

**REPORT OF INDEPENDENT AUDITORS
ON APPLICATION OF AGREED-UPON PROCEDURES**

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

2017-18 F-1 INBOUND PROGRAMS

(July 1, 2017)

To the Management and Board of Directors
[INSERT PROGRAM NAME HERE]

We have performed the procedures included in the Secondary School Student Compliance Audit Procedures. These procedures were agreed to by the management of (Program) solely to assist you in your assertion of compliance with CSIET Standards during the **current program year (July 1, 2017 to June 30, 2018)**. 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.

From the Program's listing of international student participants who attended secondary school in the United States during the 2017-2018 academic year, we randomly selected a statistically valid representative sample of **[*INSERT NUMBER OF SAMPLE SIZE HERE]** Program participant files, as well as the associated host family files for testing. In connection with those files:

****All numbers must be entered using typed font. No handwritten entries will be accepted. CPA's, please state PROGRAM NAME and SAMPLE SIZE above!***

- A. We confirmed that **[INSERT PROGRAM NAME HERE]** (the "Program") is designated as a bona-fide secondary school exchange program, organized under the laws of one of the 50 states of the United States or the District of Columbia. We reviewed appropriate documentation to determine the bona fides.

CSIET Guidance: If the Program is a school, it must be SEVP certified and appear on the official US Department of Homeland Security list of SEVP certified secondary schools: <http://studyinthestates.dhs.gov/school-search>.

1. We have read Program literature to determine that it is required that all participants be 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 CSJET Standard 7E.

We determined in our testing of the corresponding 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.)**

CSJET Guidance: It is possible that this number will be different from the stated sample size.

3. We reviewed all training materials utilized by the Program in training of officers, employees, representatives, agents and volunteers to determine whether they comply with CSJET Standard 7E. We found that all training materials reviewed were complete, comprehensive, and in compliance with CSJET Standard 7E.
4. We inquired of Program personnel that a process has been established to ensure that all officers, employees, representatives, agents and volunteers with direct personal contact with the international students have undergone an annual **criminal background check (that is based on Social Security # and includes a search of the Department of Justice’s National Sex Offender Public Registry).**

We reviewed applicable documentation in the sample population to ensure that all officers, employees, representatives, agents and volunteers with direct personal contact with the international students (represented in the audit sample) have undergone an annual **criminal background check (that is based on Social Security # and includes a search of the Department of Justice’s National Sex Offender Public Registry).**

We determined in our testing of the corresponding files that ____ out of ____ contained documentation of a criminal and sexual offender background check. **(Auditor note – auditors should provide the actual number of files tested, not just a statement that “all” were in compliance.)**

CSJET Guidance: It is possible that this number will be different from the stated sample size.

5. 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. In addition, we examined the contact records to determine that there was in-person contact between the local coordinator and student within the first month of the exchange and in person contact between the local coordinator and host family at least once in the fall semester and once in the spring semester.

Of the ____ contact records that were reviewed above, ____ contained evidence that the local organizational representative contacted the exchange student on a monthly basis. ____ contained documentation that the first monthly contact between the local coordinator and the exchange student was in person.

Of the _____ contact records that were reviewed above, _____ contained evidence that the local organizational representative contacted the host family on a monthly basis. _____ contained evidence that the family was contacted in person at least once during the fall semester and once during the spring semester.

We reviewed Program material to ensure that procedures are in place to promptly and appropriately address issues raised through local representative contact with families and students.

CSIET Guidance: If, due to the timing of the audit, there is no evidence of spring semester visits in the current academic cycle, programs can demonstrate compliance by showing (through policy/documentation) that local coordinators are required to contact exchange students and host families at least once during the spring semester.

6. We reviewed Program literature to determine that the Program provides specific information on costs the international student will likely incur while living in the host country.

7. We examined the international student files to determine that each participant demonstrates maturity, good character, and scholastic aptitude.

Of the _____ international student files examined, _____ contained suitable documentation and/or references supporting this requirement.

8. We reviewed Program literature and operating procedures to determine that all international students are screened to determine that the Program is suitable to his or her background, needs and experience; and, the international student possesses sufficient proficiency in the English language to participate in his or her Program.

Of _____ student files we reviewed, _____ complied with these requirements.

9. We read Program literature and operating procedures to determine that the Program provides international 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 international 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.

