



# OFFICE OF INSPECTOR GENERAL

## U.S. Agency for International Development

### MEMORANDUM

**DATE:** November 4, 2024

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

**FROM:** David A. McNeil /s/  
Director  
External Financial Audits Division

**SUBJECT:** Audit of the MCC resources managed by the OMCA-Togo under the Threshold Program Grant Agreement between the Government of Togo and the United States of America from April 1, 2023 to March 31, 2024 (3-MCC-25-003-N)

This memorandum transmits the final audit of the Millennium Challenge Corporation (MCC) resources managed by the Organisme de Mise en Oeuvre du Millennium Challenge Account - Togo (OMCA-Togo) under the Threshold Program Grant Agreement between the Government of Togo and the United States of America for the period of April 1, 2023 to March 31, 2024. OMCA-Togo contracted with the audit firm Crowe TG Icaaf Sarl (Crowe) to conduct the audit. Crowe stated that it performed its audit in accordance with generally accepted government auditing standards (GAGAS) and The Accountable Entities Guidelines for Contracted Financial Audits issued by MCC. However, Crowe did not have external quality control review and a continuing education program that fully satisfied the GAGAS requirements. Crowe is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on OMCA-Togo's fund accountability statement; the effectiveness of its internal control; or its compliance with the award, laws, and regulations.<sup>1</sup>

The audit objectives were to (1) express an opinion on whether the fund accounting statement (FAS) of OMCA-Togo presents fairly and in all material respects, program revenues, costs incurred and reimbursed, and assets and technical assistance directly procured by Millennium Challenge Corporation (MCC) for the period audited, in accordance with the terms of the

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<sup>1</sup> We reviewed the audit 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 audit firm's supporting working papers; they are not designed to enable us to directly evaluate the quality of the audit performed.

agreements and in conformity with the basis of accounting provided for in the Financial Accountability Plan; (2) assess and have a sufficient understanding of internal controls as they relate to MCC-funded programs; (3) check compliance to the agreement, laws and regulation by OMCA-Togo; and (4) determine whether OMCA-Togo has taken adequate corrective action on prior audit recommendations. To answer the audit objectives, Crowe: (a) examined the Consolidated Fund Accountability Statement for MCC-funded programs, including the budgeted amounts by category and major items; the revenues received from MCC and the costs reported by OMCA-Togo; (b) reviewed and evaluated the Accountable Entity's internal control related to MCC programs to obtain a sufficient understanding of the design of relevant control policies and procedures and whether those policies and procedures were in operation; and (c) identified the agreement terms, pertinent laws, regulations and determine which of those, if not observed, could have a direct and material effect on the Fund Accountability Statement. Crowe examined costs of \$6,754,165 for the period audited.

Crowe concluded that the fund accountability statement presents fairly, in all material respects, program revenues, costs incurred and reimbursed, assets, and MCC's procurement of technical assistance for the period of April 1, 2023, to March 31, 2024, then ended in accordance with the terms of the agreements. The audit revealed no questioned costs. Crowe identified one finding that was considered to be a significant deficiency in internal control. Also, the results of Crowe's tests disclosed no instance of non-compliance or other matters that are required to be reported under Government Auditing Standards. Although we are not making a recommendation for the significant deficiency noted in the report, we suggest that MCC's Chief Risk Officer, determine if OMCA-Togo addressed the significant deficiency on page 31 of the audit report. Crowe reported that for the two previous recommendations, one recommendation was implemented, and one has not been implemented. Crowe noted four immaterial instances of non-compliance that have been reported to the Management of OMCA-Togo in a separate letter dated August 25, 2024.

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"). In addition, USAID OIG has determined that this transmittal memo and the enclosed report are not subject to notification and reporting requirements under Section 5274 of the National Defense Authorization Act.<sup>2</sup>

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<sup>2</sup> The James M. Inhofe National Defense Authorization Act for Fiscal Year 2023 Pub. L. No. 117-263, § 5274. Please direct related inquiries to [oignotice\\_ndaa5274@usaid.gov](mailto:oignotice_ndaa5274@usaid.gov).