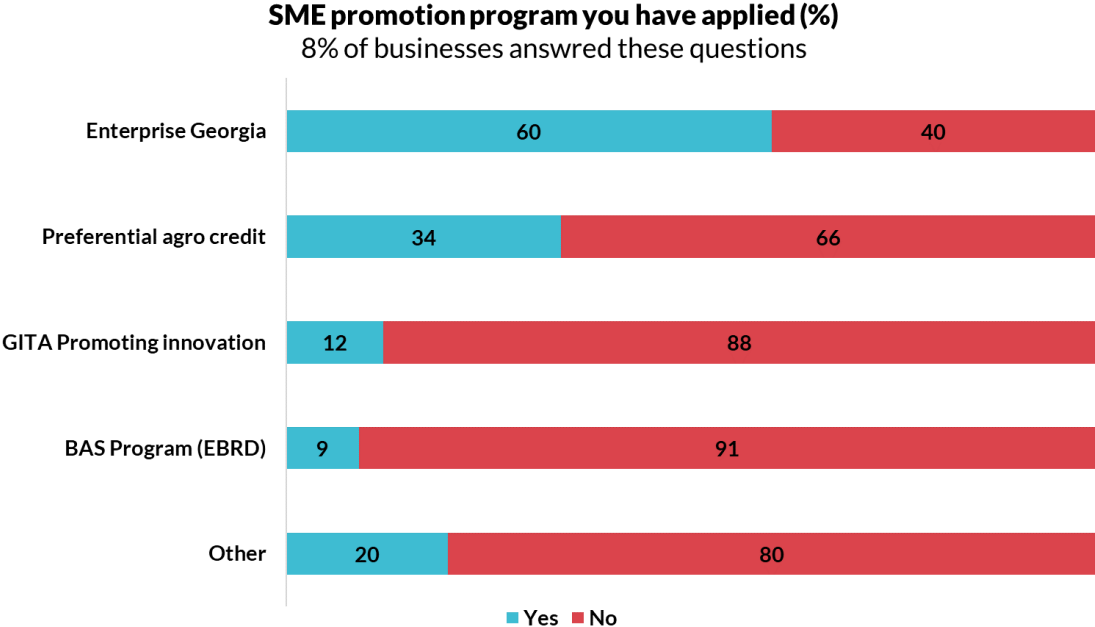
Few businesses applied for the SME promotion programme available in Georgia (Figure 1). Approximately a fifth (21%) of medium size businesses applied for the programme, while only 14% of small size businesses, and 7% of micro businesses applied for the SME promotion programme.

Figure 1. Has the business ever applied for any SME promotion program available in Georgia?



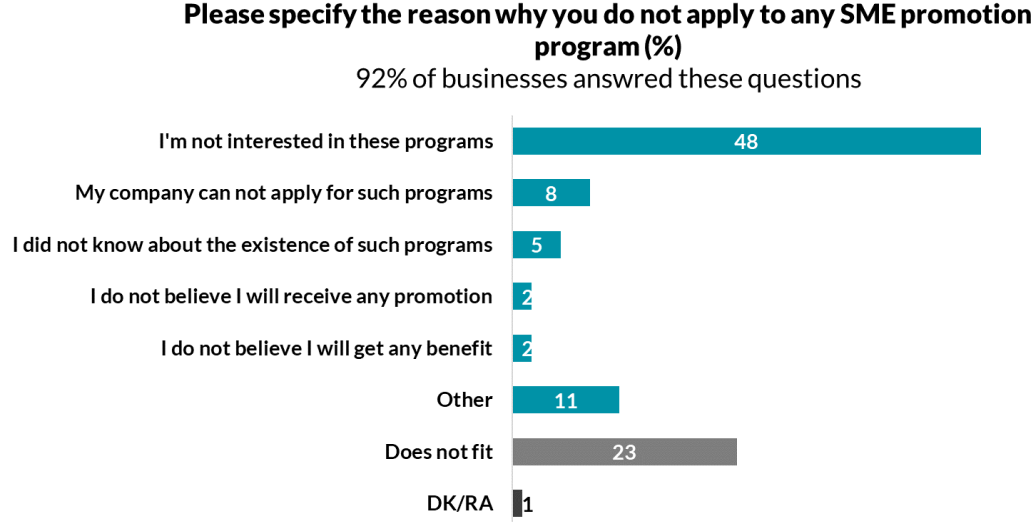
While asking which of the SME promotion programmes they have they applied for, the majority named Enterprise Georgia (60%, Figure 2), a third Preferential Agro Credit (34%), followed by GITA Promoting Innovation (12%), and BAS Program (EBRD) (9%).

Figure 2. SME promotion program business has applied for



The main reason businesses have never applied for any of the SME promotion programmes is disinterest in the opportunity (48%). Respondents also stated the following as reasons they did not apply: they were not eligible (8%), they did not know of the existence the programmes (5%), they did not believe they would receive the support (2%), and they did not see the benefit of the programmes (2%). More than a fifth (23%) said that their businesses did not fit the intent of the programmes.

Figure 3. The reason why you did not apply to any SME promotion program?



The majority (87%) of businesses employ an accountant in their company. More than a fourth (28%) of these firms do not know or refuse to answer whether their accountant is a member of any professional organization. Accountants from about half (49%) of these businesses are not members of any professional organization. Among businesses whose accountants are members of a professional organization, 19% are members of GFPAA, 2% GFAAFM and UK ACCA, while a fifth (20%) are members of other professional organizations.

The majority (78%) of top managers of businesses have heard about GFPAA. More than half (58%) and almost half (44%) know about GFAAFM and UK ACCA respectively.

