

## **MILLENNIUM CHALLENGE ACCOUNT – NIGER (MCA-NIGER)**

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## **AUDIT REPORT**

**FINANCIAL AUDIT OF THE  
MILLENNIUM CHALLENGE CORPORATION (MCC) RESOURCES MANAGED BY  
THE MILLENNIUM CHALLENGE ACCOUNT - NIGER (MCA-NIGER) UNDER THE  
COMPACT AGREEMENT BETWEEN MCC AND THE GOVERNMENT OF NIGER**

**Audit Period: Optional Period #4  
April 1, 2020 to September 30, 2020**

***May 2021***

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To

**Mr. ABANI Sani Ibrahim**  
**Chairman, MCA-Niger Board of Directors**  
**MCA-Niger**  
**Boulevard Mali Béro, Face Lycée Bosso**  
**Niamey, Niger**

**RE:** Financial Audit of the MCC Resources Managed by MCA-Niger Under the Compact Agreement Between MCC and the Government of Niger.

**Period of the audit: April 1, 2020 to September 30, 2020**

We have completed financial audit of MCC Resources managed by the MCA-Niger, and hereby present the results of the audit.

Please find attached the following:

- Independent Auditor's Report on the consolidated Fund Accountability Statement related to 609 (g) Grant agreement funding and the Compact;
- Independent Auditor's Report on Internal Control and Compliance;

Sincerely,

COFIMA Sarl



Cotonou, Benin  
May 19, 2021

## **Glossary of terms**

USA	United States of America
MCC	Millennium Challenge Corporation
MCA	Millennium Challenge Account
USAID	United States Agency for International Development
609(g)	Grant & Implementation Agreement signed between the USA and Government of Niger
CDF	Compact Development Fund
FAS	Fund Accountability Statement
USD	United States Dollar
ToR	Terms of Reference
CRA	Climate-Resilient Agriculture
PRAPS	Projet Regional d'Appui au Pastoralisme au Sahel/Niger
LPIU	Program Implementation Unit within the Ministry of Agriculture and Livestock
XOF	Francophone West African Currency
DR	Disbursement Request
QFR	Quarterly Financial Report
DFP	Detailed Financial Plan
DAF	Director of Administration and Finance
PIA	Program Implementation Agreement
FA	Fiscal Agent
PA	Procurement Agent
GAGAS	Generally Accepted Government Auditing Standards
GAO	Government Accountability Office
FAP	Fiscal Accountability Plan
PP	Procurement Plan
POM	Procurement Operations Manual
PRF	Payment Request Form
MYFP	Multi-Year Financial Plan
CPS	Common Payment System
PPG	Procurement Plan Guideline
M & E	Monitoring and Evaluation
AICPA	American Institute of Certified Public Accountants
GAAP	Generally Accepted Accounting Principles
SAS	Statements on Auditing Standards
COSO	Committee of Sponsoring Organizations of the Treadway Commission

## 1 BACKGROUND

The U.S. Government's Millennium Challenge Corporation (MCC) signed a five-year, \$437 million Compact with the Government of Niger on July 29, 2016, to reduce poverty through economic growth. The program to be implemented aims primarily at eradicating extreme poverty and promoting economic growth based on increased incomes and the productive and sustainable use of natural resources.

The Compact activities will be administered by MCA-Niger, an agency of the Government of Niger, with oversight by the MCC.

The Compact program entered into force on January 26, 2018 and will be implemented in five years. The Compact includes four components:

- Irrigation and Market Access Project.
- Climate-Resilient Communities Project.
- Monitoring and Evaluation; and,
- Program Management and Administration.

## 2 PROGRAM DESCRIPTION

### *Program Objective*

The objective of the Program is to increase rural incomes by improving the sustainable productive use of natural resources for agricultural production and improving trade and market access for agricultural products. The Program consists of two projects namely:

- the Irrigation and Market Access Project which aims to increase rural incomes through improvements in agricultural productivity and increases in sales resulting from modernized irrigated agriculture and flood management systems with sufficient trade and market access; and
- the Climate-Resilient Communities Project, which is designed to increase incomes for small-scale agricultural- and livestock-dependent families in Eligible Communes and Livestock Corridors in rural Niger by improving crop and livestock productivity, sustaining natural resources critical to production, supporting growth of agricultural enterprises, and increasing market sales of targeted commodities.

### *Multi-Year Financial Plan Summary*

As described in the Compact the multi-year financial plan of the program is summarized as follows:

Component	CDF	Year 1	Year 2	Year 3	Year 4	Year 5	Total
<b>Irrigation and Market Access Project</b>							
Subtotal	9,556,000	17,280,000	57,487,000	72,696,000	71,017,000	26,528,000	254,564,000
<b>Climate-Resilient Communities Project</b>							
Subtotal	7,650,000	16,150,000	18,550,000	19,250,000	18,600,000	16,300,000	96,500,000
<b>Monitoring &amp; Evaluation</b>							
Subtotal	-	4,175,000	570,000	1,340,000	570,000	5,345,000	12,000,000
<b>Program Management and Administration</b>							
Subtotal	9,968,000	11,868,000	11,835,000	12,011,000	12,195,000	16,083,000	73,960,000
<b>TOTAL</b>	<b>27,174,000</b>	<b>49,473,000</b>	<b>88,442,000</b>	<b>105,297,000</b>	<b>102,382,000</b>	<b>64,256,000</b>	<b>437,024,000</b>

The CDF represents an amount granted by MCC to the Government upon the signing of the Compact under the terms of this Compact and in addition to the Program Funding described under Section 609(g) of the Millennium Challenge Act of 2003, as amended (the “MCA Act”), for use by the Government to facilitate implementation of this Compact, including for the following purposes: (i) financial management and procurement activities; (ii) administrative activities (including start-up costs such as staff salaries) and administrative support expenses such as rent, computers and other information technology or capital equipment; (iii) monitoring and evaluation activities; (iv) feasibility, design, and other project preparatory studies; and (v) other activities to facilitate Compact implementation as approved by MCC.

In September 2019, the budget of the Compact Development Fund was closed, and the bank balance was transferred to the Compact fund. The amount allocated to the Compact fund has therefore increased following the addition of the balance of the CDF.

The budget of the Compact shown in the Fund Accountability Statement for this optional period #4 is \$412 252 694.83. This situation is due to the fact that the initial budget has been reduced by the following items:

- USADF funds (administering and managing the implementation of the CRA Grants Facility) whose management has been entrusted to MCC and which was the subject of an agreement between MCC and MCA Niger through a management letter. The fund amount is \$9,000,000.
- funds from the Monitoring & Evaluation activity, the management of which was entrusted to MCC and which was the subject of an agreement between MCC and MCA Niger through a management letter. The amount of the budget entrusted to MCC is \$7,800,000.
- CFF funds committed and disbursed, and which was closed in July 2019. (There is a segregation of sources of funds in the processing of financial data on the SAP). The total committed and disbursed on CFF fund is \$7,971,305.17.

### Monitoring and Evaluation Plan

The evaluation components for each project is portrayed in the table below:

	<b>Project 1: Irrigation and Market Access</b>	<b>Project 2: Climate-Resilient Communities</b>
Components	<ul style="list-style-type: none"> <li>- Irrigation Perimeter Development Activity</li> <li>- Management Services and Market Facilitation Activity</li> <li>- Roads for Market Access Activity</li> <li>- Policy Reform Activity</li> </ul>	<ul style="list-style-type: none"> <li>- CRA Activity</li> <li>- PRAPS Activity</li> </ul>

In addition to the monitoring and evaluation components, the other elements of the M&E Plan include the following modules:

- Management Information System whereby the M&E Plan describes the information system that will be used to collect data, store, process and deliver information to relevant stakeholders in such a way that the Program information collected and verified pursuant to the M&E Plan is at all times accessible and useful to those who wish to use it.

- Budget that details cost estimate for all components of the M&E Plan.

The evaluation component consists of three evaluation types:

- impact,
- project performance,
- and special studies.

### **3. AUTHORIZED PARTIES**

The principal entities authorized to act in procurement and financial management matters related to the Compact are MCA-Niger, the Fiscal Agent, and the Procurement Agent.

#### **3.1. MCA-Niger**

MCA-Niger is the Accountable Entity responsible for the oversight and day-to-day management of the implementation of the Compact on behalf of the Government. The Board of Directors oversees the functions of MCA-Niger and is responsible for evaluating and approving major decisions to be implemented by MCA-Niger.

The key staffs of MCA-Niger are hired through an open and competitive recruitment process. The appointment and dismissal of each key staff shall be subject to the prior approval of MCC. The Board has “review and approval” rights with respect to changes to the structure of MCA-Niger, including the addition or removal of positions. Changes to the structure of MCA-Niger shall be subject to the prior approval of MCC.

The Chief Executive Officer of MCA-Niger acts under the supervision of the Board and is responsible for the successful implementation of the Compact and management of MCA-Niger. In addition to the Chief Executive Officer, the key staffs are the Director of Programs, the Chief Financial Officer, the Procurement Director, the Monitoring and Evaluation Director, the Internal Audit and Compliance Manager, and the General Counsel.

The Chief Executive Officer is the primary individual responsible for:

- Procurement activities, including initiation of procurements through the Procurement Director and the Procurement Agent. Additional individuals may be designated to authorize procurement actions with the concurrence of MCC.
- Financial management activities, including authorization of payments and acceptance of invoices. Additional individuals may be designated to take action with regard to acceptance of invoices and authorization of payments with the concurrence of MCC.
- Signing all contracts on behalf of MCA-Niger after obtaining all necessary approvals.

As stated in the FAP, in general, if the MCA-Niger Director General is absent or unavailable, he is equally replaced by the Director of Programs, or the DAF or any other authorized representative designated in writing, for the signature of any correspondence, contract, invoice, and any other document whatsoever, required for MCA-Niger day-to-day management. An official email or memo signed from the DG will designate his delegate with the dates of the acting period.

### **3.2. Procurement Agent**

MCA-Niger appointed Cardno Emerging Markets USA, Ltd, to act as the Procurement Agent. The Procurement Agent is responsible for ensuring that procurement functions are performed in accordance with the agreements and procedures set out in the PPG, Procurement Agent Agreement, Procurement Operations Manual (POM) and the FAP. The principal individuals authorized to act on behalf of the Procurement Agent on all matters related to exercising the agency's functions are:

- Director of Procurement or its delegate.

### **3.3. Fiscal Agent**

MCA-Niger appointed GFA & CPK Consortium to act as the Fiscal Agent. The Fiscal Agent is responsible for ensuring that financial management functions are executed in accordance with the MCC Guidelines, the Fiscal Agent Agreement and the FAP. The principal individuals authorized to act on behalf of the Fiscal Agent on all matters related to exercising the agency's functions are:

- Fiscal Agent Manager,
- Project Director,
- Project Coordinator,
- Senior Payment Specialist,
- Senior Accountant Specialist.

### **3.4. Implementing Entities**

Under the agreements with MCC, MCA-Niger may enter into agreements with one or more Government affiliates to implement activities or a component thereof as an Implementing Entity (IE).

The form of each Implementing Entity Agreement (IEA) must be agreed upon with MCC by means of a "no-objection" and approved by the Board, each IEA:

For the PRAPS Activity and the CRA Activity, MCA-Niger will enter into the PRAPS Transfer Agreement and the CRA Transfer Agreement, respectively, which will outline the duties of the LPIU and the AgPIU with respect to implementation of such Activities, including, but not limited to, the role of embedded MCA-Niger staff in the LPIU and AgPIU, as well as the role of embedded Fiscal Agent and Procurement Agent.

