



Follow-up on the Management and Financial Audit of the Judiciary

A Report to the Governor and the Legislature of the State of Hawaii

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U.S. Department of Justice
National Institute of Justice

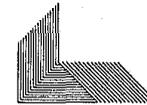
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THE AUDITOR
STATE OF HAWAII

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Under its assigned missions, the office conducts the following types of examinations:

1. *Financial audits* attest to the fairness of the financial statements of agencies. They examine the adequacy of the financial records and accounting and internal controls, and they determine the legality and propriety of expenditures.
2. *Management audits*, which are also referred to as *performance audits*, examine the effectiveness of programs or the efficiency of agencies or both. These audits are also called *program audits*, when they focus on whether programs are attaining the objectives and results expected of them, and *operations audits*, when they examine how well agencies are organized and managed and how efficiently they acquire and utilize resources.
3. *Sunset evaluations* are conducted of professional and occupational licensing programs to determine whether the programs should be terminated, continued, or modified. These evaluations are conducted in accordance with a schedule and criteria established by statute.
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6. *Special studies* are conducted when they are requested by both houses of the Legislature. The studies usually address specific problems for which the Legislature is seeking solutions.

Hawaii's laws provide the Auditor with broad powers to examine all books, records, files, papers, and documents and all financial affairs of every agency. The Auditor also has the authority to summon persons to produce records and to question persons under oath. However, the Office of the Auditor exercises no control function, and its authority is limited to reviewing, evaluating, and reporting on its findings and recommendations to the Legislature and the Governor.



THE AUDITOR STATE OF HAWAII

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Submitted by

THE AUDITOR
STATE OF HAWAII

Report No. 90-18
December 1990

Foreword

In January 1989, the Office of the Legislative Auditor issued a report on the Management and Financial Audit of the Judiciary. The report contained numerous recommendations relating to the Judiciary's administration and its management of caseflow, records, information systems, personnel, court-related programs, and financial operations. In the Judiciary Supplemental Appropriations Act of 1990, the Legislature directed the auditor to review the actions taken by the Judiciary to implement the recommendations in the audit report. This report responds to that request.

We wish to express our appreciation to the Judiciary for the cooperation and assistance extended to us by its staff.

Newton Sue
Acting Auditor
State of Hawaii

December 1990

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Follow-Up on the Management and Financial Audit of the Judiciary

Section 30A of the Judiciary Supplemental Appropriations Act of 1990 directs the Judiciary to submit a written report to the auditor on the progress it has made in implementing each of the recommendations in the auditor's *Management and Financial Audit of the Judiciary* which was submitted in January 1989. This report contains our comments on the Judiciary's report submitted to the auditor on October 26, 1990. The complete text of the report is in the appendix. We summarize the actions taken by the Judiciary to correct problems in its administration, caseflow management, records management, management of information systems, personnel management, and financial management.

Summary of Assessment

Our overall assessment is that the Judiciary is continuing to make slow but steady progress. It is to be commended for a willingness to recognize problems and a commitment to solving them. The Judiciary has made important organizational changes that clarify the roles and responsibilities of judges and administrators. The courts continue to struggle with caseflow, their progress hampered by inadequate data on workload in the various circuits and the lack of automated support for caseflow. Attention is being paid to managing records and planning for future storage. The hiring of a chief information officer marks a promising beginning in the management of the Judiciary's information systems. Personnel management has improved, as has financial management.

Administration

The Judiciary has made substantial progress in creating a clearer organizational structure. It has prepared organizational charts and functional statements for most units. The Judiciary is working to separate those programs and functions that belong more appropriately with the courts from those that belong with the office of the administrative director. Yet to be adopted is a formal policy on reorganization. An administrative procedures manual that would codify organizational policies was to have been completed by November 1990, but has been delayed to April 1991.

The Judiciary has developed *criteria* for evaluating the performance of the administrative director and other top officials. Yet to be developed are *procedures* for conducting performance reviews of top management personnel.

A priority for the Judiciary is to create an information system for generating the data needed to manage administrative, fiscal, and court operations. To this end, it has hired a chief information officer to head the new Telecommunications and Information Services Division within the administrative director's office. This new division will consolidate all data processing and information functions, including voice, data, and video technologies.

Caseflow Management

Caseflow management has been improved by creating clearer organizational structures in the family and district courts and by attempting to codify policies and procedures. Inadequate computer support and management information, however, continue to forestall meaningful caseflow management.

The family courts have been restructured as separate organizational entities, giving them a stronger identity. The First Circuit Family Court has been organized into three divisions--juvenile, domestic, and special--with lead judges assigned to each division for nine months. The foster parenting, volunteer guardians ad litem, and juvenile monetary restitution programs, formerly with the Program Services Office in the administrative director's office, are now in a new Juvenile Program Services Office within the family court. The program services functions on the neighbor islands have also been transferred to the respective family courts. There are now family court judges in all circuits except Kauai.

Contrary to our recommendation, the Judiciary continues to rely heavily on per diem judges, and it has not yet adopted a training program for them. Per diem judges fill the gap in district court when district court judges are rotated to circuit court. As for our recommendations on the selection and retention of per diem judges, the Chief Justice has created a committee to review whether per diem judges should be retained. The committee follows much the same methods as the Judicial Selection Committee.