Figure 4. Professional organization accountant is a member of

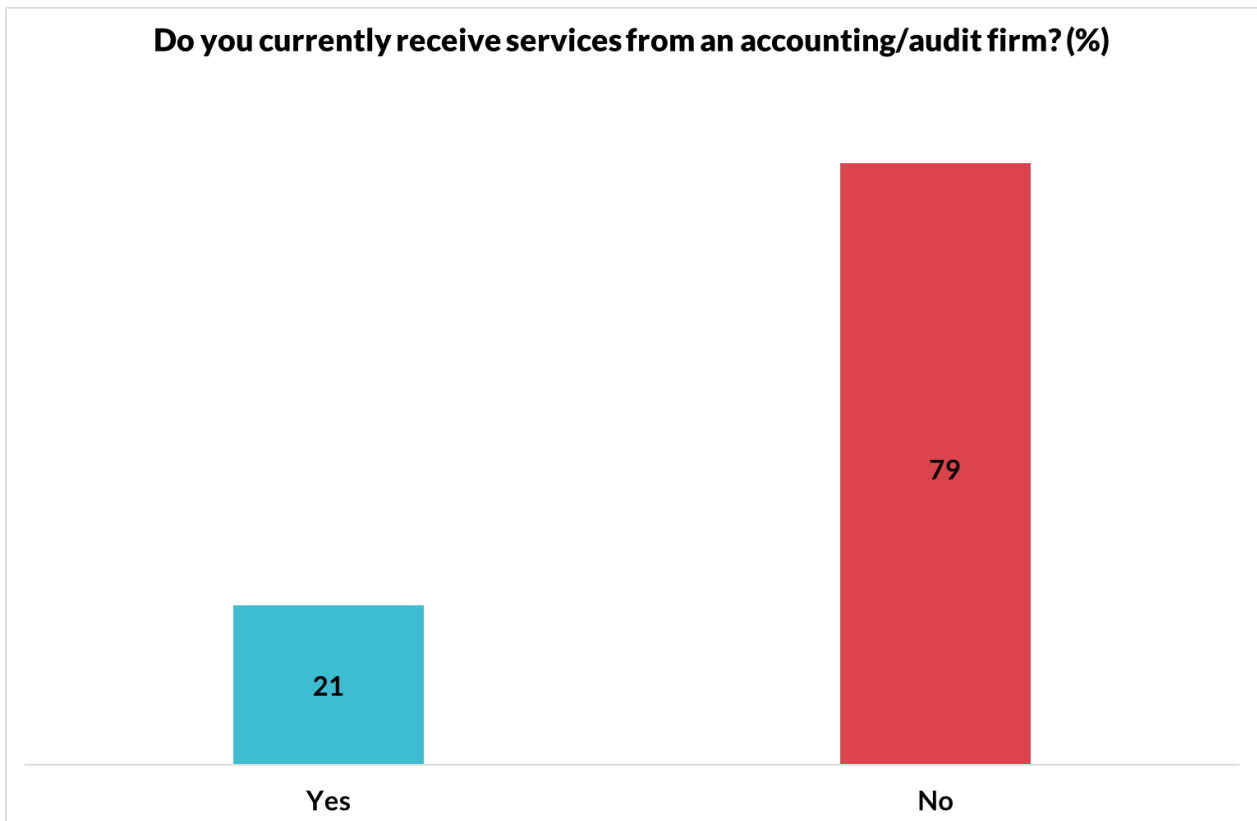


### Service/advice received from accounting/auditing firms and needs from accounting/auditing services in the future

Only one fifth (21%) of businesses receive services from an accounting firm (Figure 6). More specifically, one third (33%) receive services from an auditing firm alone, while one fifth (19%) receive services from an accounting firm alone. The same share (19%) receive services from both accounting and auditing firms, and 16% receive services from firms that provide both. Thirteen per cent say that they receive service from an accounting/auditing firm.

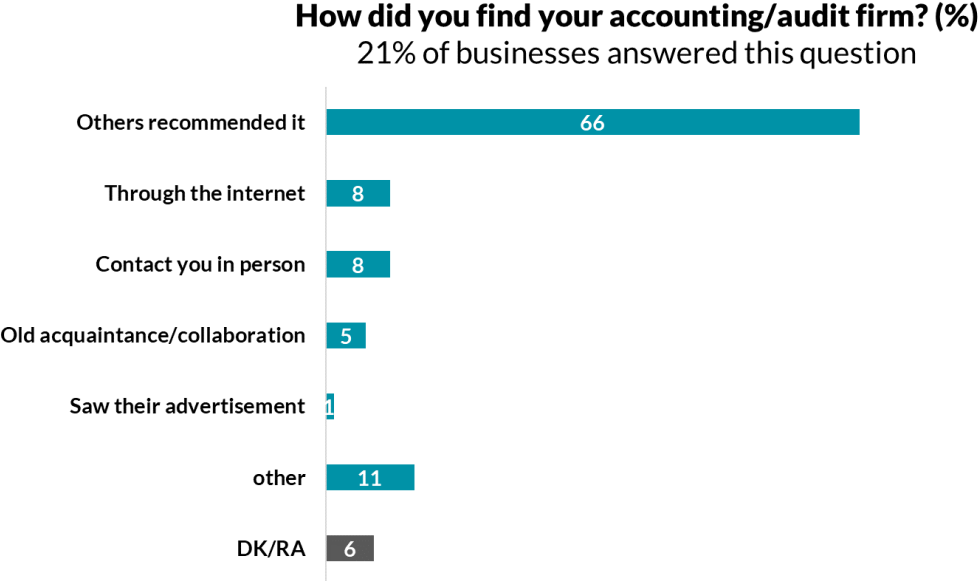
When asked about the amount that the company pays for an accounting/auditing firm, less than a third (27%) of the business refused to provide information. Slightly above a third (32%) say that they pay less than GEL 5,000 annually, less than a fifth (18%) pay GEL 5,000-10,000, while about one fifth (23%) pay an accounting/auditing company about GEL 10,000 to 50,000 annually.

Figure 5. Currently receive services from an accounting/auditing firm?



Two thirds of businesses (66%) that used accounting/auditing services, found their firms through recommendations. Businesses communicate mostly with the director (41%), manager (40%), partner/owner (32%), or accountant of accounting/auditing firms (13%), and with auditors (6%).

Figure 6. How did businesses find the accounting/auditing firm?



The majority of businesses receive accounting services (68%) and audit financial reports (63%). Furthermore, more than a third (35%) receive tax services.

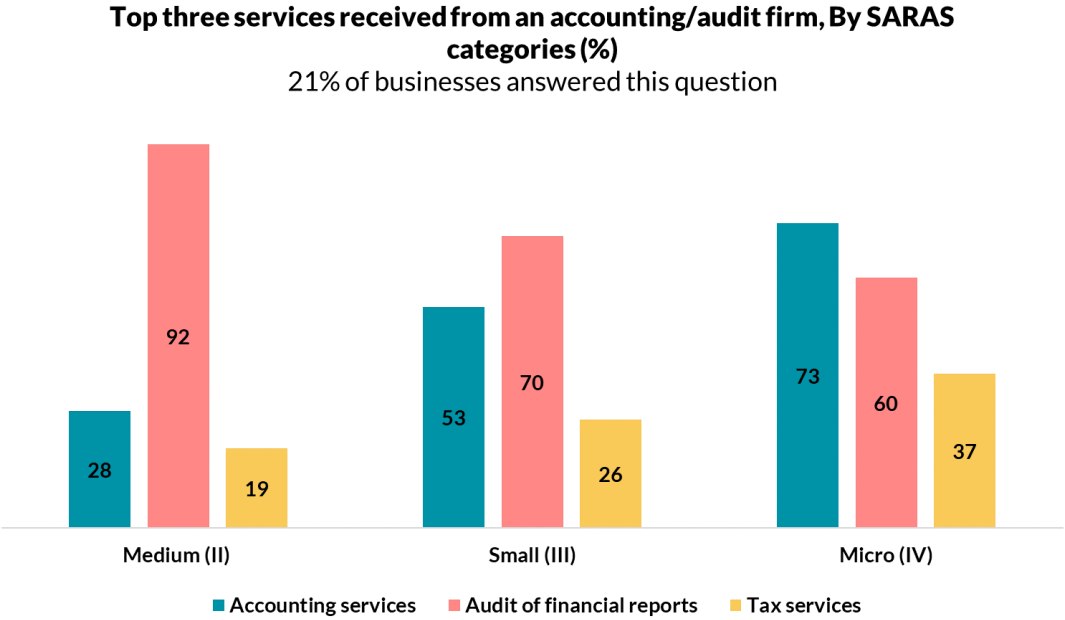
Figure 7. Services received from an accounting/auditing firm?



Note: "Don't know" and "refuse to answer" is missed from (was removed from) analysis as it was less than 3%.

