

**National Agency for Fiscal Administration**  
**Loan (8261 – RO) for Revenue Administration Modernization Project - RAMP**  
**During the period 01 January 2018- 31 March 2019**

**REPORT ON PROJECT FINANCIAL STATEMENTS  
OF THE NATIONAL AGENCY FOR FISCAL ADMINISTRATION**

**LOAN (8261-RO) FOR THE REVENUE ADMINISTRATION MODERNIZATION  
PROJECT (RAMP)**

**DURING THE PERIOD 01 JANUARY 2018-31 MARCH 2019**

**National Agency for Fiscal Administration**  
**Loan (8261 – RO) for Revenue Administration Modernization Project - RAMP**  
**During the period 01 January 2018- 31 March 2019**

<b>NO.</b>	<b>CONTENTS</b>	<b>PAGE</b>
	Auditor's report on the project financial statements	3
	List of abbreviations	6
	General information	7
1.	Statement of sources and uses of funds	11
2.	Statements of expenditures	12
3.	Summary of statement of expenditures	15
4.	Financial statement of the loan	15
5.	Budget realization	16
6.	Project commitments	17
7.	Accounting policies and records	21
8.	Statement of treasury account	22
9-11	Notes to the project financial statements	23

**INDEPENDENT AUDITOR'S REPORT**  
**TO THE NATIONAL AGENCY FOR FISCAL**  
**ADMINISTRATION – PROJECT MANAGEMENT UNIT**  
**– REVENUE ADMINISTRATION MODERNIZATION**  
**PROJECT - RAMP**

**Report on the Project Financial Statements**

*Unqualified Opinion*

- a) We have audited the accompanying project financial statements of Revenue Administration Modernization Project during the period 01<sup>st</sup> January 2018-31<sup>st</sup> March 2019. The project is financed by the International Bank for Reconstruction and Development (IBRD) through Loan no. 8261 – RO that was signed on 8 May 2013. The audited project financial statements during the period 01<sup>st</sup> January 2018 – 31<sup>st</sup> March 2019 consist of: Statement of resources and uses of funds, Statements of expenditures, Statement of SoE, Financial statement of the loan, Budget realisation, Statement of the Treasury Account.
- b) In our opinion, the financial statements of the Project: Revenue Administration Modernization Project –RAMP during the period 01<sup>st</sup> of January 2018 until 31<sup>st</sup> March 2019 are prepared, in all material respects, in accordance with the financial reporting provisions provided in Law no. 212 of June 27, 2012 and the Loan Agreement 8216 –RO of May 08, 2013 updated with all subsequent amendments.

*Basis for Opinion*

- c) We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the PMU according to the ethical requirement relevant for the audit of financial statement in Romania and we have fulfilled all other ethical responsibilities, according to the requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Emphasis of matters*

d) Without qualifying our opinion, we draw attention to the following matters:

- As mentioned in the Note 9 “Legislation and the fiscal environment in Romania “to the financial statements, the legal system from Romania is affected by macroeconomic factors which include influences of the worldwide economic slowdown. As a result of this, the Romanian Government might change the fiscal and monetary policy. Due to the above mentioned aspects there might be a negative impact on the evolution of the Project.
- As mentioned in the Note 7 “Accounting policies and records” to the Project Financial Statements, these financial statements were prepared for complying with the Loan requirements and with the appropriate World Bank guidelines, and therefore are not intended to be a complete presentation of the Project’s operations

*Management’s Responsibility for the Financial Statements*

- e) Management of the Project Management Unit is responsible for the preparation of these financial statements in accordance with the financial reporting provisions included in the ratification law no 212/27.06.2013 and loan agreement 8261-RO dated 8 May 2013, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
- f) In preparing the financial statements, management is responsible for evaluating the Project’s ability to continue as a going concern, for disclosure, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to cease the Project or the operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the PMU’s financial reporting process.

*Auditor’s Responsibility*

- g) Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or aggregated, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
- h) As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the PMU's internal control.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the PMU's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the PMU to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- i) We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Other Matter*

- j) This report, including the opinion, has been prepared for the use of the Project Management Unit and submission to the International Bank for Reconstruction and Development and should not be used for any other purposes beside those meant for a financial audit report. Within the boundaries of the law, we do not, in giving this opinion, accept or assume responsibility for any other purposes or to any other person to whose knowledge this report may come to.

