

## Clarification to RFQ

**Title: Accounting Services for the International Anti-Corruption Academy (IACA)**

**Reference Number: IACA-2019-FI-0002-01**

### **Additional general information about IACA:**

Currently IACA receives income from following sources: voluntary contributions; programme and seminar fees; miscellaneous income, e.g. merchandise, lecturing services, funding's.

IACA's main expenses are for personnel costs for about 30 staff members. Staff members are paid with an all-in lump sum, where no taxes and insurance contributions are deducted. Insurance contributions are paid directly by staff members to the NÖGKK. Only the occupational accident insurance contribution is covered and pre-paid by IACA to the staff members additionally. No pension plan exists. Dependent level remuneration is paid out for staff members with at least one child, together with the monthly salary.

Further main expenses are: running costs (building), diverse works and service contracts, and travel expenses.

Each event/project receives one cost-center account number. The regular IACA internal procedure of handling invoices is following: the project officer receives an invoice, writes a case summary, hands it over to the Finance Unit and the Finance Officer enters it together with the cost-center account number to an Excel sheet, which is submitted monthly to the external accounting service provider together with all invoices.

The Finance and HR Unit are the only contact points to the external service provider.

A Viennese tax consultant company is currently engaged with accounting services and the preparation of the financial statement in accordance with Austrian accounting standards.

### **Accounting Services for double-entry bookkeeping under IPSAS:**

The current external accounting service provider uses BMD software. IACA has no preferences, which software system will be used.

So far, the service was remotely provided. Access to IACA's bank account will be granted to the contact person of the external service provider.

The volume of the transactions per month is currently around 200 transactions.

Purchasing invoices and outgoing invoices are usually booked to different projects and activities.

Breakdown of transactions (approximate numbers, based on the year 2018):

- incoming invoices: 1.350/year (incl. credit card invoices), with a peak in the summer months
- outgoing invoices: 350/year (incl. merchandise cash invoices)
- bank transactions: 30 salary payments/month, around 12 contributions received/year
- timesheets: monthly timesheets of each staff member needs to be allocated to the respective cost-center account number
- others: There are around 100 cash box bookings – DSA, reimbursement to staff, collected bank charges, etc.

Additionally, due to the internal cost-center accounting, approximately 350 “Internal Credit Notes” per year need to be allocated to different cost-center accounts.

IACA takes care of the financial and substantial reporting for project funding’s. The financial part is counterchecked by the Finance Unit with the cost-center accounting provided by the external service provider.

The monthly bookkeeping should be finalized until the 15 of the following month.

### **Conversion from Austrian Accounting Standard GAAP to IPSAS**

An additional accounting under Austrian GAAP after the conversion to IPSAS is not required.

IACA can make use of exceptions allowed under IPSAS 33 First-Time Adoption of Accrual Basis IPSASs, if necessary/recommended by the external service provider.

At this time, IACA does not hold any securities.

If applicable for IACA, assistance with the implementation of upcoming IPSASs is required as well (e.g. new IPSAS Lease standard, IPSAS Standard for non-exchange transactions - both expected 2021).

Contributions from member states may be allocated to different years. Further conditions or requirements are checked and implemented by IACA beforehand. There are no template contracts for voluntary contributions from member states. Payments may be processed on the basis of diplomatic pledges. IACA receives the voluntary contributions in Euro and USD. As IACA holds a EURO account, the conversion is in Euro only.

The preparation of the required disclosures in accordance with IPSAS shall be part of the conversion project.

IACA does not need an internal accounting manual (IPSAS), nevertheless guidance and explanation to IACA’s Independent External Auditors needs to be provided on request.

### **Preparation of the annual financial statements in accordance with IPSAS**

The last financial statement (2017) will be provided on request (excluding amounts).

The conversion should be done retroactively from 1 January 2019 onwards. The first complete set of financial statements according to IPSAS should be as of 31 December 2019.

The financial statements shall be finalized no later than 31 March following the end of the fiscal year to which they relate.

The annual financial statements need to be submitted to the annual meeting of the External Auditors, which usually takes place in the beginning of the second quarter of the calendar year. Usually, the service provider will be informed about the scheduled meeting six weeks prior the meeting,.

The audited financial statement for each fiscal year shall be submitted to the Board and, upon request, the Bureau of the Assembly at least 30 days before the opening of the Board’s next meeting.

### **Support with reimbursement of indirect taxes**

No separate tax department exist within the organization. On a quarterly basis, the service provider shall submit to IACA the amount for VAT refund to the Austrian Authorities. IACA takes care of the administrative process of requesting refund.

### **In-house support for IACA's External Audit**

During IACA's independent external audit, in-house support for the Financial Unit including presence of around eight hours per day on three consecutive days per year is necessary, in order to answer the questions raised by the External Auditors regarding the accountancy and financial statement.

IACA's External Audit shall be conducted by three Auditors,

- a) who are chosen from senior members of national Supreme Audit institutions or other suitable institutions of volunteering Parties,
- b) who are appointed for a three-year term by IACA's Board of Governors, subject to the fulfilment of the criteria for eligibility as Auditors, as well as the limitations in regard of employment with IACA, and
- c) who shall serve exclusively in their personal capacity; their function as Auditor being neither associated with a specific geographical region nor with any volunteering Party, nor being transferable.

### **Clarification provided beforehand via e-mail 4 February 2019:**

- IACA uses 173 accounts (classes from 0 to 9) in the current double-entry bookkeeping. A list of the accounts in use was provided on 4 February 2019.
- IACA uses about 100 cost-centers. For general activities we use cost-centers as for example: Administration, Facility Management, Finance, etc., and in addition for each new event or project a new cost-center will be opened.
- The balance sheet total for the financial year 2017 was about EUR 1,200,000.00.
- IACA's bookkeeping and cost-center accounting is completely outsourced to an external service provider (IACA itself has no ERP system; bookkeeping and cost-center accounting is outsourced to a third party).