MEMORANDUM

DATE: October 22, 2026

TO: Lori Giblin
Chief Risk Officer
Millennium Challenge Corporation

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

SUBJECT: Closeout Financial Audit of the MCC Resources Managed by CMC Togo Under the Agreement Between the Government of Togo and the United States of America, April 12, 2023, to March 18, 2026 (3-MCC-27-001-N)

This memorandum transmits the Financial Audit of the Millennium Challenge Corporation (MCC) resources managed by Cellule de Mise en Oeuvre du Programme Compact Togo (CMC Togo) under the agreement between the Government of Togo and the United States of America, April 12, 2023, to March 18, 2026. CMC Togo contracted with the independent certified public accounting firm of Crowe TG Icaaf Sas (Crowe) to conduct the audit. Crowe stated that it performed its audit in accordance with U.S. Government Auditing Standards (GAGAS) issued by the Comptroller General of the United States. Crowe stated that it does not have a continuing education program fully satisfying the requirement set forth in GAGAS, and it did not have an external quality control review by an unaffiliated audit organization as required by GAGAS. Crowe is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on CMC Togo's fund accountability statement; the effectiveness of its internal control; or its compliance with the award, laws, and regulations.[1]

The audit objectives were to (1) express an opinion on whether the fund accountability statement for the MCC-funded programs for the period audited, was presented fairly, in all material respects; (2) evaluate and obtain a sufficient understanding of the CMC Togo's internal controls related to the MCC funded programs; and (3) determine whether CMC Togo complied, in all material respects, with agreement terms and applicable laws and regulations related to MCC-funded programs. To answer the audit objectives, Crowe: (1) examined the fund accountability statement for MCC-funded programs, including the budgeted amounts by

[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 exclude review of the auditor's supporting working papers; they are not designed to enable us to directly evaluate the quality of the audit performed.

category and major items, the revenues received from MCC for the period covered by the audit, and the costs reported by CMC Togo as incurred during that period; (2) reviewed CMC Togo's internal control structure related to MCC programs to understand the design of relevant control policies and procedures and whether those policies and procedures have been placed in operation; and (3) determined compliance with agreement terms and applicable laws and regulations related to related to MCC activities. Crowe examined costs of $9,354,414 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 technical assistance for the period then ended in accordance with the terms of the agreements. However, Crowe identified ineligible questioned costs in the fund accountability statement for a total of $1,184. Since the questioned costs did not meet the OIG's established threshold of $25,000 for making a recommendation, we are not making a recommendation. Nevertheless, we suggest that MCC determine the allowability of the $1,184 in ineligible questioned costs and recover any amount determined to be unallowable. Crowe did not identify any material weaknesses in internal control. However, it did identify one significant deficiency in internal control. Although we are not making a recommendation for the significant deficiency noted in the report, we suggest that MCC determine if the recipient addressed the issue noted. Crowe did identify four material instances of noncompliance. Crowe issued a management letter.

To address the instances of material noncompliance identified in the report, we recommend that MCC:

Recommendation 1. Verify that CMC Togo corrects the four instances of material noncompliance detailed on pages 28 and 29 of the audit report.

We ask that you provide your written notification of actions planned or taken to reach a management decision.

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.[2]

[2] 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@oig.usaid.gov.