

Chapter 33:

Guidelines for Financial Audits Contracted by MCA



REDUCING POVERTY THROUGH GROWTH

Guidelines for Financial Audits Contracted by MCA

Example MCA Audit Plan

Last updated: December, 2006

1. Reference is made to the Millennium Challenge Compact between the United States, acting through the Millennium Challenge Corporation (“MCC”) and the Government of [_____] (the “Government”) entered into on [_____] (the “Compact”). The Compact entered into force on [_____] . Capitalized terms used, but not otherwise defined herein, shall have meanings given to such terms in the Compact.
2. This Audit Plan is submitted pursuant to Section 3.8(d) of the Compact, which requires the Government to adopt, or cause to be adopted an Audit Plan no later than sixty (60) calendar days after the first anniversary of the Compact EIF.
3. MCA_____ shall engage an independent auditor to conduct an audit of all MCC Disbursements and Re-Disbursements in accordance with the *Millennium Challenge Corporation Guidelines for Financial Audits Contracted by Foreign Recipients* (“MCC Audit Guidelines”) on a semiannual basis for the six-month periods ending June 30 and December 31 of each calendar year (“Audit Period”). The first audit shall cover the period from [EIF date] to [insert date].
4. MCA_____ also shall engage an independent auditor to conduct an audit of all Covered Providers, in accordance with the MCC Audit Guidelines. A Covered Provider is defined as any non-United States Provider that receives, directly or indirectly, US\$300,000 or more of MCC Funding in any MCA-[_____] fiscal year or any United States provider that receives, directly or indirectly, US\$500,000 or more of MCC Funding in any MCA-[_____] fiscal year. Generally, contracts, grants and agreements awarded in an amount of US\$300,000 or more for periods of one year or less, for other than the provision of goods, works or services on other than a fixed price basis, shall require a contracted audit. The period of performance for contracted audits of

the Covered Providers may be for one or more audit periods at the discretion of MCA_____.

5. Covered Providers subject to audit for the current Audit Period are as follows:
 1. [name of first Covered Provider];
 2. [name of second Covered Provider, etc]; and
 3. [name of last Covered provider].

6. MCA_____ also shall designate in writing to MCC a contact person responsible for audit matters.

7. MCA-[_____] recognizes that MCC retains the right to perform, or cause to be performed, the audits contemplated by this Audit Plan by utilizing MCC Funding or other resources available to MCC for this purpose, and to audit, conduct a financial review, or otherwise ensure accountability of any Provider or any other third party receiving MCC Funding regardless of the requirements of this Section 3.8. of the Compact or this Audit Plan.