**Auditor:**

**MICHALIS PAPADOURIS**

**CAFR member (authorization no.4276/2012)**

**for:**

**BAKER TILLY KLITOU AND PARTNERS S.R.L.**

**CAFR company member (authorization no. 384/26.05.2003)**

**Bucharest, 10 May 2019**



**National Agency for Fiscal Administration  
Loan (8261 – RO) for Revenue Administration Modernization Project - RAMP  
During the period 01 January 2018- 31 March 2019**

**List of abbreviations:**

**RAMP – Revenue Administration Modernization Project**

**IBRD – International Bank for Reconstruction and Development**

**WB – World Bank**

**NAFA – National Agency for Fiscal Administration**

**NAFA P.M.U. – Project Management Unit, established within NAFA**

**MOPF – Ministry of Public Finances**

**National Agency for Fiscal Administration**  
**Loan (8261 – RO) for Revenue Administration Modernization Project - RAMP**  
**During the period 01 January 2018- 31 March 2019**

**GENERAL INFORMATION**

*Reporting entity*

The Loan Agreement is implemented by NAFA by means of the NAFA P.M.U. within the entity.

*Loan Agreement*

The Law no. 212 dated June 2013, ratified the Loan Agreement between Romania (the "Borrower") and the International Bank for Reconstruction and Development (the "Bank") regarding Revenue Administration Modernization Project, and by Government decision no. 1017/2016 the amendment of extension with 2 years of the project period from 31 march 2019 to 31 march 2021. During the 2018 year, was taken the decision of closing RAMP project, and cancellation of 51,902,124 euro amount from loan, and modified the closing date of project from March 31, 2021, to March 31, 2019.

The development objectives of the Revenue Administration Modernization Project (RAMP) are:

- (i) to increase effectiveness and efficiency in collection of taxes and social contributions;
- (ii) to increase tax compliance;
- (iii) to reduce the burden on taxpayers to comply.

*Destination of Borrowed Funds*

Component 1: Institutional Development

Component 2: Increasing Operational Effectiveness and Efficiency

Component 3: Taxpayer Services and Corporate Communication

Component 4: Project Coordination and Management

During the 2018 year, was taken the decision of closing RAMP project. On November 19, 2018, the Minister of Public Finance have sent to the World Bank the letter regarding cancellation of 51, 902, 124 Euro amount, with the mention that all the achievements in the project will be taken into account towards reaching NAFA's informatization objective.

On December 14, 2018 was sent to the Word Bank the request for the modified closing date of the project, respectively 31 March 2019.

On March 07, 2019 the Amendment Letter to the Loan Agreement was signed.

**National Agency for Fiscal Administration**  
**Loan (8261 – RO) for Revenue Administration Modernization Project - RAMP**  
**During the period 01 January 2018- 31 March 2019**

*The loan amount for RAMP Project is allocated as follows:*

Category	Amount of the Loan Allocated (expressed in Euro)	Percentage of Expenditures to be financed (inclusive of Taxes)
(1) Goods, non-consulting services, Consultants' services, including audit, Training and operating costs of the Project	18,097,876	100%
(2) Cancellation at November 19, 2018	51,902,124	
<b>TOTAL AMOUNT</b>	<b>70,000,000</b>	

For the purposes of this Schedule:

1. *"Goods"* means the goods described in the Procurement Guidelines, including commodities, raw material, machinery, equipment, vehicles, and industrial plant;
2. *"Non-Consultant Services"* means the non-consultant services described in the Procurement Guidelines, including the non-consulting services for which the physical aspects of the activity predominate, are bid and contracted on the basis of performance of a measurable physical output, and for which performance standards can be clearly identified and consistently applied;
3. *"Consultants"* means the consultants described in the Consultant Guidelines, including a variety of private and public entities such as consulting firms, engineering firms, management firms, auditors, multinational organizations, investment and merchant banks, universities, research institutions, government agencies, nongovernmental organizations (NGOs), and individuals;
4. *"Training"* means the training and training-related activities, including seminars, workshops and study tours, travel and subsistence allowances for training participants, trainers' fees, rental of training facilities, preparation and reproduction of training materials and other activities incidental to the preparation and implementation of training activities;
5. *"Operating Costs"* means the incremental expenses incurred by the Borrower on account of Project implementation, management, and monitoring, for office space rental, utilities, and supplies, bank charges, communications, vehicle operation, maintenance, and insurance, building and equipment maintenance, advertising expenses, translation, travel and supervision (including supervision activities in connection with the Project, salaries of contractual and temporary staff, but excluding salaries, fees, and bonuses of members of the Borrower's civil service).



**National Agency for Fiscal Administration**  
**Loan (8261 – RO) for Revenue Administration Modernization Project - RAMP**  
**During the period 01 January 2018- 31 March 2019**

*Other information*

The term "*Statement of Expenditures*" means: expense reports used by the Borrower to forward to IBRD the application for reimbursement of payments already made.

The term "*State treasury account*" means: a bank account opened at the State Treasury where NAFA is receiving from the Ministry of Public Finances the requested amount necessary for payments of the eligible expenses.

The eligible expenditures of the project financed through loan provided by IBRD will be pre-financed out of the State budget allocations.

