Independent Auditor’s Report

(Free translation from Portuguese original version)

Opinion

We have audited the accompanying financial statements of Transport Sector Reform Project (The Project), which comprise the balance sheet as at 31 December 2018, the statement of reconciliation of designated account, the updated list of fixed assets tangible and intangible assets for the year ended on that date, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements have been prepared, in all material respects, in accordance with the Administrative procedures, accounting and financial manual approved by the World Bank.

Bases for opinion

Our audit was conducted in accordance with International Standards on Auditing (ISAs). Our responsibilities under these standards are described in the "Responsibilities of the auditor for the audit of financial information" section.

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

We are independent of the Project in accordance with the requirements of the International Ethics Standards Board for Accountants (IESBA) code of ethics and with the ethical requirements under the Professional Code of Ethics of Certified Auditors and Accountants relevant to the audit of the financial statements in Cape Verde, and we fulfill the other ethical responsibilities provided for in these requirements and in the IESBA code of ethics.

Emphasis – Basis of accounting and restrictions on distribution and use

We draw attention to Note 0 of the Annex to the financial statements, which describes the accounting reference used in the preparation of the financial statements and the duration of the Project. The financial statements were prepared under the credit agreements signed between the International Development Association (IDA) and the Government of Cape Verde in July 19, 2013, designated by agreement of IDA Credit No. 52660-CV, and on August 18, 2017, designated by additional IDA credit agreement No. 61000-CV.

This report is intended for the information and use by Transport Sector Reform Program and the Financiers and should not be distributed to other parties.

Our opinion is not modified in relation to these matters.
Responsibilities of the project implementation Unit for the financial statements

The project implementation unit is responsible for the preparation and fair presentation of the financial statements in accordance with the administrative procedures, accounting and financial manual approved by the World Bank and for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the project implementation unit is responsible for assessing the Project’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the project implementation unit either intends to liquidate the Project, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Project’s financial reporting process.

Auditor’s responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement. The project implementation Unit when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

a) identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

b) obtain an understanding of internal control relevant to the audit 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 Project’s internal control;

c) evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the project implementation Unit;

d) evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
We communicate with the project implementation Unit, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

28 de June de 2019

PricewaterhouseCoopers & Associados
- Sociedade de Revisores Oficiais de Contas, Lda.
Represented by:

Carlos Manuel Sim Sim Maia, R.O.C.