



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF INSPECTOR GENERAL

AUDIT SERVICES

DATE: March 20, 2020

Dear Colleague:

This letter transmits the *Guide for Financial Statement Audits and Compliance Attestation Engagements of Foreign Schools* (Guide). This Guide supersedes the *Foreign School Audit Guide* (September 2002) and the related amendments to that guide and is effective for fiscal years ending on or after December 31, 2020. Early implementation is not permitted. The Guide is also available on our website at the following Internet address: [OIG Non-Federal Audit website](#).

Section 487(c) of the Higher Education Act of 1965, as amended, and Section 668.23 of Title 34 of the Code of Federal Regulations (C.F.R.) require all schools participating in the Federal Student Financial Assistance Programs to have an annual financial and compliance audit performed by an independent auditor.

The guidance and requirements in this Guide apply to the financial statement audits and compliance attestation engagements of foreign institutions, as defined in 34 C.F.R. Section 600.52, that participate in the William D. Ford Federal Direct Loan Program. Foreign institutions (or foreign schools) are schools not located in a State of the Union, American Samoa, the Commonwealth of Puerto Rico, the District of Columbia, Guam, the Virgin Islands, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

Please note that, in order to make this Guide available to the audit community with sufficient time prior to its effective date, this Guide is being published without illustrative financial statement audit reports. The Auditing Standards Board of the American Institute of Certified Public Accountants (AICPA) recently made changes to the financial statement audit reporting requirements, and those changes are effective for audits of financial statements for periods ending on or after December 15, 2020. At the time of this Guide's publication, the AICPA had not published illustrative reports to incorporate changes resulting from the standards update and the 2018 revision of *Government Auditing Standards*. Once those illustrative reports are published, we will replace the version of the Guide available on our website with one that contains our own illustrative financial statement audit reports.

We hope this guide will assist you as you fulfill your responsibilities for audits and compliance attestation engagements of foreign schools. If you have any questions about this guide, please contact the Non-Federal Audit team at oignon-federalaudit@ed.gov.

Respectfully,

/s/

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