## **4 OBJECTIVES AND SCOPE OF THE AUDIT**

### **4.1 Objective**

As mentioned in the ToR, the objective of this engagement is to conduct financial audits of the MCC resources, including both Compact Development Funding (CDF) and Compact Funding, managed by MCA-Niger under the Compact agreement between the MCC and the Government of Niger. The audit mission will be performed in accordance with U.S. Government Auditing Standards issued by the Comptroller General of the United States and the Interim Guidelines for Financial Audits Contracted by the Millennium Challenge Corporation's Accountable Entities (the MCC's Interim Guidelines). Also, the audit will include 609(g) Grant Agreement funding managed by MCA-Niger following the 609(g) Grant Agreement as amended on July 29, 2016.

The specific objectives of the audit of the MCC-provided funds are to:

- Express an opinion on whether the FAS (Fund Accountability Statement) for the MCC presents fairly, in all material respects, program revenues, costs incurred and reimbursed, and assets and technical assistance directly procured by MCA-Niger for the period ended in accordance with the terms of the Compact and supplemental agreements and in conformity with the basis of accounting described in the notes to the financial statements.
- Evaluate and obtain a sufficient understanding of MCA-Niger's internal controls related to the MCC funds, assess control risk, and identify reportable conditions, including significant deficiencies or material weaknesses in the design and effectiveness of internal controls. [This evaluation must include the internal controls related to required cost-sharing contributions, if applicable for this compact.]
- Perform tests to determine whether MCA-Niger complied, in all material respects, with the Compact, supplemental agreements, and applicable laws and regulations related to MCC-funded programs. All material instances of noncompliance and all illegal acts that have occurred or are likely to have occurred must be identified. Such tests will include the compliance requirements related to required cost-sharing contributions, if applicable. Specifically, perform tests to determine whether MCA-Niger complied, in all material respects, with the MCC *Program Procurement Guidelines* and the MCA-Niger Fiscal Accountability Plan in effect during the audit period.
- Determine whether MCA-Niger has taken adequate corrective action on the prior audit report recommendations, if applicable.

We designed audit steps and procedures in accordance with U.S. Government Auditing Standards, Chapter 6 to provide reasonable assurance of detecting situations or transactions in which fraud or illegal acts have occurred or are likely to have occurred. If such evidence exists, the Auditor must immediately contact the USAID Inspector General and must exercise professional judgment in pursuing indications of possible fraud and illegal acts so as not to interfere with potential future investigations or legal proceedings.

## **4.2 Audit period**

This audit of the MCC resources managed by the MCA-Niger is related to the optional period #4. Referring to the ToR, each period covers a period of six (6) months ending respectively March 31, 2019 and September 30, 2019.

## **4.3 Audit Scope**

We have used the following steps as the basis for our audit programs and our review. These steps are not all-inclusive or intended to be restrictive in nature and do not constitute relief from exercising professional judgment and due professional care.

### **4.3.1 Pre-Audit Steps**

We have reviewed the applicable documents considered necessary to perform the audit:

1. The Compact and/or any pre-Compact agreements between MCC and the Government of Niger.
2. Other documents including but not limited to, the: Program Implementation Agreement, Bank Agreement, Procurement Agent Agreement, Fiscal Agent Agreement, Fiscal Accountability Plan, Procurement Operations Manual, Procurement Plan, Program

- Procurement Guidelines, Implementing Entity Agreement(s), M&E Plan, Implementation Plan(s), and Work Plans for the relevant Project or Project Activity;
3. The agreements between MCA-Niger and contractors and grantees, and any other entities implementing Compact funded activities on MCA-Niger's behalf.
  4. Implementation letters, and written procedures approved by MCC and/or MCA-Niger.
  5. The sub agreements between MCA-Niger or its implementing entities and their sub-implementing entities, if applicable.
  6. All program financial and progress reports; charts of accounts; organizational charts; accounting systems descriptions; procurement policies and procedures; and receipt, warehousing and distribution procedures for materials, as necessary, to successfully complete the required work.
  7. MCC's Cost Principles for Accountable Entity Operations.

#### **4.3.2 Fund Accountability Statement**

As part of the audit, the Fund Accountability Statement including the budgeted amounts by category and major items, we have performed the procedures below:

1. We reviewed costs billed to and reimbursed by MCC or the Government of Niger and costs incurred but pending reimbursement, identifying and quantifying any questioned costs. All costs that are not supported with adequate documentation or are not in accordance with the terms of the Compact and related/supplemental agreements must be reported as questioned costs. Questioned costs that are pending reimbursement must be identified in the notes to the fund accountability statement as not yet reimbursed.
2. We reviewed general and program ledgers to determine whether costs incurred were properly recorded. We reconcile direct costs billed to and reimbursed by MCC or the Government of Niger to the Program and general ledgers.
3. We reviewed the procedures used to control the funds, including transfers to contracted financial institutions or other implementing entities. We reviewed the bank accounts and the controls on those bank accounts.
4. We determined whether disbursement requests made to MCC and any MCA-Niger advances of funds to sub-implementing entities were supported with adequate documentation, including reconciliations of funds advanced, disbursed, and available. We ensured that all funding received by MCA-Niger from MCC was appropriately recorded in MCA-Niger accounting records and that those records were periodically reconciled with information provided by MCC (only for MCC funds).
5. We determined whether program income was added to the funds used to further eligible program objectives, to finance the non-MCC share of the Program, or deducted from program costs, in accordance with the terms of the Compact and related agreements.
6. We reviewed procurements to determine whether sound commercial practices including competition were used, reasonable prices were obtained, and adequate controls were in place over the qualities and quantities received. We assessed whether the procurements were in accordance with MCC's Program Procurement Guidelines, the approved Procurement Plan, and the Fiscal Accountability Plan.
7. We reviewed direct salary payments to determine whether salary rates are reasonable for that position, in accordance with those approved by MCC, when such approval is required, and supported by appropriate payroll records including MCA-Niger staff employment agreements.

8. We reviewed travel and transportation charges to determine whether they are adequately supported and approved. Travel charges that are not supported with adequate documentation or not in accordance with the Compact and related agreements and regulations must be questioned in the fund accountability statement.
9. We reviewed assets (e.g., supplies, materials, vehicles, equipment, food products, tools, etc.) procured by MCA-Niger. We determined whether assets exist or were used for their intended purposes in accordance with the terms of the Compact and related agreements, and whether adequate control procedures are in place and are to safeguard the assets.
10. We reviewed technical assistance and services. We determined whether technical assistance and services were used for their intended purposes in accordance with the terms of the Compact or any pre-Compact and/or related agreements. The cost of technical assistance and services not used in accordance with the agreements must be included as questioned costs in the fund accountability statement.
11. We performed additional audit steps which are detailed in the approved Audit Planning Document deliverable and as requested by MCA-Niger, MCC.
12. We reviewed if MCA-Niger charges indirect costs to MCC using provisional rates. If MCA-Niger does not have an indirect cost rate authorized by MCC, this fact must be disclosed in the report.

### **4.3.3 Internal Controls**

We reviewed and evaluated MCA-Niger's internal controls related to MCC to obtain a sufficient understanding of the design of relevant control policies and procedures and whether those policies and procedures have been placed in operation. The U.S. Government Accountability Office's Standards for Internal Controls in the Federal Government (GAO-14-704G; 2014) have been used in assessing recipient internal controls. Our understanding of the internal controls has been documented in the audit documentation file.

The major internal control components to be studied and evaluated include, but are not limited to, the controls related to each revenue and expense account on the fund accountability statement. We have:

1. Obtained a sufficient understanding of the internal controls to plan the audit and to determine the nature, timing, and extent of tests to be performed.
2. Assessed inherent risk and control risk and determine the combined risk.
3. Summarized the risk assessments for each assertion in the audit documentation.
4. Evaluated the control environment, the adequacy of the accounting systems, and control procedures. Emphasis has been placed on the policies and procedures that pertain to MCA-Niger's ability to record, process, summarize, and report financial data consistent with the assertions embodied in each account of the fund accountability statement. This evaluation has included, but is not limited to, the control systems for:
  - i. Ensuring that charges to the program are proper and supported,
  - ii. Managing cash on hand and in bank accounts,
  - iii. Procuring goods and services,
  - iv. Managing inventory and receiving functions,
  - v. Managing personnel functions such as timekeeping, salaries, and benefits,
  - vi. Managing and disposing of assets (such as vehicles, equipment, and tools, as well as other assets) purchased either by the program or directly by the MCC, and

- vii. Ensuring compliance with Compact and related agreement terms and applicable laws and regulations that collectively have a material impact on the fund accountability statement.
5. Evaluated internal controls established to ensure compliance with cost-sharing requirements, if applicable, including both provision and management of the contributions.
6. Included in the study and evaluation other policies and procedures that may be relevant if they pertain to data, we use in applying auditing procedures. This includes, for example, policies and procedures that pertain to non-financial data that we use in analytical procedures.

In fulfilling the audit requirement relating to an understanding of internal control and assessing the level of control risk, we have followed, at a minimum, the guidance contained in AICPA AU-C sec 315 and AU-C sec 265, respectively entitled *Understanding Of The Entity And Its Environment And Assessing The Risks Of Material Misstatement*, and *Communicating Internal Control Related Matters Identified in an Audit* as well as AU-C sec 240 entitled *Consideration of Fraud in a Financial Statement Audit*.

#### **4.3.4 Compliance with Agreement Terms and Applicable Laws and Regulations**

In fulfilling the audit requirement to determine compliance with agreement terms and applicable laws and regulations related to MCC programs, we have, at a minimum, followed guidance contained in AICPA AU-C section 250 entitled *Consideration of Laws and Regulations in an Audit of Financial Statements*.

Our report on compliance has not set forth material instance of noncompliance, defined as instance that could have a direct and material effect on the fund accountability statement. Nonmaterial instances of noncompliance are included in a separate management letter to the recipient and referred to in the report on compliance.

Our report must include all conclusions that a fraud or illegal act either has occurred or is likely to have occurred. In reporting material fraud, illegal acts, abuse, or other noncompliance we must place our findings in proper perspective. To give the reader a basis for judging the prevalence and consequences of these conditions, the instances identified should be related to the universe or the number of cases examined and is quantified in terms of U.S. Dollar value, if appropriate. In presenting material irregularities, illegal acts, or other noncompliance, we must follow the reporting standards contained in Chapter 6 of U.S. Government Auditing Standards. We may provide less extensive disclosure of irregularities and illegal acts that are not material in either a quantitative or qualitative sense. Chapter 6 of U.S. Government Auditing Standards and AU-C section 320 provide guidance on factors that may influence our materiality judgments. If we conclude that sufficient evidence of irregularities or illegal acts exists, we must immediately contact the USAID Inspector General, and must exercise due professional care in pursuing indications of possible irregularities and illegal acts so as not to interfere with potential future investigations and/or legal proceedings.

In planning and conducting the tests of compliance, we have:

1. Identified the requirements of the Compact and related Compact documents and pertinent laws and regulations and determined which of those, if not observed, could have a direct and material effect on the fund accountability statement.
2. Determined if payments have been made in accordance with the Compact, pre-Compact and/or related agreement terms, as well as contractual agreement terms, the Cost Principles, and applicable laws and regulations.
3. Determined whether funds have been expended for authorized purposes in accordance with applicable agreement terms. If not, we must identify these costs as questioned in the fund accountability statement.