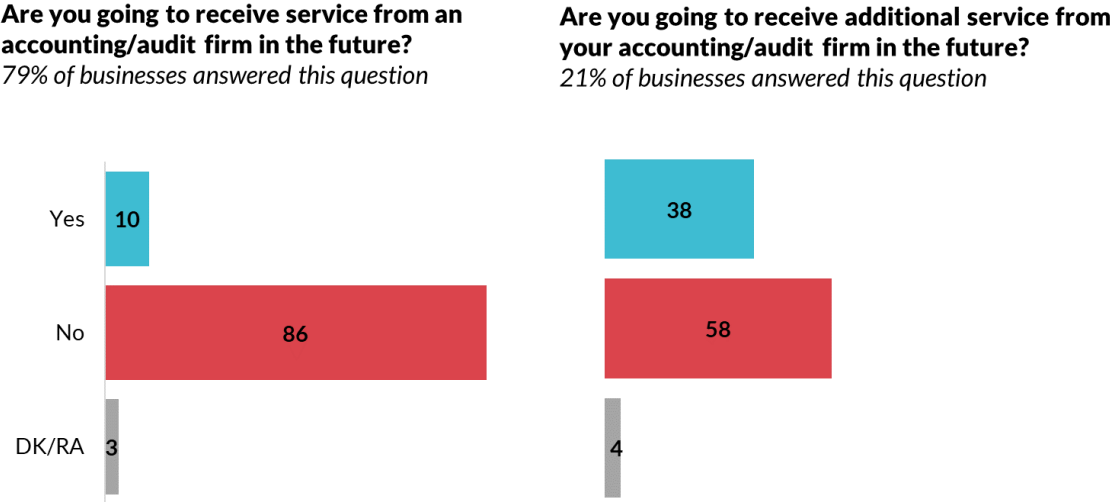
The most common service for small and medium size firms are audits of financial reports, 92% and 70% respectively. Small businesses are more likely to receive accounting services (53%) than tax services. Small businesses are also more likely to get accounting services (73%) and audits of financial reports (60%) than tax services.

Figure 8. Services received from an accounting/auditing firm, by SARAS categories



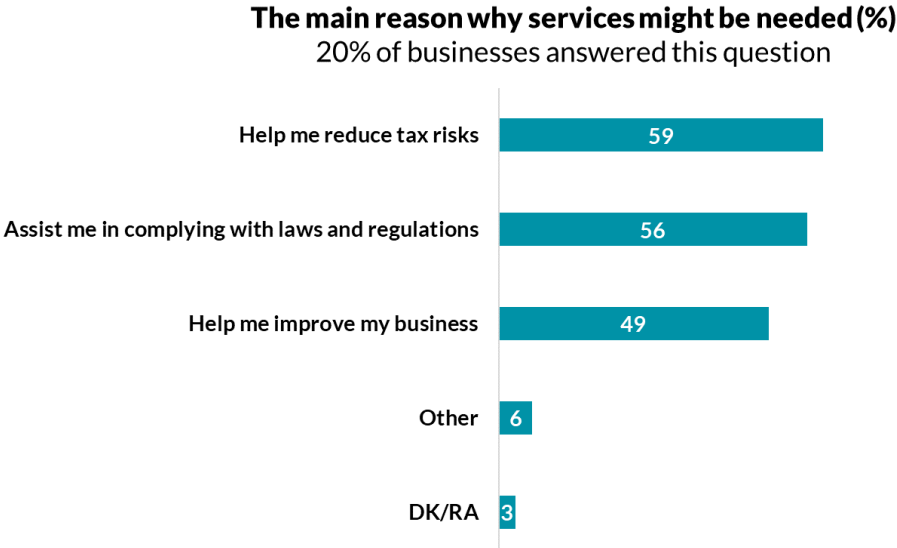
The majority of businesses that do not receive accounting/auditing services do not plan to do so in the future, with only 10% stating that they would like to do so. Similarly, most businesses currently receiving accounting/auditing services (58%) do not intend to receive any additional services in the future. More than a third (38%) plan to continue their collaboration with accounting/auditing firms.

Figure 9. Business is going to receive (additional) services from an accounting/auditing firm in the future: yes/no?



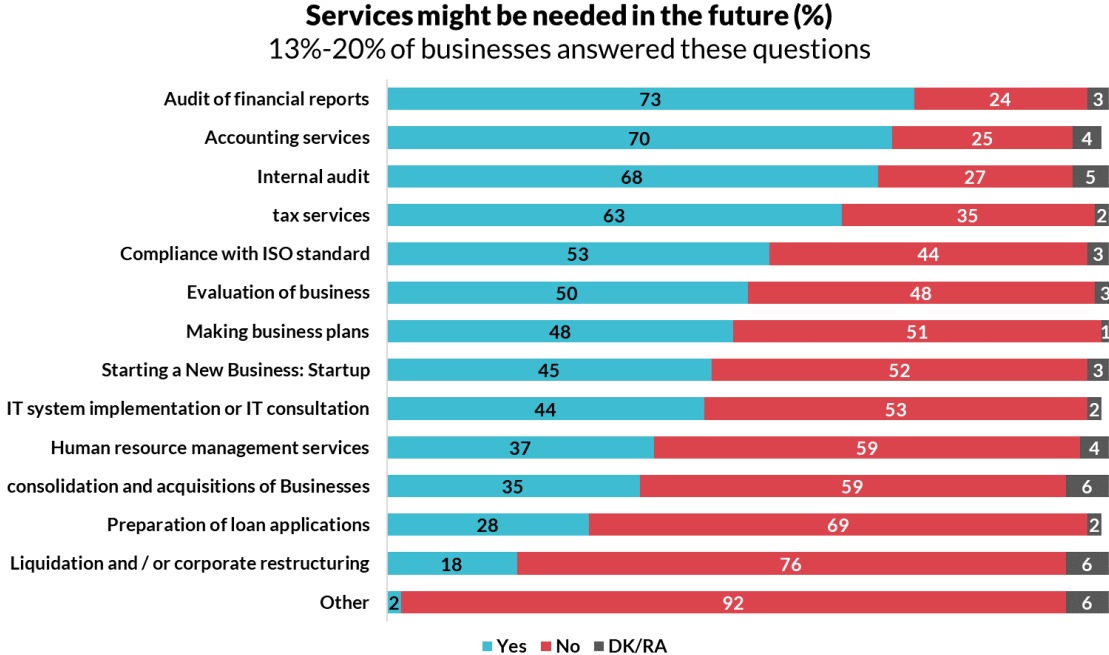
The main reasons why services from accounting/auditing firms are used include: reducing tax risks (59%), assisting in complying with laws and regulations (56%), and helping with the improvement of businesses (49%).

