

# Management Letter

Ministry of Labour and Social Policy of the Republic of  
North Macedonia

"North Macedonia emergency COVID -19 Response  
Project"

International Bank for Reconstruction and Development  
Loan number 9109- MK

31 December 2021



To  
The Management of  
"North Macedonia emergency COVID -19 Response Project"

Financed by International Bank for Reconstruction and Development  
Loan numbered 9109-MK

**Grant Thornton DOO**  
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Dear Madams / Sirs,

We have audited the Project's financial statements of the Ministry of Labour and Social Policy of the Republic of North Macedonia ("the Ministry"), "North Macedonia emergency COVID -19 Response Project" (further referred to as "the Project"), financed under International Bank for Reconstruction and Development, Loan numbered 9109-MK, comprising the Statement of Cash Receipts and Payments, Balance sheet, Statement of Uses of Funds by Project Activity, Breakdown of transfers under Component 1 and Component 2, Statement of Withdrawals, Designated Accounts' Statements and related disclosure Notes (further referred to as "the Project's financial statements") as at and for the year ended 31 December 2021, in conformity with the accounting policies described in Note 3 to the Project's financial statements, the related requirements of the World Bank's financial reporting guidelines and in conformity with the relevant provisions set out in the Loan Agreement numbered 9109-MK dated 19 October 2020, on which we have issued Independent Auditor's Report dated 30 June 2022. We conducted our audit in accordance with the auditing standards accepted in the Republic of North Macedonia<sup>1</sup>. In planning and performing our audit of these Project's financial statements, we considered the Project's system of internal controls in order to determine our auditing procedures for the purpose of expressing our opinion on the Project's financial statements, but not for the purpose of expressing an opinion on the effectiveness of the internal control. An audit does not include examining the operating effectiveness of the internal controls.

We emphasize that our internal controls examination did not result in necessarily ascertaining all matters that could represent control deficiencies as defined above. Furthermore, we have not considered the system of internal controls since the date of our Report.

During the audit, we did not identify any condition we believed to be a significant deficiency or material weakness.

The appendix to this Letter contains a description of Management's responsibility in designing and maintaining the internal control system, its objectives and limitations.



Suzana Stavrikj  
Director  
Grant Thornton DOO, Skopje



Biljana Mitrevska  
Certified Auditor



Skopje, 30 June 2022

<sup>1</sup> International Standards on Auditing ("ISA") issued by the International Auditing and Assurance Standards Board ("IAASB"), effective from 15 December 2009, translated and published in the "Official Gazette" of the Republic of Macedonia no. 79 from 2010.

# Appendix

## **Management's Responsibility for, and the Objectives and Limitations of the Internal Control System**

The following notes represent Management's responsibilities in regards to the system of internal control and the objectives and inherent limitations of the system of internal control adopted from the International Auditing Standards from the International Federation of Accountants.

### **Management's Responsibility**

Management is responsible for establishing and maintaining the internal control system. In fulfilling this responsibility, management is required to assess the expected benefits and related costs of internal control policies and procedures.

### **Objectives**

The objectives of an internal control system are to provide management with assurance, as far as practicable, that the assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with Management's policies and recorded properly to permit the timely preparation of reliable financial information in accordance with applicable accounting principles.

### **Limitations**

Because of inherent limitations in any internal control system, errors or irregularities may occur and not be detected. Also, the projection of any evaluation of the internal control system to future periods is subject to risk that policies and procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operations of policies and procedures may deteriorate.



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