

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 Periods #1 and #2
October 1, 2018 to September 30, 2019**

(Final)

March 2020

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To

Mr. OUHOUMODOU Mahamadou
Chief of Staff of the Office of the Presidency of the Republic
Chairman, MCA-Niger Board

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: October 1, 2018 to September 30, 2019

- The optional period #1 covers the period from October 1, 2018 to March 31, 2019.
- The optional period #2 applies to the period of April 1, 2019 to September 30, 2019.

These two optional periods concern all sources of funding.

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 609 (g) Grant agreement funding, CDF, and the compact consolidated fund accountability statement;
- Independent Auditor's Report on Internal Control;
- Independent Auditor's Report on Compliance;

Sincerely,

COFIMA Sarl



Cotonou, Benin
March 9, 2020

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

Monitoring and Evaluation Plan

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

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

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 Guidelines for Financial Audits Contracted by the Millennium Challenge Corporation's Accountable Entities (the OIG Audit Guidelines) issued by the Office of Inspector General (OIG) for the MCC. 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 4 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 two optional periods #1 et #2. 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 properly 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 not is 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 SAS Nos. 78 and 115 (AU110, AU319, AU324 and AU325), respectively entitled Consideration of Internal Control in a Financial Statement Audit, and Communicating Internal Control Related Matters Identified in an Audit as well as SAS No. 117 (AU801) entitled Compliance Audits and SAS No. 99 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 SAS No. 117 (AU801) entitled Compliance Audits.

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 5 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 4 of U.S. Government Auditing Standards provides 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 first audit of MCA-Niger made about the CDF fund the following recommendations:

- Provide in quotation requests, objective criteria consistent with each type of contract.
- Ensure the panelists' experiences in evaluating offers and their impartiality.
- Assist as required with bid evaluations (APM).

These recommendations have been partially implemented: regarding the recommendation #2 poorly prepared evaluation reports were noted during the period under review. The follow-up of the other internal deficiencies (considered as insignificant) are 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 SAS No 85 (AU 333).

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 actually 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:

Notes	Budget Lines	Items	Amount in USD
a	Climate-Resilient Communities:		
	Regional Sahel Pastoralism	Contract #CR/PRAPS/1/G.0002/19 relating to the supply of laboratory equipment (Lot 2)	669,792.10
	Climate Resilient Agriculture	Purchase order #CR/CRA/4/W.0064/19 of July 12, 2019	10,936.32
	Climate Resilient Agriculture & Regional Sahel Pastoralism	Purchase order #ADM/41/G0074/19 of September 20, 2019	20,645.37
	Sub-Total 1		701,373.79
b	Program Management and Administration:		
	Program Administration	Purchase order #ADM/Shop/2018/02 for purchase of printers and photocopiers for MCA-NIGER (Lot 2)	64,058.00
	Sub-Total 2		64,058.00
	Total		765,431.79

5.2 Internal Control Structure

Internal control deficiencies we noted that appear significant concerned on one hand the quality of the tender evaluation reports and on the other hand the management of contracts. They are related to operations executed in the Compact Funding and are described below:

- The performance guarantee submitted by some contractors is not provided within the required timeframe. We noted a case including a performance guarantee that was provided after the signature of the contract, contrary to the provisions of clause 43.1 of the IAS and clause 15.1 of the CCAG. This deficiency is related to the contract #CR/PRAPS/1/G.0002/19 relating to the supply of laboratory equipment (Lot 2).
- The non-compliance with the post-qualification criterion namely the proof of performance of two contracts in the last two years: the service certificates issued by the contractor are not within the scope of the last two years. This deficiency is associated with the purchase order #ADM/Shop/2018/02 for purchase of printers and photocopiers for MCA-NIGER (Lot 2) signed with ESPACE COPIEURS.
- The procedure used for purchase order #ADM/41/G0072/19 of 20/09/2019 and purchase order #ADM/41/G0074/19 is contrary to that contained in the MPP. In fact, in the PPM that received the Donor's no-objection, the procedure is the invitation to tender; nevertheless, the non-competitive method of consulting suppliers was used.
- The Request for Quotation relating to Purchase Order #CR/CRA/4/W.0064/19 of 12/07/2019 gives rise to the following comments:

- On page 4, it states in point (c): "the bidder shall provide a list of his present and past clients to whom he has already supplied equipment similar to those required in this request for quotation...", whereas in this case it is a contract for rehabilitation works, i.e. construction works with no relation to equipment. The same applies to the information mentioned in point (d), which stipulates: "adequate technical documentation or any relevant information relating to the proposed supplies".
- On page 5, it is mentioned in point 12 that the bidders must clearly indicate the conditions for replacing defective equipment (time and procedure for replacement) while we are in a works procedure and not a supply procedure. Also, on page 5, it is stated in point 14 in the last line: "Any proposal with a lead time of more than 30 days will be rejected" whereas referring to points 1 and 10 on pages 3 and 4, it is mentioned as the lead time 45 days from the signature of the purchase order.

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.

5.4 Recommendations for the Year

Our recommendations point out:

- Recommendation #1: Ensuring the compliance with the deadlines for the submission of performance guarantees mentioned in the tender documents.
- Recommendation #2: Making arrangement to recruit panelists who are suitably familiar with the procurement procedures, including the evaluation of bids; requiring the evaluation committee, the strict application of the criteria contained in the tender documents both for the preliminary examination of bids and for the post-qualification.
- Recommendation #3: Use the methods used in the PPM that received the Donor's no-objection to award the contract and if not, get the Donor's no-objection on the revised PPM before awarding the contract.
- Recommendation #4: Properly prepare files for the quotation of works by ensuring that information related to works contract is inserted in the file instead of the information related to supply contract.

Matters involving the internal control and its operation and immaterial instances of noncompliance are reported to the management of MCA-Niger in a separate letter dated March 31, 2020.

5.5 Comments from MCA-Niger Management

For the recommendation #1:

We take note of the recommendation

For the recommendation #2:

In the contract bidder's offer, there are four (4) certificates of service made (GIZ, SEEN, Catholic Mission and BOA) that attest to equipment acquisition contracts over the past two years: (Year 2018 cited in the three references below):

- GIZ Niger: From 2012 to 2018 (45 reprinting materials)*
- SEEN: From 2002 to 2018 (45 reprinting equipment)*
- Catholic Mission Archdiocese of Niamey: from 1994 to 2018 (32 reprinting materials)*
- BOA Niamey: From 1994 to 2018 (33 reprinting materials)*

For the recommendation #3:

The procurement Method, which is mentioned in the PPM, namely the CB, has not been established in accordance with the PPG which states that for Goods, the method to be used is Shopping for amounts ranging from 0 to 200,000USD included.

For the recommendation #4:

The quality control system for documents will be reviewed accordingly.

