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# CITIZENS SUMMARY

## Findings in the audit of Hope Academy Charter School

Background	<p>The State Auditor's Office initiated an audit of the Hope Academy Charter School in November 2013 after receiving information from the Department of Elementary and Secondary Education that falsification of attendance data had occurred at the Hope Academy Charter School. Hope Academy was a charter school operating in Kansas City from August 2009 until June 2014. The school's sponsor, the University of Missouri-Kansas City, notified the school of its plans to withdraw its sponsorship in December 2013. The school board voted in April 2014 to close the school as of June 30, 2014, and the last day of classes was June 11, 2014.</p>
Attendance Data and Procedures	<p>Hope Academy attendance data for 2012-2013 and 2013-2014 school years was incomplete and inaccurate, and significantly overstated actual attendance. School attendance data was reported to the Department of Elementary and Secondary Education and certified by the former Hope Academy Core Data Consultant or superintendent. Falsification of attendance data provided to the state resulted in Hope Academy receiving significantly more funding than it should have. As a result, the school received overpayments in state funding totaling approximately \$3.1 million for the 2012-2013 school year and \$1.24 million for the 2013-2014 school year.</p>
Academic Integrity	<p>School officials did not follow board policies to properly track academic information, including student time spent logged on to the online learning system, which was not always completed under the supervision of a certified teacher. Service learning records were not properly maintained or approved and service learning activities did not meet established criteria. A review of available service learning records showed the school allowed credit for questionable activities, including babysitting, cutting grass, grocery shopping, cleaning house and dog walking. These activities were not aligned with state service learning standards.</p> <p>Student enrollment was not always properly documented or verified. In addition, documentation and reporting of eligibility and participation in the Free and Reduced Lunch and English Language Learners programs was not adequate. Some attendance and graduation information reported to the state was not accurate, and the school did not verify adequate credits were earned by all graduates. Students with excessive consecutive absences were not withdrawn and student withdrawals or transfers were not always properly documented.</p>
Closure and Outstanding Liabilities	<p>Hope Academy was overpaid by approximately \$1.24 million in state funding for the first 9 months of the 2013-2014 school year. In an attempt to recoup this overpayment, the Department of Elementary and Secondary Education withheld payments totaling approximately \$600,000 to Hope Academy for the last 3 months (April-June) of the school year and requested reimbursement for an additional \$640,000. In June 2014, the board offered to pay back \$200,000 and enter into a payment plan for the remaining liability until the debt was paid or legal matters could be resolved. As of August 2015, the settlement had not been accepted and Hope Academy had not reimbursed the remaining \$640,000 in overpayments. In addition, Hope</p>

Academy was overpaid by at least \$3.1 million dollars based on inflated attendance for the 2012-2013 school year, resulting in an additional liability.

Procurement Procedures and Contracting

The school board did not bid the purchase of building supplies, instructional supplies, office supplies, and homeless student uniforms totaling \$190,000 for the 2012-2013 school year, including \$104,000 in supply purchases from one vendor. In addition, concerns were noted with the board's procurement and contracting procedures for professional service providers.

In the areas audited, the overall performance of this entity was **Poor**.\*

\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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