

REPORT OF INDEPENDENT AUDITORS ON APPLICATION OF AGREED-UPON PROCEDURES

(Please review additional guidance provided by the CSIET Board at the end of this document.)

Note to Auditors – All reports must maintain the numbering system provided in the template materials.)

2017-2018 OUTBOUND PROGRAMS

(Revised July 2017)

To the Management and Board of Directors

PROGRAM X

We have performed the procedures included in the Secondary School Student Compliance Audit Procedures. These procedures were agreed to by the management of program sponsors (the "Program") solely to assist you in your assertion of compliance with Council on Standards for International Educational Travel (CSIET) Standards during the current program year ("2017-2018 Program Cycle"). This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

We confirmed on the USDOS, Bureau of Educational and Cultural Affairs website Sponsor list that **PROGRAM X** (the "Program") is designated as a bona-fide program Sponsor in the "Student, Secondary" category. Appearing on this list reflects authorization by the Department of State as a designated exchange visitor program sponsor for the category of secondary school students for the current year. If **PROGRAM X** is not designated by USDOS, we reviewed alternative documentation to determine the bona fides as appropriate.

From the Program's listing of secondary school student participants who participated in the program during the year beginning **(agreed upon date)**, we randomly selected a statistically valid representative sample of **(number)** program participant files (minimum of ten files required), as well as the associated host family files for testing. In connection with those files:

1. We have read program literature to determine that it is required that all participants are placed in an educational institution. We reviewed the student files to determine that the student has been placed in an educational institution. Of the _____ files we examined, _____ included documentation noting the students are enrolled in an educational institution.
2. We inquired of Program personnel and were informed that all officers, employees, representatives, agents and volunteers acting on their behalf are adequately trained and supervised. We found that the Program provides supervision and training for all officers, employees, representatives, agents and volunteers acting on their behalf to adequately satisfy CSIET Standard 7E. We determined in our testing of the corresponding student files that _____ out of _____ local and regional organizational representatives who have placed or supervised students (from the student sample) during the year beginning **(agreed upon date)** participated in training sessions. *(Auditor note – auditors should provide the actual number of files tested, not just a statement that "all" were in compliance.)*
3. We reviewed training procedures utilized by the Program in training of officers, employees, representatives, agents and volunteers to determine whether they comply with CSIET Standard 7E. We found that training procedures reviewed were complete, comprehensive, and in compliance with CSIET Standard 7E.
4. We selected approximately one-fifth of the sample size, with a minimum of 10 records being reviewed, and read the actual contact records prepared by the local organizational representatives to determine that each local organizational representative maintained a

schedule of monthly personal contact with each exchange student participant and host family for which he or she was responsible.

Of the ____ contact records that were reviewed above, ____ contained evidence that the local organizational representative contacted the exchange student/host family on a monthly basis.

5. We reviewed Program literature and operating procedures to determine that all exchange students are screened, including a personal interview, to determine that the program is suitable to his or her background, needs and experience. Of ____ student files we reviewed, ____ complied with these requirements, including documentation of a personal interview.
6. We reviewed program literature to determine that the Program provides information on costs the exchange student will likely incur while living in the host country.
7. We examined the exchange student files to determine that each participant demonstrates maturity, good character, and scholastic aptitude. Of the ____ exchange student files examined, ____ contained suitable documentation and/or references supporting this requirement.
8. We read program literature and Program operating procedures to determine that the Program must provide international exchange students with the following information prior to their departure from their home country: (1) a summary of all operating procedures and rules (2) a detailed summary of travel arrangements; (3) age and language appropriate information on how to identify and report sexual abuse or exploitation; and (4) an identification card which lists the exchange student's name, host family placement address and telephone number, and a telephone number which affords immediate contact with the Program and the Program's organizational representative in case of emergency. Such cards may be provided in advance of home country departure or immediately upon entry in the host country.

We reviewed student files in the sample population to determine that this information was received either prior to departure from the home country or immediately upon arrival into the host country. Of the ____ student files examined, ____ contained documentation noting this information was disseminated.