5.6 Auditor's response

The auditor reiterates that it appears from the information contained in the tenderer's offer "ESPACE COPIEURS" that the certificates of service issued relate to contracts performed between 1994, 2002 and 2012, i.e. not within the scope of the last two years. As a matter of fact, supplies cannot be delivered over a period from 2012 to 2018 or from 2002 to 2018 or from 1994 to 2018 as indicated by the attestations contained in the tender. The auditor requests the MCA-Niger to call upon the different structures having issued the aforesaid certificates in order to produce the contracts resulting from these attestations together with the proofs of receipt to justify the dates indicated in the certificates; in which case, the auditor's position is maintained.

The auditor maintains his observation and his recommendation for recommendation #3. For the recommendation #4, the auditor has no additional comment.

5.7 Cost-Sharing Contributions

There is no sharing contribution for the period under review.

To

Mr. OUHOUMODOU Mahamadou
Chief of Staff of the Office of the Presidency of the Republic
Chairman, MCA-Niger Board

6. INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FUND ACCOUNTABILITY STATEMENT FOR THE TWO OPTIONAL PERIODS ENDED SEPTEMBER 30, 2019 – 609(g), CDF, and Compact

Dear Sir:

We have audited the consolidated fund accountability statement of MCA-Niger for the two optional periods ended September 30, 2019. The consolidated fund accountability statement is the responsibility of MCA-Niger's management. 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 of the fund accountability statement in accordance with *U.S. 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 misstatement.

We do not have a continuing education program that fully satisfies the requirement set forth in Chapter 3, paragraph 3.76 of *U.S. 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 do not have an external quality control review by an unaffiliated audit organization as required by Chapter 3, paragraph 3.96 of *U.S. Government Auditing Standards* since the external quality control program of OECCA-Benin (the Institute of Chartered Accountants of Benin) is not operational. We believe that the effect of this departure from *U.S. 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.

We are required that we plan and perform the audit to obtain reasonable assurance about whether the fund accountability statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the fund accountability statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The results of our tests disclosed the following material questioned costs as details in the fund accountability statement:

\$765,431.79 in costs that are not supported with adequate documentation or did not have required prior approvals or authorizations.

In our opinion, except for the effects of the questioned costs discussed in the preceding paragraph, the consolidated fund accountability statement referred to below 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, 6.4.1, and 6.6.1.

In accordance with *U.S. Government Auditing Standards*, we have also issued our reports dated March 9, 2020, on our consideration of MCA-Niger's internal control over financial reporting and our tests of its compliance with certain provisions of laws and regulations. Those reports are an integral part of an audit performed in accordance with *U.S. Government Auditing Standards* and should be read in conjunction with this Independent's Auditor's Report in considering the results of our audit.

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

COFIMA Sarl,

A handwritten signature in cursive script that reads "Cofima Sarl".

Cotonou, Benin
March 9, 2020

6.0 Consolidated Fund Accountability Statement for the Two Optional Periods Ended September 30, 2019

**Millennium Challenge Account Niger
Consolidated Fund Accountability Statement - 609(g), CDF, and Compact
September 30, 2019
Amount in USD**

	ACTUAL COST				QUESTIONED COSTS		
	Budget	Prior Period	Current Period	Cumulative on 30.09.2019	INELIGIBLE	UNSUPPORTED	NOTES
REVENUE							
Funds From MCC		12,417,607	28,206,195	40,623,802			
COSTS INCURRED							
1 Irrigation and Market Access	261,019,000	4,659,026	11,441,083	16,100,109			
1.1 Irrigation Perimeter Dev.	111,250,000	2,271,602	3,002,865	5,274,467			
1.2 Management Service&Market	14,142,000	0	1,818,857	1,818,857			
1.3 Roads for Market Access	115,572,000	1,698,526	3,440,144	5,138,671			
1.4 Policy Reform	16,750,000	396,900	2,473,817	2,870,717			
Water Management Activity (609g Fund)	3,305,000	291,997	705,400	997,398			
2 Climate-Resilient Communities	89,599,613	0	5,413,201	5,413,201		701,373.79	a
2.1 Regional Sahel Pastoralism Supt (PRAP)	46,049,807	0	4,540,792	4,540,792			
2.2 Climate-Resilient Agricult (CRA)	43,549,807	0	872,410	872,410			
3 Monitoring and Evaluation	4,200,000	0	12,240	12,240			
3.1 Monitoring & Evaluation	4,200,000	0	12,240	12,240			
4 Program Management and Adminis	71,381,386	7,582,482	11,315,780	18,898,262		64,058.00	b
4.1 Program Administration	40,047,751	2,565,329	6,974,297	9,539,625			
4.2 Program Management & Support	11,821,326	2,840,916	2,153,358	4,994,274			
4.3 Fiscal Management	8,324,868	1,143,750	775,000	1,918,750			
4.4 Procurement Management	8,520,442	1,032,488	1,344,717	2,377,205			
4.5 Audit	2,667,000	0	68,408	68,408			
TOTAL COST INCURRED	426,199,999	12,241,508	28,182,304	40,423,811			
Excess revenue over costs incurred		176,100	23,890.84				
Fund balance at the beginning of the period		0	176,099				
+ Receipt of the period		12,417,607	28,206,195	40,623,802			
- Disbursement of the period		12,241,508	28,182,304	40,423,811			
Interest to transfer to the treasury		2,783	(896)	1,887			
Interest received from Bank		2,783	6,671	9,454			
Interest transferred to treasury		-	(7,567)	(7,567)			
Fund Balance September 30, 2019		176,099	23,561	199,661			
Permitted and Special Accounts		178,883	22,664	201,547			
Interest Accounts		(2,783)	897	(1,886)			
					0.00	765,431.79	

6.1 Fund Accountability Statement – 609(g) for the Two Optional Periods Ended September 30, 2019

Millennium Challenge Account Niger

609(g) Funding Statement

September 30, 2019

Amount in USD

	ACTUAL COST			QUESTIONED COSTS		NOTES	
	Budget	Prior Period	Current Period	Cumulative on 30.09.2019	INELIGIBLE		UNSUPPORTED
REVENUE	-	<u>2,763,233</u>	<u>841,395</u>	<u>3,604,628</u>			
609(g) - Funds from MCC	-	2,763,233	841,395	3,604,628			
COST INCURRED							
Access to and Control of Land	3,305,000	291,997	705,401	997,398			
Water management Activity	3,305,000	291,997	705,401	997,398			
Securing Rights to Land Water							
Access to Markets Projects		-					
Agribusiness Developpement Servi		-					
Business Developpement Support A		-					
National Institutional & Regul		-					
Safety and Security Assessment		-					
Safety and Security Ass. Activ		-					
Program Assessments		-					
Monitoring and Evaluation		-					
Social and Gender Studies		-					
Environnemental/Social Oversight		-					
Program Administration and Control	2,671,000	2,471,236	135,994	2,607,230			
Program Administration	846,752	646,988	135,994	782,983			
Fiscal Agent	950,000	950,000	-	950,000			
Procurement Agent	874,248	874,248	-	874,248			
TOTAL COST INCURRED	5,976,000	2,763,233	841,395	3,604,628			
Excess Revenue Over Costs Incurred		0.00	0.00	0.00			
Fund Balance at the Beginning of the Period		-	-	-			
+Receipts of the period		2,763,233	841,395	3,604,628			
-Disbursements of the period		(2,763,233)	(841,395)	(3,604,628)			
Cash and Bank Balance		-	-	-			
Fund Balance September 30, 2019		0.00	0.00	0.00	0.00	0.00	

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 uses Sun Systems Accounting software and maintains its records in USD.

