



## **616 POLICY – Compliance Audits and Audited Financial Statements**

### **616.1 Statement of Policy**

Redlands Community College will annually have an independent auditor conduct a compliance audit of the administration of the Title IV programs and an audit of Redlands Community College's general purpose financial statements. The criteria and procedures to be followed in implementing this policy are published in the Procedures section of the Policies and Procedures Manual.

Adopted March 2017



## **616 PROCEDURE – Compliance Audits and Audited Financial Statements**

### **616.1:1 Submission Deadline**

Redlands Community College follows procedures to ensure the audits and audited financial statements are submitted to the Secretary of the Department of Education no later than six months after the last day of Redlands Community College's fiscal year.

### **616.1:2 Audit Submission Requirements**

Redlands Community College, through the details of the contract agreements, ensures the compliance audit covers all Title IV program transactions for each fiscal year, and all general purpose financial statements since the last compliance audit.

Redlands Community College follows the general standards and the standards for compliance audits contained in the U.S. General Accounting Office's (GAO's) Government Auditing Standards, and procedures for audits contained in audit guides developed by, and available from, the Department of Education's Office of Inspector General.

### **616.1:3 Audited Financial Statements**

Redlands Community College follows procedures to ensure the submission of financial statements for the latest complete fiscal year so that the determination of Redlands Community College's financial responsibility can be reviewed and approved.

All documentation submitted to the Secretary of the Department of Education are prepared on an accrual basis in accordance with generally accepted accounting principles, are audited by an independent auditor in accordance with generally accepted government auditing standards, and other guidance contained in the Office of Management and Budget Circular A-133, Circular A-128, or in audit guides developed by, and available from, the Department of Education's Office of Inspector General. Redlands Community College includes, as part of these financial statements, a detailed description of related entities based on the definition of a related entity as set forth in the Statement of Financial Accounting Standards (SFAS) 57.



**616.1:4 Federal Regulation**

This policy and procedure was created and is maintained to be in compliance with Federal regulation 34CFR § 668.23.

Adopted March 2017  
Revised September 2018