The Judiciary is continuing to review caseflow standards, policies, and goals. It hopes to compile these when the review is completed. Because of the magnitude of the tasks of collecting, analyzing, and distributing statistics and integrating different automated systems, the Judiciary estimates that completion will take another year.

The National Center for State Courts is working with the Judiciary to review workload. Developing uniform workload counts is part of this review, and the Judiciary is trying to get agreement on data elements and definitions. It hopes to have individual caseload management plans for each court and, eventually, a system-wide plan

for caseload and caseflow. Court administrators have had the opportunity to attend training programs on reducing court delay. A series of training sessions have also been completed on each of the neighbor islands.

The Judiciary continues to examine ways to expedite bail forfeitures, and it intends to reintroduce legislation to decriminalize traffic offenses.

With respect to the recommendation that support functions to the courts be improved, the Judiciary says that it will continue to develop appropriate plans, projects, and timetables to meet the courts' needs, and that the personnel office has reduced the age of pending classification requests from five years to two years.

The Judiciary is working on facilities improvements. It is preparing to hire a coordinator for capital improvement projects. A Capital Improvement Project Committee has reviewed all requests for renovation projects and has applied space standards to all new facilities planned by the Judiciary.

Records Management

The Judiciary is making progress on records management--a neglected function in recent years. As we reported last year, the Supreme Court has adopted records retention schedules.

Case files are still inefficiently maintained and difficult to access at the Oahu district court, but slow progress is being made in implementing the records retention schedule. Some records have been refiled, reboxed, and indexed, and policies and procedures are being developed. The district court records manager participated in national conferences on records management. Oahu district court has a microfilm unit to film records, but microfilming has been held up until personnel can be hired to run the equipment.

The First Circuit Court is experimenting with optical disk imaging to help with paper flow, work activity, and records storage. A pilot project using this technology is being conducted in the family court.

Management of Information Systems

The development of an adequate information system is a top priority for the Judiciary. A chief information officer hired in August 1990 has been working with the Executive Committee on Technology to set policy and project priorities for all the Judiciary's technology projects.

The newly organized Telecommunications and Information Services Division headed by the chief information officer is now responsible for voice, data, image, and video technologies. The chief information officer has initiated a "strategic planning process" that will bring all information systems into an integrated communications network. He intends to audit the information systems for the circuit (HAJIS) and district (TRAVIS) courts and to estimate what will be needed to either enhance or replace the systems.

The Judiciary determined last year that leasing an IBM 4381 was more prudent than purchasing. With the lease expiring soon, the Judiciary has acquired an IBM 3081 from the executive branch at no cost. The Judiciary plans to lease peripheral equipment to complete the system and have it operational by November 1990.

Personnel Management

The Judiciary continues to make progress in the area of personnel. It developed functional statements for each unit and drafted organizational charts depicting number and type of staff. In recent months, the personnel office amended position descriptions and class specifications to reflect the new reporting relationships. The Personnel Manual of Policies and Procedures scheduled for completion by December 1990 is now slated for completion in April 1991. The Judiciary says that the manual will include information on such concerns raised by the audit as position transfers, contract hires, and the role and authority of the personnel administrator.

The efficiency of the personnel office has been improved by its commitment to reduce backlog and use management information more effectively. The office has done a time study of classification actions, developed time standards for processing requests, and hired a full-time clerk to relieve classifiers of clerical tasks. For the first time in years, the classification section is fully staffed. In recruitment, the office first used a tracking system to identify trouble spots and then developed new time standards. The office now regularly reviews the quarterly vacancy reports, identifies pending actions, and tries to expedite them. The office also monitors progress by requiring status reports from each section at its monthly staff meetings.

Some needed changes in the training program for judicial and support staff should be in place by mid-1991. A Judicial Education Planning Committee, composed of both judges and administrative staff, is spearheading an education program for judges and has drafted a judicial education plan. The office has also drafted a plan for nonjudicial employees and has hired an educational officer to coordinate nonjudicial training. The personnel office has begun to hold orientation sessions for new employees.

Progress has been mixed in other areas. After an unsuccessful attempt last year, the Judiciary is about to hire an affirmative action officer. The person will be assigned to the Administrative Director's office. The backlog of performance appraisals has been eliminated, and the personnel office now offers a course for supervisors in conducting evaluations. The status of the preemployment medical standards program is still not clear. The contract is currently being reviewed as to its effectiveness in achieving the original purpose of the program--to reduce workers' compensation claims--but a decision about its future has not been made.

Management of Court-Related Programs

The Office of the Sheriff was transferred to the executive branch on July 1, 1990.

With respect to improving the serving of civil process, the Judiciary has appointed a committee of judges and attorneys to examine ways of streamlining service. The committee is reviewing proposed qualifications for process servers and is looking into the possibility of transferring licensing authority from the Supreme Court to the Department of Commerce and Consumer Affairs.

The Judiciary has not yet completed a formal program development policy but intends to do so by December 1990. It has established two program evaluation positions.