9. We reviewed program materials and policies to determine that the Program selects host families on the basis of criteria appropriate to the program.
10. We read Program literature and operating procedures to determine that the Program provides suitable orientation and training to the host family and that these orientations are not combined with the host family interview

We examined host family files to determine that these requirements were met and that the orientation was not combined with the host family interview. Of the ____ host family files examined, ____ included documentation that such information was provided.

11. We read Program literature and operating procedures to determine that the Program must conduct an in-person, in-home interview with all family members residing in the home. Of ____ files reviewed, ____ included completed interview forms for each family indicating that the interview was conducted in the home.
12. We read Program literature and operating procedures to determine that the Program must secure, prior to the student's departure from their home country, a permanent or arrival host family placement for each exchange student. Programs may not facilitate the departure from the student's home country for an exchange student for whom a host family placement has not been secured.

We reviewed student files noting that family placement dates were prior to departure dates. Of ____ student files reviewed, ____ had placement prior to departure.

13. We read Program literature and operating procedures to determine that the Program must advise both the exchange student and the host family, in writing, whether the host family placement is permanent or temporary.

We reviewed the files to determine that the necessary information was communicated to the student and the host family. Of ____ files reviewed, ____ were in compliance.

14. We read Program literature and operating procedures to determine that international exchange students were provided information on health and accident insurance. The Program shall require each exchange student to have insurance that covers the exchange student for sickness or accident during the period of time that an exchange student participates in the Program's exchange program.

We obtained the insurance policy submitted by the students in the sample population. Of ____ policies, ____ offered the required coverage.

15. We have reviewed the most recent financial audit (or review) and determined that the Program is capable of discharging its financial responsibilities to all participants.

16. On a test basis, we have read Program literature, including the Program website and sample copies of foreign promotional brochures, fliers, newspaper and magazine advertisements, radio and television commercial scripts, posters and other promotional materials. Additionally, we have read sample copies of materials provided to prospective students and their natural families regarding program costs, including a description of available scholarship and financial aid programs.

Based on the review we have determined that the Program's materials professionally, ethically, and accurately reflect the Program's purpose, activities, and sponsorship. We have also determined that Program is promoted without compromising the privacy, safety or security of participants, families or schools.

Based on the review, the following has been verified:

- a) The Program does not publicize the need for host families via any public media with announcements, notices, advertisements, etc., that:
 - i. are not sufficiently in advance of the student's arrival
 - ii. appeal to public pity or guilt
 - iii. imply in any way that a student will be denied participation if a host family is not found immediately
 - iv. identify photos of individual students and include an appeal for an immediate family.
 - b) The Program's literature and website does not include personal student data or contact information (i.e., address, phone or email addresses). If Program websites include personal student data, it is password protected with a unique username and password.
 - c) The Program fully discloses all fees, including school tuition, host family reimbursements, and other required or optional costs to prospective students and their natural families before enrollment.
 - d) The Program does not promote programs as providing opportunities for school athletic participation, high school graduation, driver's education instruction, household domestic service, childcare, employment, or other activities that might compromise the student, program, or school.
 - e) The Program does not state or imply in the promotional materials/activities that persons who are compensated other than out-of-pocket expenses are volunteers.
17. Based on inquiry and discussion with Program personnel and review of Program evaluation procedures we have determined that post-exchange evaluation opportunities are provided to students, host families, and schools.

We confirmed that evaluation opportunities were provided in the most recent completed program year.

18. Based on inquiry and discussion with Program personnel and review of the electronic or online Program database (if applicable) we have determined that database entries are properly recorded and password protected. Additionally, a sufficient back-up system is in place. **(Auditor note: auditors must indicate whether a database is utilized for this program.)**
19. The Program must provide students, host families, and appropriate supervisors with detailed printed information regarding the terms and limits of insurance coverage and procedures for filing a claim. We read Program literature and operating procedures to determine that program participants are provided with this information.
20. Based on inquiry and discussion with Program personnel and/or review of annual insurance contracts we have determined that compensated Program officials and employees have not received compensation from the sale of insurance to its participants.
21. We reviewed Program literature and operating procedures to determine that the Program registers students traveling abroad with the U.S. consulate or embassy.
22. We reviewed Program literature and operating procedures to determine that the Program has adequate plans and procedures in place for dealing with emergency situations that may arise during the program.

