

Секція 2

БІЗНЕС-КОНСАЛТИНГ ТА АУДИТ: СУЧАСНІ ВИКЛИКИ, ОРГАНІЗАЦІЙНО-МЕТОДИЧНІ АСПЕКТИ, ОЦІНКА ЯКОСТІ ПОСЛУГ



UDC 657.1

Angela Popovici, Doctor of Economic Sciences, Associate Professor (*Academy of Economic Studies of Moldova, Chişinău, Republic of Moldova*)

ACCOUNTING FOR PRE-CONTRACT CONSTRUCTION COSTS

The integration of the Republic of Moldova into the European economic space necessitates the harmonization of local enterprises' accounting practices with the requirements of European Union (EU) Directives and International Financial Reporting Standards (IFRS). This need particularly concerns the accounting of contract costs, which is one of the most complex and critical areas of accounting for any construction organization.

The procedure for determining, recognizing, and accounting for construction contract costs in the Republic of Moldova is established by the National Accounting Standard (NAS) "Construction Contracts," approved on January 1, 2014, and developed based on Directive 2013/34/EU and IFRS (IAS) 11 "Construction Contracts" [1; 2].

Costs reimbursable by the client that are necessary for the simultaneous execution of one or more construction contracts to generate revenue are considered contractual construction costs. Direct contractual costs are directly associated with the performance of work under the construction contract and may be included in the contractual construction costs directly.

The composition of direct contractual construction costs according to NAS "Construction Contracts" is as follows:

1. Pre-contract costs related to contract conclusion;
2. Direct material costs;
3. Direct personnel-related costs;
4. Direct costs for operating construction machinery, technical installations, equipment, and tools directly used in contract execution;
5. Other direct costs related to the contract.

This article examines aspects of accounting for pre-contract costs concerning their composition, recognition, evaluation, accounting, and presentation of relevant cost information in financial statements.

Pre-contract costs are those directly related to the conclusion of a construction contract and incurred before its signing, as stated in Section 18 of NAS "Construction Contracts" [2].

According to Section 27 of NAS "Construction Contracts," pre-contract costs are included in the contractual construction costs if they [2]:

1. Can be separately identified;
2. Can be reliably estimated;
3. There is a likelihood of contract conclusion.

According to Section 1, Appendix 1 of NAS "Construction Contracts," pre-contract construction costs include [2]:

- Travel expenses;
- Representation expenses;
- Fees for participating in tenders to secure the contract;
- Other similar contractual costs related to concluded contracts.

According to Section 28 of NAS "Construction Contracts," pre-contract construction costs are initially accounted for as prepaid expenses and recorded in Account 261 "Current Prepaid Expenses" [2; 3]. Representation expenses related to the subsequent conclusion of a construction contract are recorded as follows [3]:

Debit to Account 261 "Current Prepaid Expenses"

Credit to Accounts 521 "Current Commercial Liabilities", 522 "Current Liabilities to Affiliated Parties", 544 "Other Current Liabilities" etc.

Travel expenses related to the subsequent conclusion of a construction contract are recorded as follows [3]:

Debit to Account 261 "Current Prepaid Expenses"

Credit to Accounts 226 "Employee Receivables" 532 "Liabilities to Personnel for Other Operations"

Subsequently, pre-contract costs are included in contractual costs or charged to current expenses in accordance with Section 28 of NAS "Construction Contracts" [2].

Thus, if pre-contract costs for a contract are incurred in one reporting period and the contract is likely to be concluded in another reporting period, the corresponding costs, initially recorded as current prepaid expenses, are included in contractual costs and recorded in Account 811 "Core Operations," as per Section 30 of NAS "Construction Contracts" [2]. The full inclusion of pre-contract costs in the construction contract value is recorded with the following accounting entry [3]:

Debit to Account 811 "Core Operations"

Credit to Account 261 "Current Prepaid Expenses"

If the contractor incurred pre-contract costs but the construction contract was not concluded, these costs, according to Section 31 of NAS "Construction Contracts," are recognized as current expenses in the reporting period in which it was determined that the contract was not concluded. In this case, the accounting entry is as follows [2; 3]:

Debit to Account 713 "Administrative Expenses" or Account 714 "Other Operating Expenses"

Credit to Account 261 "Current Prepaid Expenses"

If the contract was concluded in the reporting period when the pre-contract costs were incurred, these costs, depending on the materiality threshold specified in the contractor's accounting policies, may be included in the construction contract costs as per Section 29 of NAS "Construction Contracts" [2]:

- In full in the reporting period in which the contract was concluded;
- By amortizing them evenly across reporting periods over the contract term;
- Based on other rational methods provided for in the contractor's accounting policies.