The IBRD loan funds will be disbursed using the reimbursement as disbursing method.

Withdrawal applications will be sent to the Bank periodically by the Borrower (MOPF), according to Disbursement Letter.

The withdrawn amounts will be used by MOPF for legal purposes, according to the legislation in force regarding the Public Debt Law.

The amount necessary for the reimbursement of Loan, of the interest and commissions, is provided by MOPF from the state budget.

Procurement plan prepared by the PMU is updated at least annually and is prior reviewed by the IBRD.

**National Agency for Fiscal Administration  
Loan (8261 – RO) for Revenue Administration Modernization Project - RAMP  
During the period 01 January 2018- 31 March 2019**

**GOVERNMENT OF ROMANIA  
MINISTRY OF PUBLIC FINANCE  
NATIONAL AGENCY FOR FISCAL ADMINISTRATION  
IBRD LOAN (8261-RO)  
FOR REVENUE ADMINISTRATION MODERNIZATION PROJECT - RAMP  
Special purpose project's financial statements  
during the period 01 January 2018-31 March 2019**

**National Agency for Fiscal Administration**  
**Loan (8261 – RO) for Revenue Administration Modernization Project - RAMP**  
**During the period 01 January 2018- 31 March 2019**

**1. STATEMENT OF SOURCES AND USES OF FUNDS**

**1.1 Statement of the IBRD Loan Account for the Revenue Administration Modernization Project – RAMP during the period 01 January 2018 – 31 March 2019.**

Loan No 8261 - RO

**Date of Approval 8 May 2013**

	<i>Cumulative as at 31 Dec 2017 EUR</i>	<i>Cancelled amount at 31 March 2019 EUR</i>	<i>Cumulative as at 31 March 2019 EUR</i>
Loan amount approved	70,000,000.00	51,902,124.00	18,097,876.00
Less: Total drawings from loan	16,692,654.54		17,327,446.69
Loan amount not disbursed	53,307,345.46		770,429.31

**1.2 Summary of Funds Received and Uses of Funds during the period 01<sup>st</sup> January 2018 - 31<sup>st</sup> March 2019:**

	<i>Cumulative as at 31 Dec 2017 RON</i>	<i>Period 01 Jan 2018 - 31 March 2019 RON</i>	<i>Cumulative as at 31 March 2019 RON</i>
Opening cash balance	0.00	0.00	0.00
State Treasury Account transactions			
Add: Pre-financing by the Government	77,355,298.15	355,557.62	77,710,855.77
Less: Project expenditure	77,355,298.15	354,687.81	77,709,985.96
Closing cash balance	0.00	869.81	869.81

**National Agency for Fiscal Administration**  
**Loan (8261 – RO) for Revenue Administration Modernization Project - RAMP**  
**During the period 01 January 2018- 31 March 2019**

**2. STATEMENT OF EXPENDITURES**

**1.1 Project expenditure by component**

<b>Component/ Description</b>	<b>Cumulative as at 31 Dec 2017</b>	<b>Expenditures for the period 01 Jan 2018 - 31 March 2019</b>	<b>Cumulative as at 31 March 2019</b>
	<b>RON</b>	<b>RON</b>	<b>RON</b>
<i>Component 1: Institutional Development</i>	<b>12,430,503.29</b>	<b>0.00</b>	<b>12,430,503.29</b>
SC1: Organizational Development	8,124,171.45	0.00	8,124,171.45
RAMP/CS/2 Development of NAFA's Analytical Capacity	1,909,334.57	0.00	1,909,334.57
RAMP/CS/3 Organizational Development: Management Systems	858,580.95	0.00	858,580.95
RAMP/7 Modeling SW licenses	110,724.00	0.00	110,724.00
RAMP/13 Logistics for training (Year 2016)	2,192,292.78	0.00	2,192,292.78
RAMP/14 Logistics for training (Year 2017)	3,053,239.15	0.00	3,053,239.15
SC2: Internal Control & Public Audit	661,915.39	0.00	661,915.39
RAMP/CS/4 Development of internal control functions	661,915.39	0.00	661,915.39
SC3: Human Resources & Training	2,150,726.90	0.00	2,150,726.90
RAMP/CS/5 Policy and strategy development for HR	2,150,726.90	0.00	2,150,726.90
SC4: Legal Framework & Appeals	1,493,689.55	0.00	1,493,689.55
RAMP/23 Training for Fiscal Procedural Code	837,597.17	0.00	837,597.17
RAMP/CS/6 Improved Appeals Process and Review of Legislation and Rulings Development	200,941.18	0.00	200,941.18
RAMP/CS/8 Training for Penal Code	241,320.10	0.00	241,320.10
RAMP/CS/9 Training for Civil Code	213,831.10	0.00	213,831.10
SC5: Business Process Re-engineering			
<i>Component 2: Increasing Operational Effectiveness and Efficiency</i>	<b>51,503,963.83</b>	<b>118,046.61</b>	<b>51,622,010.44</b>
SC1: Operational functions	6,919,425.45	0.00	6,919,425.45
RAMP/CS/10 Audit development and Audit techniques improvement	1,853,937.11	0.00	1,853,937.11
RAMP/CS/14 Review of High Volume Revenue Processing Operations	1,040,897.11	0.00	1,040,897.11
RAMP/CS/11 – Operational assistance for Management of High Net Worth Individuals	666,370.59	0.00	666,370.59
RAMP/CS/13 – Enforcement Development	363,052.14	0.00	363,052.14
RAMP/CS/12 – Anti-fraud and Business Intelligence Development	2,206,575.63	0.00	2,206,575.63