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.

For procurement assessment, our selection criteria are described as follows:

a total of 2 consultations were conducted by MCA-Niger during the period. We reviewed 50% of the consultations which correspond to 1 contract.

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 the two optional periods are presented as follows:

	Actual for the period			Cumulative amount	
	USD			USD	
	Optional period #1	Optional period #2	Total	March 31, 2019	September 30, 2019
CPS Direct Payments	431,614	409,781	841,395	3,194,847.00	3,604,627.91
Total	431,614	409,781	841,395	3,194,847.00	3,604,627.91

At the current stage of our audit work, we have not received yet the confirmation of 609(g) resources sent to MCC.

6.2.4 Questioned Costs

Our audit has not identified any questioned costs.

6.3 Fund Accountability Statement – CDF for the Two Optional Periods Ended September 30, 2019

Millennium Challenge Account Niger
Compact Development Funding (CDF) Statement
September 30, 2019
Amount in USD

	Budget	Prior Period	ACTUAL COST		QUESTIONED COSTS		NOTES
			Current Period	Cumulative on 30.09.2019	INELIGIBLE	UNSUPPORTED	
REVENUE	-	7,389,610	581,694	7,971,304			
CDF - Funds from MCC	-	7,389,610	581,694	7,971,304			
COST INCURRED	-						
Irrigation and Market Access	4,110,167	3,591,288	518,879	4,110,167			
Irrigation Perimeter Dev.	2,442,794	1,923,915	518,879	2,442,794			
Management Service & Market	-	-	-	-			
Roads for Market Access	1,270,473	1,270,473	-	1,270,473			
Policy reform	396,900	396,900	-	396,900			
Climate-Resilient Communities	-	-	-	-			
Regional Sahel Pastoralism	-	-	-	-			
Climate-Resilient Agricult	-	-	-	-			
Monitoring and Evaluation		-	-	-			
Monitoring and Evaluation		-	-	-			
Program Management and Administration	3,861,137	3,758,103	103,035	3,861,137			
Program Administration	1,539,812	1,436,778	103,035	1,539,812			
Program Management Support	2,321,325	2,321,325	-	2,321,325			
Fiscal Management	-	-	-	-			
Procurement Agent	-	-	-	-			
Audit	-	-	-	-			
TOTAL COSTS INCURRED	7,971,304	7,349,391	621,914	7,971,304			
Excess Revenue Over Costs Incurred		40,219	(40,219)	-			
Fund Balance at the Beginning of the Period			40,219	-			
Interest received from Bank		2,783	1,076	3,859			
Interest transferred to treasury		-	(3,859)	(3,859)			
Interest to transfer to the treasury		2,783	(2,783)	-			
CASH AND BANK BALANCE		40,219	(23,161)	-			
Permitted and Special Accounts		40,219	40,637	-			
Interest Accounts		-	(418)	-			
FUND BALANCE AT THE END OF THE PERIOD		40,219	40,219	0.00	0.00	0.00	

6.4 Notes to the Fund Accountability Statement – CDF

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 Sun Systems Accounting software and maintains its records in USD.

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.

For procurement assessment, our selection criteria are described as follows:

- a total of 7 consultations were conducted by MCA-Niger during the optional period #1. We reviewed 14% of the consultations which correspond to 1 contract;
- a total of 2 consultations were conducted by MCA-Niger during the optional period #2. We reviewed 50% of the consultations which correspond to 1 contract.

6.4.3 Sources of Fund

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

Receipts	Actual for the period			Cumulative amount	
	USD			USD	
	Optional period #1	Optional period #2	Total	March 31, 2019	September 30, 2019
CPS Direct Payments	534,064			7,215,174	
Fund received into Permitted account	64,770			773,270	
Total	598,834			7,988,444	
IBC Banks Inside US-USD				5,389,616	5,389,616
IBC Banks outside US Non-USD		17,139.92		1,610,597	1,593,457
IBC Banks outside US-USD				988,232	988,232
Total	598,834	17,139.92	615,973.92	7,988,444	7,971,304.38

The total receipts amount to **\$598,834** under the optional period #1. The cumulative amount as of March 31, 2019 is **\$7,988,444**. This sum includes:

- direct payments to vendors through CPS for \$7,215,174, and
- fund received into permitted account for local payments for \$773,270.

The cumulative amount as of September 30, 2019 is **\$7,971,304.38** as indicated in the table above.

At the current stage of our audit work, we have not received yet the confirmation of CDF resources sent to MCC.

6.4.4 Questioned costs

Our audit has not identified any questioned costs.

6.5 Fund Accountability Statement – Compact for the Two Optional Periods Ended September 30, 2019

Millennium Challenge Account Niger
Compact Funding Statement
September 30, 2019
Amount in USD

	ACTUAL COST			QUESTIONED COSTS		NOTES
	Budget for the period	Prior Period	Current Period	Cumulative on 30.09.2019	INELIGIBLE	
REVENUE	-	<u>2,264,764</u>	<u>26,783,106</u>	<u>29,047,870</u>		
COMPACT - Funds from MCC	-	2,264,764	26,783,106	29,047,870		
COSTS INCURRED		<u>2,128,884</u>	<u>26,718,995</u>	<u>28,847,879</u>		
Irrigation and Market Access	253,603,833	775,741	10,216,803	10,992,544		
Irrigation Perimeter Dev.	108,807,206	347,687	2,483,986	2,831,673		
Management Service & Market Facilitation	14,142,000	-	1,818,857	1,818,857		
Roads for Market Access	114,301,527	428,053	3,440,144	3,868,198		
Policy reform	16,353,100	-	2,473,817	2,473,817		
Climate-Resilient Communities	89,599,613	-	5,413,201	5,413,201		701,373.79
Regional Sahel Pastoralism Supt (PRAPS)	46,049,807		4,540,792	4,540,792	-	
Climate-Resilient Agriculture (CRA)	43,549,807		872,410	872,410		
Monitoring and Evaluation	4,200,000	-	12,240	12,240		
Monitoring & Evaluation	4,200,000	-	12,240	12,240		
Monitoring Oversight	1,760,000	-	-	-		
MCA Process Evaluation	1,600,000	-	-	-		
M&E Technical Assistance	840,000	-	-	-		
Program Management and Administration	64,849,249	1,353,143	11,076,751	12,429,894		64,058
Program Administration	37,661,187	481,563	6,735,268	7,216,831	-	
Program Management Support	9,500,001	519,591	2,153,358	2,672,949		
Fiscal Management	7,374,868	193,750	775,000	968,750		
Procurement Management	7,646,194	158,240	1,344,717	1,502,957		
Audit	2,667,000	-	68,408	68,408		
TOTAL COSTS INCURRED	412,252,695	2,128,884	26,718,995	28,847,879		
Excess Revenue over Costs Incurred		135,880	64,110	199,990		
Fund Balance at the Beginning of the Period			135,880			
Interest received from Bank		-	5,595	5,595		
Interest transferred to treasury		-	(3,709)	(3,709)		
Interest to transfer to the treasury		-	1,886	1,886		
CASH AND BANK BALANCE		135,880	64,110	199,990		
Permitted and Special Accounts		135,880	63,781	199,661		
Interest Accounts		-	(1,886)	(1,886)		
FUND BALANCE AT THE END OF THE PERIOD		135,880	63,781	199,661	0.00	765,431.79

6.6 Notes to the Fund Accountability Statement – Compact

6.6.1 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 Sun Systems Accounting software and maintains its records in USD.