4. Identified any costs not considered appropriate, classifying and explaining why these costs are questioned.
5. Determined whether assets, whether directly procured by MCA-Niger or directly procured by MCC for MCA-Niger's use, exist or were used for their intended purposes in accordance with the Compact, pre-Compact, and/or related agreements. Ensure that assets are marked in accordance with agreement requirements. If not, the cost of such assets is questioned.
6. Determined whether any technical assistance and services, whether procured by MCA-Niger or directly procured by MCC for MCA-Niger's use, were used for their intended purposes in accordance with the Compact, pre-Compact, and/or related agreements. If not, the cost of such technical assistance and services are questioned.
7. Determined if the amounts of cost-sharing funds were calculated and accounted for as required by the Compact, pre-compact, and/or related agreements or applicable cost principles.
8. Determined if the cost-sharing funds were provided according to the terms of the Compact, pre-Compact, and/or related agreements and quantify any shortfalls.
9. Determined whether those who received services and benefits were eligible to receive them.
10. Determined whether MCA-Niger's financial reports (including those on the status of cost-sharing contributions) and claims for advances and reimbursement contain information that is supported by the books and records.
11. Determined whether the recipient complied with MCC's Common Payment System Policy and Procedures. This includes a determination as to whether the recipient had adequate systems in place to monitor the amount of periodic spending authority authorized by MCC, if applicable.

#### **4.3.5 Follow-Up on Prior Audit Recommendations**

The recommendations made during the previous audit (option #3) could not be implemented due to the timeframe of the mission (audit period ended September 2020 and final report submitted in December 2020). Indeed, the procurement process and even the signature of all the contracts awarded for the period from April 1, 2020 to September 30, 2020 had already begun before the start of the mission of option #3. As a result, the recommendations for both phases (option #3 and option #4) will be assessed during the course of the next audit. The follow-up of the other internal deficiencies (considered as insignificant) is developed in the Management Letter.

#### **4.3.6 Other Audit Responsibilities**

We performed the following steps:

1. Hold entrance and exit conferences with MCA-Niger. The MCC country representative and the USAID Office of Inspector General must be notified of these conferences in order that their representatives and any other MCC representatives that have an interest may attend.
2. During the planning stage, communicate information to the MCA-Niger regarding the nature and extent of planned testing and reporting on compliance with laws and regulations and internal control over financial reporting. Such communication must state that we do not plan to provide opinions on compliance with laws and regulations and internal control over financial reporting.
3. Institute quality control procedures to ensure that sufficient competent evidence is obtained through inspection, observation, inquiries, and confirmations to afford a reasonable basis for an opinion regarding the financial statements under audit. While we may use our standard procedures for ensuring quality control, those procedures must, at a minimum, ensure that:

- Audit reports and supporting audit documentation files are reviewed by an auditor, preferably at the partner level, who was not involved in the audit. This review must be documented in the audit documentation files.
- All quantities and monetary amounts involving calculations are footed and cross-footed; and
- All factual statements, numbers, conclusions, and monetary amounts are cross indexed to supporting audit documentation files.

4. Ascertain whether MCA-Niger ensured that audits of its Covered Providers were performed to ensure accountability for MCC funds passed through to the Covered Providers. If audit requirements for Covered Providers were not met, we must disclose this in the auditor's report on the fund accountability statement and consider qualifying our opinion.

5. Obtain a management representation letter in accordance with AICPA AU-C sec. 580.

6. Evaluate the supplemental information prepared and provided to recognize accrual activity such as expenses incurred, but not yet paid, for and portion of the outstanding advances that are assets at the end of the period.

## 5 SUMMARY OF RESULTS

### 5.1 Fund Accountability Statement

We have identified the following questioned costs for the period under review:

Note	Budget Line	Item	Questioned costs (Amount in USD)
	<p><b>Program Management and Administration:</b> Program Administration</p>	<p>Item 1</p> <ul style="list-style-type: none"> <li>▪ Contract title and number: ADM/41/G.0124/20 relating to the supply and installation of network equipment and cabling for the four (4) regional offices of MCA-Niger.</li> <li>▪ Supplier: SANCFIS Niger Company</li> <li>▪ Contract amount: XOF 27,590,880</li> <li>▪ Contract amount in USD: 45,567</li> </ul> <p>Item 2</p> <ul style="list-style-type: none"> <li>▪ Contract title and number: ADM/41/NCS.0119/20 on Maintenance and Cleaning of the MCA-NIGER Office Building.</li> <li>▪ Supplier: SONIKA CLEANING</li> <li>▪ Contract amount: XOF 34,629,200</li> <li>▪ Amount in USD: 57,568</li> </ul>	<p>12,563: costs that are not supported with adequate documentation or did not have required prior approvals or authorizations.</p> <p>57,568: costs that are not supported with adequate documentation or did not have required prior approvals or authorizations.</p>

### 5.2 Internal Control Structure

Our assessment has pointed out the review of the quality of the tender evaluation reports. Insignificant internal control deficiencies we have identified are developed in the Management Letter.

### 5.3 Compliance with Agreement Terms and Applicable Laws and Regulations

The review of compliance with agreement terms and applicable laws and regulations has identified no material point of noncompliance with laws and regulations.

Immaterial instances of noncompliance identified are discussed in the Management Letter dated May 19, 2021.

#### **5.4 Recommendations for the Year**

Our recommendations are detailed in matters involving the internal control and its operation and immaterial instances of noncompliance that are reported to the management of MCA-Niger in a separate letter dated May 19, 2021.

#### **5.5 Comments from MCA-Niger Management**

##### *Item 1*

*Noted.*

*The person who signed the GOE who is not authorized to sign should present a power of attorney. However, the absence of the GOE cannot be the object of the rejection of the offer because at least we could ask as a complementary document.*

*The supporting documents that were declared compliant during the assessment concern: The satisfaction certificate contained in the SANCFIS offer issued by WINROCK NIGER dated 25/09/2019 concerns a satisfactory framework contract and does not mention any contract number or specific order form. Consequently, this certificate of satisfaction may relate to other contracts or purchase orders issued previously.*

##### *Item 2*

*On the submission letter, the completion certificates, the presentation brochure and even on the list of potential bidders that MCA - Niger sent us, it is written SONIKA CLEANING. In conclusion, Maybe the word COMFORT escaped the panel. Also, both companies have the same owner/DG with the same telephone number and this is the person who signed the contract. Also, the CNSS form was on the name of Sonika cleaning. And the CNSS form was on the name of Sonika cleaning*

*Noted; there was an error.*

*The RET is based on the information given by the panelists*

#### **5.6 Scope Limitations**

Scope limitations were not applicable to the current audit.

#### **5.7 Cost-Sharing Contributions**

There is no sharing contribution for the period under review.

#### **5.8 Indirect costs**

Indirect costs are not applicable to the MCA-Niger Compact.

## **6. INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FUND ACCOUNTABILITY STATEMENT FOR THE OPTIONAL PERIOD #4 ENDED SEPTEMBER 30, 2020 – 609(g) and Compact**

To

**Mr. ABANI Sani Ibrahim**  
**Chairman, MCA-Niger Board of Directors**  
**MCA-Niger**  
**Boulevard Mali Béro, Face Lycée Bosso**  
**Niamey, Niger**

### **Report on the Financial Statements**

We have audited the accompanying consolidated **Fund Accountability Statement** of MCA-Niger and related notes to the **Fund Accountability Statement** for the optional period #4 ended September 30, 2020 and have issued our report on it dated **May 19, 2021**.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these Fund Accountability Statement in accordance with accounting principles generally accepted in the United States; this includes the design, implementation, and maintenance of internal control relevant to preparation and fair presentation of the Fund Accountability Statement that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Fund Accountability Statement based on our audit. Except as discussed in the following paragraphs, we conducted our audit in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Fund Accountability Statement is free of material misstatements.

We do not have a continuing education program that fully satisfies the requirement set forth in Chapter 4, paragraph 4.16 of *Government Auditing Standards*. However, our current program provides for at least 48 hours of continuing education and training every year. We are taking appropriate steps to implement a continuing education program that fully satisfies the requirement.

We did not have an external Quality Control Review (QCR) by an unaffiliated audit organization, as required in Chapter 5 paragraph 5.60 of *Government Auditing Standards*, since no such program is offered by professional organizations in Benin. We believe that the effect of this departure from *Government Auditing Standards* is not material because the whole audit process and all audit and other reports are reviewed by a partner of the firm on a regular basis. Furthermore, we have agreement with some chartered accountants of OECCA-Benin for the external quality review.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Fund Accountability Statement. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of The Fund Accountability Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the

Fund Accountability Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the Fund Accountability Statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our modified audit opinion.

### **Basis for Modified Opinion**

The results of our tests disclosed the following material questioned costs as details in the Fund Accountability Statement: \$70,131 in costs that are not supported with adequate documentation or did not have required prior approvals or authorizations.

### **Opinion**

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the Fund Accountability Statement referred to above presents fairly, in all material respects, program revenues, costs incurred and reimbursed, and assets and technical assistance directly procured by MCC for the year then ended in accordance with the terms of the agreements and in conformity with the basis of accounting described in Notes 6.2.1 and 6.4.1.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our reports dated May 19, 2021, on our consideration of MCA-Niger's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the MCA-Niger's internal control over financial reporting or on compliance.

That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this Independent Auditor's Report in considering the results of our audit.

This report is intended for the information of MCA-Niger and MCC. However, upon release by MCC, this report is a matter of public record and its distribution is not limited.

COFIMA Sarl,



Cotonou, Benin  
May 19, 2021

**6.0 Consolidated Fund Accountability Statement for the Optional Period #4  
(From April 1, 2020 to September 30, 2020)**

**Millennium Challenge Account Niger  
Consolidated Fund Accountability Statement - 609(g) and Compact  
April 1, 2020 to September 30, 2020  
Amount in USD**

Budget	ACTUAL COST			QUESTIONED COSTS		NOTES
	Prior Period	Current Period	Cumulative on 30.09.2020	INELIGIBLE	UNSUPPORTED	
<b>VENUE</b>						
-	<u>53,256,510.61</u>	<u>17,509,871.44</u>	<u>70,766,382.05</u>			
609(g) and Compact - Funds from MCC	53,256,510.61	17,509,871.44	70,766,382.05			
<b>COSTS INCURRED</b>						
	<u>52,161,039.30</u>	<u>17,653,757.90</u>	<u>69,814,797.20</u>			
<b>Irrigation and Market Access</b>	<b>256,908,833.10</b>	<b>23,520,892.94</b>	<b>9,233,268.09</b>	<b>32,754,161.03</b>		
Irrigation Perimeter Dev.	86,715,206.09	9,325,820.17	4,870,690.03	14,196,510.20		1.1
Management Service & Market Facilitation	14,142,000.00	2,430,177.34	1,592,203.67	4,022,381.01		1.2
Roads for Market Access	135,893,527.00	6,054,864.24	1,655,296.86	7,710,161.10		1.3
Policy Reform	16,853,100.00	4,455,446.85	599,946.87	5,055,393.72		1.4
Water Management Activity (609g)	3,305,000.01	1,254,584.34	515,130.66	1,769,715.00		1.5
<b>Climate-Resilient Communities</b>	<b>89,599,613.00</b>	<b>9,114,777.81</b>	<b>3,394,387.71</b>	<b>12,509,165.52</b>		
Regional Sahel Pastoralism Supt (PRAPS)	46,049,806.50	7,530,040.20	2,857,237.30	10,387,277.50		2.1
Climate-Resilient Agriculture (CRA)	43,549,806.50	1,584,737.61	537,150.41	2,121,888.02		2.2
<b>Monitoring and Evaluation</b>	<b>4,200,000.00</b>	<b>16,293.44</b>	<b>1,309.80</b>	<b>17,603.24</b>		
Monitoring Activities	1,760,000.00	14,887.17	0.00	14,887.17		3.1
MCA Process Evaluation	1,600,000.00	0.00	0.00	0.00		3.2
M&E Technical Assistance	840,000.00	1,406.27	1,309.80	2,716.07		3.3
<b>Program Administration (Administration, Audit and FA)</b>	<b>67,520,248.74</b>	<b>19,509,075.11</b>	<b>5,024,792.30</b>	<b>24,533,867.41</b>	<b>70,131</b>	
Program Administration	38,507,938.74	10,609,961.01	2,429,126.15	13,039,087.16		4.1
Program Management Support	9,500,001.00	3,465,730.50	1,371,068.32	4,836,798.82		4.2
Fiscal Management	8,324,867.50	2,306,250.00	387,500.00	2,693,750.00		4.3
Procurement Management	8,520,441.50	3,010,357.60	747,443.83	3,757,801.43		4.4
Audit	2,667,000.00	116,776.00	89,654.00	206,430.00		4.5
<b>TOTAL COSTS INCURRED</b>	<b>418,228,694.84</b>	<b>52,161,039.30</b>	<b>17,653,757.90</b>	<b>69,814,797.20</b>		
<b>Excess Revenue over Costs Incurred</b>	<b>1,095,471.31</b>	<b>(143,886.46)</b>	<b>951,584.85</b>			
<b>Initial Balance at the Beginning of the Period</b>		<b>1,092,461.38</b>				
Interest received from Bank	19,544.84	15,437.77	34,982.61			
Interest transferred to treasury	(17,019.49)	(16,547.86)	(33,567.35)			
<b>Interest to transfer to the treasury</b>	<b>2,525.35</b>	<b>(1,110.09)</b>	<b>1,415.26</b>			
<b>CASH AND BANK BALANCE</b>	<b>1,095,471.31</b>	<b>(143,886.46)</b>	<b>951,584.85</b>			
Permitted and Special Accounts	1,094,986.73	(144,016.81)	948,444.57			
Interest Accounts	(2,525.35)	1,110.09	(1,415.26)			
<b>FINAL BALANCE SEPTEMBER 30, 2020</b>	<b>1,092,461.38</b>	<b>(144,016.81)</b>	<b>948,444.57</b>	<b>-</b>	<b>70,131</b>	

