

**2023-2024 GUIDANCE FOR  
REPORT OF INDEPENDENT AUDITORS  
ON APPLICATION OF AGREED-UPON PROCEDURES**

**OUTBOUND PROGRAMS**

(Revised July 2023)

The table below provides the text from the audit template, the relevant regulation and guidance on where to find the information or evidence needed to evaluate performance relative to the regulation. The items listed are suggestions only; there are many ways to satisfy the regulations, only some of which are listed here. If the item in the audit template requires more than one source of information, the potential sources are numbered. The auditor will need to look for information in each category. Additional supplemental information may also be noted. The list is not authoritative or exhaustive.

Item #	Text from Audit Template	CSIET Standard	Potential sources / location of documentation
A.	We reviewed appropriate documentation to determine that the Program is organized under the laws of one of the 50 states of the United States or the District of Columbia.	Standard 2C	<ul style="list-style-type: none"> <li>U.S. state incorporation certificates, or other legal documents certifying to the legitimacy of the organization.</li> </ul>
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.	Standard 1	<ul style="list-style-type: none"> <li>School enrollment form or certification of student enrollment as appropriate for the individual country of placement.</li> </ul>
2	We inquired of Program personnel and were informed that the organization maintains an effective system of screening, selecting, training, and supervising US based program representatives; likewise, the organization ensures that its agents/agencies maintain such a system for its non-US based program representatives.	Standard 7 E	<ul style="list-style-type: none"> <li>Attendance records from training sessions, signed forms indicating participation in training or on-line records of participation in on-line training</li> </ul>
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 CSIET Standard 7E. We found that all training materials reviewed were complete, comprehensive, and in compliance with CSIET Standard 7E.	Standard 7 E	<ul style="list-style-type: none"> <li>Training materials (on-line, trainer outlines, manuals, guides, etc.)</li> </ul>
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.	Standard 7 B	<ul style="list-style-type: none"> <li>Local representative contact logs</li> </ul>

	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 a personal interview.	Standard 5 B	<ul style="list-style-type: none"> <li>Student application and supporting documentation, including references and/or interview notes</li> </ul>
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.	Standard 4 E	<ul style="list-style-type: none"> <li>Program literature, Program details accompanying Student application or Orientation materials</li> </ul>
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	Standard 5A	<ul style="list-style-type: none"> <li>Student application and supporting documentation, including references and/or interview notes</li> </ul>
8	<p>We read Program literature and operating procedures to determine that the Program, must provide 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) information on intercultural learning, cultural adjustment, relevant school policies/procedures, and strategies on how to prevent, identify and report cases of suspected student abuse; 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.</p> <p>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.</p>	Standard 5 D and 6 A4	<p>For Point One:</p> <ul style="list-style-type: none"> <li>Record of student's receipt of operating procedure summary (Orientation attendance or dated mailing or emailing records)</li> </ul> <p>For Point Two:</p> <ul style="list-style-type: none"> <li>Record of flight itinerary being sent to student or confirmation that student had travel detailed travel arrangements prior to departure</li> </ul> <p>For Point Three:</p> <ol style="list-style-type: none"> <li>Sample copy of the material disseminated on sexual abuse</li> <li>Record of distribution of this material to students (for example, orientation attendance sheet)</li> </ol> <p>For Point Four:</p> <ol style="list-style-type: none"> <li>Sample copy of identification card</li> <li>Record of distribution of this material to students</li> </ol>
9	We reviewed program materials and policies to determine that the Program selects host families on basis of criteria appropriate to the program.	Standard 6 A1	Sample host family application