Figure 10. The main reasons why services might be needed



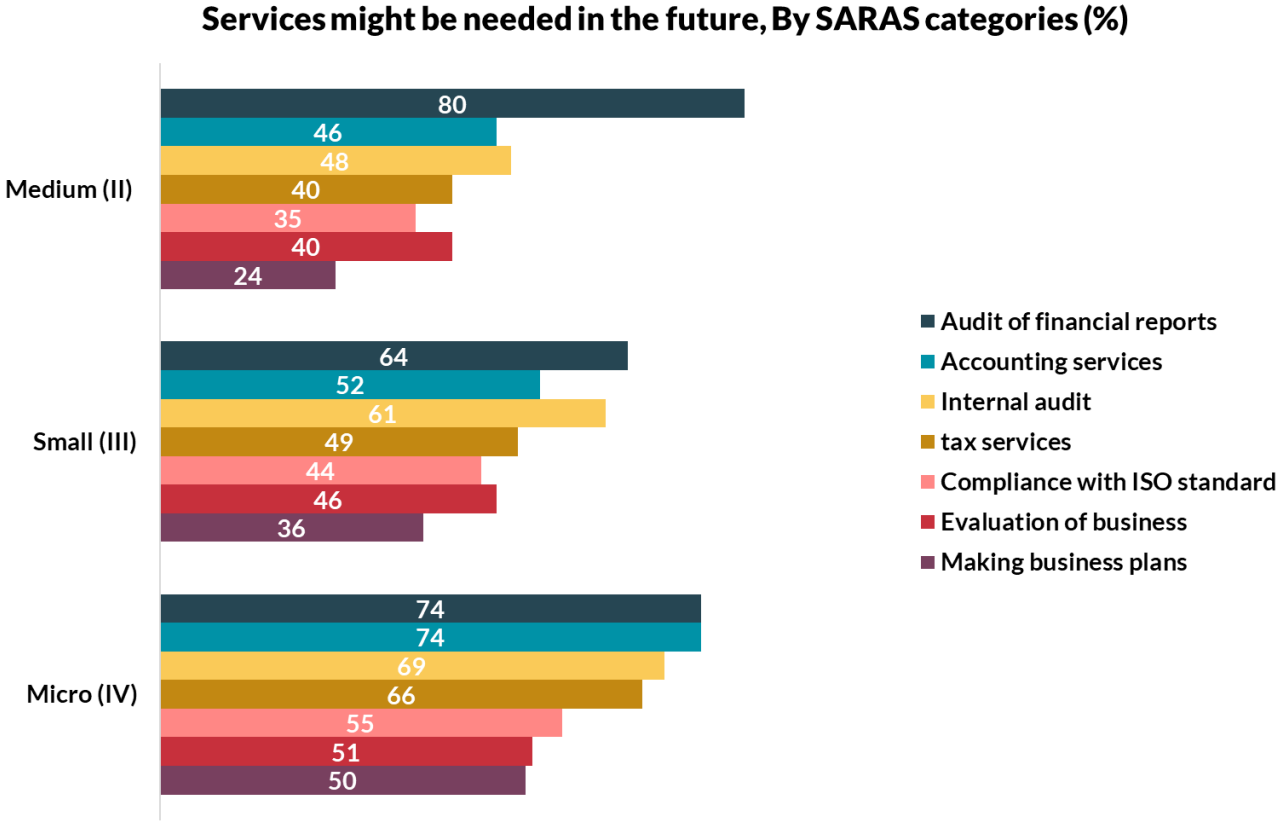
Almost three quarters of businesses might need audits of financial reports (73%), accounting services (70%), internal audits (68%), and tax services (63%). About half named compliance with ISO standards (53%) and an evaluation of their business (50%), and under half mentioned making business plans (48%) and starting a new business (45%). The least mentioned services are liquidation and/or corporate restructuring (18%) and preparations of loan applications (28%).

Figure 11. Services that might be needed in the future



The majority of medium sized businesses need audits of financial reports more than any other service. As for small and micro businesses, there are only slight differences between their needs. Small businesses are more likely to need audits of financial reports and internal audits. Micro businesses are less likely to need tax services.

Figure 12. Services that might be needed in the future, by the SARAS categories



Note: Other services are missing from analysis as they belonged to a few businesses in sub-groups (medium, small and micro)



## Perspectives on accounting firms

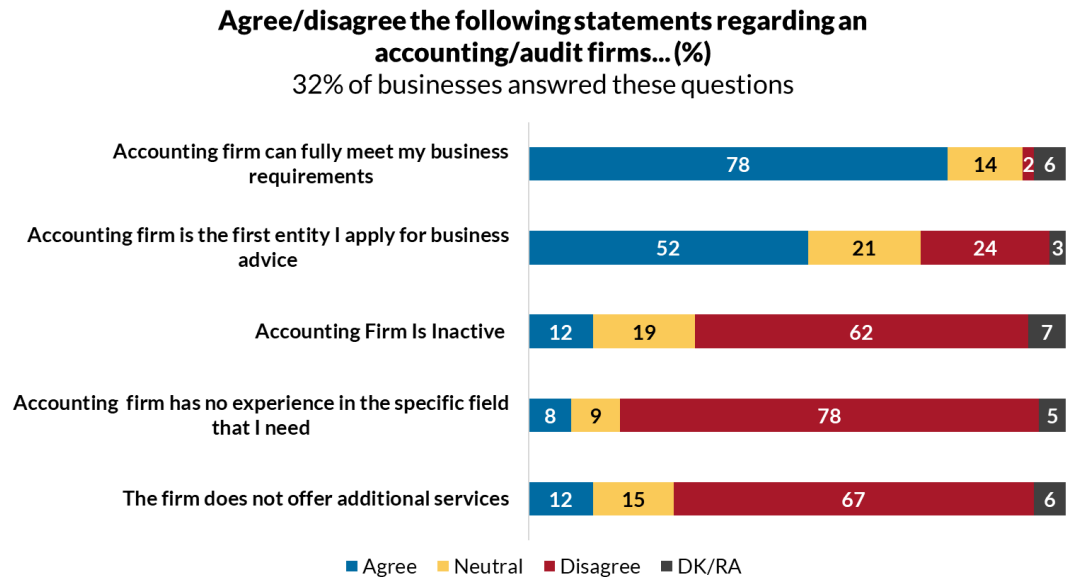
The survey asked businesses to rate an accounting/auditing firm in regards to the following criteria: experienced staff, constant communication, good recommendations, relationship building skills, reliable leadership, price, competent business advisor, and key personality traits. The majority of businesses reported all characteristics as being important or very important for assessing the quality of accounting/auditing firms. The most important factors when choosing an accounting/auditing firm for the majority of businesses is a recommendation from a trusted source (94%), the firm's reputation on a national/international level (78%), and their personal experience (74%). More than half of the respondents considered the firm's membership in local associations as an important factor when choosing a company for accounting/auditing services.

Figure 13. Rate an accounting/auditing firm with the following criteria...



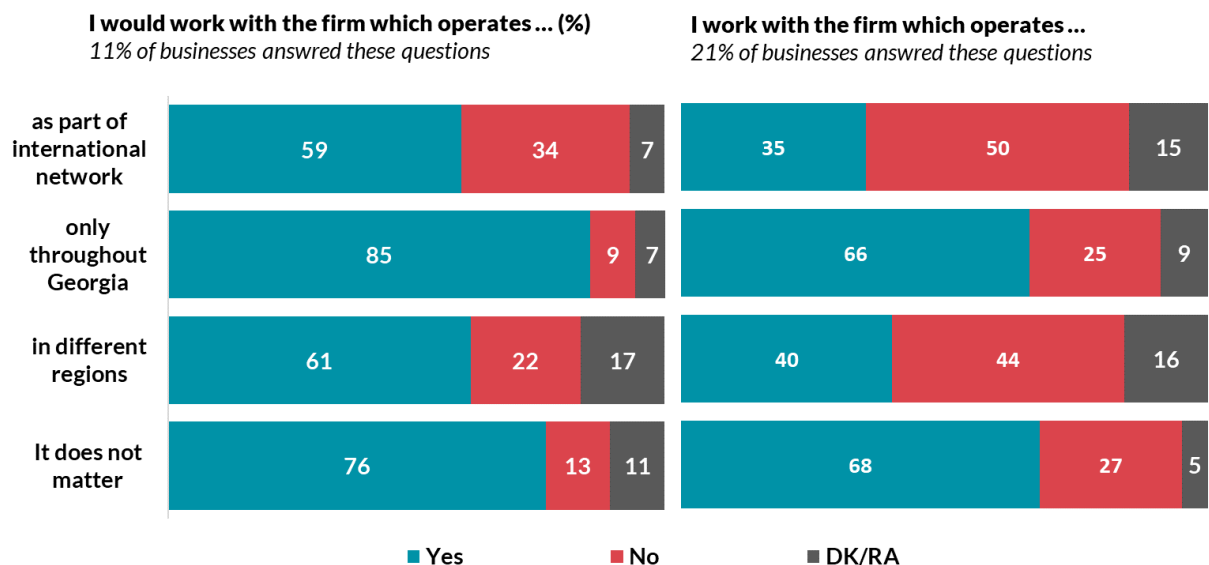
Businesses fully or mostly agree that the accounting/auditing firms they collaborate with or would collaborate with, need to fully meet their business requirements (78%). More than half (52%) fully agreed/agreed that accounting/auditing firms would be the first entity they apply to for business advice.