## Notes to the Fund Accountability Statement (Consolidated) Prepared by MCA-Niger

### Fund Accountability Statement -FAS- NOTES

#### COMPACT, Period April - 2020 to September 2020

#### Disbursement process

##### a) Disbursement requests

MCA-Niger requests that disbursements be made under the Compact by submitting a request in accordance with the Reporting Guides, (each "disbursement request", duly completed), to MCC at least twenty (20) days before the start of each disbursement period. Disbursement requests, program funding and compact development for any disbursement period will be made through separate disbursement requests, using specific forms. MCA-Niger may, unless MCC decides otherwise in writing, submit only one disbursement request for program funding and one disbursement request for Compact development funding, per quarter (this quarter or any other period agreed by the MCC, the "Disbursement Period" ). Each disbursement request submitted must be accompanied by periodic reports covering the corresponding disbursement period.

##### b) Approval of disbursement requests; Disbursement authorization.

- i. Upon receipt of a disbursement request, the MCC determines the appropriate disbursement amount to be made (if any) based, among other things:
  1. the progress made under the implementation plan,
  2. the amount of funds required to carry out the activities described in the periodic reports during the corresponding disbursement period, and
  3. compliance, waiver or postponement of the previous conditions applicable to this disbursement. MCC may, in its sole discretion, completely disapprove a disbursement or reduce the amount of any disbursement below that proposed in a disbursement request.
- ii. Upon approval of a disbursement request by MCC, funds may be transferred, at the sole discretion of MCC:
  1. on an authorized bank account (Permitted Account), or
  2. directly to a supplier, as payment for goods, works or services received by MCA-Niger in accordance with the common payment system or any other payment system approved by the MCC; in condition however that the expenses of this product (including the amounts transferred directly to a supplier) are authorized by MCA-Niger and that the corresponding payment complies, as certified by Fiscal Agent, with the last detailed approved financial plan, as well as the standards and procedures set out in the Fiscal Agent agreement and in the Fiscal Accountability Plan (FAP).

#### Notes to the consolidated FAS for the sources of Funds COMPACT & 609g combined

##### Project 1 : IRRIGATION & Market Access

Note n°	Activity	Amount for the period (USD)	Cumulative amount (USD) as of Sept. 30 <sup>th</sup> , 2020	MYFP (USD)	%	Comment
1.1	Irrigation Perimeter Developement	4 870 690	14 196 510	87 332 931	16%	The activity recorded cumulative payments at 09/30/2020 representing an execution rate of around 16% compared to the multiannual budget.
1.2	Management Service&Market	1 592 204	4 022 381	14 254 275	28%	The activity recorded cumulative payments at 09/30/2020 representing an execution rate of around 28% compared to the multiannual budget.
1.3	Roads for Market Access	1 655 297	7 710 161	135 893 527	6%	The activity recorded cumulative payments at 09/30/2020 representing an execution rate of around 6% compared to the multiannual budget.
1.4	Policy Reform	599 947	5 055 394	16 123 100	31%	The activity recorded cumulative payments at 09/30/2020 representing an execution rate of around 31% compared to the multiannual budget.
1.5	Water Management Activity (609g)	515 131	1 769 715	3 305 000	54%	The activity recorded cumulative payments at 09/30/2020 representing an execution rate of around 54% compared to the multiannual budget.
	<b>Total</b>	<b>9 233 268</b>	<b>32 754 161</b>	<b>256 908 833</b>	<b>14%</b>	

**Project 2 : Climate-Resilient Communities (CRC)**

Note n°	Activity	Amount for the period (USD)	Cumulative amount (USD) as of Sept 30 <sup>th</sup> , 2020	MYFP (USD)	%	Comment
2.1	Regional Sahel Pastoralism	2 857 237	10 387 277	46 049 807	23%	The activity recorded cumulative payments at 09/30/2020 representing an execution rate of around 23% compared to the multiannual budget.
2.2	Climate-Resilient Agricult.	537 150	2 121 888	43 549 806	5%	The activity recorded cumulative payments at 09/30/2020 representing an execution rate of around 5% compared to the multiannual budget.
	<b>Total</b>	<b>3 394 387</b>	<b>12 509 165</b>	<b>89 599 613</b>	<b>14%</b>	

**Project 3 : Monitoring and Evaluation (M&E)**

Note n°	Activity	Amount for the period (USD)	Cumulative amount (USD) as of Sept 30 <sup>th</sup> , 2020	MYFP (USD)	%	Comment
3.1	Monitoring Activities		14 887	1 760 000	1%	The activity recorded cumulative payments at 09/30/2020 representing an execution rate of around 1% compared to the multiannual budget.
3.2	MCA Process Evaluation			1 600 000		The activity recorded no payments at 09/30/2020.
3.3	M&E Technical Assistance	1 310	2 716	840 000	0.32%	The activity recorded cumulative payments at 09/30/2020 representing an execution rate of around 0.32% compared to the multiannual budget.
	<b>Total</b>	<b>1310</b>	<b>17 603</b>	<b>4 200 000</b>	<b>0.42%</b>	

**Project 4 : Programm Administration**

Note n°	Activity	Amount for the period (USD)	Cumulative amount (USD) as of Sept 30 <sup>th</sup> , 2020	MYFP (USD)	%	Comment
4.1	Program Administration	2 429 126	13 039 087	38 507 938	34%	The activity recorded cumulative payments at 09/30/2020 representing an execution rate of around 34% compared to the multiannual budget.
4.2	Program Management Support	1 371 068	4 836 799	9 500 002	51%	The activity recorded cumulative payments at 09/30/2020 representing an execution rate of around 51% compared to the multiannual budget.
4.3	Fiscal Agent	387 500	2 693 750	8 324 867	32%	The activity recorded cumulative payments at 09/30/2020 representing an execution rate of around 32% compared to the multiannual budget.
4.4	Procurement Agent	747 444	3 757 801	8 520 442	44%	The activity recorded cumulative payments at 09/30/2020 representing an execution rate of around 44% compared to the multiannual budget.
4.5	Financial Audits	89 654	206 430	2 667 000	8%	The activity recorded cumulative payments at 09/30/2020 representing an execution rate of around 8% compared to the multiannual budget.
	<b>Total</b>	<b>5 024 792</b>	<b>24 533 867</b>	<b>67 520 249</b>	<b>36%</b>	

**Total Costs incurred for the Funds Compact & 609g Combined**

Amount for the period (USD)	Cumulative amount (USD) as of Sept 30 <sup>th</sup> , 2020	MYFP (USD)	%	Comment
17 653 758	69 814 797	418 228 695	17%	The projects recorded cumulative payments at 09/30/2020 representing an execution rate of around 17% compared to the multiannual budget.

Millennium Challenge Account Niger (MCA-Niger)

Cumulative amount as of 31 March'20 (USD)	Amount for the period Apr'20-Sept'20 (USD)	Cumulative amount (USD) as of Sept 30th, 2020	Comment
1 095 471 .31	-143 886.46	951 584.85	This item represents the sum of the items "Interest to Transfer to the Treasury", "Fund Balance" and "Net Tax Recoverable" detailed below.

**Interest to Transfer to the Treasury:**

Cumulative amount as of 31 March'20 (USD)	Amount for the period Apr'20-Sept'20 (USD)	Cumulative amount (USD) as of Sept 30th 2020	Comment
2 525.35	-1 110.09	1 415.26	This item represents the balance between the total interest received on the permitted bank accounts of Compact Funds at 9/30/2020 (34 982.61 USD) and the total interest transferred to MCC at 9/30/2020 (33 567.35 USD)

**Fund Balance :**

Cumulative amount as of 31 March'20 (USD)	Amount for the period Apr'20-Sept'20 (USD)	Cumulative amount (USD) as of Sept 30th ,2020	Comment
1 092 461.38	-144 016.81	948 444.57	This item represents the balance between the total of the sums available on the authorized bank accounts (excluding interest bank accounts) and the cash at 9/30/2020 (949 859.83 USD)

**Net Tax Recoverable:**

Cumulative amount as of 31 March'20 (USD)	Amount for the period Apr'20-Sept'20 (USD)	Cumulative amount (USD) as of Sept 30th ,2020	Comment
484.58	1 240.44	1 725.02	This item represents the balance between the total amount of taxes paid at 09/30/2020 (24 120.63 USD) and the total amount of taxes refunded to MCA-Niger at 09/30/2020 (22 395.61 USD).

**6.1 Fund Accountability Statement – 609(g) for the Optional Period #4  
(From April 1, 2020 to September 30, 2020)**

**Millennium Challenge Account Niger  
609(g) Fund Accountability Statement  
April 1, 2020 to September 30, 2020  
Amount in USD**

	ACTUAL COST			QUESTIONED COSTS			
	Budget	Prior Period	Current Period	Cumulative on 30.09.2020	INELIGIBLE	UNSUPPORTED	NOTES
<b>REVENUE</b>	-	<b>3,861,814.75</b>	<b>537,786.66</b>	<b>4,399,601.41</b>			
609(g) - Funds from MCC	-	3,861,814.75	537,786.66	4,399,601.41			6.2.3
<b>COST INCURRED</b>		<b>3,861,814.75</b>	<b>537,786.66</b>	<b>4,399,601.41</b>			<b>6.2.4</b>
<b>Access to and Control of Land</b>	<b>3,305,000.01</b>	<b>1,254,584.34</b>	<b>515,130.66</b>	<b>1,769,715.00</b>			
Water management Activity	3,305,000.01	1,254,584.34	515,130.66	1,769,715.00			
Securing Rights to Land Water							
<b>Access to Markets Projects</b>		-	-	-			
Agribusiness Developpement Servi		-	-	-			
Business Developpement Support A		-	-	-			
National Institutional & Regul		-	-	-			
<b>Safety and Security Assessment</b>		-	-	-			
Safety and Security Ass. Activ		-	-	-			
<b>Program Assessments</b>		-	-	-			
Monitoring and Evaluation		-	-	-			
Social and Gender Studies		-	-	-			
Environnemental/Social Oversight		-	-	-			
<b>Program Administration and Control</b>	<b>2,671,000.00</b>	<b>2,607,230.41</b>	<b>22,656.00</b>	<b>2,629,886.41</b>			
Program Administration	846,752.00	782,982.81	22,656.00	805,638.81			
Fiscal Agent	950,000.00	950,000.00	0.00	950,000.00			
Procurement Agent	874,248.00	874,247.60	0.00	874,247.60			
<b>TOTAL COST INCURRED</b>	<b>5,976,000.01</b>	<b>3,861,814.75</b>	<b>537,786.66</b>	<b>4,399,601.41</b>			
<b>Excess Revenue Over Costs Incurred</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>			
<b>Fund Balance at the Beginning of the Period</b>		-	-	-			
+Receipts of the period		3,861,814.75	537,786.66	4,399,601.41			
-Disbursements of the period		(3,861,814.75)	(537,786.66)	(4,399,601.41)			
<b>Cash and Bank Balance</b>		-	-	-			
<b>Fund Balance September 30, 2020</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	-	-	

## 6.2 Notes to the Fund Accountability Statement – 609(g)

### 6.2.1 Basis of Accounting

The Fund Accountability Statement has been prepared using the cash basis of accounting. Revenues include disbursement requests of funds to MCA-Niger local bank accounts and the expenses that MCC pays directly through the CPS system. Revenues are recorded when credited in the bank statement. Expenses are recorded when paid. MCA-Niger has used Sun Systems Accounting software and maintained its records in USD.