6.6.2 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.

For procurement assessment, our selection criteria are described as follows:

- a total of 23 consultations were conducted by MCA-Niger during the optional period #1. We reviewed 35 % of the consultations which correspond to 8 contracts (works, supplies, and consulting services);
- a total of 23 consultations were conducted by MCA-Niger during the optional period #2. We reviewed 26 % of the consultations which correspond to 6 contracts (works, supplies, and consulting services).

6.6.3 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 two optional periods are presented as follows:

Resources	Actual for the period			Cumulative amount	
	USD			USD	
	Optional period #1	Optional period #2	Total	March 31, 2019	September 30, 2019
CPS Direct Payments	9,166,655			11,021,419	
Fund received into Permitted account	1,514,001			1,924,001	
Total	10,680,656			12,945,420	
IBC Banks Inside US-USD		5,549,162		5,870,700	11,419,862
IBC Banks outside US Non-USD		4,930,784		3,608,214	8,538,998
IBC Banks outside US-USD		5,622,503		3,466,506	9,089,010
Total	10,680,656	16,102,450	26,783,106	12,945,420	29,047,870

The total receipts amount to **\$10,680,656** under the optional period #1. The cumulative amount as of March 31, 2019 is **\$12,945,420**. This sum encompasses:

- direct payments to vendors through CPS for \$11,021,419, and
- fund received into permitted account for local payments for \$1,924,001.

The total receipts amount to **\$ 16,102,450** under the optional period #2. The cumulative amount as of September 30, 2019 is **\$ 29,047,870** as shown in the table above.

At the current stage of our audit work, we have not received yet the confirmation of Compact resources sent to MCC.

6.6.4 Questioned Costs

Our audit has identified questioned costs described as follows:

Notes	Budget Line	Item	Questioned costs (Amount in USD)
a	<p>Climate-Resilient Communities:</p> <p>Regional Sahel Pastoralism</p> <p>Climate Resilient Agriculture</p> <p>Climate Resilient Agriculture & Regional Sahel Pastoralism</p>	<p>Contract #CR/PRAPS/1/G.0002/19 relating to the supply of laboratory equipment (Lot 2)</p> <p>Purchase order #CR/CRA/4/W.0064/19 of July 12, 2019</p> <p>Purchase order #ADM/41/G0074/19 of September 20, 2019</p>	<p>669,792.10: costs that are not supported with adequate documentation or did not have required prior approvals or authorizations.</p> <p>10,936.32: costs that are not supported with adequate documentation or did not have required prior approvals or authorizations.</p> <p>20,645.37: costs that are not supported with adequate documentation or did not have required prior approvals or authorizations.</p>
b	<p>Program Management and Administration: Program Administration</p>	<p>Purchase order #ADM/Shop/2018/02 for purchase of printers and photocopiers for MCA-NIGER (Lot 2)</p>	<p>64,058: costs that are not supported with adequate documentation or did not have required prior approvals or authorizations.</p>

To

Mr. OUHOUMODOU Mahamadou
Chief of Staff of the Office of the Presidency of the Republic
Chairman, MCA-Niger Board

**7. INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL FOR THE TWO
OPTIONAL PERIODS ENDED SEPTEMBER 30, 2019**

Dear Sir:

We have audited the consolidated fund accountability statement of MCA-Niger as of and for the two optional periods ended September 30, 2019 and have issued our report thereon dated March 9, 2020.

Except as discussed in the following paragraphs, we conducted our audit of the fund accountability statement in accordance with *U.S. 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 misstatement.

We do not have a continuing education program that fully satisfies the requirement set forth in Chapter 3, paragraph 3.76 of *U.S. 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 do not have an external quality control review by an unaffiliated audit organization as required by Chapter 3, paragraph 3.96 of *U.S. Government Auditing Standards* since the external quality control program of OECCA-Benin (the Institute of Chartered Accountants of Benin) is not operational. We believe that the effect of this departure from *U.S. 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.

The management of MCA-Niger is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that the assets are safeguarded against loss from unauthorized use or disposition; transactions are executed in accordance with management's authorization and in accordance with the terms of the agreements; and transactions are recorded properly to permit the preparation of the fund accountability statement in conformity with the basis of accounting described in Notes 6.2.1, 6.4.1 and 6.6.1 to the fund accountability statement. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the fund accountability statement of MCA-Niger for the two optional periods ended September 30, 2019, in accordance with *U.S. Government Auditing Standards*, we considered MCA-Niger internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the fund accountability statement, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A significant deficiency is a deficiency, or 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. We consider the following deficiencies to be significant in internal control:

- The performance guarantee submitted by some contractors is not provided within the required timeframe. We noted a case included a performance guarantee that was provided after the signature of the contract, contrary to the provisions of clause 43.1 of the IAS and clause 15.1 of the CCAG. This deficiency is related to the contract #CR/PRAPS/1/G.0002/19 relating to the supply of laboratory equipment (Lot 2).
- The non-compliance with the post-qualification criterion namely the proof of performance of two contracts in the last two years: the service certificates issued by the contractor are not within the scope of the last two years. This deficiency is associated with the purchase order #ADM/Shop/2018/02 for purchase of printers and photocopiers for MCA-NIGER (Lot 2) signed with ESPACE COPIEURS.
- The procedure used for purchase order #ADM/41/G0072/19 of 20/09/2019 and purchase order #ADM/41/G0074/19 is contrary to that contained in the MPP. In fact, in the PPM that received the Donor's no-objection, the procedure is the invitation to tender, but the non-competitive method of consulting suppliers was used.
- The Request for Quotation relating to Purchase Order #CR/CRA/4/W.0064/19 of 12/07/2019 gives rise to the following comments:
 - o On page 4, it states in point (c): "the bidder shall provide a list of his present and past clients to whom he has already supplied equipment similar to those required in this request for quotation...", whereas in this case it is a contract for rehabilitation works, i.e. construction works with no relation to equipment. The same applies to the information mentioned in point (d), which stipulates: "adequate technical documentation or any relevant information relating to the proposed supplies".
 - o On page 5, it is mentioned in point 12 that the bidders must clearly indicate the conditions for replacing defective equipment (time and procedure for replacement) while we are in a works procedure and not a supply procedure. Also, on page 5, it is stated in point 14 in the last line: "Any proposal with a lead time of more than 30

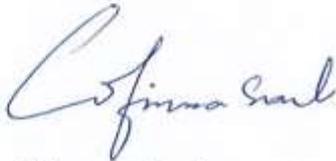
days will be rejected" whereas referring to points 1 and 10 on pages 3 and 4, it is mentioned as the lead time 45 days from the signature of the purchase order.