Figure 14. Agree/disagree with the following statements regarding accounting/auditing firms...



Overall, the majority of businesses currently work or would work with accounting/auditing firms that operate within Georgia. The majority also mention that it does not matter where the accounting/auditing firm operates, but that it must meet their needs. Among businesses planning to collaborate with accounting/auditing firms in the future, more than half would work with companies that operate as part of an international network (59%) or who work in different regions (61%). These figures are smaller for businesses which already work with accounting/auditing firms.

Figure 15. Businesses (would) work with a firm which operates...



Furthermore, some respondents made extra notes at the end of the questionnaire. The most interesting notes are provided below:

- “Accounting/auditing service is expensive”
- “Bureaucracy (makes) everything more difficult”
- “It is important to increase awareness about accounting/auditing services”
- “Accounting reporting should become easier”
- “It would be good if professional accountant organizations proposed membership”
- “It is hard to work in software, because of low quality internet in some regions”
- “There is no accounting/auditing services available in (some or this) regions”
- “Regarding the new law, the spheres of activity are limited. It is not good”
- “Accountants are not experienced enough regarding micro business issues”

## CONCLUSIONS

Overall, the survey shows that the majority of businesses employ an accountant in their company. About a fifth of businesses have accountants who are members of GFPAA, GFAAFM, UK ACCA, and other professional associations. Furthermore, the majority of top managers of businesses have heard about GFPAA, more than half know of GFAAFM, and almost half know about UK ACCA.

According to the results, only a few businesses have applied to the SME promotion programme available in Georgia. Most have applied for Enterprise Georgia and/or Preferential Agro Credit. The main impediment for businesses in not applying for any SME promotion programmes is disinterest or the assumption that their business does not meet the programmes requirements. More active promotion and better communication with micro, small, and medium businesses might be an effective way to increase awareness of businesses towards the SME promotion programmes.

Further analysis of the data shows that only a fifth of businesses receive services from accounting/auditing firms. Mostly, businesses found accounting/auditing firms through recommendations. The plurality of businesses receive accounting services and audits of financial reports. More than a third receive tax services. The Majority of businesses that do not receive accounting/auditing services do not plan to use them in the future. Similarly, the majority of businesses who receive accounting/auditing services do not intend to receive any additional services in the future. More than a third do not know if their collaboration with accounting/auditing services will continue. The main reasons for businesses utilizing the services of accounting/auditing firms include: reducing tax risks, assisting in complying with laws and regulations, and helping improve their businesses. As only a fifth of businesses receive accounting/auditing services, the sector needs to improve its collaborative work with micro, small, and medium sized businesses in order to increase awareness about the advantages of their services.

The majority of businesses top managers have similar criteria regarding accounting/auditing firms. Businesses mostly agree that the accounting/auditing firms they collaborate or would collaborate with, must meet their business requirements. More than half agreed that accounting/auditing firms would be the first entity they applied to for business advice. Moreover, the majority of businesses currently work or would work with accounting/auditing firms operating within Georgia. The majority also mention that the location from which their accounting/auditing firms operate is unimportant as long as their needs are met. Among those businesses which plan to collaborate with accounting/auditing firms in the future, more than half would work with companies that operate as part of an international network or who operate in different regions. These figures are smaller for those businesses which already work with accounting/audit firms.

## ANNEX 1: FREQUENCY TABLES

<b>1.1 Do you currently receive services from an accounting/audit firm? (%)</b>	
Yes, only from an accounting firm	4
Yes, only from an audit firm	7
From both accounting and auditing firms	4
Yes, from a firm that provides both services	3
Yes (Pilot option)	3
No	79
Total	100

<b>1.2.1 What services do you or your company currently receive from your accounting/auditing firm? Accounting services (Including preparation of financial reports) (%)</b> <i>21% of businesses answered this question</i>	
Mentioned	66
Not mentioned	31
Don't know	2
Refuse to answer	1
Total	100

<b>1.2.2 What services do you or your company currently receive from your accounting/auditing firm? Audit of financial reports (%)</b> <i>21% of businesses answered this question</i>	
Mentioned	62
Not mentioned	36
Don't know	2
Refuse to answer	1
Total	100

<b>1.2.3 What services do you or your company currently receive from your accounting/auditing firm? Human resource management services (%)</b> <i>21% of businesses answered this question</i>	
Mentioned	5
Not mentioned	92
Don't know	2
Refuse to answer	1
Total	100

**1.2.4 What services do you or your company currently receive from your accounting/auditing firm? Tax services: Preparation/submitting tax returns/ Consultations (%)**

*21% of businesses answered this question*

Mentioned	34
Not mentioned	64
Don't know	2
Refuse to answer	1
Total	100

**1.2.5 What services do you or your company currently receive from your accounting/auditing firm? Preparation of loan applications (%)**

*21% of businesses answered this question*

Mentioned	1
Not mentioned	96
Don't know	2
Refuse to answer	1
Total	100

**1.2.6 What services do you or your company currently receive from your accounting/auditing firm? Consolidation and acquisitions of Businesses (%)**

*21% of businesses answered this question*

Mentioned	2
Not mentioned	95
Don't know	2
Refuse to answer	1
Total	100

**1.2.7 What services do you or your company currently receive from your accounting/auditing firm? Starting a new business: Startup (%)**

*21% of businesses answered this question*

Not mentioned	97
Don't know	2
Refuse to answer	1
Total	100

**1.2.8 What services do you or your company currently receive from your accounting/auditing firm? Liquidation and/or corporate restructuring (%)**

*21% of businesses answered this question*

Not mentioned	97
Don't know	2
Refuse to answer	1
Total	100

<b>1.2.9 What services do you or your company currently receive from your accounting/auditing firm? Making business plans (%)</b>	
<i>21% of businesses answered this question</i>	
Mentioned	1
Not mentioned	96
Don't know	2
Refuse to answer	1
Total	100

<b>1.2.10 What services do you or your company currently receive from your accounting/auditing firm? IT system implementation or IT consultation (%)</b>	
<i>21% of businesses answered this question</i>	
Not mentioned	97
Don't know	2
Refuse to answer	1
Total	100

<b>1.2.11 What services do you or your company currently receive from your accounting/auditing firm? Evaluation of business (%)</b>	
<i>21% of businesses answered this question</i>	
Mentioned	2
Not mentioned	95
Don't know	2
Refuse to answer	1
Total	100

<b>1.2.12 What services do you or your company currently receive from your accounting/auditing firm? Compliance with ISO standard (%)</b>	
<i>21% of businesses answered this question</i>	
Mentioned	1
Not mentioned	96
Don't know	2
Refuse to answer	1
Total	100