The authorized exchange rates used during the audit period are indicated below:

Exchange Rate Type	From currency	To currency	Valid from	Exchange Rate
M	XOF	USD	26.09.2020	/554.80668
M	XOF	USD	27.08.2020	/548.07412
M	XOF	USD	30.07.2020	/552.62310
M	XOF	USD	27.07.2020	/592.43850
M	XOF	USD	26.06.2020	/579.84952
M	XOF	USD	07.05.2020	/592.64489
M	XOF	USD	01.05.2020	/594.74773
M	XOF	USD	16.04.2020	/591.77275
M	XOF	USD	21.02.2020	/592.43850

### 6.2.2 Selection Criteria

MCA-Niger is responsible for maintaining all the original vouchers for expenses. We have done a full control of receipts and at least 70% of expenditures vouchers for the audit.

### 6.2.3 Sources of Fund

Revenues correspond to the grants received by MCA-Niger from MCC on its bank accounts. The detail of the actual and the cumulative amounts for this optional period are presented as follows:

Resources	Cumulative amount		
	Prior Period	Actual for the period	Cumulative amount
	Amount in USD		
		Optional period #4	September 30, 2020
CPS Direct Payments	3,861,814.75	537,786.66	4,399,601.41
<b>Total</b>	<b>3,861,814.75</b>	<b>537,786.66</b>	<b>4,399,601.41</b>

The total receipts amount to **\$537,786.66** under the optional period #4. The cumulative amount as of September 30, 2020 is **\$4,399,601.41** as shown in the table above.

### 6.2.4 Costs Incurred

The costs incurred include the two main items detailed as follows:

Costs incurred	Cumulative amount		
	Prior Period	Actual for the period	Cumulative amount
	Amount in USD		
		Optional period #4	September 30, 2020
Access to and Control of Land	1,254,584.34	515,130.66	1,769,715.00
Program Administration and Control	2,607,230.41	22,656.00	2,629,886.41
<b>Total</b>	<b>3,861,814.75</b>	<b>537,786.66</b>	<b>4,399,601.41</b>

The total costs incurred amount to **\$537,786.66** under the optional period #4. The cumulative amount as of September 30, 2020 is **\$4,399,601.41** as specified in the table above.

The 609g fund is kept active because there is a contract signed on this fund which concerns the Sia-Kouanza APS / APD / ESIA activity which is still ongoing. The total payments for this period mainly relate to this contract for a total of \$515,131 USD and a smaller part relates to contracts on Administration of which payment was due, for an equivalent of \$22,656.

### **6.2.5 Questioned Costs**

Our audit has not identified any questioned costs.

**6.3. Fund Accountability Statement – Compact for the Optional Period #4  
(From April 1, 2020 to September 30, 2020)**

**Millennium Challenge Account Niger  
Compact Fund Accountability Statement  
April 1, 2020 to September 30, 2020  
Amount in USD**

	ACTUAL COST			QUESTIONED COSTS		NOTES	
	Budget	Prior Period	Current Period	Cumulative on 30.09.2020	INELIGIBLE		UNSUPPORTED
<b>REVENUE</b>	<b>0.00</b>	<b>49,394,695.86</b>	<b>16,972,084.78</b>	<b>66,366,780.64</b>			
COMPACT - Funds from MCC	0.00	49,394,695.86	16,972,084.78	66,366,780.64			6.4.3
<b>COSTS INCURRED</b>		<b>48,299,224.55</b>	<b>17,115,971.24</b>	<b>65,415,195.79</b>			6.4.4
<b>Irrigation and Market Access</b>	<b>253,603,833.09</b>	<b>22,266,308.60</b>	<b>8,718,137.43</b>	<b>30,984,446.03</b>			
Irrigation Perimeter Dev.	86,715,206.09	9,325,820.17	4,870,690.03	14,196,510.20			
Management Service & Market Facilitation	14,142,000.00	2,430,177.34	1,592,203.67	4,022,381.01			
Roads for Market Access	135,893,527.00	6,054,864.24	1,655,296.86	7,710,161.10			
Policy reform	16,853,100.00	4,455,446.85	599,946.87	5,055,393.72			
<b>Climate-Resilient Communities</b>	<b>89,599,613.00</b>	<b>9,114,777.81</b>	<b>3,394,387.71</b>	<b>12,509,165.52</b>			
Regional Sahel Pastoralism Supt (PRAPS)	46,049,806.50	7,530,040.20	2,857,237.30	10,387,277.50			
Climate-Resilient Agriculture (CRA)	43,549,806.50	1,584,737.61	537,150.41	2,121,888.02			
<b>Monitoring and Evaluation</b>	<b>4,200,000.00</b>	<b>16,293.44</b>	<b>1,309.80</b>	<b>17,603.24</b>			
Monitoring & Evaluation	4,200,000.00	16,293.44	1,309.80	17,603.24			
<b>Program Administration (Administration, Audit and FA)</b>	<b>64,849,248.74</b>	<b>16,901,844.70</b>	<b>5,002,136.30</b>	<b>21,903,981.00</b>		70,131	6.4.5
Program Administration	37,661,186.74	9,826,978.20	2,406,470.15	12,233,448.35			
Program Management Support	9,500,001.00	3,465,730.50	1,371,068.32	4,836,798.82			
Fiscal Management	7,374,867.50	1,356,250.00	387,500.00	1,743,750.00			
Procurement Management	7,646,193.50	2,136,110.00	747,443.83	2,883,553.83			
Audit	2,667,000.00	116,776.00	89,654.00	206,430.00			
<b>TOTAL COSTS INCURRED</b>	<b>412,252,694.83</b>	<b>48,299,224.55</b>	<b>17,115,971.24</b>	<b>65,415,195.79</b>			
<b>Excess Revenue over Costs Incurred</b>		<b>1,095,471.31</b>	<b>(143,886.46)</b>	<b>951,584.85</b>			
<b>Fund Balance at the Beginning of the Period</b>			<b>1,092,461.38</b>				
Interest received from Bank		19,544.84	15,437.77	34,982.61			
Interest transferred to treasury		(17,019.49)	(16,547.86)	(33,567.35)			
<b>Interest to transfer to the treasury</b>		<b>2,525.35</b>	<b>(1,110.09)</b>	<b>1,415.26</b>			
<b>CASH AND BANK BALANCE</b>		<b>1,095,471.31</b>	<b>(143,886.46)</b>	<b>951,584.85</b>			
Permitted and Special Accounts		<b>1,092,461.38</b>	<b>(144,016.81)</b>	<b>948,444.57</b>			
Interest Accounts		1,094,986.73	(145,126.90)	949,859.83			
		(2,525.35)	1,110.09	(1,415.26)			
<b>FUND BALANCE SEPTEMBER 30, 2020</b>		<b>1,092,461.38</b>	<b>(144,016.81)</b>	<b>948,444.57</b>	-	70,131	

## 6.4 Notes to the Fund Accountability Statement – Compact

### 6.4.1 Basis of Accounting

The Fund Accountability Statement has been prepared using the cash basis of accounting. Revenues are recorded when credited in the bank statement. Expenses are recorded when paid. MCA-Niger uses SAP software and maintains its records in USD.

The authorized exchange rates used during the audit period are indicated below:

Exchange Rate Type	From currency	To currency	Valid from	Exchange Rate
M	XOF	USD	26.09.2020	/554.80668
M	XOF	USD	27.08.2020	/548.07412
M	XOF	USD	30.07.2020	/552.62310
M	XOF	USD	27.07.2020	/592.43850
M	XOF	USD	26.06.2020	/579.84952
M	XOF	USD	07.05.2020	/592.64489
M	XOF	USD	01.05.2020	/594.74773
M	XOF	USD	16.04.2020	/591.77275
M	XOF	USD	21.02.2020	/592.43850

### 6.4.2 Selection Criteria

MCA-Niger is responsible for maintaining all the original vouchers for expenses. We have done a full control of receipts and at least 70% of expenditures vouchers for the audit.

### 6.4.3 Sources of Funds

Revenues correspond to the grants received by MCA-Niger from the Compact funding on its bank accounts. The detail of the actual and cumulative amounts for the optional period #4 are presented as follows:

Resources	Cumulative amount		Actual for the period	Cumulative amount
	Amount in USD			
	Prior Period	Optional period #4	September 30, 2020	
IBC Banks Inside US-USD	15,282,385.88	3,832,229.60		19,114,615.48
IBC Banks outside US Non-USD	18,052,658.84	10,418,394.09		28,471,052.93
IBC Banks outside US-USD	16,059,651.14	2,721,461.09		18,781,112.23
<b>Total</b>	<b>49,394,695.86</b>	<b>16,972,084.78</b>		<b>66,366,780.64</b>

The total receipts amount to **\$16,972,084.78** under the optional period #4. The cumulative amount as of September 30, 2020 is **\$66,366,780.64** as shown in the table above.

### 6.4.4 Costs Incurred

The costs incurred include the four items detailed as follows:

Costs incurred	Amount in USD		
	Cumulative amount	Actual for the period	Cumulative amount
	Amount in USD		
	Prior Period	Optional period #4	September 30, 2020
Irrigation and Market Access	22,266,308.60	8,718,137.43	30,984,446.03
Climate-Resilient Communities	9,114,777.81	3,394,387.71	12,509,165.52
Monitoring and Evaluation	16,293.44	1,309.80	17,603.24
Program Administration (Administration, Audit and FA)	16,901,844.70	5,002,136.30	21,903,981.00
<b>Total</b>	<b>48,299,224.55</b>	<b>17,115,971.24</b>	<b>65,415,195.79</b>

The total costs incurred amount to **\$17,115,971.24** under the optional period #4. The cumulative amount as of September 30, 2020 is **\$65,415,195.79** as indicated in the table above.

Considering the current period alone (April 1, 2020 to September 30, 2020), the funds received from MCC amount to \$ 16,972,084.78 and costs incurred for the same period amount to \$17,115,971.24. Looking at the “Excess Revenue over Costs Incurred” in the Compact Fund Accountability Statement, the funds received from MCC for the period seems to be less than total costs incurred. Note that total revenue available for the period includes the funds received from MCC from MCC for the period and the cash and bank balance of the prior period (\$1,095,471.31).

