

RSI Audit Source Documents

Schedule 2 (California Community Colleges)—Contracted District Audit Manual

Link to Public Document: [CONTRACTED DISTRICT AUDIT MANUAL](#)

RSI Audit Language (Pages 53-54 of the Source Document):

444 APPRENTICESHIP RELATED and SUPPLEMENTAL INSTRUCTION (RSI) FUNDS

.01 Background

Apprenticeship programs offer Californians a pathway to in demand high wage and high-growth careers. Meeting the diverse and technical needs for hundreds of industries and occupations requires training. The planned training involves a progression of tasks on the job combined with classroom instruction.

.02 Criteria

- [Apprenticeship California Labor Code Sections 3070-3093](#)
- [Education Code](#) sections 8150-8155, 79140 - 79149.7
- [California Code of Regulations, title 5](#), section 56652
- [Student Attendance Accounting Manual](#)
- [Budget and Accounting Manual](#) Chapter 3
- Apprenticeship Expenditure and Accounting Guidelines (request these at the site under audit)

.03 Compliance Requirements

- a. Hours for related and supplemental instruction reported to each community college district by a participating apprenticeship program sponsor, pursuant to Education Code section 79149.3, must be eligible for reimbursement pursuant to Education Code section 79149.3.
- b. Reimbursements may be made under this section for related and supplemental instruction provided to indentured apprentices only if the instruction is provided by a program approved by the Division of Apprenticeship Standards of the Department of Industrial Relations in accordance with Chapter 4 (commencing with Section 3070) of Division 3 of the Labor Code.
- c. Reimbursement requests for RSI must be supported by source documents such as student sign in sheets for classes (electronic sign in sheets are acceptable). Remote students must also show proof of having received instruction to be eligible for RSI funds.

.04 Suggested Audit Procedures

- 1) Select a representative sample of students and verify the hours claimed for RSI for the year under audit, as reported by a participating apprenticeship

program sponsor pursuant to Education Code sections 8150.5, 8152, and 79149.3, are eligible for reimbursement, by tracing the hours reported for reimbursement to source documents (i.e., student sign in sheets). For example, when auditing the 2021-22 financial statements, the auditor should test RSI data reported for 2021-22.

- 2) For isolated apprentices, as defined by Labor Code section 3074, select a representative sample of students, and obtain evidence that supports attendance during instructional events.
- 3) State in a finding the resulting hours inappropriately reported for reimbursement and an estimate of their dollar value.

Schedule 3 (K-12 Local Educational Agencies)—Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting

Link to Public Document: [Microsoft Word - Audit Guide July 1 2025](#)

RSI Audit Language (Pages 22-23 of the Source Document):

Q. APPRENTICESHIP: RELATED AND SUPPLEMENTAL INSTRUCTION

1. Select a representative sample of apprentices enrolled in a program for which related and supplemental instruction hours were reported by any participating apprenticeship program sponsor, pursuant to Education Code sections 8150.5, 8152, and 79149.3. Verify the hours reported and claimed are eligible, by tracing the hours reported to source documents (e.g. pupil sign in sheets, timesheets, apprenticeship rosters).
2. For isolated apprentices, as defined by Labor Code section 3074, select a representative sample of pupils and obtain evidence that supports attendance during instructional events.
3. Report any noncompliance and estimated dollar value in a finding.