A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's Fund Accountability Statement will not be prevented or detected and corrected on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

Other matters involving the internal control and its operation have been reported to the management of MCA-Niger in a separate letter dated March 9, 2020.

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

COFIMA Sarl

A handwritten signature in blue ink that reads "Cofima Sarl". The signature is written in a cursive, flowing style.

Cotonou, Benin
March 9, 2020

To

Mr. OUHOUMODOU Mahamadou
Chief of Staff of the Office of the Presidency of the Republic
Chairman, MCA-Niger Board

8. INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE TWO OPTIONAL PERIODS ENDED SEPTEMBER 30, 2019

Dear Sir:

We have audited the consolidated fund accountability statement of MCA-Niger as of and for the two optional periods ended September 30, 2019 and have issued our report thereon dated March 9, 2020.

Except as discussed in the following paragraphs, we conducted our audit of the fund accountability statement in accordance with *U.S. 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 misstatement resulting from violations of agreement terms and laws and regulations that have a direct and material effect on the determination of the fund accountability statement amounts.

We do not have a continuing education program that fully satisfies the requirement set forth in Chapter 3, paragraph 3.76 of *U.S. 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 do not have an external quality control review by an unaffiliated audit organization as required by Chapter 3, paragraph 3.96 of *U.S. Government Auditing Standards* since the external quality control program of OECCA-Benin (the Institute of Chartered Accountants of Benin) is not operational. We believe that the effect of this departure from *U.S. 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.

Compliance with the terms and conditions of the Compact and related Agreements and laws and regulations applicable to MCA-Niger is the responsibility of MCA-Niger's management. As part of obtaining reasonable assurance about whether the Fund Accountability Statement is free of material misstatement, we performed tests of MCA-Niger's compliance with certain provisions of agreement terms and laws and regulations. However, our objective was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

Material instances of noncompliance are failures to follow requirements or violations of agreement terms and laws and regulations that cause us to conclude that the aggregation of misstatements resulting from those failures or violations is material to the Fund Accountability Statement.

We noted certain immaterial instances of noncompliance that we have reported to the management of MCA-Niger in a separate letter dated March 9, 2020.

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

COFIMA Sarl

A handwritten signature in black ink that reads "Cofirma Sarl". The signature is written in a cursive, flowing style.

Cotonou, Benin
March 9, 2020

To

Mr. OUHOUMODOU Mahamadou
Chief of Staff of the Office of the Presidency of the Republic
Chairman, MCA-Niger Board

9. SCHEDULE OF AUDIT FINDINGS

To attention of: Chief of Staff of the Office of the Presidency of the Republic, Chairman of MCA-Niger Board

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

Period of the audit: October 1, 2018 to September 30, 2019

9.1 Internal Control

9.1.1 Deficiency in Management of Contract

Condition

The performance guarantee submitted by some contractors is not provided within the required timeframe. We noted a case including a performance guarantee that was provided after the signature of the contract, contrary to the provisions of clause 43.1 of the IAS and clause 15.1 of the CCAG. This deficiency is related to the contract #CR/PRAPS/1/G.0002/19 involving the supply of laboratory equipment (Lot 2).

Criterion

The performance guarantee must be provided within 14 days of receipt of the notification of award.

Causes

Lack of consistency between the provisions of the manual and the tender's documents.

Consequence

Provision of performance guarantee within non-regulatory deadlines.

Recommendations

Ensure compliance with the deadlines for the submission of performance guarantees mentioned in the tender documents.

Comments from MCA-Niger Management

We take note of the recommendation.

Auditor's response

No additional comment.

9.1.2 Deficiency in the Quality of the Tender Evaluation Report

Condition

Some bid evaluation reports are not well prepared. This is the case of the evaluation report on the purchase order #ADM/Shop/2018/02 for acquisition of printers and photocopiers for MCA-NIGER (Lot 2) signed with ESPACE COPIEURS. The evaluation report shows the following flaws:

- on page 6: it is mentioned in the column "proof of performance of two contracts in the last two years" for the tenderer ESPACE COPIEURS, the expression "FC" whereas it appears from the information contained in its tender that the service certificates issued relate to contracts performed between 1994, 2002 and 2012, i.e. not within the scope of the last two years. Consequently, the tenderer does not meet this post-qualification criterion. Its proposal should be rejected.
- on page 14 – table 5: the errors in all the proposals have been corrected, whereas according to the table of technical specifications, there are two compliant proposals, namely those of DIGI MEDIA SARL and ESPACE COPIEURS. In principle, the two other proposals qualified as non-compliant should not be examined in detail.

Criterion

Post-qualification criteria must be met and must be verified by the panelists before any award of contract.

Causes

Panelists are not familiar with procurement procedures.

Consequence

Litigation in public procurement, non-compliant procurement, incorrect award of contract, question costs.

Recommendations

The panelists recruited by the MCA-Niger must be familiar with the procurement procedures, including the evaluation of bids. The evaluation committee must ensure the strict application of the criteria contained in the tender documents both for the preliminary examination of bids and for the post-qualification. The panelists should be aware that a non-compliant bid guarantee leads to non-compliance of the bid.

Comments from MCA-Niger Management

In the contract bidder's offer, there are four (4) certificates of service made (GIZ, SEEN, Catholic Mission and BOA) that attest to equipment acquisition contracts over the past two years: (Year 2018 cited in the three references below):

- *GIZ Niger: From 2012 to 2018 (45 reprinting materials)*
- *SEEN: From 2002 to 2018 (45 reprinting equipment)*
- *Catholic Mission Archdiocese of Niamey: from 1994 to 2018 (32 reprinting materials)*
- *BOA Niamey: From 1994 to 2018 (33 reprinting materials)*

Auditor's response

The auditor reiterates that it appears from the information contained in the tenderer's offer "ESPACE COPIEURS" that the certificates of service issued relate to contracts performed between 1994, 2002 and 2012, i.e. not within the scope of the last two years. As a matter of fact, supplies cannot be delivered over a period from 2012 to 2018 or from 2002 to 2018 or from 1994 to 2018 as indicated by the attestations contained in the tender. The auditor requests the MCA-Niger to call upon the different structures having issued the aforesaid certificates in order to produce the contracts resulting from these attestations together with the proofs of receipt to justify the dates indicated in the certificates; in which case, the auditor's position is maintained.

9.1.3 Deficiency in Quality of Consultation Documents

Condition

The Request for Quotation relating to Purchase Order #CR/CRA/4/W.0064/19 of 12/07/2019 gives rise to the following comments:

- On page 4, it states in point (c): "the bidder shall provide a list of his present and past clients to whom he has already supplied equipment similar to those required in this request for quotation...", whereas in this case it is a contract for rehabilitation works, i.e. construction works with no relation to equipment. The same applies to the information mentioned in point (d), which stipulates: "adequate technical documentation or any relevant information relating to the proposed supplies".

