



Office of the Washington State Auditor
Pat McCarthy

Accountability Audit Report

Richland School District No. 400

Benton County

For the period September 1, 2016 through August 31, 2017

Published May 31, 2018

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Office of the Washington State Auditor
Pat McCarthy

May 31, 2018

Superintendent and Board of Directors
Richland School District No. 400
Richland, Washington

Report on Accountability

Thank you for the opportunity to work with you to promote accountability, integrity and openness in government. The State Auditor's Office 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.

The attached comprises 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 we value your cooperation during the audit.

Sincerely,

Pat McCarthy
State Auditor
Olympia, WA

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AUDIT RESULTS

This report describes the overall results and conclusions for the areas we examined. In most of the areas we examined, except as described below, District operations complied with applicable state laws, regulations, and its own policies, and provided adequate controls over safeguarding of public resources.

As referenced above, we also noted certain matters that we communicated to District management and Superintendent and Board of Directors in a letter dated May 24, 2018, related to procurement and credit cards. We appreciate the District's commitment to resolving those matters.

About the audit

This report contains the results of our independent accountability audit of Richland School District No. 400 from September 1, 2016 through August 31, 2017.

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 State Auditor to examine the financial affairs of all local governments. Our audit involved performing procedures to obtain evidence about the District's uses of public resources, compliance with state laws and regulations and its own policies and procedures, and internal controls over such matters.

In keeping with general auditing practices, we do not examine every transaction, activity or area. Instead, based on our risk assessment for the year ended August 31, 2017, the areas examined were those representing the highest risk of fraud, loss, abuse, or noncompliance. The following areas were examined during this audit period:

- Student enrollment reporting - high school
- Payroll – new employees and incentive pay
- General and credit card disbursements
- Selected IT security policies, procedures, practices, and controls protecting financial systems, IT systems, and data
- Procurement for public works, purchases, and purchases through purchasing cooperatives
- Asset tracking of Chromebooks

- Self-insurance – workers compensation and dental benefits
- Associated Student Body – revenues, cash receipting, and expenditures

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>.

Other reports

We have conducted a separate audit to examine the District's compliance with Alternative Learning Experience (ALE) requirements. That separate report also includes the status of findings contained in the prior year audit report relating to the District's compliance with ALE requirements. 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 approximately 13,600 students in kindergarten through 12th grade in Benton County. The District encompasses approximately 504 square miles including the cities of Richland, West Richland and a portion of the city of Kennewick. The District operates ten elementary schools, four middle schools, and three high schools, including one alternative high school.

An elected, five-member Board of Directors governs the District. The Board appoints management to oversee the District's daily operations as well as its approximately 1,650 employees. For fiscal year 2017, the District reported approximately \$199 million in expenditures.

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

We work with our audit clients and citizens to achieve our vision of government that works for citizens, by helping governments work better, cost less, deliver higher value, and earn greater public trust.

In fulfilling our mission to hold state and local governments accountable for the use of public resources, we also hold ourselves accountable by continually improving our audit quality and operational efficiency and developing highly engaged and committed employees.

As an elected agency, the State Auditor's Office has the independence necessary to objectively perform audits and investigations. Our audits are designed to comply with professional standards as well as to satisfy the requirements of federal, state, and local laws.

Our audits look at financial information and compliance with state, federal and local laws on the part of all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits of state agencies and local governments as well as [fraud](#), state [whistleblower](#) and [citizen hotline](#) investigations.

The results of our work are widely distributed through a variety of reports, which are available on our [website](#) and through our free, electronic [subscription](#) service.

We take our role as partners in accountability seriously, and provide training and technical assistance to governments, and have an extensive quality assurance program.

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