**National Agency for Fiscal Administration  
Loan (8261 – RO) for Revenue Administration Modernization Project - RAMP  
During the period 01 January 2018- 31 March 2019**

RAMP/CS/24 Specialized Training on Organization and Functioning of Banking Sector	63,970.97	0.00	63,970.97
RAMP/CS/25 Specialized Training on Organization and Functioning of Insurance Sector	55,945.86	0.00	55,945.86
RAMP/8 E-audit licenses	668,676.04	0.00	668,676.04
SC2: Application software	6,571,711.05	0.00	6,571,711.05
RAMP/CS/1- Project definition, integration and implementation	6,571,711.05	0.00	6,571,711.05
SC3: IT infrastructure & implementation	38,012,827.33	118,046.61	38,130,873.94
RAMP/1-WS Workstations, monitors and multifunctional printer	9,856,532.09	0.00	9,856,532.09
RAMP/1-SR – Hardware, software & tr. for primary, secondary centre and data warehouse	9,778,766.84	69,763.79	9,848,530.63
RAMP/4 – Network improvement for datacenters (in 2 lots)	18,377,528.40	48,282.82	18,425,811.22
<i>Component 3: Taxpayer Services and Corporate Communication</i>	<b>8,277,814.80</b>	<b>198,976.93</b>	<b>8,476,791.73</b>
SC1: Taxpayer Services	3,642,705.85	198,976.93	3,841,682.78
RAMP/CS/15 Develop and implement New Taxpayer Service Concept	3,642,705.85	198,976.93	3,841,682.78
SC2: Corporate Communication	4,635,108.95	0.00	4,635,108.95
RAMP/CS/17 - Annual surveys	3,465,594.21	0.00	3,465,594.21
RAMP/CS/16 Design Communication Strategy and Develop Public Relations Skills	1,169,514.74	0.00	1,169,514.74
<i>Component 4: Project Coordination and Management</i>	<b>5,143,016.23</b>	<b>37,664.27</b>	<b>5,180,680.50</b>
SC1: Project Management Unit	5,143,016.23	37,664.27	5,180,680.50
RAMP/CS/ 20 procurement adviser	1,461,933.19	6,749.43	1,468,682.62
RAMP/CS/ 21 IT procurement adviser	2,059,750.58	0.00	2,059,750.58
RAMP/CS/ 22 translation services	226,118.75	3,342.43	229,461.18
RAMP/16 training	77,911.16	0.00	77,911.16
RAMP/18 operational costs	29,178.82	0.00	29,178.82
RAMP/18 operational costs bank charges	40,378.00	1,149.69	41,527.69
RAMP/20 training project management	55,220.72	0.00	55,220.72
RAMP/21 training PMU	150,400.69	0.00	150,400.69
RAMP/9 licenses project management	40,498.28	0.00	40,498.28
RAMP/CS/23 financial audit	75,758.82	26,422.72	102,181.54
RAMP/22 training project management	54,153.08	0.00	54,153.08
RAMP/CS/27 Revenue administration consultant	438,534.78	0.00	438,534.78
RAMP/CS/26 Information Technology Consultant	433,172.97	0.00	433,172.97

**National Agency for Fiscal Administration**  
**Loan (8261 – RO) for Revenue Administration Modernization Project - RAMP**  
**During the period 01 January 2018- 31 March 2019**

<i>Other expenses</i>	6.39	0.00	6.39
SC2: Change Management			
<b>Total Project Expenditure - Project Funds</b>	<b>77,355,298.15</b>	<b>354,687.81</b>	<b>77,709,985.96</b>

2.2 Project expenditure by category

<b>Category</b>	<b><i>Cumulative as at 31 Dec 2017 RON</i></b>	<b><i>Expenditures for the period 01 Jan 2018 - 31 March 2019 RON</i></b>	<b><i>Cumulative as at 31 Dec 2018 RON</i></b>
(1) Goods, non-consulting services, consultants' services, including audit, training and operating costs of the Project	77,355,298.15	354,687.81	77,709,985.96

**National Agency for Fiscal Administration**  
**Loan (8261 – RO) for Revenue Administration Modernization Project - RAMP**  
**During the period 01 January 2018- 31 March 2019**

**3. SUMMARY OF STATEMENTS OF EXPENDITURES**

During 2018 the below withdrawal applications were submitted.

