

May 23, 2022

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) 2021.

Under an Interagency Agreement, the Library of Congress' Office of the Inspector General provided oversight of the independent certified public accounting firm of KPMG for the FY 2021 audit. KPMG was required to perform the audit in accordance with Government Auditing Standards; the Office of Management and Budget (OMB) Bulletin 19-03, Audit Requirements for Federal Financial Statements; and the GAO/CIGIE Financial Audit Manual. There are three components to this report; KPMG's opinion on the financial statements, its report on internal control over financial reporting, and its report on compliance and other matters.

*Opinion on the Financial Statements*

In its audit of Open World, KPMG 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*

KPMG 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, KPMG did not identify any deficiencies in internal control that they considered material weaknesses or significant deficiencies.<sup>1</sup>

*Compliance and Other Matters*

As part of obtaining reasonable assurance about whether Open World's financial statements are free from material misstatement, KPMG performed tests of its compliance with certain provisions of applicable laws, regulations, contracts, and grant agreements. The results of KPMG's tests found no instances of non-compliance or other matters that are required to be reported in accordance with U.S. generally accepted government auditing standards or OMB Bulletin 19-03.

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<sup>1</sup> 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.

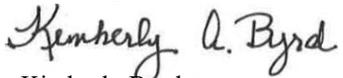
*Office of the Inspector General Oversight of KPMG*

In connection with the audit contract, the Library of Congress' Office of the Inspector General reviewed KPMG'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. KPMG is responsible for the attached auditor's report dated May 23, 2022, and the conclusions expressed in the report. However, our review disclosed no instances where KPMG 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,



Kimberly Byrd  
Inspector General  
Library of Congress

Attachment



KPMG LLP  
Suite 12000  
1801 K Street, NW  
Washington, DC 20006

## Independent Auditors' Report

Inspector General of the Library of Congress  
Executive Director 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 sheet as of September 30, 2021 and the related statements of net cost and changes in net position, and combined statements of budgetary resources for the year 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 U.S. generally accepted accounting principles; 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.

#### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, in accordance with the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and in accordance with Office of Management and Budget (OMB) Bulletin No. 21-04, *Audit Requirements for Federal Financial Statements*. Those standards and OMB Bulletin No. 21-04 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 auditors' 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 Open World Leadership Center as of September 30, 2021 and its net costs, changes in net position, and budgetary resources for the year then ended in accordance with U.S. generally accepted accounting principles.



## **Other Matters**

Financial Statements as of and for the Year Ended September 30, 2020

The accompanying financial statements of the Center as of September 30, 2020 and for the year then ended were audited by other auditors whose report thereon dated April 6, 2021, expressed an unmodified opinion on those financial statements.

### **Required Supplementary Information**

U.S. generally accepted accounting principles require that the information in the Management's Discussion and Analysis (hereinafter referred to as the "required supplementary information") be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Federal Accounting Standards Advisory Board who considers it to be an essential part of financial reporting for placing the basic 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 about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic 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**

### *Internal Control over Financial Reporting*

In planning and performing our audit of the financial statements as of and for the year ended September 30, 2021, we considered the Center's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our 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.

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 a 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 a 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### *Compliance and Other Matters*

As part of obtaining reasonable assurance about whether the Center's financial statements as of and for the year ended September 30, 2021 are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and 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* or OMB Bulletin No. 21-04.

*Purpose of the Other Reporting Required by Government Auditing Standards*

The purpose of the communication described in the Other Reporting Required by *Government Auditing Standards* section is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Center's internal control or compliance. Accordingly, this communication is not suitable for any other purpose.

KPMG LLP

Washington, District of Columbia  
May 23, 2022