10a. We read the Program literature and operating procedures noting that each member of the host family household 18 years of age and older, as well as any new adult member added to the household, or any

member of the host family household who will turn eighteen years of age during the exchange student's stay in that household, has undergone a **criminal background check (that is based on Social Security # and includes a search of the Department of Justice's National Sex Offender Public Registry)**; the Program should maintain a record of all documentation on a student's exchange program, including but not limited to application forms, background checks, evaluations, and interviews, for all selected host families for a period of three years following program completion.

We examined _____ host family files in the sample population to determine that these requirements have been met. Of those, _____ contained documentation verifying that criminal and sexual offender background checks have been completed.

CSIET Guidance: Criminal Background checks must be conducted annually and must be completed prior to placement.

- 10b. We also examined files for host families in the sample population who have hosted previously, at any point in the last three years, to verify that application forms, criminal (and sexual offender) background checks, evaluations and interviews had been conducted as required and documentation has been kept. Of these _____ files, _____ contained such documentation.

CSIET Guidance: It is possible/likely that this number may be smaller than the stated sample size, given that some host families may not have hosted previously.

11. 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.

12. 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 _____ host family files reviewed, _____ included interview forms indicating that the interview was conducted in the home.

13. We read Program literature and operating procedures to determine that for those participants who arrange accommodations with relatives, the Program must collect a waiver signed by the natural parents that grants their permission for such arrangements and states their understanding that host family screening procedures are not applicable. The waiver must also include host family information and their relationship to the natural parents.

Of _____ files reviewed, _____ included these waivers for each participant who is lodged with relatives.

14. We read Program literature and operating procedures to determine that for accommodations other than a home-stay, the Program shall:

1. Arrange accommodations on the basis of criteria appropriate to the program;
2. Ensure the adequacy of the accommodations with respect to location, cleanliness, safety, nutrition and supervision;
3. Confirm the accommodations sufficiently in advance of the student's departure from home.

Of ____ student files reviewed, ____ included documentation of compliance with the criteria above.

CSIET Guidance: It is possible/likely that this number may be smaller than the stated sample size, given that some programs may provide a combination of homestay and/or accommodations other than a homestay (e.g., dormitory or student residence).

For all participants who opt out of dormitory accommodations at an accredited boarding school or the residential facilities arranged by the Program, and instead, live with a host family, the Program must collect a waiver signed by the natural parents that states their understanding that host family screening procedures **are** applicable.

Of ____ files reviewed, ____ included waivers for each participant who chose to opt-out of the residential accommodations arranged by the Program and instead chose to live with a properly screened host family.

CSIET Guidance: It is possible/likely that this number may be smaller than the stated sample size, given the specificity of this scenario.

15. 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 international student. Program may not facilitate the departure from the student's home country for an international 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.

16. We reviewed Program operating procedures and host family files to determine that all paid host families were required to complete a W-9 form in accordance with U.S. tax laws. We also examined files for paid host families in the sample population who have hosted previously and were paid in the last three years to verify that 1099 forms were filed on their behalf as required and that documentation has been kept. Of these ____ files, ____ contained such documentation.

We reviewed Program operating procedures and host family files to determine that for all paid host families for whom 1099's are not filed, a suitable plan is in place to account for any/all reimbursement of expenses associated with the hosting of international/exchange students, and that proper documentation of such reimbursements is being maintained.

CSIET Guidance: CSIET considers any payment to host families as income, and such income should

be reported on a 1099 form. Per Standard 2.B.1, “The [international student exchange] organization is accountable for the full scope of the programs it administers, including actions taken and representation made by its agents”. If 1099’s are not filed on behalf of paid host families, then evidence of an “accountable plan” must be demonstrated. For additional guidance, see the CSJET Memo on Taxability of Host Family Payments. CSJET encourages programs to consult their own tax advisers for the ability to comply with the provisions of this item.

17. We read Program literature and operating procedures to determine that the Program must maintain evidence of current “in status” I-20 forms for each international student participant in a United States public or private secondary school. This evidence must be secured from the school principal or other authorized school administrator of the school or school system that the student participant will attend and must include written arrangements concerning the payment of tuition or waiver thereof if applicable.

Of the ___ student files, ___ contained evidence of current “in-status” I-20 forms for each international student participant and that such evidence includes information on tuition or waiver thereof.

