



MEMORANDUM

DATE: January 6, 2021

TO: Millennium Challenge Corporation, Chief Risk Officer, Lori Giblin

FROM: Director of External Financial Audits Division (IG/A/EFA), David A. McNeil /s/

SUBJECT: Closeout Audit of MCC Resources Managed by MCA-Georgia Under the Compact Agreement, April 1, 2019 to July 1, 2019 (3-MCC-21-003-N)

This memorandum transmits the final audit report on Millennium Challenge Corporation (MCC) resources managed by Millennium Challenge Account-Georgia (MCA-Georgia), for the period from April 1, 2019 to July 1, 2019. MCA-Georgia contracted with the independent certified public accounting firm Grant Thornton LLC to conduct the audit. The audit firm stated that it performed its audit in accordance with generally accepted government auditing standards and Guidelines for Financial Audits Contracted by the Millennium Challenge Corporation's Accountable Entities. However, it did not fully satisfy the continuing professional education requirement set forth in generally accepted government auditing standards. In addition, the audit firm reported it did not have an external peer review as required by Chapter 3, paragraph 3.96 of the U.S. Government Auditing Standards. The audit firm is taking appropriate steps to implement a continuing education program that fully satisfies the requirement. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on MCA-Georgia's fund accountability statement; the effectiveness of its internal control; or its compliance with the agreement, laws, and regulations.¹

The audit objectives were to (1) express an opinion on whether the fund accountability statement for the period audited, was presented fairly, in all material respects; (2) evaluate the MCA-Georgia's internal controls; (3) determine whether MCA-Georgia complied with agreement terms and applicable laws and regulations; and (4) determine whether cost-sharing

¹ We reviewed the audit firm's report for conformity with professional reporting standards. Our desk reviews are typically performed to identify any items needing clarification or issues requiring management attention. Desk reviews are limited to review of the audit report itself and excludes review of the auditor's supporting working papers; they are not designed to enable us to directly evaluate the quality of the audit performed.

contributions were provided and accounted for in accordance with terms of agreements. To answer the audit objectives, the audit firm conducted an audit of MCC resources managed by MCA-Georgia for the period from April 1, 2019 to July 1, 2019. Costs incurred for this period were \$12,442,990.

The audit firm concluded the fund accountability statement presented fairly, in all material respects, program revenues, costs incurred and reimbursed during the period from April 1, 2019 to July 1, 2019 in accordance with the terms of the Compact and in conformity with the basis of accounting described in Note 2 of the Fund Accountability Statement. The audit firm did not identify any significant deficiencies or material weaknesses in internal control. The audit firm found no instances of material noncompliance that are required to be reported under generally accepted government auditing standards. The audit firm did not question any costs.

OIG does not routinely distribute independent public accounting reports beyond the immediate addressees because a high percentage of these reports contain information restricted from release under the Trade Secrets Act, 18 U.S.C. 1905 and Freedom of Information Act Exemption Four, 5 U.S.C. 552(b)(4) ("commercial or financial information obtained from a person that is privileged or confidential")