



Management Letter

“Agriculture and Rural Development” Project
(IDA Credit 5005 - XK and DANIDA Grant No. TF016235)

for the year ended 31 December 2015

Project

“Agriculture and Rural Development” Project

Financed under World Bank (IDA Credit No. 5005 – XK and DANIDA Grant No. TF016235)

<i>Project ID</i>	<i>P112526</i>
<i>Status</i>	<i>Active</i>
<i>Approval date</i>	<i>June 14, 2011 (IDA Credit 5005 – XK)</i> <i>February 06, 2014 (TF016235)</i>
<i>Effectiveness date</i>	<i>May 03, 2012 (IDA Credit 5005 – XK)</i> <i>March 18, 2014 (TF016235)</i>
<i>Closing date</i>	<i>July 31, 2017 (IDA Credit 5005 – XK)</i> <i>December 30, 2016 (TF016235)</i>
<i>Country</i>	<i>Kosovo</i>

Audited by

"FICADEX ALBANIA" Ltd

Jacques COLIBERT

Maria DUSHI

www.ficadex.com

*“SARACEVE” street; Building no. 6, No. 1;
Municipal Unit no. 8, Tirana-Albania*

“Migjeni” 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, 2015

Management letter

Date: July 14, 2016

Version: Final



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“ SARACEVE” street; Building no. 6, No.
1; Municipal Unit no. 8, Tirana-Albania

“ Migjeni” street ,147 Q. 4, Durres - Albania

Mobile: + 355 69 40 52 787

Tel/fax : + 355 52 2 37 859

E-mail : alficadex@gmail.com; alficadex@hotmail.com;

Web site: www.ficadex.com

Management Letter

“Agriculture and Rural Development” Project

(IDA Credit 5005 – XK and DANIDA Grant No. TF016235)

To the Minister of Finance, Republic of Kosovo

Kosovo July 14, 2016

We have recently completed our audit for special purpose financial statements of the “Agriculture and Rural Development” Project, financed under World Bank (IDA Credit 5005 - XK and DANIDA Grant No. TF016235) for the year ended on December 31, 2015 and submitted our audit report dated July 14, 2016.

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 organization 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;
- ' Audit not less than 5 % of the number of grants awarded under Rural Development Grant Program, financed under World Bank (IDA Credit No. 5005 - XK and DANIDA Grant No. TF016235); 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.



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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. As a result, the attached report should not be regarded as a complete list of internal 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 according to the cash receipt and disbursement basis as described in note 2 to the financial statements.

Update on the implementation status of recommendations issued during previous audit exercises

For the previous year there were no comments or recommendations.

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,

FICADEX ALBANIA

Jacques COLIBERT

Marije DUSHA