#### 6.4.5 Questioned Costs

Our audit has identified questioned costs described as follows:

Note	Budget Line	Item	Questioned costs (Amount in USD)
	<p><b>Program Management and Administration:</b> Program Administration</p>	<p>Item 1</p> <ul style="list-style-type: none"> <li>▪ Contract title and number: ADM/41/G.0124/20 relating to the supply and installation of network equipment and cabling for the four (4) regional offices of MCA-Niger.</li> <li>▪ Supplier: SANCFIS Niger Company</li> <li>▪ Contract amount: XOF 27,590,880</li> <li>▪ Contract amount in USD: 45,567</li> </ul> <p>Item 2</p> <ul style="list-style-type: none"> <li>▪ Contract title and number: ADM/41/NCS.0119/20 on Maintenance and Cleaning of the MCA-NIGER Office Building.</li> <li>▪ Supplier: SONIKA CLEANING</li> <li>▪ Contract amount: XOF 34,629,200</li> <li>▪ Amount in USD: 57,568</li> </ul>	<p>12,563: costs that are not supported with adequate documentation or did not have required prior approvals or authorizations.</p> <p>57,568: costs that are not supported with adequate documentation or did not have required prior approvals or authorizations.</p>

## 7. AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS FOR THE OPTIONAL PERIOD #4 ENDED SEPTEMBER 30, 2020

To

**Mr. ABANI Sani Ibrahim**  
**Chairman, MCA-Niger Board of Directors**  
**MCA-Niger**  
**Boulevard Mali Béro, Face Lycée Bosso**  
**Niamey, Niger**

Except as discussed in the following paragraphs, we have audited in accordance with the auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Fund Accountability Statement of MCA-Niger as of and for the six-month period ended September 30, 2020, and have issued our report on it dated May 19, 2021.

We do not have a continuing education program that fully satisfies the requirement set forth in Chapter 4, paragraph 4.16 of *Government Auditing Standards*. However, our current program provides for at least 48 hours of continuing education and training every year. We are taking appropriate steps to implement a continuing education program that fully satisfies the requirement.

We did not have an external Quality Control Review (QCR) by an unaffiliated audit organization, as required in Chapter 5 paragraph 5.60 of *Government Auditing Standards*, since no such program is offered by professional organizations in Benin. We believe that the effect of this departure from *Government Auditing Standards* is not material because the whole audit process and all audit and other reports are reviewed by a partner of the firm on a regular basis. Furthermore, we have agreement with some chartered accountants of OECCA-Benin for the external quality review.

### **Internal Control over Financial Reporting (ICOFR)**

In planning and performing our audit of the financial statements, we considered MCA-Niger's ICOFR (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of MCA-Niger's internal control. Accordingly, we do not express an opinion on the effectiveness of MCA-Niger's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

We did identify certain deficiencies in internal control, described in the accompanying schedule of audit findings and questioned costs as items that we considered to be significant deficiencies.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether MCA-Niger's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance **or other matters** that are required to be reported here under U.S. Government Auditing Standards. Immaterial instances of noncompliance are reported to the management of MCA-Niger in a separate letter dated May 19, 2021.

### **MCA-Niger's Response to Findings**

MCA-Niger's response to the findings identified in our audit is described in the accompanying schedule of audit findings and questioned costs. MCA-Niger's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

COFIMA Sarl



Cotonou, Benin  
May 19, 2021

## 8. SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS

### Millennium Challenge Account Niger Schedule of Audit Findings and Questioned Costs For the Period from April 1, 2020 to September 30, 2020

#### Section 1. Summary of Auditor's Results

<i>Fund Accountability Statement: Compact</i>		
Type of report the auditor issued on whether the Fund Accountability Statement was prepared in accordance with GAAP: <i>qualified</i>		
Internal control over financial reporting:		
• Material weakness(es) identified		No
• Significant Deficiency(ies) identified	Yes	
Noncompliance material to financial statements noted?		No

#### Section 2. Schedule of Audit Findings

##### INTERNAL CONTROL

##### Adverse Quality of the Tender Evaluation Report in Procurement

##### *Item 1: PO No. CR/CRA/4/W.142/20 and PO n° ADM/41/G.0124/20*

##### Condition

Some bid evaluation reports are not well prepared. Note for example, the evaluation report relating to PO No. CR/CRA/4/W.142/20 for which the evaluation of the bids took into account the bid of the company TOUMANE DOSSO. This bid arrived late contrary to the provisions of the RFQ, which stipulates that "Any bid that arrives late will not be examined."

The evaluation report relating to the PO n° ADM/41/G.0124/20 calls for the following observations on our part:

- A poorly prepared evaluation report: The report was silent on the public company certification form and the purchase order contained in the bid of the bidder SANCFIS which are signed by a person other than the General Manager of the said company. In fact, the signature on these two documents is not the same as the signature on the bid letter and the price schedule. As a rule, there should be a power of attorney in the bidder's offer authorizing the signatory to bind SANCFIS. As there is no power of attorney, the bid should be rejected;
- The certificate of satisfaction contained in the bid is issued prior to the issuance of the purchase orders, delivery slips and invoices contained in the offer;
- The SANCFIS bid contains a certificate of good performance issued by CACOMIAF on 29/04/2019 in Abidjan for the benefit of the company ALINK WEST AFRICA located in Grand Bassam, whereas the company that submitted the bid to MAC NIGER is ALINK TELECOM NIGER, which has now become SANCFIS and is domiciled in Niger.
- The certificates of good performance issued and contained in the tender of the bidder SANCFIS are signed respectively on 29/04/2019, 15/09/2019 and 25/09/2019 and specify in the body of the text "ALINK TELECOM NIGER renamed SANCFIS NIGER" while they are signed before the establishment of the Certificate of Amending Registration of the Commercial Court of Niamey dated 08/10/2019;
- The report mentioned on page 5 that: "The bidder's offer of Fold No. 3 DIGI MEDIA: the bidder has provided only one compliant similar experience instead of three required

by the DC. Consequently, its bid was declared non-compliant and disqualified for the rest of the evaluation process" whereas it appears from the bid of the bidder that the latter provided several proofs including 3 contracts executed on behalf of the MCA-Niger. The evidence contained in the offer of DIGI MEDIA is: BC N° ADM.It/41/G0052/19 dated 02/05/2019 including the acceptance report dated 10/05/2019, BC N° ADM.It/41/G0043/19 dated 27/02/2019 including the acceptance report dated 27/03/2019, BC N° 0000377 dated 08/03/2019 and Contract N° NE.17.SRV.6794. V0972-672.02.00 dated 06/27/2017 signed with CRS.

- An incorrect contract award.

### **Criteria**

The evaluators must evaluate the offers in accordance with the provisions of the Request for Quotation and not examine a late-arriving offer.

Evaluators should pay particular attention to the actual content of bidders' offers and check signatures and evidence of similar contracts, etc.

### **Cause**

Panelists are not familiar with procurement procedures.

### **Effect**

Litigation in public procurement.

Non-compliant contracting.

Inappropriate contract award.

### **Recommendation**

Panelists recruited by MCA-Niger must be familiar with procurement procedures and must conduct the evaluation in accordance with the provisions of the relevant tender documents.

They must follow the various stages of bid evaluation and be able to read and evaluate the documents that make up each bid.

### **Management's Comments**

*Noted.*

*The person who signed the GOE who is not authorized to sign should present a power of attorney. However, the absence of the GOE cannot be the object of the rejection of the offer because at least we could ask as a complementary document.*

*The supporting documents that were declared compliant during the assessment concern: The satisfaction certificate contained in the SANCFIS offer issued by WINROCK NIGER dated 25/09/2019 concerns a satisfactory framework contract and does not mention any contract number or specific order form. Consequently, this certificate of satisfaction may relate to other contracts or purchase orders issued previously.*

### **Auditor's Response**

The auditor never claimed that it was the failure of one of the evaluators to sign the report that caused the contract to be non-compliant.

The panel of evaluators cannot rely on the minutes of the board of directors to evaluate an offer because the legal document in this case is the trade register that justifies the creation of a company or its modification. Consequently, the auditor maintains his comments and observations.

The reasons given by MCA-Niger are not convincing to be taken into account. Consequently, the auditor maintains his comments and observations.

MCA-Niger states in its counter observations that it is a question of two companies having the same manager. Therefore, the company that submitted the bid is not the one that should be in

view of the auditor's comments. In any case, the reasons given by MCA-Niger are not convincing. The auditor therefore maintains his comments and observations.

***Item 2: PO n° ADM/41/NCS.0119/20***

**Condition**

The evaluation report on the PO n° ADM/41/NCS.0119/20 calls for the following observations:

- The report was silent on the proof required by the DC regarding the authorization to practice the service concerned;
- None of the supervisors proposed by the bidder SONIKA CLEANING meets the required criteria. As a result, the total score for this bidder should be 45/100 points instead of 65/100 points. This would change the award of the contract as the FIRS CLASS bidder would receive the highest combined score according to the information contained in the bids.

**Criteria**

Evaluators should pay particular attention to the actual content of bidders' offers and verify the required paperwork, the actual amounts contained in the bid letters, and the evidence required by the tender documents, etc.

**Cause**

Panelists are not familiar with procurement procedures.

**Effect**

Litigation in public procurement.  
Non-compliant contracting.  
Inappropriate contract award.

**Recommendation**

Panelists recruited by MCA-Niger must be familiar with procurement procedures and must conduct the evaluation in accordance with the provisions of the relevant tender documents. They must follow the various stages of bid evaluation and be able to read and evaluate the documents that make up each bid.

**Management's Comments**

*On the submission letter, the completion certificates, the presentation brochure and even on the list of potential bidders that MCA - Niger sent us, it is written SONIKA CLEANING. In conclusion, Maybe the word COMFORT escaped the panel. Also, both companies have the same owner/DG with the same telephone number and this is the person who signed the contract. Also, the CNSS form was on the name of Sonika cleaning. And the CNSS form was on the name of Sonika cleaning*

*Noted; there was an error. A clerical error that spread throughout the report.  
The RET is based on the information given by the panelists*

**Auditor's Response**

No additional comment.

### Section 3. Questioned Cost

<u>QUESTIONED COSTS</u>				
<u>NO</u>	<u>TITLE</u>	<u>DESCRIPTION OF ISSUE</u>	<u>INELIGIBLE</u>	<u>INSUPPORTED</u>
1	Incorrect Contract Award Contract title and number: ADM/41/G.0124/20 relating to the supply and installation of network equipment and cabling for the four (4) regional offices of MCA-Niger	Some of the documents submitted by the bidder SANCFIS do not conform to the rules required by the procurement procedures. Note for instance: <ul style="list-style-type: none"><li>- the certificate of satisfaction contained in the bid of this supplier is issued prior to the issuance of the purchase orders, delivery slips and invoices contained in the offer;</li><li>- No power of attorney in the bidder's offer allows the signatory to bind SANCFIS. As there is no power of attorney, the bid should be rejected.</li></ul>		\$12,563
	Incorrect Contract Award Contract title and number: ADM/41/NCS.0119/20 on Maintenance and Cleaning of the MCA-Niger Office Building	During our course of our audit, we observed that an unsuitable evaluation in terms of requirement criteria that should be met by the supervisors proposed by the bidder SONIKA CLEANING. The total score for this bidder should be 45/100 points instead of 65/100 points. This situation would change the award of the contract as the FIRST-CLASS bidder would receive the highest combined score according to the information contained in the bids.		\$57,568
<b>TOTAL</b>				<b>\$70,131</b>

The findings mentioned above are internal control deficiencies. The issues described deal with significant deficiencies and are summarized as follows:

#### Condition

- Documents submitted by the bidder SANCFIS do not conform to the rules required by the procurement procedures;
- Unsuitable evaluation in terms of requirement criteria that should be met by the supervisors proposed by the bidder SONIKA CLEANING.

#### Criteria

Mandatory paperwork and the evidence required by the tender documents.

