



Office of the Washington State Auditor
Pat McCarthy

Accountability Audit Report

Richland School District No. 400

For the period September 1, 2021 through August 31, 2022

Published July 20, 2023

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**Office of the Washington State Auditor
Pat McCarthy**

July 20, 2023

Board of Directors
Richland School District No. 400
West Richland, Washington

Report on Accountability

Thank you for the opportunity to work with you to promote accountability, integrity and openness in government. The Office of the Washington State Auditor takes seriously our role of providing state and local governments with assurance and accountability as the independent auditor of public accounts. In this way, we strive to help government work better, cost less, deliver higher value and earn greater public trust.

Independent audits provide essential accountability and transparency for District operations. This information is valuable to management, the governing body and public stakeholders when assessing the government's stewardship of public resources.

Attached is our independent audit report on the District's compliance with applicable requirements and safeguarding of public resources for the areas we examined. We appreciate the opportunity to work with your staff and value your cooperation during the audit.

Sincerely,

Pat McCarthy, State Auditor
Olympia, WA

Americans with Disabilities

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AUDIT RESULTS

Results in brief

This report describes the overall results and conclusions for the areas we examined.

As referenced above, we identified areas where the District could make improvements. These recommendations are included with our report as a finding.

In keeping with general auditing practices, we do not examine every transaction, activity, policy, internal control, or area. As a result, no information is provided on the areas that were not examined.

About the audit

This report contains the results of our independent accountability audit of Richland School District No. 400 from September 1, 2021 through August 31, 2022.

Management is responsible for ensuring compliance and adequate safeguarding of public resources from fraud, loss or abuse. This includes the design, implementation and maintenance of internal controls relevant to these objectives.

This audit was conducted under the authority of RCW 43.09.260, which requires the Office of the Washington State Auditor to examine the financial affairs of all local governments. Our audit involved obtaining evidence about the District's use of public resources, compliance with state laws and regulations and its own policies and procedures, and internal controls over such matters. The procedures performed were based on our assessment of risks in the areas we examined.

Based on our risk assessment for the year ended August 31, 2022, the areas examined were those representing the highest risk of fraud, loss, abuse, or noncompliance. We examined the following areas during this audit period:

- Use of restricted funds – professional learning and local revenue for enrichment activities
- Compliance with supplemental contracts for enrichment activities
- Payroll – gross wages and electronic funds transfers
- Accounts payable – general disbursements
- Open public meetings – compliance with minutes, meetings and executive session requirements
- Financial condition – reviewing for indications of financial distress

SCHEDULE OF AUDIT FINDINGS AND RESPONSES

Richland School District No. 400 September 1, 2021 through August 31, 2022

2022-001 The District did not comply with the Open Public Meetings Act's requirements for special meetings.

Background

The Richland School District services more than 14,140 students from kindergarten through 12th grade in Benton County. An elected, five-member Board of Directors governs the District, which had annual expenditures of about \$269 million during the 2021-022 school year.

Under the Washington Open Public Meetings Act (OPMA), the District is required to provide notice of any special meetings, including the time, place, and details about the business that will be conducted.

Description of Condition

The District held a special meeting in February 2022 and took action on COVID-19 mask requirements which was an item that was not included on the agenda. Therefore, the District did not provide adequate notice for all action items and, as a result, did not comply with the OPMA.

Cause of Condition

The Board of Directors did not fully understand the OPMA's requirements and, therefore, did not dedicate the necessary resources to ensure compliance.

Effect of Condition

The District did not properly conduct a special open public meeting. This limits transparency and the public's knowledge and understanding of the District's operations, including any potential actions. The intent of the OPMA is for the public to have access to its governments' actions and deliberations. The District did not meet the intent of the OPMA because it did not provide adequate notice on all action items, and it might have deprived the public of its right to be present at Board meetings.

Recommendation

We recommend the District comply with the OPMA’s requirements for special meetings and ensure it only addresses the items outlined on the meeting agenda. We also recommend District officials complete available training on the OPMA.

District’s Response

The District understands SAO’s findings that the District violated the Open Public Meetings Act by not properly advertising and then taking action on a matter that was not listed on the agenda at the February 15, 2022, school board meeting. The District had Morgan Damerow, Washington State Assistant Attorney General for Local Government Public Records Consultation, provide the school board with training that covered both the Open Public Meetings Act and the Public Records Act in July of 2022.

Auditor’s Remarks

We thank the District for its cooperation and assistance during the audit and acknowledge its commitment to taking immediate action on the condition described. We will follow up on the status of this issue during the next scheduled audit.

Applicable Laws and Regulations

RCW 42.30.080 – Special Meetings.

RELATED REPORTS

Financial

Our opinion on the District's financial statements and compliance with federal grant program requirements is provided in a separate report, which includes the District's financial statements. That report is available on our website, <http://portal.sao.wa.gov/ReportSearch>.

Federal grant programs

We evaluated internal controls and tested compliance with the federal program requirements, as applicable, for the District's major federal programs, which are listed in the Schedule of Findings and Questioned Costs section of the separate financial statement and single audit report. That report includes a federal finding regarding the District's lack of internal controls related to the allowable costs and activities and unmet need requirements of the Emergency Connectivity Program. That report is available on our website, <http://portal.sao.wa.gov/ReportSearch>.

INFORMATION ABOUT THE DISTRICT

Richland School District No. 400 provides educational services to about 13,100 students in kindergarten through 12th grade in Benton County. The District encompasses about 504 square miles including the cities of Richland, West Richland and a portion of the city of Kennewick. The District operates 10 elementary schools, four middle schools, and two high schools, plus five choice schools.

An elected, five-member Board of Directors governs the District. The Board appoints management to oversee the District's daily operations and about 2,030 employees. For fiscal year 2022, the District reported total revenues of \$240.8 and total expenditures of \$269.8.

Contact information related to this report

| | |
|------------|--|
| Address: | Richland School District No. 400 6972 Keene Road West Richland, WA 99353 |
| Contact: | Cynthia Robinette, Assistant Finance Director |
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Information current as of report publish date.

Audit history

You can find current and past audit reports for Richland School District No. 400 at <http://portal.sao.wa.gov/ReportSearch>.

ABOUT THE STATE AUDITOR'S OFFICE

The State Auditor's Office is established in the Washington State Constitution and is part of the executive branch of state government. The State Auditor is elected by the people of Washington and serves four-year terms.

We work with state agencies, local governments and the public to achieve our vision of increasing trust in government by helping governments work better and deliver higher value.

In fulfilling our mission to provide citizens with independent and transparent examinations of how state and local governments use public funds, we hold ourselves to those same standards by continually improving our audit quality and operational efficiency, and by developing highly engaged and committed employees.

As an agency, the State Auditor's Office has the independence necessary to objectively perform audits, attestation engagements and investigations. Our work is designed to comply with professional standards as well as to satisfy the requirements of federal, state and local laws. The Office also has an extensive quality control program and undergoes regular external peer review to ensure our work meets the highest possible standards of accuracy, objectivity and clarity.

Our audits look at financial information and compliance with federal, state and local laws for all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits and cybersecurity audits of state agencies and local governments, as well as state whistleblower, fraud and citizen hotline investigations.

The results of our work are available to everyone through the more than 2,000 reports we publish each year on our website, www.sao.wa.gov. Additionally, we share regular news and other information via an email subscription service and social media channels.

We take our role as partners in accountability seriously. The Office provides training and technical assistance to governments both directly and through partnerships with other governmental support organizations.

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