

**RICHMOND HEIGHTS
LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

MANAGEMENT LETTER

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2016**

James G. Zupka, CPA, Inc.
Certified Public Accountants

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To the Board of Education
Richmond Heights Local School District
Richmond Heights, Ohio

MANAGEMENT LETTER

In accordance with *Government Auditing Standards* applicable to financial audits, we have audited the basic financial statements of the Richmond Heights Local School District, as of and for the year ended June 30, 2016, and have issued our report thereon dated November 18, 2016.

Government Auditing Standards also require that we describe the scope of our testing of compliance with laws and regulations and internal control over financial reporting and report any irregularities, illegal acts, other material noncompliance, and significant deficiencies in the internal controls. We have issued a report dated November 18, 2016, on internal control over financial reporting and compliance required by *Government Auditing Standards* as of and for the year ended June 30, 2016.

The Uniform Guidance requires that we report all material (and certain immaterial) instances of noncompliance and significant deficiencies in internal control, related to major federal financial assistance programs. We have issued the required report dated November 18, 2016, for the year ended June 30, 2016.

We are submitting for your consideration the following comments on the Richmond Heights Local School District's compliance with applicable laws and regulations and on its internal controls. These comments reflect matters that, while in our opinion do not represent material instances of noncompliance or deficiencies in internal control, we believe represent matters for which improvement in compliance or internal control or operational efficiency might be achieved. Due to the limited nature of our audit, we have not fully assessed the cost-benefit relationship of implementing the recommendations suggested below. However, these comments reflect our continuing desire to assist your government. If you have any questions or concerns regarding these comments, please do not hesitate to contact us.

Comments with an asterisk (*) denotes comments that were previously reported to management in the June 30, 2015 audit for which corrective action has not been taken.

1. **Food Service Revenue** *

Per our review of food service cash receipts, we noted the Food Service manager does not attach the print-out report from the cash registers to the deposit slip, pay-in form when submitted to the Treasurer's office to be deposited to the bank.

Recommendation

To improve the control over revenue collection and strengthen the segregation of duty, we recommend the food service manager attach the print out from Meal Magic Net Suite System along with the bank deposit slip, pay-in form and the money collected, to the Treasurer's Office Account Clerk. The Account Clerk should reconcile the amounts from the print-out to the actual collection. The recommendation was implemented in April, 2016.

2. **Attendance Records** *

While testing the excused absences, we noted three instances, in which the student files did not have the phone logs, supporting an excused absence. We also noted one instance, where a student was "tardy" but instead was reported as "absent".

Recommendation

Per ORC sections §3317 Excuses for "excused" absences should be available in the school office and with the class list for each attendance teacher. This includes notes from home, phone logs, suspension notices, and other relevant documents. All excuses from parents, and other documents, regardless of format or condition, become official attendance records. Ohio Revised Code §3317.031 requires, "this membership record shall be kept intact for at least five years and shall be made available to the State Board of Education or its representative in making an audit of the average daily membership or the transportation of the district". Therefore, we recommend the District establishing procedures for keeping the excused absences notes in accordance with the ORC guidelines. We also recommend the District to follow carefully its attendance policy when it records a student absence as excused or unexcused.

3. **Contracts**

We noted that no search for unresolved finding for recovery was performed before awarding the contracts. Ohio Revised Code Section 9.24 and AOS Bulletins 2003-009 and 2004-006 "prohibits a state agency or political subdivision from awarding a contract for goods, services or construction, which is paid for in whole or in part with state funds, to a person against whom a finding for recovery has been issued by the Auditor of State, if the finding for recovery is unresolved".

Recommendation

We recommend that the District comply with ORC and have the advertisements published for at least two weeks prior to the bid opening. We also recommend that the District performs the search for unresolved finding for recovery to ensure compliance with ORC Section 9.24.

Should you have any questions regarding the above matters or should you desire our assistance in their implementation, we would be pleased to discuss this with you at your convenience.

We take this opportunity to express our appreciation for the cooperation and assistance extended to our representatives during the course of our audit.

This report is intended for the information and use of management, members of the District's Board of Education, and the District's Audit Committee and is not intended to be and should not be used by anyone other than these specified parties.

James G. Zupka, CPA, Inc.
Certified Public Accountants

November 18, 2016