

Redwoods Community College District

Eureka, California

MANAGEMENT COMMENT LETTER

June 30, 2016



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, 2016, 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 April 4, 2017, 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

2016-A –Timeliness of Audit Report

Condition In the current-year audit, there were significant delays by management, and the audit information was not available for us to begin the audit until January. While we ultimately received all the necessary information and full cooperation of management, these delays caused the final report to be delinquent and was not completed until April 2017. 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 information that was received was accurate) 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

2015-A –Timeliness of Audit Report

Condition In the prior-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 was not 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.

Status – See 2016-A

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.

KCoe Jam, LLP

April 4, 2017
Redding, California