

Redwoods Community College District

Eureka, California

MANAGEMENT COMMENT LETTER

June 30, 2015



K · C O E
I S O M



To the Board of Trustees
Redwoods Community College District
Eureka, California

In planning and performing our audit of the basic financial statements of Redwoods Community College District (the District) as of and for the year ended June 30, 2015, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

However, during our audit, we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. This letter does not affect our report dated March 22, 2016, on the financial statements of the District.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with various District personnel, and we will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. Our comments are summarized as follows:

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

2015-A –TIMELINESS OF AUDIT REPORT

Condition

In the current year audit there were significant delays by the management and the audit information was not available for us to begin the audit until December. While we ultimately received all the necessary information and full cooperation of management, these delays caused the final report to be delinquent and not be completed until March 2016. These delays also resulted in the District not meeting a statutory filing requirement by not completing and filing the audit report with the Chancellor's Office by December 31. While the late providing of the audit information was the only indication we encountered, the timeliness of financial information is a key component of the well-designed system of internal controls.

Recommendation

We recommend that the District continue to prioritize the adequate staffing of the business office to allow for the preparation of accurate, complete, and timely financial schedules and information needed by the stakeholder's of the District.

FOLLOW UP ON PRIOR YEAR FINDINGS AND RECOMMENDATIONS

2014-A – CENSUS ROSTER TIMELINESS

Condition

During our audit of the prior year, we noted multiple occurrences where census rosters were not received from professors by the date requested. The result was backdated drops of students. We also noted situations where professors did not add students on to the census roster based on class attendance.

Recommendation

We recommended that the District reinforce the importance of accurate census roster preparation to the professors of the District. As it is the responsibility of the professors to keep accurate records of student attendance.

Current Status

Implemented.

2014-B –UNDERCLAIMING FTES

Condition

During our audit of the current year, we noted three courses where the District underreported FTES due to overscheduling of courses in order to meet the amount of approved contact hours on the course outline. We also noted during discussion with the client that this happens frequently, where they manually reduce the contact hours to be claimed based on the approved course outline.

Recommendation

We recommend that the District follow the Chancellor's Office guidance and claim contact hours based upon reasonable variances caused by legitimate scheduling considerations.

Current Status

Implemented.

This communication is intended solely for the information and use of the audit committee, Board of Trustees, management, federal awarding agencies, Chancellor's Office, the California Department of Finance, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

KCae Team, LLP

March 22, 2016
Redding, California