<i>Withdrawal Application</i>	<i>Total amount claimed (EUR)</i>	<i>Amount paid</i>	<i>Amount as at</i>	<i>of which amount claimed under SOE(EUR)</i>
19	563,440.99	563,440.99	23.01.2018	54,097.12
20	71,351.16	71,351.16	07.12.2018	196,47
<hr/>				
<b>Total for the period 01 January-31 March 2019</b>	<b>634,792.15</b>	<b>634,792.15</b>		<b>54,293.59</b>

**4.FINANCIAL STATEMENT OF THE LOAN**

4.1 Total disbursements during the period 08 May 2013-31 March 2019:

	<i>Amount EUR</i>
As at 8 May 2013	0
During 2013	0
As at 31 Dec 2013	0
During 2014	0
As at 31 Dec 2014	0
During 2015	7,726,783.02
As at 31 Dec 2015	7,726,783.02
During 2016	6,370,467.09
As at 31 Dec 2015	14,097,250.11
During 2017	2,595,404.43
As at 31 Dec 2017	16,692,654.54
During period 01 Jan 2018- 31 March 2019	634,792.15
As at 31 March 2019	
	17,327,446.69
<b>Total disbursements</b>	<b>17,327,446.69</b>

**National Agency for Fiscal Administration**  
**Loan (8261 – RO) for Revenue Administration Modernization Project - RAMP**  
**During the period 01 January 2018- 31 March 2019**

**4.2 IBRD payments during the period 01 Jan 2018- 31 March 2019**

Withdrawal application	Beneficiary name	Type	Ccy	Amount claimed	Category	Ccy	Amount paid	Value date
19	MOPF	Reimbursement	EUR	563,440.99	1	EUR	563,440.99	23.01.2018
20	MOPF	Reimbursement	EUR	71,351.16	1	EUR	71,351.16	07.12.2018
				<b>634,792.15</b>			<b>634,792.15</b>	

**5.BUDGET REALIZATION**

Component/Description	Allocated per component as per PAD EUR	31.12.2017	31.12.2017	31.12.2017	31.03.2019	31.03.2019	31.03.2019
		Accumulated to date EUR	Deviation EUR	Budget realization (%)	Accumulated to date EUR	Deviation EUR	Budget realization (%)
Component 1: Institutional Development	6,860,000	2,750,943	4,109,057	40,10%	2,750,943	4,109,057	40,10%
Component 2: Increasing Operational Effectiveness and Efficiency	57,700,000	11,519,868	46,180,132	19,97%	11,545,197	46,154,803	20,01%
Component 3: Taxpayer Services and Corporate Communication	2,920,000	1,839,215	1,080,785	62,99%	1,881,389	1,038,611	64,43%
Component 4: Project Coordination and Management	2,520,000	1,146,069	1,373,931	45,48%	1,154,163	1,365,837	45,80%
<b>Total Project Expenditure - Project Funds</b>	<b>70,000,000</b>	<b>17,256,095</b>	<b>52,743,905</b>	<b>24,65%</b>	<b>17,331,691</b>	<b>52,668,309</b>	<b>24,76%</b>

The total budget realization up to 31<sup>st</sup> March 2019 is 24,76%.



**National Agency for Fiscal Administration  
Loan (8261 – RO) for Revenue Administration Modernization Project - RAMP  
During the period 01 January 2018- 31 March 2019**

