

GAO Highlights

Highlights of [GAO-13-615](#), a report to the Ranking Member, Subcommittee on State, Foreign Operations, and Related Agencies, U.S. Senate

Why GAO Did This Study

MCC has approved 26 bilateral compact agreements, providing a total of about \$9.3 billion to help eligible developing countries reduce poverty and stimulate economic growth. MCC is subject to the Federal Records Act, which requires that agencies preserve all records documenting its functions and other important transactions.

GAO was asked to review MCC's management of records and information. This report (1) examines MCC's records and information management program and practices and (2) assesses partner governments' implementation of MCC's information retention guidelines. GAO analyzed MCC documents, interviewed MCC officials, and tested MCC's ability to retrieve compact-related information from five closed compacts. GAO selected these compacts because they closed after May 2011, when MCC's *Program Closure Guidelines* went into effect.

What GAO Recommends

To strengthen MCC's records and information management program, MCC's Chief Executive Officer should (1) develop a policy requiring—and conduct—periodic reviews of MCC's compact-management records to ensure they are complete, (2) revise guidelines to include a sample document retention schedule specifying standard types of compact-related information compacts should retain, and (3) review MCC's policy of delegating storage of most compact-related information to partner governments. MCC agreed with all three recommendations and stated that they have already taken steps to implement them.

View [GAO-13-615](#). For more information, contact David Gootnick at (202) 512-3149 or gootnickd@gao.gov.

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MILLENNIUM CHALLENGE CORPORATION

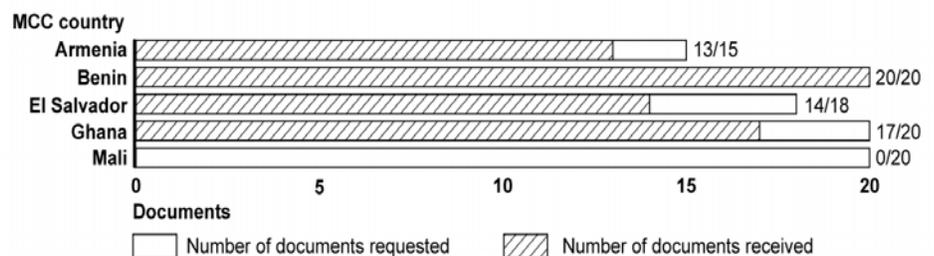
Review of Compact Records and Information Management Program

What GAO Found

In 2006, the Millennium Challenge Corporation (MCC) established a records and information management program to maintain and preserve its federal records. The program includes policies related to compact management records—a subset of MCC's federal records. These policies also address the handling of other compact-related information generated by MCC partner governments' accountable entities, which typically manage compact implementation until the 5-year compacts close. MCC's policies require that the entities transfer their compact management records to MCC for storage before compact closure. MCC also requires that partner governments retain compact-related information not classified as records, such as survey data and data quality reviews, for at least 5 years after their compacts close, to facilitate audits and analysis of MCC assistance. However, MCC does not require, and has not conducted, periodic reviews to determine whether it has received all compact-management records from the accountable entities consistent with federal internal control standards. As a result, MCC cannot be sure that it is meeting the federal requirement that it preserve all records documenting its functions, activities, and other transactions.

In reviews of five closed compacts—Armenia's, Benin's, El Salvador's, Ghana's, and Mali's—GAO found variation in the accountable entities' implementation of MCC document retention requirements and the partner governments' ability to retrieve requested compact-related information after the compacts closed. As required by MCC's compact closure guidelines, all five program closure plans that we reviewed contained some discussion of retaining and storing documents, but each accountable entity addressed the guidelines' requirements differently. MCC's guidelines do not provide a list specifying standard types of compact-related information that most compacts should retain. Such variation in approaches to retaining and storing compact-related information will make it more difficult for MCC to verify that standard compact information is retained in all partner countries after the compacts close. In addition, in a test of MCC's ability to retrieve documents from the partner governments after compact closure, GAO found that four of the five governments provided all or most requested documents within 30 days, but Mali's, which is involved in political turmoil, provided no documents (see fig.). Political turmoil in Madagascar, another compact-recipient country, has also impeded MCC's ability to obtain compact information that may be needed to conduct future audits, evaluate project impact, or inform future compact designs.

Number of Documents Returned to GAO within 30 Days, by Country



Source: GAO.