Office of the Washington State Auditor
Pat McCarthy

Accountability Audit Report

Richland School District No. 400

For the period September 1, 2022 through August 31, 2023

Published June 27, 2024

Report No. 1035101

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Office of the Washington State Auditor
Pat McCarthy

June 27, 2024

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

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AUDIT RESULTS

Results in brief

This report describes the overall results and conclusions for the areas we examined. In those selected areas, District operations complied, in all material respects, with applicable state laws, regulations, and its own policies, and provided adequate controls over the safeguarding of public resources.

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, 2022 through August 31, 2023.

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, 2023, the areas examined were those representing the highest risk of fraud, loss, abuse, or noncompliance. We examined the following areas during this audit period:

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

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Richland School District No. 400
September 1, 2022 through August 31, 2023

This schedule presents the status of findings reported in prior audit periods.

Audit Period: 9/1/2021-8/31/2022	**Report Ref. No.:** 1032955	**Finding Ref. No.:** 2022-001
Finding Caption: The District did not comply with the Open Public Meetings Act's requirements for special meetings		
Background: 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. 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		
Status of Corrective Action: (check one) ☒ Fully Corrected ☐ Partially Corrected ☐ Not Corrected ☐ Finding is considered no longer valid		
Corrective Action Taken: *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.*		

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 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 13,800 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 11 elementary schools, 4 middle schools, and 2 high schools, including 5 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 2,200 employees. For fiscal year 2023, the District reported total revenues of $245,788,079 and total expenditures of $257,861,217.

Contact information related to this report

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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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