**6. PROJECT COMMITMENTS**

No Crt	No.reference of contract	Objective of the agreement	Supplier	Signing Date	Contract ccy	Initial Contract Value ccy	Add 2015 ctr ccy	Add 2016 ctr ccy	Add 2017 ctr ccy	Contract Value ctr ccy	Contract value equivalent EUR	Cumulative payments as at 31 March 2019 equivalent EUR	Remaining value of the contracts equivalent EUR*
1	RAMP/ CS/20	Procurement adviser	PFA Voicu C Victor Constantin	24.12.2013	EUR	524,050.00	-10,969.91		-1,978.27	511,101.82	511,101.82	328,546.92	0.00
2	RAMP/ CS 22	Translation	SC International Consulting Alliance SRL	24.01.2014	EUR	79,994.88	-1,667.57	4,416.00	-331.17	82,412.14	82,412.14	51,266.69	0.00
3	RAMP/ 20	Training project management	SC Trilex Consulting SRL	23.05.2014	EUR	12,573.60				12,573.60	12,573.60		0.00
4	RAMP/ CS/21	IT procurement adviser	Craig Russel Neal (USA)	31.07.2014	USD	1,191,200.00		-519,200.00		672,000.00	492,961.05	458,994.30	0.00
5	RAMP/ 9	Project Management Licenses	SC Comparex Romania	16.09.2014	EUR	9,175.80				9,175.80	9,175.80	9,157.12	0.00
6	RAMP/ CS/2	Development of NAFA's Analytical Capacity	SC Ernst & Young SRL	16.09.2014	EUR	433,833.00	-6,297.75			427,535.25	427,535.25	428,788.99	0.00
7	RAMP/ CS/17	Annual Survey	Deloitte Consultanta SRL	23.09.2014	EUR	1,046,870.00		-16,209.60	-2,701.59	1,027,958.81	1,027,958.81	778,339.51	0.00
8	RAMP/ CS/11	Operational assistance for Management of High Net Worth Individuals	Accounting and Audit Reform Consultants (AARC) Ltd (Ireland)	29.09.2014	EUR	175,901.81				175,901.81	175,901.81	149,516.54	0.00
9	RAMP/ CS/16	Design Communication Strategy and Develop Public Relations Skills	Ecorys Polska Sp. Zo.o (Poland)	13.10.2014	EUR	259,568.28				259,568.28	259,568.28	259,568.28	0.00
10	RAMP/ CS/4	Development of internal control functions	PricewaterhouseCoopers Tax Advisors & Accountants SRL	24.10.2014	EUR	212,350.00		-4,110.00	-1,027.50	207,212.50	207,212.50	146,395.69	0.00

**National Agency for Fiscal Administration**  
**Loan (8261 – RO) for Revenue Administration Modernization Project - RAMP**  
**During the period 01 January 2018- 31 March 2019**

11	RAMP/ CS/14	Review of high volume revenue processing operations	PricewaterhouseCoopers Tax Advisors & Accountants SRL	28.10.2014	EUR	275,032.00		-1,330.80	-332.70	273,368.50	273,368.50	233,437.23	0.00
12	RAMP/ CS/12	Anti-Fraud and Business Intelligence Development	PricewaterhouseCoopers Tax Advisors & Accountants SRL	17.11.2014	EUR	561,410.00		-14,488.00	-1,358.25	545,563.75	545,563.75	490,993.70	0.00
13	RAMP/ CS/10	Audit development and Audit techniques improvement	Accounting and Audit Reform Consultants (AARC) Ltd (Ireland)	02.12.2014	EUR	586,971.28				586,971.28	586,971.28	410,879.91	0.00
14	RAMP/ CS/1	Project definition, integration and implementation	Ernst & Young SRL	05.12.2014	EUR	2,950,270.00	-68,103.89		-125,579.30	2,756,586.81	2,756,586.81	1,465,035.24	0.00
15	RAMP/ CS/13	Enforcement Development	PricewaterhouseCoopers Tax Advisors & Accountants SRL	10.12.2014	EUR	234,707.20			-6,151.60	228,555.60	228,555.60	81,899.50	0.00
16	RAMP/ CS/15	Develop and implement New Taxpayer Service Concept	CRC Sogema Inc (Canada)	23.01.2015	EUR	843,480.00				843,480.00	843,480.00	843,480.00	0.00
17	RAMP/ 1-WS	Workstations, monitors and multifunctional printer	ETA2U SRL	17.02.2015	EUR	2,220,840.00				2,220,840.00	2,220,840.00	2,218,486.26	0.00
18	RAMP/ CS/23	Financial Audit	Baker Tilly Kilitou and Partners SRL	28.02.2015	EUR	34,645.60		-935.20	-188.20	33,522.20	33,522.20	22,494.26	5,664.40
19	RAMP/ CS/3	Organizational Development: Management Systems	PricewaterhouseCoopers Management Consultants SRL	03.03.2015	EUR	195,064.40		-3,460.82		191,603.58	191,603.58	190,344.79	0.00
20	RAMP/ CS/5	Policy and Strategy Development for HR	KPMG Advisory SRL	10.03.2015	EUR	514,031.73	-35,486.46		-2,302.06	476,243.21	476,243.21	475,500.76	0.00

**National Agency for Fiscal Administration**  
**Loan (8261 – RO) for Revenue Administration Modernization Project - RAMP**  
**During the period 01 January 2018- 31 March 2019**