- On page 5, it is mentioned in point 12 that the bidders must clearly indicate the conditions for replacing defective equipment (time and procedure for replacement) while we are in a works procedure and not a supply procedure. Also, on page 5, it is stated in point 14 in the last line: "Any proposal with a lead time of more than 30 days will be rejected" whereas referring to points 1 and 10 on pages 3 and 4, it is mentioned as the lead time 45 days from the signature of the purchase order..

Criterion

Request for Quotation procedures.

Causes

Failure to control the preparation of work quotation request files.

Consequence

Failure to master the preparation of work quotation request files.

Recommendations

Properly prepare files for the quotation of works by ensuring that information related to works contract is inserted in the file instead of information related to supply contract.

Comments from MCA-Niger Management

Well-noted: the quality control system for documents will be reviewed accordingly.

Auditor's response

No additional comment.

9.1.4 Procurement method used contrary to that contained in the validated PPM

Condition

The procedure used for purchase order #ADM/41/G0072/19 of 20/09/2019 and purchase order #ADM/41/G0074/19 is contrary to that contained in the MPP. In fact, in the PPM that received the Donor's no-objection, the procedure is the invitation to tender, but the non-competitive method of consulting suppliers was used.

Criterion

Contracts must be awarded in accordance with the methods contained in the PPM validated by the Donor.

Causes

Non-compliance with procurement rules.

Consequence

Non-compliant procurement. Ineligibility of expenditure.

Recommendations

Use the methods used in the PPM that received the Donor's no-objection to award the contract and if not, get the Donor's no-objection on the revised PPM before awarding the contract.

Comments from MCA-Niger Management

The procurement Method, which is mentioned in the PPM, namely the CB, has not been established in accordance with the PPG which states that for Goods, the method to be used is Shopping for amounts ranging from 0 to 200,000USD included. Therefore, the method that should be included in the PPM is Shopping. In addition, the details of the costs of the activity are \$80,000)

Auditor's response

The auditor maintains his observation and his recommendation.

9.2 Compliance

Our audit has not identified any finding as non-compliance.

**APPENDICES: FUND ACCOUNTABILITY STATEMENTS AND NOTES
PREPARED AND ISSUED BY MCA-NIGER FOR THE TWO OPTIONAL PERIODS
ENDED SEPTEMBER 30, 2019**

MCA - Niger		Fund Accountability Statement for the funds : Compact, CDF and 609g			
		Period 01-Oct-18 To 30-Sep-19			
WBS Element		Budget	Cum. Inception to Sept 18	Oct 18-Sep 19	Total
Revenue					
Funds From MCC		0.00	-12 417 607.24	-28 206 194.60	-40 623 801.84
Costs					
5100000	Irrigation and Mkt Access Project	261 019 000.02	4 659 025.60	11 441 082.94	16 100 108.54
5110000	1.1 Irrigation Perimeter Dev	111 250 000.01	2 271 602.08	3 002 864.70	5 274 466.78
5120000	1.2. Mgmt Servs and Mkt Facilitation	14 142 000.00	0.00	1 818 856.50	1 818 856.50
5130000	1.3 Roads for Market Access	115 572 000.00	1 698 526.46	3 440 144.39	5 138 670.85
5140000	1.4 Policy Reform	16 750 000.00	396 900.00	2 473 816.91	2 870 716.91
	1.5 Water Management Activity (609g)	3 305 000.01	291 997.06	705 400.44	997 397.50
5200000	Climate-Resilient Communities Project	89 599 613.00	0.00	5 413 201.12	5 413 201.12
5210000	2.1 Reg Sahel Pastoralism Supt (PRAPS)	46 049 806.50		4 540 791.59	4 540 791.59
5220000	2.2 Climate-Resilient Agriculture(CRA)	43 549 806.50		872 409.53	872 409.53
5300000	Monitoring & Evaluation	4 200 000.00	0.00	12 239.86	12 239.86
5310000	3.1 Monitoring & Evaluation	4 200 000.00	0.00	12 239.86	12 239.86
5400000	Program Admin (Admin, Audit, and FA)	71 381 386.20	7 582 482.16	11 315 779.84	18 898 262.00
5410000	4.1 Program Administration	40 047 751.20	2 565 329.06	6 974 296.84	9 539 625.90
5420000	4.2 Program Management & Support	11 821 326.00	2 840 915.50	2 153 358.00	4 994 273.50
5430000	4.3 Fiscal Management	8 524 867.50	1 143 750.00	775 000.00	1 918 750.00
5440000	4.4 Procurement Management	8 520 441.50	1 032 487.60	1 344 717.00	2 377 204.60
5450000	4.5 Audit	2 667 000.00	0.00	68 408.00	68 408.00
Total Costs Incurred		426 199 999.22	12 241 507.76	28 182 303.76	-40 423 811.52
Bank, Cash & Tax Recoverable		0.00	176 099.48	25 745.19	201 844.67
Interest to transfer to the treasury		0.00	2 783.13	-896.80	1 886.33
	Interest received from Bank	0.00	2 783.13	6 671.00	9 454.13
	Interest transferred to treasury	0.00		-7 567.80	-7 567.80
Fund Balance		0.00	176 099.48	23 561.19	199 660.67
	Permitted and Special Accounts	0.00	178 882.61	22 664.39	201 547.00
	Interest Accounts	0.00	-2 783.13	896.80	-1 886.33
Net Tax Recoverable		0.00	0.00	297.67	297.67
	Tax Paid	0.00		11 265.30	11 265.30
	Tax Refund	0.00		-10 967.63	-10 967.63

Name:
Date:

Prepared By:
FAM -M.Akrachli
30 Sept 2019

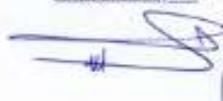

Approved By:
FAM -M.Akrachli
30 Sept 2019
Submitted To:
MCA DAF- Mme Hélène
30-09-2019
 

MILLENNIUM CHALLENGE ACCOUNT Niger
Fund Accountability Statement

	From:	To:
Report Period:	1 October 2018	31 March 2019
Budget Period:	1 January 2017	31 December 2023
Transactions from/to:	1 October 2018	31 March 2019
Submitting Date:	28 September 2019	
Source of Fund:	<<C,D,6	Compact, CDF, 605g

