Management Letter

Kosovo Education System Improvement Project
(IDA Credit No. 5726 - XK)

For the year ended December 31, 2014; year ended December 31, 2015
and year ended December 31, 2016;
Project

"Kosovo Education System Improvement" Project

Financed under World Bank (IDA Credit No. 5726 – XK)

Project ID  P149005
Status      Effective
Approval date  September 10, 2015,
Signing date  November 20, 2015
Effective date  May 13, 2016
Closing date  December 31, 2019
Country       Kosovo

Audited by

"FICADEX ALBANIA" Ltd
Jacques COLIBERT
Maria DUSHI
www.ficadex.com

"SARAJEVO" street; Building no. 6, No. 1;
Municipal Unit no. 6, Tirana-Albania
"Mijone" street, 147 Q. 4, Durrës - Albania;
Tel/fax : 355 52 37 859

Mission

Audit of special purpose Financial Statements

For the year ended December 31, 2014; year ended December 31, 2015 and year ended December 31, 2016

Management letter

Date: July 13, 2017
Version: Final
Management Letter

Kosovo Education System Improvement Project
(IDA Credit No. 5726 - XK)

To the Minister of Finance, Republic of Kosovo

Kosovo July 13, 2017

We have recently completed our audit for special purpose financial statements of the “Kosovo Education System Improvement” Project, financed under World Bank (IDA Credit No. 5726 - XK) for the year ended December 31, 2014; year ended December 31, 2015 and year ended December 31, 2016, and submitted our audit report dated July 13, 2017.

In accordance with our normal audit practice, the purpose of this letter is to comment on certain matters that we identified during the course of the audit.

Our audit procedures are designed primarily to enable us to obtain sufficient assurance to express an opinion on the project’s financial position and the results of its operations. Consequently, a risk-based approach is used, which enables us to direct the major part of our audit effort to addressing general and specific identified risk areas within your organization.

In planning and performing our audit of the Project’s financial statements prepared on a cash basis, as described in their note 2, we examined the accounting system and the internal control system in order to determine our audit procedures with the purpose of expressing an opinion on the financial statements and not to provide assurance for the structure of the internal control and accounting.

Audit scope

The scope of our audit included:

- Obtaining an understanding of the operations of the Project and the accounting systems in place;
- Identifying specific risks and potential misstatements relating to the major account balances and transactions;
- Identifying the computer processing environments existing within the organization;
- Substantive tests of detail of the material accounts; and
- Following up on issues identified in the prior year management letter.

Management’s Responsibility

It should be noted that the implementation and maintenance of systems of accounting and internal control are primarily the responsibility of Management.
Auditor's Responsibility

Our responsibility is to plan and perform audit work such that there is a reasonable expectation of detecting material irregularities and control weaknesses.

Status of Internal Control System

We did not observe any problem related to the accounting system and the activity of internal control that we could consider to be a material weakness in accordance with the cash receipt and disbursement basis as described in note 2 to the financial statements.

Conclusion

We have no comments or recommendations for current year.

This letter is intended only for the information and use by the Government of Kosovo, World Bank and the management of the Project, and cannot be used for any other purpose.

We would like to take this opportunity to express our appreciation for the courtesy and assistance afforded us by both Management and staff during the course of our audit.

Sincerely yours,

[Signature]

Marije DUSHI, Partner
Jacques COLIBERT