

Chapter 36:

Statement of Work for Financial Audits for Covered Providers



REDUCING POVERTY THROUGH GROWTH

Statement of Work for Financial Audits for Covered Providers ¹

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I. Background

On *[date]*, the U.S. Government, acting through the Millennium Challenge Corporation (MCC), entered into a compact agreement with *(country name)* to implement a program proposed by *(country name)* to advance its progress towards achieving economic growth and poverty reduction.

Under the compact agreement, *(country name)* established MCA-*(country name)* [if another name is given to the Accountable Entity, that name should be substituted for MCA-*(country name)* throughout this statement of work] as the Accountable Entity to manage the implementation of compact activities.

[Include a brief history of MCA-*(country name)*, its principal purposes and goals, location(s) of activities to be audited, location(s) of accounting records and management.] [The purpose of including complete data on MCA-*(country name)* and the program(s) involved is to provide the auditor with all necessary information for them to properly estimate audit fees.]

II. Title

Audit of the Fund Accountability Statement¹ [or *Audit of Financial Statements, if the audit includes an audit of the general-purpose financial statements*] of MCC Resources Managed by *(COVERED PROVIDER's name)* Under the Agreement between the MCA *(country name)* and the *(COVERED PROVIDER's name)* for the period from *[date]* to *[date]*. In the case of close-out audits,² the title must specify that it is a close-out audit, as in: Close-out Audit of the MCC Resources Managed by *(COVERED PROVIDER's name)* Under the Compact Agreement between the Millennium Challenge Corporation and the Government of *(country name)* for the period from *[date]* to *[date]*.

¹ A fund accountability statement is the basic financial statement to be audited that presents *MCA-(country name)*'s revenues, costs incurred, cash balance of MCC-provided funds, and commodities and technical assistance directly procured by MCC for the use. An example is provided on page __ of the *MCC Audit Guidelines*

² A close-out audit is an audit for an award that expired during the period audited.

III. Objectives

The objective of this engagement is to conduct a financial audit of the MCC resources managed by (*COVERED PROVIDER's name*) under the compact agreement between the Millennium Challenge Corporation, representing the U.S. Government, and the Government of (country name) from [*date*] to [*date*] in accordance with U.S. Government Auditing Standards issued by the Comptroller General of the United States and the “Millennium Challenge Corporation Guidelines for Financial Audits Contracted by Foreign Recipients” (*MCC Audit Guidelines*) issued by the MCC Inspector General (IG).