	Budget for the period	Costs (USD)		Burn Rate	
		Cumulative on 30.09.2018	Actual for the period	Cumulative on 31.03.2019	
Receipts					
CPS - Direct Payments		11 299 107	10 132 333	21 431 440	
CPS - NANA received		1 118 500	1 578 771	2 697 271	
Total Receipts		12 417 607	11 711 104	24 128 711	
Redistributions					
1 Irrigation and Market Access	260 564 000	4 659 026	3 933 486	8 592 512	3%
1.1 Irrigation Perimeter Dev	111 250 000	2 271 602	1 344 065	3 615 667	3%
1.2 Management Service&Market	16 777 000	0	324 021	324 021	2%
1.3 Roads for Market Access	112 422 000	1 698 526	1 425 510	3 124 037	3%
1.4 Policy Reform	16 750 000	396 900	520 600	917 500	5%
1.5 Water Management Activity (605g)	3 365 000	291 997	319 290	611 287	18%
2 Climate-Resilient Communities	84 865 000	0	1 605 133	1 605 133	2%
2.1 Regional Sahel Pastoralism	43 200 000	0	1 314 073	1 314 073	3%
2.2 Climate-Resilient Agricut	41 665 000	0	291 060	291 060	1%
3 Monitoring and Evaluation	4 200 000	0	0	0	0%
3.1 Surveys	0	0	0	0	0%
3.2 Monitoring Activities	1 760 000	0	0	0	0%
3.3 MCA Process Evaluation	1 800 000	0	0	0	0%
3.4 MSE Technical Assistance	640 000	0	0	0	0%
4 Program Management and Adminis	76 571 000	7 582 482	5 876 318	13 458 801	18%
4.1 Program Administration	39 982 000	2 565 329	3 746 725	6 312 054	16%
4.2 Program Management Support	12 821 326	2 840 016	935 263	3 776 178	29%
4.3 Fiscal Agent	10 448 674	1 143 750	397 500	1 541 250	15%
4.4 Procurement Agent	10 651 000	1 032 488	606 830	1 639 318	17%
4.5 Financial Audits	2 667 000	0	0	0	0%
Total Costs Incurred	426 200 000	12 241 508	11 414 938	23 656 446	6%
Net increase in Funds		176 099	296 166	472 265	
Available Funds / Cash and Bank					
Available funds at the beginning of the period		0	178 883	0	
+ Receipts of the period		12 417 607	11 711 104	24 128 711	
- Disbursements of the period		12 241 508	11 414 938	23 656 446	
Available funds at the end of the period		176 099	475 048	472 265	
Reconciling Items (please specify):					
- Received interests of the period			-2 841	-5 624	
- Remitted interests to MCC		-2 783	3 170	3 170	
- Cash deposit made by error			-95	-95	
= Total Cash at the end of the period + Reconciling Items		176 099	475 048	472 265	
Checksum (Must be ZERO)		0	0	0	

Name:	Prepared By: SAS- Ilyas Hamdi	Approved By: FAM -M.Akrachli	Submitted To: MCA DAF- Mme Helene, DAF
Date:	31-03-2019	31-03-2019	31-03-2019

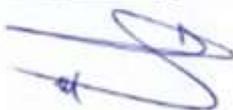





MCA - Niger				
Fund Accountability Statement for the funds : Compact, CDF and 609g				
Period 01-Apr-19 To 30-Sep-19				
WBS Element	Budget	Cum. Inception to Mar 19	Apr 19-Sep 19	Total
Revenue				
Funds From MCC	0,00	-24 128 710,85	-16 495 090,99	-40 623 801,84
Costs				
5100000 Irrigation and Mrkt Access Projet	261 019 000,02	8 592 512,03	7 507 596,51	16 100 108,54
5110000 1.1 Irrigation Perimeter Dev	111 250 000,01	3 609 608,24	1 664 858,54	5 274 466,78
5120000 1.2. Mgmt Servs and Mrkt Facilitation	14 142 000,00	329 862,96	1 488 993,54	1 818 856,50
5130000 1.3 Roads for Market Access	115 572 000,00	3 124 036,74	2 014 634,11	5 138 670,85
5140000 1.4 Policy Reform	16 750 000,00	917 717,28	1 952 999,63	2 870 716,91
5150000 1.5 Water Management Activity (609g)	3 305 000,01	611 286,81	386 110,69	997 397,50
5200000 Climate-Resilient Communities Projet	89 599 613,00	1 605 132,98	3 808 068,14	5 413 201,12
5210000 2.1 Reg Sahel Pastoralism Supt (PRAAPS)	46 049 806,50	1 314 072,66	3 226 718,93	4 540 791,59
5220000 2.2 Climate-Resilient Agriculture(CRA)	43 549 806,50	291 060,32	581 349,21	872 409,53
5300000 Monitoring & Evaluation	4 200 000,00	0,00	12 239,86	12 239,86
5310000 3.1 Monitoring & Evaluation	4 200 000,00	0,00	12 239,86	12 239,86
5400000 Program Admin (Admin, Audit, and FA)	71 381 386,20	13 454 813,95	5 443 448,05	18 898 262,00
5410000 4.1 Program Administration	40 047 751,20	6 308 067,75	3 231 558,15	9 539 625,90
5420000 4.2 Program Management & Support	11 821 326,00	3 776 178,40	1 218 095,10	4 994 273,50
5430000 4.3 Fiscal Management	8 324 867,50	1 531 250,00	387 500,00	1 918 750,00
5440000 4.4 Procurement Management	8 520 441,50	1 839 317,80	537 886,80	2 377 204,60
5450000 4.5 Audit	2 667 000,00	0,00	68 408,00	68 408,00
Total Costs Incurred	426 199 999,22	23 652 458,96	16 771 352,56	40 423 811,52
Bank, Cash & Tax Recoverable	0,00	478 708,40	-276 863,73	201 844,67
Interest to transfer to the treasury	0,00	2 454,00	-567,67	1 886,33
Interest received from Bank	0,00	6 125,06	3 329,07	9 454,13
Interest transferred to treasury	0,00	-3 671,06	-3 896,74	-7 567,80
Fund Balance	0,00	472 201,18	-272 540,51	199 660,67
Permitted and Special Accounts	0,00	474 655,18	-273 108,18	201 547,00
Interest Accounts	0,00	-2 454,00	567,67	-1 886,33
Net Tax Recoverable	0,00	4 053,22	-3 755,55	297,67
Tax Paid	0,00	6 611,97	4 653,33	11 265,30
Tax Refund	0,00	-2 558,75	-8 408,88	-10 967,63

Name: _____
Date: _____

Prepared By:
SAS- Iliyas Hamdi
30-09-2019



Approved By:
FAM -MAkrachli
30-09-2019



Submitted To:
MCA DAF- Mme Helène, *HR*
30-09-2019




FAS NOTES

Consolidated (609g, CDF & Compact), Period October - 2018 to September 2019

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 609g, CDF & COMPACT

Project 1 : IRRIGATION & Market Access

Note n°	Activity	Amount for the period (USD)	Cumulative amount (USD) as of Sept 30 th , 2019	MYFP (USD)	%	Comment
1.1	Irrigation Perimeter Developement	3 008 923	5 271 467	111 250 000	5%	The activity recorded cumulative payments at 09/30/2019 representing an execution rate of around 5% compared to the multiannual budget. This is a phase of the project always characterized by studies.
1.2	Management Service&Market	1 488 994	1 818 857	14 142 000	13%	The activity recorded cumulative payments at 09/30/2019 representing an execution rate of around 13% compared to the multiannual budget.
1.3	Roads for Market Access	2 014 634	5 138 671	115 572 000	4%	The activity recorded cumulative payments at 09/30/2019 representing an execution rate of around 4% compared to the multiannual budget.
1.4	Policy Reform	1 953 000	2 870 717	16 750 000	17%	The activity recorded cumulative payments at 09/30/2019 representing an execution rate of around 17% compared to the multi-year budget.
1.5	Water Management Activity (609g)	386 111	997 398	3 305 000	30%	The activity recorded cumulative payments on 09/30/2019 representing an execution rate of around 30% compared to the multi-year budget.
	Total	7 507 597	16 100 109	261 019 000	6%	