No exceptions were noted as a result of applying this procedure.

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the management of the Sponsor organization, the Department of State and the Council on Standards for International Educational Travel and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.

Certified Public Accountant/s (Printed)

License/Certificate #

Certified Public Accountant/s (Signature)

Date:

Additional guidance provided by the CSIET Board of Directors.

Sampling and Outbound Program Reports – The number of files of participants examined by auditors varies widely. Based on review of all audits, it appears that an average of 10% sampling (with a cap of 125 files) is a reasonable and appropriate sample. For very small programs, this can make the sample so limited as to have no validity. In those cases, individual auditors might wish to increase the sample size to a minimum level of 20 files (or all participants if fewer than 20) which should provide statistically valid results. Further, some auditors found it useful to review slightly higher numbers of files. This might only be necessary where a pattern of problems exists and it is necessary to “pull additional files” to validate a particular finding.

Deficiency Statements - Auditors have been asked to test on a wide variety of matters and report compliance as a percentage of 100 percent. To achieve uniformity, for every deficiency reported:

1. The auditor should state the nature of the deficiency. For example, this year we discovered deficiencies existed in some cases because the auditor did not think the paperwork that the program was using adequately met the required standard while in other cases, there was no audit trail as information required did not exist in the tested file. In some cases, however, there is no auditor statement as to the nature of the deficiency. Some explanation by the auditor of any deficiency finding is imperative for further evaluation of the results of the audit.

2. The program should respond to the deficiency within the Agreed-Upon Procedures report. Very often, such response is done in a management letter from the auditor and/or in a separate letter from the program in response to an auditor’s management letter. In this case, CSIET is requesting that explanations of deficiencies and program response explaining what happened and how it will be fixed for future audits be contained within the “Agreed-Upon Procedures” report.

US Government Grants – Some programs have international exchange students in their participant base who are involved in the high school program as part of a U.S. government-sponsored grant. These grant programs include such programs as FLEX, YES and CBYX. In these programs, the placement organization acts as a host for the student, providing placement, supervision and support for the participant, but often does not do the recruiting, selection and orientation of the participant.

Organizations and their auditors should review the programs’ grant contracts and assess the responsibility of the organization under those agreements. Auditors should make a general statement in a new Section 11 of the CSIET addendum to the report that they have reviewed with the programs these grant obligations and have not audited items in those cases that are not the responsibility of placement organizations.

In other words, in cases where recruiting, selection and orientation of the actual exchange participants are not performed by the program, no deficiencies should be noted in these categories by the auditor as a result of review of participant files for these participants. Rather, the auditor should note in the compliance statement the percentage achievement

eliminating from the calculation those files that involve such grants. Failure to do this distorts results.

Host Family In-Home Interviews - It appears that some auditors have required that “All” family members be present during the in-home interview. This is NOT a requirement of the program and as such should not be used as a standard. However, if a resident family member is not present during the in-home interview, it is expected that the program conduct a separate in-person interview at a later date (which is not necessarily required to be conducted in the host family home).

Financials - Item #15 of the CSIET audit template includes guidance stating that the “most recent completed financial audit or review” should be reviewed. If a program’s fiscal year ends in the fourth quarter and therefore the current financial year audit is not yet complete at the time of the Agreed-Upon Procedure audit, then the previous fiscal year audit or review would meet this requirement. Auditors should specifically state which financial report they reviewed (i.e., FY 2016 Audit ending October 31, 2016).

CSIET Item # 16b– CSIET does not allow personal student data to be available on a public website unless access to this data is properly protected by controlled password access and/or similar security measures. Auditors should take note that full host family screening need not be completed in order to grant potential hosts access to non-sensitive student information. For instance, programs may give registered, non-screened users access to online profiles that feature pictures and first names of students. Student’s full names, and/or contact information, however, cannot be revealed to non-screened users. Auditors should test the program’s website to see what student information is displayed and how this information is protected by passwords, user registrations or other security measures.

CSIET Item # 18 – Many programs have enrollment databases containing sensitive student information. Auditors should test in situations where such a database exists that it is appropriately protected from public access via password and/or similar security measure.