<b>1.2.13 What services do you or your company currently receive from your accounting/auditing firm? Internal audit (%)</b>	
<i>21% of businesses answered this question</i>	
Mentioned	5
Not mentioned	93
Don't know	2
Refuse to answer	1
Total	100

<b>1.2.14 What services do you or your company currently receive from your accounting/auditing firm? Other (%)</b>	
<i>21% of businesses answered this question</i>	
Mentioned	4
Not mentioned	94
Don't know	2
Refuse to answer	1
Total	100

<b>1.2_oth What services do you or your company currently receive from your accounting/auditing firm? Other specified (%)</b>	
<i>This question was asked only those who selected „other” option (4%)</i>	
Annual audit	2
Annual declarations	3
Consultation	90
Everything company needs	3
Standard service	1
Total	100

<b>1.3 How did you find your accounting/audit firm? (%)</b>	
<i>21% of businesses answered this question</i>	
Others recommended it	66
Through the internet	8
Saw their advertisement	1
Contact you in person	8
Old acquaintance/collaboration	5
Other	11
Don't know	5
Refuse to answer	1
Total	100

<b>1.3_oth How did you find your accounting/audit firm? Other specified (%)</b>	
<i>This question was asked only those who selected „other” option (11%)</i>	
Big 4/5/10 member/successful company in the world	2
Find and chose by ourselves	16
Firm rating/reputation	2
Has/established accounting firm	13
Old acquaintance/collaboration	53
Tender	14
Total	100



<b>1.4.1 Who do you communicate with in your accounting/audit firm? With partner/ owner (%)</b> <i>21% of businesses answered this question</i>	
Mentioned	32
Not mentioned	64
Don't know/Refuse to answer	4
Total	100

<b>1.4.2 Who do you communicate with in your accounting/audit firm? With the director (%)</b> <i>21% of businesses answered this question</i>	
Mentioned	41
Not mentioned	56
Don't know/Refuse to answer	4
Total	100

<b>1.4.3 Who do you communicate with in your accounting/audit firm? With the manager (%)</b> <i>21% of businesses answered this question</i>	
Mentioned	40
Not mentioned	56
Don't know/Refuse to answer	4
Total	100

<b>1.4.4 Who do you communicate with in your accounting/audit firm? Other (%)</b> <i>21% of businesses answered this question</i>	
Mentioned	24
Not mentioned	73
Don't know/Refuse to answer	4
Total	100

<b>1.4_oth Who do you communicate with in your accounting/audit firm? Other specified (%)</b> <i>This question was asked only those who selected „other” option (24%)</i>	
Accountant(s)	55
Auditor(s)	25
Auditor(s) & Accountant(s)	5
Company representative	5
To all I need	9

<b>1.5a Are you going to receive service from an accounting/audit firm in the future? (%)</b> <i>79% of businesses answered this question</i>	
Yes	10
No	86
Don't know	3
Total	100

<b>1.5b Are you going to receive additional service from your accounting/audit firm in the future? (%)</b> <i>21% of businesses answered this question</i>	
Yes	38
No	58
Don't know/Refuse to answer	4
Total	100

<b>1.6.1 What is the main reason why you may need [additional] services or advice from your accounting firm? Assist me in complying with laws and regulations (%)</b> <i>20% of businesses answered this question</i>	
Mentioned	56
Not mentioned	50
Don't know	3
Total	100

<b>1.6.2 What is the main reason why you may need [additional] services or advice from your accounting firm? Help me improve my business (%)</b> <i>20% of businesses answered this question</i>	
Mentioned	49
Not mentioned	48
Don't know	3
Total	100

<b>1.6.3 What is the main reason why you may need [additional] services or advice from your accounting firm? Help me reduce tax risks (%)</b> <i>20% of businesses answered this question</i>	
Mentioned	59
Not mentioned	38
Don't know	3
Total	100

<b>1.6.4 What is the main reason why you may need [additional] services or advice from your accounting firm? Other (%)</b> <i>20% of businesses answered this question</i>	
Mentioned	6
Not mentioned	91
Don't know	3
Total	100

**1.6\_oth What is the main reason why you may need [additional] services or advice from your accounting firm? Assist me in complying with laws and regulations (%)**

*20% of businesses answered this question*

Depends on member's needs	17
Financial accountability	3
In case of working without our accountant	1
Labour Standards on Occupational Safety	2
Lower price service	17
Property valuation	1
To help checking effectiveness of internal control	20
To solve extraordinary cases	1
We will need to get additional service after business growth	22
Management accounting	17

**1.7.1 What [additional] services / advice might you need from accounting / auditing firms in the future? Accounting services (including preparation of financial reports) (%)**

*13% of businesses answered these question*

Yes	70
No	25
Don't know	4
Total	100

**1.7.2 What [additional] services / advice might you need from accounting / auditing firms in the future? Audit of financial reports (%)**

*15% of businesses answered these questions*

Yes	73
No	24
Don't know	3
Total	100

**1.7.3 What [additional] services / advice might you need from accounting / auditing firms in the future? Human resource management services (%)**

*19% of businesses answered these questions*

Yes	59
No	37
Don't know	4
Total	100

**1.7.4 What [additional] services / advice might you need from accounting / auditing firms in the future? Tax services: Preparation/submitting tax returns/ Consultations (%)**

*17% of businesses answered these questions*

Yes	35
No	63
Don't know	2
Total	100

**1.7.5 What [additional] services / advice might you need from accounting / auditing firms in the future? Preparation of loan applications (%)**

*19% of businesses answered these questions*

Yes	28
No	69
Don't know	2
Total	100

**1.7.6 What [additional] services / advice might you need from accounting / auditing firms in the future? Consolidation and acquisitions of Businesses (%)**

*20% of businesses answered these questions*

Yes	35
No	59
Don't know	6
Total	100

**1.7.7 What [additional] services / advice might you need from accounting / auditing firms in the future? Starting a new business: Startup (%)**

*20% of businesses answered these questions*

Yes	45
No	52
Don't know	3
Total	100

**1.7.8 What [additional] services / advice might you need from accounting / auditing firms in the future? Liquidation and/or corporate restructuring (%)**

*20% of businesses answered these questions*

Yes	18
No	76
Don't know	6
Total	100

**1.7.9 What [additional] services / advice might you need from accounting / auditing firms in the future? Making business plans (%)**

*20% of businesses answered these questions*

Yes	48
No	51
Don't know	1
Total	100

**1.7.10 What [additional] services / advice might you need from accounting / auditing firms in the future? IT system implementation or IT consultation (%)**

*20% of businesses answered these questions*

Yes	44
No	53
Don't know	2
Total	100

**1.7.11 What [additional] services / advice might you need from accounting / auditing firms in the future? Evaluation of business (%)**

*19% of businesses answered these questions*

Yes	50
No	48
Don't know	3
Total	100

**1.7.12 What [additional] services / advice might you need from accounting / auditing firms in the future? Compliance with ISO standard (%)**

*20% of businesses answered these questions*

Yes	53
No	44
Don't know	3
Total	100

**1.7.13 What [additional] services / advice might you need from accounting / auditing firms in the future? Internal audit (%)**

*19% of businesses answered these questions*

Yes	68
No	27
Don't know	5
Total	100

<b>1.7.14 What [additional] services / advice might you need from accounting / auditing firms in the future? Other (%)</b>	
<i>19% of businesses answered these questions</i>	
Yes	2
No	92
Don't know/Refuse to answer	6
Total	100

