

SUMMARY OF REPORTS AND INFORMATION; ACCESS, AUDITS AND REVIEWS PROVISIONS

This summary is intended to provide an overview for the convenience of the reader. To the extent that there is a conflict or inconsistency between these summarized provisions and the Compact, the actual provisions of the Compact shall prevail. Please consult the Compact for the full text of the relevant provisions. Any capitalized terms used but not defined herein shall have the meaning given to them in the Compact.

- I. **Reports and Information.**¹ The Government shall furnish and use its best efforts to ensure that all Providers and any other third party receiving MCC Funding furnish to the Government any records and other information required to be maintained under the Compact, and such other information, documents and reports necessary or appropriate for the Government to carry out its obligations under the Compact.

- II. **Government Books and Records.**² The Government shall maintain, and shall use its best efforts to ensure that all Providers maintain, accounting books, records, documents and other evidence relating to the Compact adequate to show, to the satisfaction of MCC, the use of all MCC Funding. In addition, the Government shall maintain, and shall use its best efforts to ensure that all Covered Providers³ maintain, such records in accordance with generally accepted accounting principles prevailing in the United States, or at the Government's option and with the prior written approval by MCC, other accounting principles, such as those: (1) prescribed by the International Accounting Standards Committee (an affiliate of the International Federation of Accountants); or (2) then prevailing in the country. Such records shall be maintained for at least five (5) years after the end of the Compact Term or for such longer period, if any, required to resolve any litigation, claims or audit findings or any statutory requirements.

- III. **Access.**⁴ At MCC's request, the Government shall: (a) permit, or cause to be permitted, authorized agents or representatives of MCC or a Permitted Designee, the Inspector General, the United States Government Accountability Office, and any auditor responsible for an audit contemplated in or conducted in furtherance of the Compact, to conduct any assessment, review or evaluation of the Program, and grant them the opportunity to audit, review, evaluate or inspect activities funded by MCC Funding or

¹ See **Section 3.8(a)** in each of the Benin, Cape Verde, Georgia, Honduras, Madagascar, Nicaragua, and Vanuatu Compacts

² See **Section 3.8(b)** in each of the Benin, Cape Verde, Georgia, Honduras, Madagascar, Nicaragua, and Vanuatu Compacts

³ A **Covered Provider** is (a) a non-US Provider that receives \$300,000 or more of MCC Funding (not pursuant to a direct agreement with MCC) or a non-US person/entity that receives \$300,000 or more of MCC Funding from any Provider, or (b) a US Provider that receives \$500,000 or more of MCC Funding (not pursuant to a direct agreement with MCC) or a US person/entity that receives \$500,000 or more of MCC Funding from any Provider, in each case in any fiscal year of the MCA entity.

⁴ See **Section 3.8(c)** in each of the Benin, Cape Verde, Georgia, Honduras, Nicaragua, and Vanuatu Compacts; See **Section 3.8(d)** in the Madagascar Compact.

undertaken in connection with the Program, the utilization of goods and services purchased or funded by MCC Funding, as well as Compact Records relating to activities funded or undertaken in furtherance of, or otherwise relating to, this Compact, and (c) shall use its best efforts to ensure access by MCC, the Inspector General, the United States Government Accountability Office or relevant auditor, reviewer or evaluator or their respective representatives or agents to all relevant directors, officers, employees, Affiliates, contractors, representatives and agents of the Government or any Provider.

- IV. **Audits.**⁵ The Government shall, at least annually following Entry into Force and as the Parties may otherwise agree, conduct, or cause to be conducted, financial audits of all MCC Disbursements and Re-Disbursements in accordance with the Compact. The Government shall use or select, or cause to be used or selected, an auditor from the approved list of auditors in accordance with the Audit Guidelines issued by the Inspector General, and as approved by MCC, to conduct such annual audits. Such audits shall be performed in accordance with the Audit Guidelines and be subject to oversight by the Inspector General.

The Government shall also ensure that Supplemental Agreements between the Government or any Provider, on the one hand, and a United States non-profit organization, on the other hand, state that the United States organization is subject to the applicable audit requirements contained in OMB Circular A-133. The Government shall ensure that Supplemental Agreements between the Government or any Provider, on the one hand, and a United States for-profit Covered Provider, on the other hand, state that the United States organization is subject to audit by the cognizant United States Government agency, unless otherwise agreed.

