



Dave Yost • Auditor of State

**RICHARD ALLEN ACADEMY III COMMUNITY SCHOOL
MONTGOMERY COUNTY**

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INDEPENDENT ACCOUNTANT'S REPORT

Richard Allen Academy III Community School
School Employees Retirement System
RSM US, LLP
1206 Shuler Avenue
Hamilton, Ohio 45011

We were engaged to examine the Richard Allen Academy III Community School, Butler County management's assertion that the census data and pensionable wages reported to the School Employees Retirement System as of June 30, 2017, and for the year then ended was accurate and complete.

Management asserts that:

- The census data provided to the School Employees Retirement System as of June 30, 2017 is accurate and complete. Census data includes
 - First and Last Name;
 - Last four digits of the social security number;
 - Gender;
 - Date of Birth;
 - Contributions remitted to the plan;
 - Pensionable Compensation;
- The census data provided to the School Employees Retirement System as of June 30, 2017 included all enrolled employees.
- Census data changes occurring during the year ended June 30, 2017 to an enrolled employee's eligible compensation, were properly updated with the School Employees Retirement System
- All employees required to be enrolled in the School Employees Retirement System in accordance with statutory requirements were properly enrolled.
- The total pensionable wages and employee contributions information reported to the School Employees Retirement System for the year ended June 30, 2017 agrees with the payroll records of the employer.

Richard Allen Academy III Community School's management is responsible for the assertions. Our responsibility is to opine on management's assertions based on conducting the examination in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements included in the Comptroller General of the United States' *Government Auditing Standards*.

The School's Management Company did not provide us with the Management Company's general ledger. Therefore, we were unable to reconcile the pensionable wages and contributions information provided for the examination to the general ledger. As a result, we were unable to gain the necessary assurances regarding the completeness and accuracy of pensionable wages and contributions information provided for the engagement and reported to the School Employees Retirement System.

Because of the restriction on the scope of our examination discussed in the preceding paragraph, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on the accuracy and completeness of the census data and pensionable wages reported to the School Employees Retirement System as of and for the year ended June 30, 2017.

In accordance with Government Auditing Standards, we are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses in internal control; fraud and noncompliance with provisions of laws or regulations that have a material effect on the accuracy and completeness of the census data and pensionable wages; and any other instances that warrant the attention of those charged with governance; noncompliance with provisions of contracts or grant agreements, and abuse that has a material effect on the subject matter. We are also required to obtain and report the views of responsible officials concerning the findings, conclusions, and recommendations, as well as any planned corrective actions. We were engaged to perform our examination to express an opinion on whether management's assertions regarding the accuracy and completeness of the census data reported to the retirement system are fairly stated, and not for the purpose of expressing an opinion on the internal control over the accuracy and completeness of the census data provided to the pension system, or on compliance and other matters; accordingly, we express no such opinions. Our engagement disclosed a certain finding that is required to be reported under *Government Auditing Standards* and the finding, along with the view of responsible officials, is described in the attached Schedule of Findings.

This report is intended solely for the information and use of Richard Allen Academy III Community School's management, the Board, School's Sponsor, and School Employees Retirement System, and RSM US LLP to provide assurances that the census data reported to the School Employees Retirement System is accurate and complete. This report is not suitable for any other purpose.



Dave Yost
Auditor of State

Columbus, Ohio

November 27, 2017

**RICHARD ALLEN ACADEMY III COMMUNITY SCHOOL
BUTLER COUNTY**

**SCHEDULE OF FINDING
YEAR ENDED JUNE 30, 2017**

FINDING NUMBER 2017-001

Material Weakness

During 2017, the Richard Allen Academy III Community School was selected by School Employees Retirement Systems' (SERS) auditors as one of the schools in the State of Ohio for census data testing. The results of the testing are used by the SERS auditors to gain assurance that the data reported by employers across the state was complete and accurate to allow SERS to correctly calculate its net pension liability and the proportionate share for each employer contributing to the retirement system.

The School's Management Company did not provide auditors with the Management Company's general ledger. This scope limitation resulted in the inability to gain assurances regarding the completeness of the the census data (i.e. pensionable wages and contributions) provided for the examination engagement. As a result, we were unable to determine whether the School had effective controls to assure complete and accurate census data was reported to SERS and we were unable to provide an unmodified opinion on the on the School's assertions regarding the accuracy and completeness of the School's census data.

The School's Board should review and revisit the management company contract to verify that the Management Company is accountable for complying with all required federal and state requirements. Failure to do so could result in modification of the School's opinion, additional audit cost and actions by the retirement systems against the School.

Management's Response – We did not receive a response from Officials to this finding.

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RICHARD ALLEN ACADEMY III COMMUNITY SCHOOL - SERS

BUTLER COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
DECEMBER 26, 2017**