<b>1.7_oth What [additional] services / advice might you need from accounting / auditing firms in the future? Other specified (%)</b>	
<i>This question was asked only those who selected „other” option (2%)</i>	
Financial monitoring	8
Helping to get grants	92

<b>1.8 Have you ever applied for any SME promotion program available in Georgia such as Enterprise Georgia, Preferential Agro Credit, EBRD BAS programme, etc? (%)</b>	
Yes	8
No	92
Total	100

<b>1.8 Have you ever applied for any SME promotion program available in Georgia, such as: Enterprise Georgia, Preferential Agrocredit Project, EBRD BAS program and so on? (%)</b>	
Yes	8
No	92
Don't know	0.3
Total	100

<b>1.9_1 SME promotion program you have applied: Enterprise Georgia (%)</b>	
<i>8% of businesses answered these questions</i>	
Yes	60
No	40
Total	100

<b>1.9_2 SME promotion program you have applied: GITA promoting innovation (%)</b>	
<i>8% of businesses answered these questions</i>	
Yes	12
No	88
Total	100

<b>1.9_3 SME promotion program you have applied: Preferential agro credit (%)</b>	
<i>8% of businesses answered these questions</i>	
Yes	34
No	66
Total	100

<b>1.9_4 SME promotion program you have applied: BAS program (EBRD) (%)</b> <i>8% of businesses answered these questions</i>	
Yes	9
No	88
Don't know	3
Total	100

<b>1.9_5 SME promotion program you have applied: Other (%)</b> <i>8% of businesses answered these questions</i>	
Yes	20
No	80
Total	100

<b>1.9_oth_1 SME promotion program you have applied: Other 1</b> <i>This question was asked only those who selected "other" option (1.5%)</i>	
Bank	14
Co-financing Agricultural Mechanization	14
Merci corps	14
Plant the future	43
TBC Startuperi	14
Technical re-equipment	1
Total	100

<b>1.9_oth_2 SME promotion program you have applied: Other 2</b> <i>(This question was asked only those who selected "other" option (1.5%))</i>	
Rural Development Agency	14
Co-financing harvest	14
This other option was not named	72
Total	100

<b>1.10 Please specify the reason why you do not apply to any SME promotion program?</b> <i>92% of businesses answered this question</i>	
I didn't know about the existence of such programs	5
I don't believe I will receive any promotion	2
I don't believe I will get any benefit	2
My company cannot apply for such programs	8
I am not interested in these programs	48
Other	11
Does not fit	23
Refuse to answer	1
Total	100

**1.10\_oth Please specify the reason why you do not apply to any SME promotion program- other?**

*This question was asked only those who selected "other" option - 10%*

I already have other grant	2
Do not have enough information about programs in educational sector	4
Do not have enough information about these programs	4
Going to apply	21
It needs huge efforts/do not have time	9
Not necessary yet	55
These programs do not work in my sector	3
When I tried, was never financed	2
Total	100

**2.1 How would you rate an accounting/audit firm with the following criteria - Acceptable price?**

*32% of businesses answered these questions*

Not important at all	1
Unimportant	1
More or less important	12
Important	63
Very important	22
Don't know	1
Refuse to answer	1
Total	100

**2.1\_2 How would you rate an accounting/audit firm with the following criteria - Good recommendation from a trusted source?**

*32% of businesses answered these questions*

Not important at all	1
Unimportant	0.1
More or less important	5
Important	65
Very important	28
Don't know	1
Total	100



**2.1\_3 How would you rate an accounting/audit firm with the following criteria - A reliable key person who has the ability to solve the problem?**

*32% of businesses answered these questions*

Not important at all	1
Unimportant	1
More or less important	6
Important	65
Very important	25
Don't know	1
Total	100

**2.1\_4 How would you rate an accounting/audit firm with the following criteria - Experienced stuff? 32% of businesses answered these questions**

Not important at all	1
More or less important	0.3
Important	62
Very important	37
Don't know	1
Total	100

**2.1\_5 How would you rate an accounting/audit firm with the following criteria - Relationship building skills?**

*32% of businesses answered these questions*

Unimportant	1
More or less important	5
Important	65
Very important	28
Don't know	1
Total	100

**2.1\_6 How would you rate an accounting/audit firm with the following criteria - Key personality traits (karisma)?**

*32% of businesses answered these questions*

Not important at all	4
Unimportant	8
More or less important	16
Important	59
Very important	11
Don't know	2
Total	100

**2.1\_7 How would you rate an accounting/audit firm with the following criteria - Constant readiness for communication?**

*32% of businesses answered these questions*

Unimportant	0.1
More or less important	1
Important	63
Very important	34
Don't know	1
Total	100

**2.1\_8 How would you rate an accounting/audit firm with the following criteria - A multifaceted competent business advisor)?**

*32% of businesses answered these questions*

Not important at all	2
Unimportant	10
More or less important	7
Important	61
Very important	19
Don't know	2
Total	100

**2.1\_9 How would you rate an accounting/audit firm with the following criteria - Other criteria?**

*32% of businesses answered these questions*

Important	2
Very important	2
Don't know	1
Other criteria was not mentioned by respondents	95
Total	100

**2.1\_9\_oth How would you rate an accounting/audit firm with the following criteria - Other criteria? This question was asked only those who selected "other" option 1%**

Being team worker discipline	1
Efficiency/quickness	18
Experienced company	18
Faithfull/with sense of responsibility	20
Flexibility	4
Friendly relations	16
Professionalism	21
Rating/Reputation	1
Rotation of different auditors	1
Total	100

**2.2\_1 Agree/disagree the following statements regarding an accounting firm: Accounting firm can fully meet my business requirement.**

*32% of businesses answered these questions*

Completely disagree	0.1
Rather disagree	2
Neutral	14
Rather agree	51
Fully agree	27
Don't know	5
Refuse to answer	2
Total	100

**2.2\_2 Agree/disagree the following statements regarding an accounting firm: Accounting firm is the first entity I apply for business advice.**

*32% of businesses answered these questions*

Completely disagree	4
Rather disagree	20
Neutral	21
Rather agree	51
Fully agree	42
Don't know	10
Refuse to answer	1
Total	100

**2.2\_3 Agree/disagree the following statements regarding an accounting firm: Accounting firm is inactive.**

*32% of businesses answered these questions*

Completely disagree	13
Rather disagree	49
Neutral	19
Rather agree	12
Fully agree	0.2
Don't know	6
Refuse to answer	2
Total	100

**2.2\_4 Agree/disagree the following statements regarding an accounting firm: Accounting firm has no experience in the specific field that I need.**

*32% of businesses answered these questions*

Completely disagree	21
Rather disagree	57
Neutral	9
Rather agree	7
Fully agree	2
Don't know	3
Refuse to answer	2
Total	100

**2.2\_5 Agree/disagree the following statements regarding an accounting firm: The firm does not offer additional services.**

*32% of businesses answered these questions*

Completely disagree	16
Rather disagree	51
Neutral	15
Rather agree	11
Fully agree	1
Don't know	4
Refuse to answer	2
Total	100

**2.2\_6 Agree/disagree the following statements regarding an accounting firm: Other comments.**

*32% of businesses answered these questions*

Rather agree	1
Fully agree	0.2
Other comments did not mention by respondents	99
Total	100

**2.2\_6\_oth Agree/disagree the following statements regarding an accounting firm: Other comments.**

*1% of those who mentioned other option*

Prices should be regulated	87
Professionalism	13
Total	100

**2.3a\_1 What type of accounting / auditing firm would you work with? You would work with a firm that operates as part of international network**

