

Auditor's Summary

Audit of the Office of Hawaiian Affairs' Competitive Grants and Report on the Implementation of 2013 Audit Recommendations

Report No. 18-08



PHOTO: OHA

IN REPORT NO. 18-08, *Audit of the Office of Hawaiian Affairs' Competitive Grants and Report on the Implementation of 2013 Audit Recommendations*, we reviewed the Office of Hawaiian Affairs' two competitive grant programs, i.e., those with a formal solicitation process: 'Ahahui Grants and Community Grants. We also assessed the status of OHA's implementation of the 23 recommendations in our 2013 audit of OHA, which relate to OHA's land management and grants administration processes. This report is a companion to Report No. 18-03, *Audit of the Office of Hawaiian Affairs*, issued in February 2018.

What we found

Although the policies and procedures for OHA's competitively awarded grants are largely defined, we found shortcomings in the way that the agency's grants staff monitors and evaluates these grants. Specifically, while OHA predominantly met the statutory requirements for its Community Grants, it did not consistently meet the requirements to monitor and evaluate 'Ahahui Grants. For example, OHA did not require that staff attend and monitor 'Ahahui Grant-funded events, and afterward, did not formally evaluate the events to determine whether they met the intended objectives and/or should be funded in the future.

With regard to the 23 recommendations made in our 2013 audit, we found that OHA has fully implemented 7 of those recommendations and partially implemented 15 others. OHA has taken no action and does not intend to implement one of the recommendations.

Why did these problems occur?

In some cases, OHA does have policies and procedures in place that, if performed consistently, could provide the requisite assurance that both 'Ahahui Grants and Community Grants are being awarded and used in a manner consistent with the purpose and intent of the grant, and allow OHA to assess whether the grant achieved the expected results. However, in practice, these procedures are not followed in every case, leading to gaps in OHA's process for competitively awarded grants. Additionally, the agency has not established policies and procedures that fully address the statutory requirements for monitoring and evaluating all OHA grants.

Why do these problems matter?

Without consistent monitoring and evaluation of its competitive grants, OHA cannot ensure it is meeting its statutory requirements. While the total dollar amounts being awarded in the form of competitive grants are relatively small, compared to OHA's non-competitive grants and total annual budget overall, OHA still has a fiduciary obligation to its beneficiaries to ensure that Native Hawaiian Trust Fund resources are used consistent with their intended purpose in order to better the conditions of all Native Hawaiian and Hawaiian beneficiaries, both in the short-term and in the future.