10	<p>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.</p> <p>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.</p>	Standard 6 A5	<ul style="list-style-type: none"> <li>• Host family files</li> </ul>
11	<p>We read Program literature and operating procedures to determine that the Program must conduct an in-person interview of all prospective host families in their homes. Of ____ files reviewed, ____ included these interview forms for each family indicating that the interview was conducted in the home.</p>	Standard 6 A2	<ul style="list-style-type: none"> <li>• Host family files</li> </ul>
12	<p>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. Program 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.</p> <p>We reviewed student files noting that family placement dates were prior to departure dates. Of ____ student files reviewed, ____ had placement prior to departure.</p>	Standard 6 A4	<ol style="list-style-type: none"> <li>1. Dated placement reports/records in student files or database</li> <li>2. Record of student travel itinerary for comparison with date of placement</li> </ol>
13	<p>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.</p> <p>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.</p>	Standard 6 A4	<ol style="list-style-type: none"> <li>1. Records of information sent to student and host families by the program sponsor (Student or host family profile)</li> <li>2. Program literature on pre-exchange communication amongst participants</li> </ol>
14	<p>We read Program literature and operating procedures to determine that exchange students were provided information on health and accident insurance.</p> <p>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 visitor program.</p> <p>We obtained the insurance policy submitted by the students in the sample population. Of ____ policies, ____ offered the required coverage.</p>	Standard 8 A and B	<ol style="list-style-type: none"> <li>1. Records of information sent to students and/or program information provided to students on insurance</li> <li>2. Student Insurance Policies</li> </ol>
15	<p>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. <i>We have also reviewed with management the current financial position of the applicant and have been advised that their current financial status has not changed substantially from what is reflected in the financial statements as of [INSERT DATE HERE] that I have either prepared or reviewed.</i></p> <p><b>CSIET Guidance: On April 30, 2020, the CSIET Board of Directors approved the addition of the following language to Audit Item 15:</b></p>	Standard 3 A	<ol style="list-style-type: none"> <li>1. Most recent completed financial FY-2023 audit or review. If a programs fiscal year ends in the 4<sup>th</sup> quarter, then the FY-2022 audit or review would meet this requirement.</li> <li>2. Most recent income statement and balance sheet</li> </ol>

	<b><i>We have also reviewed with management the current financial position of the applicant and have been advised that their current financial status has not changed substantially from what is reflected in the financial statements as of [*INSERT DATE HERE] that I have either prepared or reviewed.</i></b>		
16	<p>On a test basis, we have read program literature, including the Program website and sample copies of 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.</p> <p>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.</p>	Standard 4 A, B and C	<ol style="list-style-type: none"> <li>1. Program materials, marketing materials</li> <li>2. Program website</li> </ol>
16a	<p>Based on the review, the following has been verified: The Program does not publicize the need for host families via any public media with announcements, notices, advertisements, etc., that:</p> <ol style="list-style-type: none"> <li>a) are not sufficiently in advance of the student's arrival</li> <li>b) appeal to public pity or guilt</li> <li>c) imply in any way that a student will be denied participation if a host family is not found immediately</li> <li>d) identify photos of individual students and include an appeal for an immediate family.</li> </ol>	Standard 4 B	<ol style="list-style-type: none"> <li>1. Program materials, marketing materials</li> <li>2. Program website</li> <li>3. Program advertisements</li> </ol>
16b	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.	Standard 4 C and Standard 7 K	<ol style="list-style-type: none"> <li>1. Program materials, marketing materials</li> <li>2. Program website</li> <li>3. Program database if applicable</li> </ol>
16c	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.	Standard 4 E	<ul style="list-style-type: none"> <li>• Program materials</li> </ul>
16d	The Program does not promote programs as providing opportunities for school athletic participation, high school graduation, driver's education instruction, household domestic service, child care, employment, or other activities that might compromise the student, program, or school.	Standard 4 F	<ul style="list-style-type: none"> <li>• Program materials, marketing materials</li> </ul>
16e	The Sponsor does not state or imply in the promotional materials/activities that persons who are compensated other than out-of-pocket expenses are volunteers.	Standard 4 G	<ul style="list-style-type: none"> <li>• Program materials, marketing materials</li> </ul>
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.	Standard 7 H	<ol style="list-style-type: none"> <li>1. Evaluation records</li> <li>2. Documentation of evaluation process</li> </ol>

	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. <b>(Auditor note: auditors must indicate whether a database is utilized for this program.)</b>	Standard 7 K	<ol style="list-style-type: none"> <li>1. Database records</li> <li>2. Documentation of back-up procedures</li> </ol>
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.	Standard 8 B	<ol style="list-style-type: none"> <li>1. Records of information sent to students and/or program information provided to students on insurance</li> <li>2. Student Insurance Policies</li> </ol>
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	Standard 8 C	<ul style="list-style-type: none"> <li>• Insurance contracts and/or agreements</li> </ul>
21	We reviewed Program literature and operating procedures to determine that the Program registers students traveling abroad with the U.S. consulate or embassy.	Standard 7 A	<ul style="list-style-type: none"> <li>• Program operating and training procedures</li> </ul>
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.	Standard 7 I	<ol style="list-style-type: none"> <li>1. Program operating and training procedures</li> <li>2. Student orientation materials</li> </ol>

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 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.

**Governmental Waivers** – Some programs have international exchange students in their participant base who are involved in the high school program as part of a government-sponsored grant. 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 2023 Audit ending October 31, 2023).

**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.