*11% of businesses answered these questions*

Yes	59
No	34
Don't know	7
Total	100

**2.3a\_2 What type of accounting / auditing firm would you work with? You would work with a firm that operates only throughout Georgia**

*11% of businesses answered these questions*

Yes	85
No	9
Don't know	7
Total	100

**2.3a\_3 What type of accounting / auditing firm would you work with? You would work with a firm that operates in different regions**

*11% of businesses answered these questions*

Yes	61
No	22
Don't know	16
Total	100

**2.3a\_4 What type of accounting / auditing firm would you work with? You would work with a firm that operates - It does not matter**

*11% of businesses answered these questions*

Yes	76
No	13
Don't know	11
Total	100

**2.3b\_1 Our company works with the following type of accounting / auditing firm, which operates as part of international network**

*21% of businesses answered these questions*

Yes	35
No	50
Don't know	15
Total	100

<b>2.3b_2 Our company works with the following type of accounting / auditing firm, which operates only throughout Georgia</b> <i>21% of businesses answered these questions</i>	
Yes	66
No	25
Don't know	9
Total	100

<b>2.3b_3 Our company works with the following type of accounting / auditing firm, which operates in different regions</b> <i>21% of businesses answered these questions</i>	
Yes	40
No	44
Don't know	16
Total	100

<b>2.3b_4 Our company works with the following type of accounting / auditing firm, which operates - It does not matter</b> <i>21% of businesses answered these questions</i>	
Yes	68
No	27
Don't know	5
Total	100

<b>2.4a_1 Important factors (would) matter while choosing an accounting/audit firm: Firm profile on national or international level</b> <i>32% of businesses answered these questions</i>	
Yes	91
No	9
Total	100

<b>2.4a_2 Important factors (would) matter while choosing an accounting/audit firm: Firm membership in local associations</b> <i>32% of businesses answered these questions</i>	
Yes	73
No	25
Don't know	2
Total	100

<b>2.4a_2 Important factors (would) matter while choosing an accounting/audit firm: Firm membership in local associations</b> <i>32% of businesses answered these questions</i>	
Yes	73
No	25
Don't know	2
Total	100

<b>2.4a_3 Important factors (would) matter while choosing an accounting/audit firm: Recommendation of the firm</b> <i>32% of businesses answered these questions</i>	
Yes	93
No	4
Don't know	2
Total	100

<b>2.4a_4 Important factors (would) matter while choosing an accounting/audit firm: Personal experience</b> <i>32% of businesses answered these questions</i>	
Yes	85
No	11
Don't know	4
Total	100

<b>2.4b_1 What was the most important factor in choosing between your current accounting / auditing firm - Firm profile on national or international level?</b> <i>32% of businesses answered these questions</i>	
Yes	71
No	27
Don't know	3
Total	100

<b>2.4b_2 What was the most important factor in choosing between your current accounting / auditing firm - Firm membership in local associations?</b> <i>32% of businesses answered these questions</i>	
Yes	51
No	43
Don't know	6
Total	100

**2.4b\_3 What was the most important factor in choosing between your current accounting / auditing firm - Recommendation of the firm?***32% of businesses answered these questions*

Yes	94
No	5
Don't know	0.3
Total	100

**2.4b\_4 What was the most important factor in choosing between your current accounting / auditing firm - Personal experience?***32% of businesses answered these questions*

Yes	69
No	30
Don't know	1
Total	100

**3.1 Company location (%)**

Guria	1
Imereti	8
Kakheti	4
Kvelo Kartli	6
Mtskheta-Mtianeti	1
Racha-Lechkhumi and Kvemo Svaneti	1
Samegrelo - Zemo svaneti	5
Samtskhe-Javakheti	2
Shida Kartli	3
Tbilisi	59
Adjara	11
Total	100

**3.2 Duration of your company operation: years (%)**

Up to 10	67
10-20 years	26
More than 20 years	7
Total	100

**3.3 Respondent's position (%)**

Owner	34
Director	39
Financial director	47
Other	38



<b>3.3_Other. Respondent's position other (%)</b>	
<i>This question was asked for those respondents who choose other option - 38%</i>	
Accountant	68
Financial manager	30
Senior consultant	1
Trustee of director	1
Total	100

<b>3.5 Activity sector (%)</b>	
Trade	32
Services	27
Production	10
Construction	10
Transportation	4
Tourism	2
Financial Services	2
Agriculture	2
Telecommunications	1
Information Technology (IT)	1
Other	10
Total	100

<b>3.5_Other Activity sector other (%)</b>	
<i>This question was asked for those respondents who choose other option - 10%</i>	
Advertisement/Design	7
Collector	2
Culture	2
Design	2
Education	15
Electrical service	2
Engineering	4
Food supply	3
Healthcare	20
Import	1
Intermediary company	2
Job Centre	2
Leasing	5
Logistics	2
Mining	2
Petrol/gas station	3
Pharmacy	2
Real estate	2

Real estate renting	12
Recreation	2
Renting sports equipment	2
Sport	2

<b>3.6 Is an accountant employed in your company? (%)</b>	
Yes	87
No	13
Total	100

<b>3.7.1 Professional organization your accountant is a member of: GFPAA (%)</b>	
Mentioned	19
Not mentioned	5
None	49
DK/RA	28
Total	101

<b>3.7.2 Professional organization your accountant is a member of: GFAAFM (%)</b>	
Mentioned	2
Not mentioned	21
None	49
DK/RA	28
Total	100

<b>3.7.3 Professional organization your accountant is a member of: UK ACCA (%)</b>	
Mentioned	2
Not mentioned	21
None	49
DK/RA	28
Total	100

<b>3.7.4 Professional organization your accountant is a member of: Other (%)</b>	
Mentioned	3
Not mentioned	20
None	49
DK/RA	28
Total	100

<b>3.7_Other Professional organization your accountant is a member of: Other (%)</b> <i>This question was asked for those respondents who choose other option 2%</i>	
Accountants' Club Forum	55
Accountants union	1
Association of accountants	1
Gifa	11
IBCCS	11
New programs and courses	11
The Academy of Finance	11
Tsodnisa	1
Total	100

<b>3.8.1 Have you heard of these professional organizations: GFPAA? (%)</b>	
Yes	78
No	22
Total	100

<b>3.8.2 Have you heard of these professional organizations: GFAAFM? (%)</b>	
Yes	58
No	42
Total	100

<b>3.8.3 Have you heard of these professional organizations: UK ACCA? (%)</b>	
Yes	44
No	56
Total	100

<b>3.8.4 Have you heard of these professional organizations: Other (%)</b>	
Yes	3
No	97
Total	100

<b>3.8_Other Professional organization your accountant is a member of: Other (%)</b> <i>This question was asked for those respondents who choose other option 3%</i>	
Accountants' Club Forum	32
Accountants' union	8
BDO Academy	1
GFA	8
Gifa	8
IBCCS	8
Ratio	8

saras.gov.ge	16
The Academy of Finance	8
There are many associations	1
Tsodnisa	1
Women Association	1
Total	100

<b>3.9 How much does your company pay your accounting / auditing firm per year? (%)</b>	
Up to 5,000 GEL	32
From 5,000 to 10,000 GEL	18
From 10,000 GEL to 50,000 GEL	23
More than 50,000 GEL	1
Refuse to answer	27
Total	100