21	RAMP/22	Prince2 Project Management Training for RAMP Team Leaders	SC Trilex Consulting SRL	14.04.2015	EUR	12,201.60					12,201.60	12,201.60	12,182.92	0.00
22	RAMP/1-SR	Hardware, Software and Training for Primary, Secondary and Data Warehouse Centers	Telekom Romania Communication SA	22.05.2015	EUR	2,229,537.98	-2,022.60			-337.10	2,227,178.28	2,227,178.28	2,225,260.05	0.00
23	RAMP/CS/6	Improved appeals process and review of legislation and rulings development	Accounting and Audit Reform Consultants (AARC) Ltd (Ireland)	18.08.2015	EUR	437,818.50					437,818.50	437,818.50	43,781.85	0.00
24	RAMP/CS/25	Specialized Training on Organization and Functioning of Insurance Sector	Pro Fiduciaria SRL	22.01.2016	EUR	14,424.00					14,424.00	14,424.00	14,166.35	0.00
25	RAMP/CS/24	Specialized Training on Organization and Functioning of Banking	Institutul Bancar Roman	08.02.2016	EUR	12,475.00					12,475.00	12,475.00	12,389.19	0.00
26	RAMP/23	Training for Fiscal Procedural Code	KPMG TAX SRL	08.02.2016	EUR	196,516.75				-134.60	196,382.15	196,382.15	188,027.79	0.00
27	RAMP/7	Modeling software licenses	MBL Computers SRL	11.03.2016	RON	110,724.00					110,724.00	24,734.50	24,497.00	0.00
28	RAMP/13	Logistics for training (Year 2016)	LDK Consultants Engineers & Planners SRL	21.03.2016	RON	2,291,579.76				-45,191.88	2,246,387.88	503,380.96	488,295.43	0.00
29	RAMP/CS/27	Revenue administration Consultant	David Tansey	06.05.2016	EUR	419,900.00					419,900.00	419,900.00	96,270.30	0.00
30	RAMP/CS/26	Information technology consultant	Ali Rammal	18.05.2016	USD	607,880.00					607,880.00	540,070.42	96,611.59	0.00

**National Agency for Fiscal Administration  
Loan (8261 – RO) for Revenue Administration Modernization Project - RAMP  
During the period 01 January 2018- 31 March 2019**

31	RAMP/ 4	Network Improvement for Datacenters (in 2 Lots)	Datanet Systems SRL – asociere cu Nova Tech Integrated solutions	31.08.2016	USD	4,531,704.00				-240.00	4,531,464.00	4,064,958.39	4,097,938. 24	0.00
32	RAMP/ 8	E Audit Tool - Licences and Training	Caseware Idea Inc	20.12.2016	EUR	145,195.00					145,195.00	145,195.00	145,195.00	0.00
33	RAMP/ 14	Logistics for training (Year 2017)	LDK Consultants Engineers & Planners SRL	30.12.2016	RON	3,069,191.62					3,069,191.62	675,899.41	666,334.94	0.00
34	RAMP/ CS/9	Training for Civil Code	International Consulting Expertise	01.03.2017	RON	213,831.10					213,831.10	47,289.98	46,449.75	0.00
35	RAMP/ CS/8	Training for Penal Code	International Consulting Expertise	07.03.2017	RON	241,320.10					241,320.10	53,369.33	52,526.97	0.00
			TOTAL											5,664.40

\*Remaining value of contract is zero , as cancellation notifications were sent to all service providers, except audit services.

**National Agency for Fiscal Administration**  
**Loan (8261 – RO) for Revenue Administration Modernization Project - RAMP**  
**During the period 01 January 2018- 31 March 2019**

**7.ACCOUNTING POLICIES AND RECORDS**

*Basis for preparation of special purpose financial statements*

The special purpose project's financial statements are prepared in local currency (RON). Therefore, the inter-banking exchange rate of the Romanian Commercial Bank was used for payments made in foreign currency.

The accounting records of the project are maintained by the PMU in accordance with the accrual basis of accounting in compliance with the Operational Manual approved by the WB.

The Project Financial Statements are prepared for complying with the Loan requirements and with the appropriate World Bank guidelines.

*Eligible categories and expenditures*

Eligible expenditures mean expenditures in respect of the reasonable cost of goods, consultant's services including audit, non-consulting services, training and operating costs required for the Project and to be financed out of proceeds of the Loan allocated to the eligible Category in accordance with the Loan Agreement.

*Funding*

The sources of funds identified for Project implementation are the external sources, granted by the WB through the Loan.

*External Contribution from the World Bank Loan:*

The Government of Romania will provide initial advances for the Project implementation that will be further recovered from the WB Loan, which represents the ultimate financial source for the Project implementation support. The WB funds will cover all eligible expenditures and will be accessed according to the Loan Agreement provisions.

*Government of Romania Contribution from budgetary funds:*

The Government of Romania will advance all the funds for the part of the Project financed from the WB, funds that will be further recovered in full from the Loan proceeds.

