June 5, 2019

Jane Sargus  
Executive Director  
Open World Leadership Center  
John Adams Building, Room 144  
Washington, DC 20540

Dear Ms. Sargus:

The attached report presents the results of the annual audit of the Open World Leadership Center's (Open World) financial statements for fiscal year (FY) 2018.

We contracted with the independent certified public accounting firm of Kearney & Company (Kearney) for the FY 2018 audit. The contract required that the audit be performed in accordance with Government Auditing Standards; the Office of Management and Budget (OMB) Bulletin 17-03, Audit Requirements for Federal Financial Statements; and the GAO/CIGIE Financial Audit Manual. There are three components to this report; Kearney’s opinion on the financial statements, its report on internal control over financial reporting, and its report on compliance with laws, regulations, contracts, and grant agreements.

Opinion on the Financial Statements  
In its audit of Open World, Kearney found that the financial statements were fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles.

Report on Internal Control over Financial Reporting  
Kearney considered internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing their opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Open World’s internal control. Given these limitations, during the audit, Kearney did not identify any deficiencies in internal control that they considered material weaknesses or significant deficiencies.¹

Compliance with Laws and Regulations  
As part of obtaining reasonable assurance about whether Open World’s financial statements are free from material misstatement, Kearney performed tests of its compliance with certain provisions of applicable laws, regulations, contracts, and grant agreements. The results of Kearney’s tests found no instances of non-compliance or other matters that are required to be

¹ A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance.
reported in accordance with U.S. generally accepted government auditing standards or OMB Bulletin 17-03.

Office of the Inspector General Oversight of Kearney
In connection with the audit contract, the Office of the Inspector General reviewed Kearney's report and related documentation and inquired of its representatives. Our review, as differentiated from an audit in accordance with Government Auditing Standards, was not intended to enable us to express, and we do not express, opinions on Open World's financial statements, conclusions about the effectiveness of internal control over financial reporting, or compliance with laws and regulations. Kearney is responsible for the attached auditor's report dated April 30, 2019, and the conclusions expressed in the report. However, our review disclosed no instances where Kearney did not comply, in all material respects, with U.S. generally accepted government auditing standards.

Response from Open World's Management
Open World management did not have any comments to provide.

Kind Regards,

Kurt W. Hyde
Inspector General

Attachment

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2 In accordance with U.S. generally accepted auditing standards, Kearney's report is dated based on the last day sufficient audit evidence was obtained to support their opinion. Kearney's final report was delivered to the Office of the Inspector General on May 3, 2019.
INDEPENDENT AUDITOR’S REPORT

To the Inspector General of the Library of Congress and the Board of Trustees Audit Committee of the Open World Leadership Center

Report on the Financial Statements

We have audited the accompanying financial statements of the Open World Leadership Center (the Center), which comprise the balance sheets as of September 30, 2018 and 2017, the related statements of net cost and changes in net position, and the combined statements of budgetary resources (hereinafter referred to as the “financial statements”) for the years then ended, and the related notes to the financial statements.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Bulletin No. 19-01, Audit Requirements for Federal Financial Statements. Those standards and OMB Bulletin No. 19-01 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a
basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects,
the financial position of the Center as of September 30, 2018 and 2017, and its net cost of
operations, changes in net position, and budgetary resources for the years then ended, in
accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that
Management’s Discussion and Analysis and other Required Supplementary Information
(hereinafter referred to as the “required supplementary information”) be presented to supplement
the financial statements. Such information, although not a part of the financial statements, is
required by OMB and the Federal Accounting Standards Advisory Board (FASAB), who
consider it to be an essential part of financial reporting for placing the financial statements in an
appropriate operational, economic, or historical context. We have applied certain limited
procedures to the required supplementary information in accordance with auditing standards
generally accepted in the United States of America, which consisted of inquiries of management
regarding the methods of preparing the information and comparing it for consistency with
management’s responses to our inquiries, the financial statements, and other knowledge we
obtained during our audits of the financial statements. We do not express an opinion or provide
any assurance on the information because the limited procedures do not provide us with
sufficient evidence to express an opinion or provide any assurance.
Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards* and OMB Bulletin No. 19-01, we have also issued reports, dated April 30, 2019, on our consideration of the Center’s internal control over financial reporting and on our tests of the Center’s compliance with provisions of applicable laws, regulations, contracts, and grant agreements, as well as other matters for the year ended September 30, 2018. The purpose of those reports is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance and other matters. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards* and OMB Bulletin No. 19-01 and should be considered in assessing the results of our audits.