Furthermore, the Government shall submit, or cause to be submitted, to MCC an Audit Plan in accordance with the Audit Guidelines, for the audit of the expenditures of any Covered Providers, which shall be in the form and substance approved by MCC and adopted by the Government prior to the end of the first period to be audited. The Government shall use its best efforts to ensure that, where necessary, each Covered Provider takes appropriate and timely corrective actions in response to audits and considers whether its audit necessitates adjustment of its own records, and require each such Covered Provider to permit independent auditors to have access to its records and financial statements. The Government shall furnish, or use its best efforts to cause to be furnished, to MCC an audit report in a form satisfactory to MCC for each audit required by the Compact, other than audits arranged for by MCC, no later than 90 days after the end of the period under audit, or as otherwise agreed.

For Providers who receive MCC Funding under the Compact pursuant to direct agreements with MCC, MCC shall include appropriate audit requirements in such agreements and shall, on behalf of the Government, conduct the follow-up activities with regard to the audit reports furnished pursuant to such requirements, unless otherwise agreed. MCC retains the right to perform the audits required under Section 3.8 by

⁵ See **Section 3.8(d)** in each of the Benin, Cape Verde, Georgia, Honduras, Nicaragua, and Vanuatu Compacts; See **Section 3.8(e)** in the Madagascar Compact.

utilizing MCC Funding or other resources available to MCC for this purpose, and to ensure accountability of any Provider or any other third party receiving MCC Funding, regardless of the requirements of Section 3.8 of the Compact.

- V. **Application to Providers.**⁶ The Government shall ensure the inclusion of certain requirements in Supplemental Agreements as follows:
- a. If between a **Covered Provider that is not a United States domiciled non-profit organization**, on the one hand, and the Government, any Government Affiliate, any Permitted Designee or any of their respective directors, officers, employees, Affiliates, contractors, sub-contractors, grantees, sub-grantees, representatives or agents (each, a “**Government Party**”), on the other hand, paragraphs (a), (b), (c), (d)(ii), (d)(iii), (d)(v), (d)(vi), and (d)(viii) of Section 3.8.⁷
 - b. If between a **Provider that is not a Covered Provider and a Government Party**, paragraphs (a), (b), (c), (d)(ii), and (d)(viii) of Section 3.8;⁸ and
 - c. If between a **Covered Provider that is a United States domiciled non-profit organization** and a Government Party, paragraphs (a), (b), (c), (d)(ii), (d)(v) and (d)(viii) of Section 3.8.⁹
- VI. **Reviews or Evaluations; Costs of Audits, Reviews or Evaluations.**¹⁰ The Government shall ensure that performance reviews, data quality reviews, environmental and social audits, or program evaluations are conducted during the Compact Term or otherwise and in accordance with the M&E Plan or as otherwise agreed. MCC Funding may be used to fund the costs of any Audits, reviews or evaluations required under the Compact.
- VII. **Reports.**¹¹ The Government shall provide to MCC at least annually following Entry into Force, or as otherwise requested by MCC, the information specified in the Compact, which includes, among other things, the name of each entity to which MCC Funding has been provided, the amount of such funding, descriptions of the Program and each Project funded pursuant to the Compact, and the progress made towards achieving the Compact Goal.

⁶ See **Section 3.8(e)** in each of the Benin, Cape Verde, Georgia, Honduras, Nicaragua, and Vanuatu Compacts; See **Section 3.8(c)** in the Madagascar Compact.

⁷ For the Madagascar Compact, paragraphs (a), (b), (d), (e)(ii), (e)(iii), (e)(v), (e)(vi), and (e)(viii) of Section 3.8.

⁸ For the Madagascar Compact, paragraphs (a), (b), (d), (e)(ii), and (e)(viii) of Section 3.8.

⁹ For the Madagascar Compact, paragraphs (a), (b), (d), (e)(ii), (e)(v), and (e)(viii) of Section 3.8.

¹⁰ See **Section 3.8(f) and (g)** in each of the Benin, Cape Verde, Georgia, Honduras, Madagascar, Nicaragua, and Vanuatu Compacts

¹¹ See **Section 3.12** in each of the Benin, Cape Verde, Georgia, Honduras, Madagascar, Nicaragua, and Vanuatu Compacts