*Contribution from general budgetary allocations and Implementation Agencies' own sources:*

Within Project activities, NAFA could also provide funds, when necessary, from their own budgets to cover some implementation costs, non-eligible for financing from the Project funds. Also, NAFA contribution will cover the salaries of the PMU staff.

According to Public Debt Law the loan will be recorded by the Ministry of Public Finance.

The financial statements will include only the amounts paid for the Project until the reporting date.

*Use of funds*

Using of funds represents the amounts paid for the purpose of the Project through the National Agency for Fiscal Administration.

**National Agency for Fiscal Administration**  
**Loan (8261 – RO) for Revenue Administration Modernization Project - RAMP**  
**During the period 01 January 2018- 31 March 2019**

*Conversion of amounts paid to Loan currency (EUR) for reimbursement purposes:*

For payments in local currency the National Bank of Romania exchange rate at the date of payment is used.

For payments in foreign currencies (other than the Loan currency) the inter-banking exchange rate of the Romanian Commercial Bank at the date of purchase of the respective foreign currency is used. The resulting amount is further converted to the Loan currency (EUR) at the National Bank of Romania exchange rate at the date of payment.

*Accounting system*

The accounting system is established according to the Accounting Law no. 82/1991 republished, with subsequent alterations and completions and to the Accounting Plan approved by Order of the Minister of Public Finance no. 1917/2005. Therefore, the payments in foreign currencies to foreign contractors are converted in local currency using the exchange rate of the National Bank of Romania on the date of the payment.

**8.STATEMENT OF TREASURY ACCOUNT**

**Treasury Account**

Period: year 2018

Period: 01<sup>st</sup> January 2018 – 31<sup>st</sup> March 2019

Account no. : RO20TREZ23A510103650100X

Treasury : A.T.C.P.M.B.

Loan: 82610 RO

Currency : RON

	<i>Year 2018</i>	<i>Period January -31<sup>st</sup> March 2019</i>
	<i>RON</i>	<i>RON</i>
<b>Balance as at 1<sup>st</sup> January</b>	0,00	0,00
Cash receipts	<b>344,557.62</b>	<b>11,000</b>
<b>Total cash receipts</b>	344,557.62	11,000
<b>Payments from treasury account</b>		
Payments made in the reporting period	<b>344,557.62</b>	<b>11,130.19</b>
<b>Total payments from treasury account</b>	344,557.62	10,130.19
 <b>Balance as at 31<sup>st</sup> December 2018/31<sup>st</sup> March 2019</b>	 0,00	 869.81

**National Agency for Fiscal Administration**  
**Loan (8261 – RO) for Revenue Administration Modernization Project - RAMP**  
**During the period 01 January 2018- 31 March 2019**

## **9.LEGISLATION AND FISCAL ENVIRONMENT IN ROMANIA**

The legislation and fiscal environment in Romania and their implementation into practice change frequently and are subject to different interpretations by various Ministries of the Government. Over recent years, Romania has undergone substantial legal and economic changes.

Due to the current situation determined by the internal and international financial crisis there is an uncertainty with regard to the future legislative policy of the Romanian Government and its impact on the evolution of the National Agency for Fiscal Administration.

Therefore, it is not possible to estimate what changes may occur or the resulting effect of any such changes on the Project development or future results of its development.

## **10. PROJECT FINANCIAL STATEMENTS PRESENTATION**

The special-purpose Project Financial Statements were prepared for complying with the Loan requirements and with the appropriate World Bank guidelines.

### **11.Subsequent events**

During the period 01<sup>st</sup> January 2019- 31<sup>st</sup> March 2019, no withdrawal application was submitted.

Final withdrawal application will be submitted during the period April- July 2019, and will include the following payments:

#### **1. Payments made during the period 06 oct 2018 - 31 march 2019**

Contract	Brief description of works or services	Contractor name	Contract currency	Amount eligibil for financing in contract currency	Payment ccy	Amount paid in payment currency	EUR echivalent
RAMP/4	Network Improvement for Datacenters (in 2 Lots)	Datanet Systems SRL	USD	4,760.00	RON	19,752.81	4,197.68
RAMP/18	Operational costs		RON	71.51	RON	123.02	26.20
RAMP/18	Operational costs		EUR	12.88	EUR	21.38	53.91

**National Agency for Fiscal Administration**  
**Loan (8261 – RO) for Revenue Administration Modernization Project - RAMP**  
**During the period 01 January 2018- 31 March 2019**

2. Estimated payments during the period 01 april -31 july 2019

Contract	Brief description of works or services	Contractor name	Contract currency	Amount eligibil for financing in contract currency
RAMP/CS/23	Financial Audit	Baker Tilly Klitou and Partners SRL	EUR	5,664.40

**Daniela Manoli**  
**RAMP Project Manager**

**Date: 10 May 2019**

**Adina Ionita**  
**RAMP Financial Manager**