It is important to remark that the deduction of pre-contract costs must be made in accordance with Article 24 of the Tax Code [4], regardless of whether they are included in construction costs or current expenses. The main point is that the construction entity must have a supporting document confirming that these costs or expenses were incurred within the scope of its business activities, regardless of whether a construction contract was concluded or not.

It should be noted that as of January 1, 2020, changes were introduced in NAS "Construction Contracts" regarding specific disclosure requirements in the explanatory notes [4]. Thus, the explanatory notes for entities preparing full financial statements, in addition to the information required by the Accounting and Financial Reporting Law [5], must include at a minimum information regarding the description of construction contracts in progress as of the reporting date.

In conclusion, accounting for pre-contract costs in construction is an important aspect of financial management in the construction industry that requires special attention. According to the NAS "Construction Contracts," pre-contract costs may be included in the contract value if they can be separately identified, reliably estimated, and there is a likelihood of contract conclusion. Proper reflection of such costs in accounting, whether as prepaid expenses or current expenses, ensures transparency and reliability of financial reporting. Additionally, the changes that came into effect on January 1, 2020, emphasize the importance of disclosure in the explanatory notes, allowing users of financial statements to better understand the current and future obligations of the entity. It is essential for companies operating in the construction sector to adhere to established standards and regularly review their accounting policies to ensure compliance with current requirements and accounting practices. Thus, clear and accurate accounting for pre-contract costs not only enhances financial reporting but also helps construction organizations plan and manage their resources more effectively.

Information sources

1. Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings. Available at

<https://eur-lex.europa.eu/legal-content/RO/TXT/PDF/?uri=CELEX:32013L0034&from=en>.

2. National Accounting Standard "Construction Contracts". Official Gazette no. 233-237 of 22.10.2013. Available at https://www.legis.md/cautare/getResults?doc_id=125822&lang=ro#

3. The general chart of accounts, approved by the Order of the Ministry of Finance of the Republic of Moldova no. 119 of 06.08.2013. Available at

<https://mf.gov.md/sites/default/files/legislatie/Planul%20general%20de%20conturi%20contabile.pdf>

4. Fiscal code of the Republic of Moldova. No. 1163-XIII of April 24, 1997. Available at <https://sfs.md/ro/pagina/codul-fiscal>

5. Accounting and Financial Reporting Law no. 287 of 15.12.2017. Official Gazette, no. 1-6 of 05.01.2018. Available at https://www.legis.md/cautare/getResults?doc_id=125231&lang=ro#

УДК 657.6:004

І.І. Афанас'єва, канд. екон. наук, доц. (*НАСОА, Київ*)

Є.С. Трембовецька, здоб. ОС (*НАСОА, Київ*)

ДІДЖИТАЛІЗАЦІЯ АУДИТУ: ВИКЛИКИ ТА ПЕРСПЕКТИВИ

Стрімкий розвиток цифрових технологій призводить до фундаментальної трансформації методів, прийомів та процедур аудиту. Сучасні технологічні рішення значно оптимізують процеси збору, обробки та аналізу інформації, що дозволяє суб'єктам аудиторської діяльності зосередитися на більш складних аналітичних завданнях та якісній інтерпретації результатів перевірки.

Експерти прогнозують, що діджиталізація та впровадження новітніх технологій у бізнес-процеси сприяють значному економічному зростанню у глобальному масштабі та окремих сферах економіки. Очікується, що до 2030 року світова економіка може отримати додатковий приріст у розмірі понад 13 трильйонів доларів, що призведе до зростання світового ВВП більш ніж на 16% від поточного рівня. Автоматизація бізнес-процесів за прогнозами спеціалістів може принести світовій економіці майже 9 трильйонів доларів додаткової вартості. Зазначена тенденція цифровізації має безпосередній вплив на розвиток аудиторської діяльності, створюючи нові можливості для підвищення ефективності та якості аудиторських послуг [1].

В сучасному аудиті важливу роль відіграє роботизована автоматизація процесів (RPA), яка дозволяє оптимізувати рутинні операції та підвищити ефективність роботи суб'єктів аудиторської діяльності. Програмне забезпечення RPA здатне автоматично обробляти дані та здійснювати обмін інформацією між різними ІТ-системами відповідно до встановлених алгоритмів. Впровадження таких віртуальних інструментів суттєво знижує операційні витрати, мінімізує ризик помилок та забезпечує надійний захист даних. Це дозволяє аудиторам зосередитись на складніших аналітичних завданнях, здійснюючи контроль за роботою автоматизованих систем. Спеціалісти зазначають, що важливим доповненням до RPA стають технології оптичного розпізнавання тексту (OCR) та обробки природної мови (NLP), які працюють на базі штучного інтелекту (AI). OCR забезпечує ефективну цифровізацію документів, дозволяючи швидко переводити паперові носії в електронний формат та здійснювати повнотекстовий пошук. У свою чергу NLP