



BAKER TILLY

20
YEARS
OF EXPERIENCE

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INDEPENDENT AUDITOR'S REPORT
TO THE MINISTRY OF PUBLIC FINANCE
PROJECT "GRANT FOR STRENGTHENING
FINANCIAL ACCOUNTABILITY OF THE
PUBLIC SECTOR"

Report on the Project Financial Statements

1. We have audited the accompanying project financial statements of Project "Grant for Strengthening Financial Accountability of the Public Sector" for the period 15 November 2015 – 31 March 2017. The project is financed by the International Bank for Reconstruction and Development (IBRD) through Agreement Letter that was executed in Brussels as at 14.09.2015 and in Bucharest as at 16.11.2015 ("Agreement Letter"). The audited project financial statements for the period 15 November 2015 – 31 March 2017 consist of: Statement of resources and uses of funds, Statements of expenditures, Statement of SoE, Financial statement of the loan, Budget realisation, Statement of Bank Account.

Management's Responsibility for the Financial Statements

2. Management of the Project is responsible for the preparation of these financial statements in accordance with the financial reporting provisions included in the Agreement Letter, 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.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Audit Standards issued by the Chamber of Auditors of Romania which are based on International Standards on Auditing and in accordance with the appropriate World Bank guidelines. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the project management unit, as well as evaluating the overall presentation of the financial statements.

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Registered in Romania (RN: J40/4820/2004). List of directors can be found at the Company's Registered Office.

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5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unqualified audit opinion.

Unqualified Opinion

6. In our opinion, the financial statements of the Project “Grant for Strengthening Financial Accountability of the Public Sector” for the period 15 November 2015 – 31 March 2017, are prepared, in all material respects, in accordance with the financial reporting provisions of Agreement Letter.

Emphasis of matter

7. Without qualifying our opinion, we draw attention to Note 7 “Accounting policies and records” to the Project Financial Statements, as these financial statements were prepared for complying with the Agreement Letter and with the appropriate World Bank guidelines, and therefore are not intended to be a complete presentation of the Project’s operations.

Other Matter

8. This report, including the opinion, has been prepared for the use of the Management of the Project “Grant for Strengthening Financial Accountability of the Public Sector” 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:
RUXANDRA BILIUS
CAFR member (authorization no.1996/2006)
for:



BAKER TILLY KLITOU AND PARTNERS S.R.L.
CAFR company member (authorization no. 384/26.05.2003)
Bucharest, 30 May 2017