18. We read Program literature and operating procedures to determine that the Program must provide the school with a translated, written English language summary of the international student’s complete academic coursework prior to commencement of school.

We examined _____ international student files and, of these files, _____ contained this written English language summary and evidence that such information was provided to the school.

19. We read Program literature and operating procedures to determine that the Program must advise both the international 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.

20. We read Program literature and operating procedures to determine that international students were provided information on health and accident insurance.

The Program shall require each international student to have insurance that covers the international student for sickness or accident during the period of time that an international student participates in the program.

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

21. 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.

22. On a test basis, we have read Program literature, including the Program website and sample copies of U.S. and 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 U.S. and foreign 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 and activities. We have also determined that Program is promoted without compromising the privacy, safety or security of participants, families or schools.

23a. Based on the review, the following has been verified:

1. The Program utilizes only promotional materials that professionally, ethically, and accurately reflect the Program's purposes and activities;
2. The Program does not publicize the need for host families via any public media with announcements, notices, advertisements, etc., that:
 - a) Are not sufficiently in advance of the student's arrival
 - b) Appeal to public pity or guilt
 - c) Imply in any way that a student will be denied participation if a host family is not found immediately
 - d) Identify photos of individual students and include an appeal for an immediate family.

CSIET Guidance: It is not permissible to use photos with a student's last name or other identifying information such as address or hometown, nor is it permissible to characterize a particular student as having an immediate need for a host family. Mention of a student's athletic ability or accomplishment in public media is also prohibited.

23b. The Program 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.

23c. 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.

23d. The Program does not promote itself as providing opportunities for school athletic participation, driver's education instruction, household domestic service, childcare, employment, or other activities that might compromise the student, program, or school.

23e. 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.

24. We read Program literature and operating procedures to determine that international students may participate in school sanctioned and sponsored extracurricular activities, including athletics, if such participation is authorized by (1) the local school district in which the student is enrolled; and (2) the State authority

responsible for determination of athletic eligibility, if applicable.

Programs shall not knowingly be party to a placement (inclusive of direct placements) based on athletic abilities, whether initiated by a student, a natural or host family, a school, or any other interested party. We determined that any placement in which either the student or the sending organization in the foreign country is party to an arrangement with any other party, including receiving school personnel, whereby interscholastic varsity athletics was a known motivating factor at the time of student application, must be reported to the particular school and the National Federation of State High School Associations prior to the first day of classes.

We reviewed Program reports submitted to schools and the National Federation of State High School Associations to verify that these regulations are being properly met.

CSIET Guidance: In its continuing effort to facilitate the needs of its partners at state associations, CSIET asks that programs provide transparency and report to the NFHS any F-1 student who is known to be trying out for/to play an interscholastic varsity sport, or for whom participation in athletics was a known motivating factor at the time of application.

The intent of the CSIET Board in requiring these reports is to provide each state athletic association with additional information to assist in the determination of athletic eligibility of each international student.

25. 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.

26. 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.)***
27. 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.
28. 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.
29. 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 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 Audit 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 find 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 a wide variety of items 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, sometimes deficiencies exist because the auditor does not think the paperwork that the program is using adequately meets the required standard, while in other cases, there is no audit trail as information required does 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 requests a program response

explaining what happened and how it will be fixed for future audits. Such a response should be contained within the “Agreed-Upon Procedures” report.

Host Family In-Home Interviews – 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 later (which is not necessarily required to be conducted in the host family home).

Financials - CSJET requires programs to submit its “most recent completed financial audit or review” along with the Listing Application. 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).

Subset Testing - Some items in the audit call for testing of random program events such as families that have hosted previously (#10), students that reside with relatives (#13), or students that reside in accommodations other than a homestay (#14). Special attention should be given to these events and the auditor should report the number tested in the final report, along with the results of the testing.

Staff Training and Screening – Items #2 and # 4 of the template call for review of staff and volunteer training as well as criminal background checking of all officers, employees, representatives, agents and volunteer with direct personal contact with program participants. Auditors should only test that staff associated with participant files drawn from the sample are tested for appropriate training and criminal background checks.

Database Information, Audit Items #23b and #26 – 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.

Direct Placements – Item #24 calls for a review of potential direct placements. If no such placements exist, auditors should indicate so in an auditor’s note immediately following the audit item language.