Project 2 : Climate-Resilient Communities (CRC)

Note n°	Activity	Amount for the period (USD)	Cumulative amount (USD) as of Sept 30 th , 2019	MYFP (USD)	%	Comment
2.1	Regional Sahel Pastoralism	3 226 719	4 540 792	46 049 807	10%	The activity recorded cumulative payments at 09/30/2019 representing an execution rate of around 10% compared to the multiannual budget.
2.2	Climate-Resilient Agricult.	581 349	872 410	43 549 507	2%	The activity recorded cumulative payments at 09/30/2019 representing an execution rate of around 2% compared to the multiannual budget.
	Total	3 808 068	5 413 201	89 599 613	6%	

Project 3 : Monitoring and Evaluation (M&E)

Note n°	Activity	Amount for the period (USD)	Cumulative amount (USD) as of Sept 30 th , 2019	MYFP (USD)	%	Comment
3.1	Monitoring Activities	12 240	12 240	1 760 000	1%	The activity recorded cumulative payments at 09/30/2019 representing an execution rate of around 1% compared to the multiannual budget.
3.2	MCA Process Evaluation	-	-	1 600 000	0%	At this stage no payment is made on this activity.
3.3	M&E Technical Assistance	-	-	840 000	0%	At this stage no payment is made on this activity.
	Total	12 240	12 240	4 200 000	0.3%	

Project 4 : Programm Administration

Note n°	Activity	Amount for the period (USD)	Cumulative amount (USD) as of Sept 30 th , 2019	MYFP (USD)	%	Comment
4.1	Program Administration	3 231 558	9 539 626	40 047 751	24%	The activity recorded cumulative payments at 09/30/2019 representing an execution rate of around 24% compared to the multiannual budget.
4.2	Program Management Support	1 218 095	4 994 274	11 821 326	42%	The activity recorded cumulative payments at 09/30/2019 representing an execution rate of around 42% compared to the multiannual budget.
4.3	Fiscal Agent	387 500	1 918 750	8 324 868	23%	The activity recorded cumulative payments at 09/30/2019 representing an execution rate of around 23% compared to the multiannual budget.
4.4	Procurement Agent	537 887	2 377 205	8 520 442	28%	The activity recorded cumulative payments at 09/30/2019 representing an execution rate of around 28% compared to the multiannual budget.
4.5	Financial Audits	68 408	68 408	2 667 000	3%	The activity recorded cumulative payments at 09/30/2019 representing an execution rate of around 3% compared to the multiannual budget.
	Total	5 443 448	18 898 262	71 381 386	26%	

Total Costs Incurred for the Funds 609g, CDF & Compact

Amount for the period (USD)	Cumulative amount (USD) as of Sept 30 th , 2019	MYFP (USD)	%	Comment
16 771 353	40 423 812	426 199 999	9%	The cumulative execution rate at 9/30/2019 for the 609g, CDF and Compact sources of funds represents 9% of the multi-year budget

Bank, Cash and Tax Recoverable:

Cumulative amount as of 30 Sept'18 (USD)	Amount for the period Oct'18-Sept'19 (USD)	Cumulative amount as of Sept 30 th , 2019 (USD)	Comment
176 099.48	25 745.19	201 844.67	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 30 Sept'18 (USD)	Amount for the period Oct'18-Sept'19 (USD)	Cumulative amount as of Sept 30 th , 2019 (USD)	Comment
2 783.13	-896.80	1,886.33	This item represents the balance between the total interest received on the authorized bank accounts of the CDF & Compact Funds at 9/30/2019 (9,454.13 USD) and the total interest transferred to MCC at 9/30/2019 (7,567.80 USD)

Fund Balance :

Cumulative amount as of 30 Sept'18 (USD)	Amount for the period Oct'18-Sept'19 (USD)	Cumulative amount as of Sept 30 th , 2019 (USD)	Comment
176 099.48	23 561.19	199,660.67	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 9/30/2019 (201,547.00 USD) and the total of the Interest to Transfer to the Treasury at 9/30/2019 (1,886.33 USD).

Net Tax Recoverable :

Cumulative amount as of 30 Sept'18 (USD)	Amount for the period Oct'18-Sept'19 (USD)	Cumulative amount as of Sept 30 th , 2019 (USD)	Comment
00	297.67	297.67	This item represents the balance between the total amount of taxes paid at 09/30/2019 (11,265.30 USD) and the total amount of taxes refunded to MCA-Niger at 9/30/2019 (10,967.63 USD).



00 1269 **MCA-Niger Management Representation Letter**
as of September 30, 2019

March 9, 2020

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 financial statements of MCA-Niger for the two optional periods ended September 30, 2019, and for the purpose of expressing an opinion as to whether the FAS (Fund Accountability Statement) for the MCC funded program(s) 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. We confirm that we are responsible for the fair presentation of the Fund Accountability Statement in conformity with generally accepted accounting principles.

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 MCA-Niger or misstatement of accounting information that, in the light of surrounding circumstances, makes it possible that the judgment of a reasonable person relying on the information would be changed or influenced by the MCA-Niger or misstatement.

We confirm, to the best of our knowledge and belief, as of March 09, 2020, the following representations made to you during your audit(s).

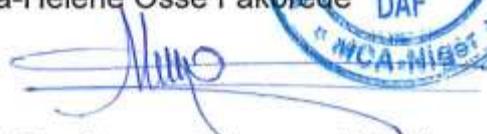
1. The financial statements referred to above are fairly presented in conformity with accounting principles generally accepted in the United States of America.
2. We have made available to you all:
 - a. Financial records and related data.
 - b. Minutes of the meetings of stockholders, directors, and summaries of actions of recent meetings for which minutes have not yet been prepared.

3. There have been no communications from regulatory agencies concerning non-compliance with or deficiencies in financial reporting practices.
4. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements.
5. We believe that the effects of any uncorrected financial statement misstatements are immaterial both individually and, in the aggregate, to the financial statements taken as a whole.
6. There are no related relationships and transactions involving MCA-Niger and any other person or entity required to be described as disclosures.
7. We acknowledge our responsibility for the design and implementation of programs and controls to prevent and detect fraud.
8. We have no knowledge of any fraud or suspected fraud affecting the entity involving (a) management, (b) employees who have significant roles in internal controls, or (c) others, where the fraud could have a material effect on the financial statements.
9. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, analysts, regulators, or others.

Sincerely,

Signature & Stamp

Adéola-Hélène Ossé Fakoréde

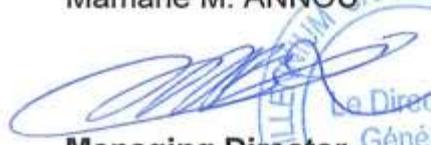


Administration and Finance Director



Signature & Stamp

Mamane M. ANNOU



Managing Director

