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While there is still much work to be done, the State Public Charter School Commission should be commended for the significant progress it has made in a relatively short time.

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<http://auditor.hawaii.gov/>

Report on the Implementation of State Auditor's 2011 Recommendations

Report No. 14-06, April 2014

Most public housing recommendations implemented; new charter schools framework promises accountability

The 2008 Legislature amended the Auditor's governing statute to require follow-up reporting on recommendations made in various audit reports to ensure agency accountability over audit recommendations. The purpose of this change was to apprise the Legislature annually of recommendations not implemented by audited agencies, and to require such agencies to submit a written report not later than 30 days after issuance of our report explaining why the recommendation was not implemented and the estimated date of its implementation.

Our review focused on entities' implementation of 25 audit recommendations made in calendar year 2011. This report details each recommendation, its status, and actions taken related to the recommendation. We made 12 recommendations in Report No. 11-01, *Management Audit of the Hawai'i Public Housing Authority*. In our follow-up, we found seven were closed (59 percent), four were open but in progress (33 percent), and one was no longer applicable (8 percent). The remaining 13 recommendations related to Report No. 11-03, *Performance Audit of the Hawai'i Public Charter School System*. Following the release of our report, the Legislature amended Hawai'i's public charter school law and overhauled the charter school system governance structure. Therefore, instead of revisiting Report No. 11-03's recommendations, which were addressed to a now-repealed Charter School Review Panel, we provide a brief overview of the new governance structure and accountability system with a focus on functions that address the report's concerns of lack of oversight.

Management Audit of the Hawai'i Public Housing Authority, Report No. 11-01

In Report No. 11-01, we found that the Hawai'i Public Housing Authority's (HPHA) monitoring of its housing project managers, both state and private, was sporadic and lacked robustness. In addition, both state- and privately-run housing projects had backlogs of repair and maintenance issues. Moreover, turnaround on vacant units was slow, adversely impacting families on the waiting list as well as rent collections. Inventory procedures also varied considerably between housing projects, and there was no uniform method for addressing tenant complaints.

Our follow-up review found that HPHA has made progress implementing many of our recommendations in oversight and significantly improved occupancy rates. However, HPHA still lacks policies and procedures to ensure robust monitoring of Asset Management Project performance and the uniform addressing of complaints. In addition, HPHA lacks accurate work order data. We also experienced difficulty in obtaining documentation from HPHA and scheduling interviews with staff, which hindered our ability to evaluate and verify whether the authority had implemented the recommendations in Report No. 11-01.

Performance Audit of the Hawai'i Public Charter School System, Report No. 11-03

In Report No. 11-03, we found that the Charter School Review Panel had misinterpreted state law and minimized its role in accountability. The panel, responsible for holding charter schools accountable for their performance, did not collect meaningful and reliable data, did not analyze the information it did receive, and offered little guidance to schools. As a result, Hawai'i's charter school system had been operating without any real outside oversight. Our follow-up found that Act 130, Session Laws of Hawai'i 2012, established a new governance structure that requires a newly established State Public Charter School Commission to play an integral and active role in overseeing charter schools. The commission's new accountability system, known as the Performance Framework, promises to provide real oversight of charter school performance.