Alexandria, Virginia
April 30, 2019
INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER 
FINANCIAL REPORTING

To the Inspector General of the Library of Congress and the Board of Trustees Audit Committee 
of the Open World Leadership Center

We have audited the financial statements of the Open World Leadership Center (the Center) as 
of and for the year ended September 30, 2018, and we have issued our report thereon dated April 
30, 2019. We conducted our audit in accordance with auditing standards generally accepted in 
the United States of America; the standards applicable to financial audits contained in 
Government Auditing Standards, issued by the Comptroller General of the United States; and 
Office of Management and Budget (OMB) Bulletin No. 19-01, Audit Requirements for Federal 
Financial Statements.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Center’s 
internal control over financial reporting (internal control) to determine the audit procedures that 
are appropriate in the circumstances for the purpose of expressing an opinion on the financial 
statements but not for the purpose of expressing an opinion on the effectiveness of the Center’s 
internal control. Accordingly, we do not express an opinion on the effectiveness of 
the Center’s 
internal control. We limited our internal control testing to those controls necessary to achieve 
the objectives described in OMB Bulletin No. 19-01. We did not test all internal controls 
relevant to operating objectives as broadly defined by the Federal Managers’ Financial Integrity 
Act of 1982 (FMFIA), such as those controls relevant to ensuring efficient operations.

A deficiency in internal control exists when the design or operation of a control does not allow 
management or employees, in the normal course of performing their assigned functions, to 
prevent or detect and correct misstatements on a timely basis. A material weakness is a 
deficiency, or combination of deficiencies, in internal control, such that there is a reasonable 
possibility that a material misstatement of the entity’s financial statements will not be prevented 
or detected and corrected on a timely basis. A significant deficiency is a deficiency, or 
combination of deficiencies, in internal control that is less severe than a material weakness yet 
important enough to merit attention by those charged with governance.

Our consideration of internal control was, for the limited purpose, described in the first 
paragraph of this section and was not designed to identify all deficiencies in internal control that 
might be material weaknesses or significant deficiencies; therefore, material weaknesses or 
significant deficiencies may exist that were not identified. Given these limitations, during our 
audit, we did not identify any deficiencies in internal control that we consider to be material 
weaknesses.
Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and the results of that testing, and not to provide an opinion on the effectiveness of the Center’s internal control. This report is an integral part of an audit performed in accordance with Government Auditing Standards and OMB Bulletin No. 19-01 in considering the entity’s internal control. Accordingly, this communication is not suitable for any other purpose.

Kearney & Company

Alexandria, Virginia
April 30, 2019
INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE WITH LAWS, REGULATIONS, CONTRACTS, AND GRANT AGREEMENTS

To the Inspector General of the Library of Congress and the Board of Trustees Audit Committee of the Open World Leadership Center

We have audited the financial statements of the Open World Leadership Center (the Center) as of and for the year ending September 30, 2018, and we have issued our report thereon dated April 30, 2019. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Bulletin No. 19-01, Audit Requirements for Federal Financial Statements.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Center’s financial statements are free from material misstatement, we performed tests of its compliance with provisions of applicable laws, regulations, contracts, and grant agreements, noncompliance which could have a direct and material effect on the financial statements. We limited our tests of compliance to these provisions and did not test compliance with all laws, regulations, contracts, and grant agreements applicable to the Center. Providing an opinion on compliance with those provisions was not an objective of our audit; accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and OMB Bulletin No. 19-01.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on the effectiveness of the entity’s compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards and OMB Bulletin No. 19-01 in considering the entity’s compliance. Accordingly, this communication is not suitable for any other purpose.

Alexandria, Virginia
April 30, 2019