

Clarifications to the RFP for the Assistance in Preparation of the State Road Administration Financial Statements based on the International Financial Reporting Standards (IFRS) [repeated]

1. Expected date and finalisation date:

Question: In Data sheet "7.2": Expected date for commencement of consulting services - March 31, 2008. In TOR "Reports" it is stated "The final SRA's entire financial statements in accordance with IFRS... should be prepared...no later than three months after the end of fiscal year (i.e by March 31, 2008)".

Answer: The completion date should be one month from the date of contract signature. The wording "months after the end of fiscal year (i.e by March 31, 2008)" in the paragraph under title "Reports" should hereby be substituted with the following wording "one month from the date of contract signature".

2. Accounting and reporting framework. NAS financial statements.

Question: In order to determine the required time for the work on which our fee will be based and following the provision of Section 2 "Instruction for Consultants"/Introduction/1.3 we would need to get the understanding on the following:

- description of accounting system and main document flow
- reporting framework (types of reports, level of details, reporting formats)
- need to review the NAS financial statements covering the period under compilation. We need to look at the level and type of activity and transactions in order to estimate what IFRS standards are mostly relevant. IFRS standards are different regarding the complexity of application and technical support needed to comply with them.

Answer: SRA accounting is maintained in accordance with National accounting legislation, including the National Accounting Standards of Moldova. The accounting system includes:

1. Accounting for all transactions of the Road Fund and of the State budget allocation;
2. Accounting for SRA's revenues from carrying out road repairs, maintenance, and capital construction and SRA's general administration expenses, such as salaries, rent, etc.;
3. Accounting for investment operations (Project activities).

Starting from 2007, SRA prepares a consolidated NAS based financial statements for all operations and activities, including those of the Project.

SRA uses the 1-C accounting software version 8. The system is used for accounting and financial reporting of all SRA's activities, including those of the Project.

The accounting system is being customized to: (i) record Project related transactions separately for each funding source, (ii) capture sources of funding and their use for Project funds; (iii) prepare FMRs acceptable to donor financial institutions; (iv) maintain procurement monitoring and contract management data; (vii) user authorizations so that segregation of duties within SRA staff are incorporated in the system; (viii) payroll modules are adjusted to SRA needs, including reporting to fiscal and social insurance authorities; (viii) budgeting process according to statutory rules (for road fund expenditures), as well as for the purpose of Project reporting; etc. (ix) the system produces all the set of reports for local authorities.