**Cause**

Failure to follow procurement procedures.

**Effect**

Litigation in public procurement.

Non-compliant contracting.

Inappropriate contract award.

**Recommendation**

Panelists must follow the procurement procedures.

## **APPENDICES**

### **APPENDIX 1: FUND ACCOUNTABILITY STATEMENTS PREPARED AND ISSUED BY MCA-NIGER FOR THE OPTIONAL PERIOD #4 ENDED SEPTEMBER 30, 2020**

MCA-NE-FR1 300-MAKRACHEL March03, 2021 09:26:05

MCA - Niger

**Fund Accountability Statement-Compact Fund Niger & 609g combined**

For the Period 01-Apr-20 To 30-Sep-20

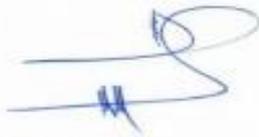
WBS Element	Cum. Inception to Mar				
	Budget	20	Apr - Sep 20	Total	
<b>Revenue</b>					
<b>Funds From MCC</b>					
	0.00	-53 256 510.61	-17 599 871.44	-70 766 382.95	
IBC Banks Inside US-USD	0.00	-15 282 385.88	-3 832 229.60	-19 114 615.48	
IBC Banks outside US Non-USD	0.00	-18 052 658.84	-10 418 394.09	-28 471 052.93	
IBC Banks outside US-USD	0.00	-16 059 651.14	-2 721 461.09	-18 781 112.23	
<b>CPS - Direct Payments</b>					
		<b>-3 861 814.75</b>	<b>-537 786.66</b>	<b>-4 399 601.41</b>	
<b>Costs</b>					
<b>5100000</b>	<b>256 908 833.10</b>	<b>23 520 892.94</b>	<b>9 233 268.09</b>	<b>32 754 161.03</b>	
<b>Irrigation and Mrkt Access Projct</b>					
5110000	1.1 Irrigation Perimeter Dev	87 332 931.09	9 325 820.17	4 870 690.03	14 196 510.20
5110100	1.1.1.0 Eng, Design & Supervision-Konni	2 765 742.61	287 718.13	574 346.60	862 064.73
5110200	1.1.1.1 Eng, Design&Suprvsn-Sia-Kouanza	3 804 686.47	0.00	191 268.32	191 268.32
5110300	1.1.1.2 Eng, Design & Supevsn - Contingey	0.00	0.00	0.00	0.00
5110400	1.1.2.0 Construction - Konni	34 542 482.86	3 822 927.62	1 825 890.08	5 648 817.70
5110500	1.1.2.1 Construction - Kouanza	0.00	0.00	0.00	0.00
5110600	1.1.2.2 Construction - Sia	12 865 662.50	0.00	0.00	0.00
5110700	1.1.2.3 Construction - Contingency	1 107 517.14	0.00	0.00	0.00
5110800	1.1.3.0 ESP Konni	1 239 626.81	0.00	0.00	0.00
5110900	1.1.3.1 ESP Sia Kouanza	986 946.33	0.00	0.00	0.00
5111000	1.1.3.2 ESP Institutional Support	0.00	0.00	0.00	0.00
5111100	1.1.3.3 ESP Waste Management	448 275.86	0.00	0.00	0.00
5111200	1.1.3.4 IEA BEEEE	256 676.50	27 497.53	1 870.78	29 368.31
5111300	1.1.4.0 Land RAP - Konni	4 930 428.00	1 605 009.43	418 673.69	2 023 683.12
5111400	1.1.4.1 RAP Compensation - Konni	6 820 312.00	138 631.47	1 194 044.51	1 332 675.98
5111500	1.1.4.2 Land RAP - Sia-Kouanza	5 906 028.00	935 736.74	44 492.99	980 229.73
5111600	1.1.4.3 Rap Compensation - Sia-Kouanza	3 509 464.01	0.00	0.00	0.00
5111700	1.1.5.0 Irrign Infrastructure Mgmt-UNOPS	8 149 082.00	2 508 299.25	620 103.06	3 128 402.31
5120000	1.2. Mgmt Servs and Mrkt Facilitation	14 254 275.00	2 430 177.34	1 592 203.67	4 022 381.01
5120100	1.2.1.0 Land Tenure Secr-Sup for RAP Dev	264 240.37	0.00	0.00	0.00
5120200	1.2.1.1 Land Tenure Secr - COFO Training	162 597.63	64 953.52	1 744.52	66 698.04
5120300	1.2.1.2 IEA SPNCR	349 302.00	7 132.46	46 054.86	53 187.32
5120400	1.2.1.3 IEA Commune Konni	87 544.00	4 682.67	1 642.11	6 324.78
5120500	1.2.1.4 IEA Commune Taernaoua	71 994.00	3 188.90	1 642.11	4 831.01
5120600	1.2.1.5 IEA Commune Gaya	91 718.00	722.79	1 642.11	2 364.90
5120700	1.2.1.6 IEA Commune Tanda	107 886.00	788.88	1 642.11	2 430.99
5120800	1.2.1.7 IEA Commune Tounouga	96 718.00	722.79	1 642.11	2 364.90
5120900	1.2.2.0 GDSI IWUA Support	4 602 731.78	873 437.35	699 824.84	1 573 262.19
5121000	1.2.2.1 SAA Farmer Services Support	7 941 753.93	1 455 974.52	835 729.37	2 291 703.89
5121100	1.2.2.2 Training Centers	200 000.00	0.00	0.00	0.00
5121200	1.2.3.0 IEA ONAHA	122 833.67	9 482.74	602.81	10 085.55
5121300	1.2.3.1 IEA - DGAENF	31 162.08	8 097.15	36.72	8 133.87
5121400	1.2.3.2 IEA - MAGEL	123 793.54	993.57	0.00	993.57
5130000	1.3 Roads for Market Access	135 893 527.00	6 054 864.24	1 655 296.86	7 710 161.10
5130100	1.3.1.0 Eng, Design & Supervision - RN7	4 768 121.00	1 877 830.81	0.00	1 877 830.81
5130200	1.3.1.1 Eng, Dsgn & Supevsn-RN35&Sambera	3 748 879.00	1 013 709.29	199 688.01	1 213 397.30
5130300	1.3.1.2 Eng, Dsgn & Supevsn-contingency	0.00	0.00	0.00	0.00
5130310	1.3.1.3 Transaction Advisor	300 000.00	0.00	0.00	0.00
5130400	1.3.2.0 Construction - RN7	65 968 376.60	0.00	0.00	0.00
5130500	1.3.2.1 Construction - RN35	29 582 945.30	0.00	0.00	0.00
5130600	1.3.2.2 Construction - RR Sambera	4 003 678.10	0.00	0.00	0.00
5130700	1.3.2.3 Construction - contingency	5 245 000.00	0.00	0.00	0.00
5130800	1.3.3.0 ESP - RN7	100 000.00	0.00	0.00	0.00
5130900	1.3.3.1 ESP - RN35	150 000.00	0.00	0.00	0.00
5131000	1.3.3.2 ESP - RR Sambera	100 000.00	0.00	0.00	0.00
5131100	1.3.4.0 RAP - Roads	4 440 000.00	717 480.39	815 254.50	1 532 734.89
5131200	1.3.4.1 RAP-Compensation - Roads	9 100 000.00	0.00	0.00	0.00
5131300	1.3.5.0 Maintenance Support - RN7	300 000.00	0.00	0.00	0.00
5131400	1.3.5.1 Maintnce Support-RN35&RR Sambera	500 000.00	0.00	0.00	0.00
5131500	1.3.6.0 Roads Infrastructure Mgmt-UNOPS	7 586 527.00	2 445 843.75	640 354.35	3 086 198.10
5140000	1.4 Policy Reform	16 123 100.00	4 455 446.85	599 946.87	5 055 393.72
5140100	1.4.1.0 Remte Sensng/Hgical Stds and Cpty	4 338 243.06	2 275 725.58	115 714.86	2 391 440.44
5140200	1.4.1.1 Remote Sensing Individl Consult	182 379.63	45 235.86	33 527.69	78 763.55
5140300	1.4.1.2 IEA - MHA	17 615.41	217.28	0.00	217.28
5140400	1.4.2.0 Protected Areas Planning (PAG)	4 529 365.71	51 695.26	272 920.34	324 615.60
5140500	1.4.2.1 Protected Areas Activities	0.00	0.00	0.00	0.00
5140600	1.4.2.2 IEA DGEP	55 713.47	172.87	4 545.51	4 718.38
5140700	1.4.3.0 Statistical Capacity Development	3 999 782.72	0.00	0.00	0.00
5140800	1.4.4.0 Fertilizer Distribution Refrm	3 000 000.00	2 082 400.00	173 238.47	2 255 638.47

WBS Element		Cum. Inception to Mar			
		Budget	20	Apr - Sep 20	Total
	<b>1.5 Water Management Activity (609g)</b>	<b>3 305 000.01</b>	<b>1 254 584.34</b>	<b>515 130.66</b>	<b>1 769 715.00</b>
<b>5200000</b>	<b>Climate-Resilient Communities Project</b>	<b>89 599 613.00</b>	<b>9 114 777.81</b>	<b>3 394 387.71</b>	<b>12 509 165.52</b>
5210000	2.1 Reg Sahel Pastoralism Supt (PRAPS)	46 049 806.50	7 530 040.20	2 857 237.30	10 387 277.50
5210100	2.1.1.0 Animal Health - Vaccinations	9 029 460.00	3 653 033.35	1 707 598.07	5 360 631.42
5210200	2.1.1.1 Animal Health - SVPP	4 197 823.00	1 437 260.56	511 105.01	1 948 365.57
5210300	2.1.1.2 Animal Health - ES, D and S	0.00	0.00	0.00	0.00
5210400	2.1.1.3 Animal Health - Construction	1 759 873.55	0.00	0.00	0.00
5210500	2.1.1.4 Vaccination Fund	39 000.00	9 980.78	28 366.42	38 347.20
5210600	2.1.2.0 Corridor Improvement - Consultus	1 661 142.35	278 608.33	119 821.03	398 429.36
5210700	2.1.2.1 Corridor Improvement - NRM	3 484 000.00	0.00	0.00	0.00
5210800	2.1.2.2 Corridor Improvmt - ES, D and S	2 000 000.00	0.00	0.00	0.00
5210900	2.1.2.3 Corridor Improvmt-Construction	5 301 687.95	0.00	0.00	0.00
5211000	2.1.3.0 Livestock Markets- ES, D and S	2 100 000.00	37 521.13	40 159.91	77 681.04
5211100	2.1.3.1 Livestock Markets - Construction	8 770 681.65	0.00	0.00	0.00
5211200	2.1.3.2 Milk Collectn Cntrs-ES, D and S	0.00	0.00	0.00	0.00
5211300	2.1.3.3 Milk Collectn Cntrs - Constructn	0.00	0.00	0.00	0.00
5211400	2.1.3.4 Markets Governance and Managemnt	1 200 000.00	0.00	0.00	0.00
5211500	2.1.4.0 PRAPS Land Commission Support	149 189.65	0.00	0.00	0.00
5211600	2.1.4.1 PRAPS IDIQ EIES / PAR	742 368.67	0.00	0.00	0.00
5211700	2.1.4.2 PRAPS PAR - Compensation	0.00	0.00	0.00	0.00
5211800	2.1.5.0 PRAPS - Management	1 824 033.52	507 881.75	300 348.55	808 230.30
5211900	2.1.5.1 IEA PRAPS - MAGEL	2 740 000.00	1 267 493.80	43 520.86	1 311 014.66
5212000	2.1.5.2 IEA PRAPS - Communes	344 358.16	0.00	0.00	0.00
	2.1.6.0 PRAPS Management Support -				
5212100	UNOPS	706 188.00	338 260.50	106 317.45	444 577.95
5220000	2.2 Climate-Resilient Agriculture(CRA)	43 549 806.50	1 584 737.61	537 150.41	2 121 888.02
5220100	2.2.1.0 ICRIP Consultant	2 913 064.22	408 366.93	0.00	408 366.93
5220200	2.2.1.1 ICRIP - NRM	14 350 000.00	2 699.98	0.00	2 699.98
5220300	2.2.1.2 ICRIP - ES, D and S	3 600 000.00	0.00	0.00	0.00
5220400	2.2.1.3 ICRIP- Construction	12 286 935.78	0.00	0.00	0.00
5220500	2.2.2.0 CRA Land Commission Support	101 139.28	3 572.15	0.00	3 572.15
5220600	2.2.2.1 CRA IDIQ EIES / PAR	500 000.00	0.00	0.00	0.00
5220700	2.2.2.2 CRA PAR - Compensation	1 748 860.72	0.00	0.00	0.00
5220800	2.2.3.0 Priv Sect Partnership Fund-ADMIN	300 000.00	79 884.99	34 100.34	113 985.33
5220810	2.2.3.1 Priv Sect Partnership Fund-GRANT	3 000 000.00	0.00	0.00	0.00
5220820	2.2.3.2 Private Sector - ENGAGEMENT	200 000.00	0.00	0.00	0.00
5220900	2.2.4.0 CRA - Management	2 571 429.00	623 648.51	377 677.04	1 001 325.55
5221000	2.2.4.1 IEA CRA - MAGEL	578 571.00	70 499.56	2 502.03	73 001.59
5221100	2.2.4.2 IEA CRA - Communes	350 000.00	57 804.99	3 310.88	61 115.87
5221200	2.2.5.0 CRA Management Support - UNOPS	1 049 806.50	338 260.50	119 560.12	457 820.62
<b>5300000</b>	<b>Monitoring &amp; Evaluation</b>	<b>4 200 000.00</b>	<b>16 293.44</b>	<b>1 309.80</b>	<b>17 603.24</b>
5310000	3.1 Monitoring & Evaluation	4 200 000.00	16 293.44	1 309.80	17 603.24
5310100	3.1.1.0 Monitoring Oversight	1 760 000.00	14 887.17	0.00	14 887.17
5310200	3.1.1.1 MCA Process Evaluation	1 600 000.00	0.00	0.00	0.00
5310300	3.1.1.2 M&E Technical Assistance	840 000.00	1 406.27	1 309.80	2 716.07
<b>5400000</b>	<b>Program Admin (Admin, Audit, and FA)</b>	<b>67 520 248.74</b>	<b>19 509 075.11</b>	<b>5 024 792.30</b>	<b>24 533 867.41</b>
5410000	4.1 Program Administration	38 507 938.74	10 609 961.01	2 429 126.15	13 039 087.16
5410100	4.1.1.0 Salary & Benefits	17 372 759.47	4 321 196.12	1 432 377.20	5 753 573.32
5410200	4.1.2.0 Office	5 871 425.12	995 242.48	383 813.65	1 379 056.13
5410300	4.1.3.0 Transportation Cost	1 325 744.30	135 594.90	18 562.48	154 157.38
5410400	4.1.4.0 Travel	1 222 223.67	263 949.23	55 791.81	319 741.04
5410500	4.1.5.0 Training & Conferences	851 227.30	86 779.68	24 454.79	111 234.47
5410600	4.1.6.0 Communications - Operations	1 282 183.35	255 661.13	65 622.25	321 283.38
5410700	4.1.6.1 Communications-Strategic & Field	417 983.24	25 234.04	50 563.92	75 797.96
5410800	4.1.7.0 CAPEX - IT Equipment & Software	2 945 399.71	2 172 663.70	78 078.68	2 250 742.38
5410900	4.1.7.1 CAPEX - Other	2 730 623.45	1 349 429.72	252 774.35	1 602 204.07
5411000	4.1.8.0 Short-Term Consulting - GSI	372 661.51	0.00	27 538.24	27 538.24
5411100	4.1.8.1 Short-Term Consulting - Other	3 095 609.07	189 090.47	16 892.78	205 983.25
5411200	4.1.9.0 Miscellaneous	173 346.55	32 136.73	0.00	32 136.73
	Admin 609g	846 752.00	782 982.81	22 656.00	805 638.81
5420000	4.2 Program Management & Support	9 500 001.00	3 465 730.50	1 371 068.32	4 836 798.82
5420100	4.2.1.0 UNOPS Support	9 500 001.00	3 465 730.50	1 371 068.32	4 836 798.82
5430000	4.3 Fiscal Management	8 324 867.50	2 306 250.00	387 500.00	2 693 750.00
5430100	4.3.1.0 Fiscal Agent Services	7 374 867.50	1 356 250.00	387 500.00	1 743 750.00
	Fiscal Agent Services 609g	950 000.00	950 000.00	0.00	950 000.00
5440000	4.4 Procurement Management	8 520 441.50	3 010 357.60	747 443.83	3 757 801.43
5440100	4.4.1.0 Procurement Agent Services	7 646 193.50	2 136 110.00	747 443.83	2 883 553.83
	Procurement Agent 609g	874 248.00	874 247.60	0.00	874 247.60
5450000	4.5 Audit	2 667 000.00	116 776.00	89 654.00	206 430.00
5450100	4.5.1.0 Audit Services	2 667 000.00	116 776.00	89 654.00	206 430.00

WBS Element	Cum. Inception to Mar			Total
	Budget	20	Apr - Sep 20	
<b>Total Costs Incurred</b>	<b>418 228 694.84</b>	<b>52 161 039.30</b>	<b>17 653 757.90</b>	<b>69 814 797.20</b>
<b>Bank, Cash &amp; Tax Recoverable</b>	<b>0.00</b>	<b>1 095 471.31</b>	<b>-143 886.46</b>	<b>951 584.85</b>
<b>Interest to transfer to the treasury</b>	<b>0.00</b>	<b>2 525.35</b>	<b>-1 110.09</b>	<b>1 415.26</b>
Interest received from Bank	0.00	19 544.84	15 437.77	34 982.61
Interest transferred to treasury	0.00	-17 019.49	-16 547.86	-33 567.35
<b>Fund Balance</b>	<b>0.00</b>	<b>1 092 461.38</b>	<b>-144 016.81</b>	<b>948 444.57</b>
Permitted and Special Accounts	0.00	1 094 986.73	-145 126.90	949 859.83
Interest Accounts	0.00	-2 525.35	1 110.09	-1 415.26
<b>Net Tax Recoverable</b>	<b>0.00</b>	<b>484.58</b>	<b>1 240.44</b>	<b>1 725.02</b>
Tax Paid	0.00	17 485.24	6 635.39	24 120.63
Tax Refund	0.00	-17 000.66	-5 394.95	-22 395.61

Prepared by:  
SAS:  
ILYAS HAMD

April 30, 2021



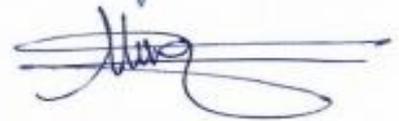
Approved by:  
FAM:  
MOHAMED IKKACHLI

April 30, 2021



Submitted to:  
DAF:  
ADEOLA - HELENE

April 30, 2021



**APPENDIX 2: MANAGEMENT REPRESENTATION LETTER**



**REPUBLIQUE DU NIGER**  
**PRESIDENCE DE LA REPUBLIQUE**  
**Millennium Challenge Account – Niger**  
**(MCA-NIGER)**  
**Direction Générale**

**MCA-Niger Management Representation Letter**  
**as of September 30, 2020**

May 19, 2021

**Compagnie Fiduciaire de Management et d'Audit (COFIMA - BENIN)**  
C/2313 Immeuble Ahouansou Sossou – Quartier Kouhounou  
Route du Stade de l'Amitié  
03 BP 4001 Cotonou - Bénin

REF: RFP # ADM/QBS/2018/10 - AUDIT OF MCC AND GOVERNMENT RESOURCES MANAGED BY MCA-NIGER

Dear Mr. Avande,

We are providing this letter in connection with your audit of the Fund Accountability Statement(s) of **MCA-Niger for the optional period #4 from April 1, 2020 to September 30, 2020**, and the related notes to the Fund Accountability Statement(s) (hereinafter referred to as the "financial statements").

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, as of May 19, 2021, the following representations made to you during your audit(s):

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter, dated April 12, 2021, for the preparation and fair presentation of the financial statements in accordance with Generally Accepted Accounting Principles (GAAP) or other comprehensive basis of accounting (including the cash receipts and disbursements basis and modifications of the cash basis). The financial statements are fairly presented in accordance with GAAP or other comprehensive basis of accounting (including the cash receipts and disbursements basis and modifications of the cash basis).
- 2) Significant assumptions that we used in making accounting estimates, including those measured at fair value, are reasonable
- 3) We have provided you with all relevant information and access, as agreed upon in the terms of the audit engagement letter, including the following: Access to all information that is relevant to the preparation and fair presentation of the financial statements (e.g., records, documentation, other matters)

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Additional information that you have requested from us for the purpose of the audit, including, but not limited to:

Minutes of meetings or summaries of actions of recent meetings for which minutes have not been prepared of the [Board of Directors, Stockholders, directors, or other similar bodies of those charged with governance]

c) Unrestricted access to and full cooperation of personnel within the entity from whom you determined it necessary to obtain audit evidence

4) Except as disclosed to you in writing, there have been none of the following: Circumstances that have resulted in communications from **MCA-Niger** legal counsel reporting evidence of a material violation of law or breach of fiduciary duty or similar violations by **MCA-Niger** of any agent thereof

Communications from MCC, USAID OIG, governmental representatives, employees, or others concerning investigations or allegations of noncompliance with laws or regulations; deficiencies in financial reporting practices; or other matters that could have a material adverse effect on the financial statements

5) All transactions have been recorded in the accounting records and are reflected in the financial statements.

6) There are no uncorrected misstatements in the financial statements, as we have corrected the financial statements for any misstatements that you have identified during the audit and communicated to us

7) We have no plans or intentions that may materially affect the recognition, measurement, presentation, disclosure, or classification of assets and liabilities

8) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements

9) All events or transactions subsequent to September 30, 2020 and for which GAAP or other comprehensive basis of accounting (including the cash receipts and disbursements basis and modifications of the cash basis) requires adjustment or disclosure have been adjusted or disclosed in the financial statements

10) We have properly recorded or disclosed in the financial statements changes in the accounting principle that affect the consistency of the financial statements between the periods presented.

**Internal Control**

11) We acknowledge and fulfilled our responsibility for maintaining effective internal control over the programs, including the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error

12) We acknowledge and fulfilled our responsibility for the design, implementation, and maintenance of effective internal control to prevent and detect fraud within the programs.

13) We have **no knowledge of any** fraud or suspected fraud affecting the entity involving 1) management or employees who have significant roles in Internal Control Over Financial Reporting (ICOFR) or 2) others when the fraud could have a material effect on the financial statements.

14) We have **no knowledge of any** allegations of fraud or suspected fraud affecting the financial statements communicated by employees, former employees, or others.

15) We have no knowledge of any officer of **MCA-Niger** or any other person acting under the direction thereof, having taken any action to fraudulently influence, coerce, manipulate, or mislead you during your audit.

16) We are responsible for complying with laws, regulations, contracts, and grant agreements applicable to **MCA-Niger**.

17) There are no instances of noncompliance or suspected noncompliance with laws, regulations, contracts, and grant agreements applicable to **MCA-Niger** whose effects should be considered when preparing the financial statements.

**Signed by Accountable Entity Head**

Mamane M. Annou



**Signed by Chief Financial Officer**

Adéola-Hélène F. Ossé