Financial Management

This section covers improvements in the Judiciary's budgeting practices and in accounting and internal control procedures.

Budgeting

The Judiciary reported that the audit recommendation to develop a realistic budget base has been implemented and will be reflected in the 1991-93 biennium budget. The Judiciary maintains that it utilizes a budget format similar to that of the executive branch. Purchasing replacement equipment with program savings has been prohibited, and the policies on contingent purchases have been clarified.

The Judiciary says it has tightened its budget preparation procedures and should be better able to present and defend its budget requests. Overall, the Judiciary appears to want to budget and expend in accordance with legislative expectations and make corrections to meet the criticisms of its budgeting.

The Judiciary maintains that it has always followed the requirements of Chapter 37, the Executive Budget Act, in the information elements of its budget submissions. Because of the small size of its budget in comparison to that of the executive branch, it has combined into one document its program and financial plan, its biennial or supplemental budget request, and its variance report. Page layouts are not identical to those of the executive branch documents, and this may have contributed to the concerns about the Judiciary's budget format. In some respects, the Judiciary's budget document is now more readable than the executive's.

Accounting and internal controls

The Judiciary has made a number of improvements in its accounting and internal control procedures. We find that it has fully complied with the following recommendations.

- . The Honolulu District Court segregates duties over cash disbursement.
- . Hilo and Kauai Circuit Courts are complying with approval procedures for checks.
- . Controls over check signing machines and unused checks have been implemented.
- . All purchase orders are being properly approved.
- . Proper procedures for authorizing summary warrant vouchers are being followed.
- . Courts are complying with prescribed controls over noncash assets for small estate and guardian offices.
- . The Kaneohe court is providing due notice to individuals who cannot be located prior to escheating their unclaimed bails to the State.
- . Oahu and Wailuku District Courts are current in processing bail-by-mail payments. A lock-box system is expected to be implemented by June 1991.
- . The district courts are now reconciling all trust fund accounts.
- . The Hilo, Wailuku, and Kauai district courts are properly depositing and processing bail-by-mail underpayments and billing remaining balances to violators.

The backlog in delinquent parking citations has been substantially reduced at the Maui and Kauai district courts. Both courts have implemented a computer program to reduce the backlog of issuing notices of delinquent parking citations and license plate stoppers.

Progress is being made in the following areas but is often slowed by personnel shortages and vacancies:

- . Policies and procedures to safeguard court evidence were to have been completed by December 1989 but are now scheduled for completion by March 1991. All circuit courts are now performing periodic physical inventories.
- . Except for Kauai, unclaimed bail is still not being disposed of in a timely manner in the various circuits. Maui and Hawaii courts continue to hold unclaimed bail dating back to the 1970s totaling \$431,000. The First Circuit Court has not been disposing of unclaimed bail in a timely manner because of the lack of staff. It could not estimate the amount of unclaimed bail in excess of two years. And as of November 19, 1990, the Honolulu District Court had not turned over to the Director of Finance outstanding checks more than six months old.
- . The family court is still working to reduce the backlog of delinquent fines and restitutions. It plans to be fully up-to-date by December 31, 1990.
- . Procedures are in place for proper segregation of duties over cash receipts at the Honolulu Circuit Court. However, due to staff shortages, complete segregation does not currently exist because the cashier who verifies the daily collections also handles cash.
- . The Honolulu District Court substantially reduced the backlog of issuing bench warrants on delinquent deferred payments but a computer system shutdown resulted in a two-month backlog of approximately 1,500 cases as of November 21, 1990. Contrary to the Judiciary's report that a computer program for automatic issuance is being developed, this was deemed unfeasible by the district court.
- . Honolulu District Court now reconciles all trust fund accounts, but bail deposits totaling \$542,000 have not been reconciled. The court is not properly depositing bail-by-mail underpayments due to the increased workload and additional procedures required to process such underpayments. Instead,

underpayments are returned to the violator with the citation and an explanation letter.

The Lahaina District Court is preparing penal summonses on a timely basis, but the Wailuku District Court had an estimated 13,000 citations dating back to 1985 for which penal summonses were ordered but not prepared. The Judiciary intends to fill two vacant account clerk positions that will be assigned duties relating to processing penal summonses. Neither Maui nor Honolulu district court has assigned specific individuals to be responsible for follow-up of outstanding penal summonses as we had recommended.



Office of the Administrative Director of the Courts
The Judiciary • State of Hawaii

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October 26, 1990

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OFFICE OF THE AUDITOR
STATE OF HAWAII

Mr. Newton Sue
Acting Auditor
Office of the Auditor
465 S. King Street, Room 500
Honolulu, Hawaii 96813

Dear Mr. Sue:

On behalf of Chief Justice Herman Lum, I am pleased to provide you with the enclosed report which updates our previous responses of January 10, 1990 and October 31, 1989. Substantial progress has now been made and nearly all of the recommendations contained in Auditor's Report 89-5 have been implemented or are well on the way to completion. Management and Financial Audit of the Judiciary has been an important tool in improving our organizational effectiveness and I look forward to reporting on many of the items contained in it to the Legislature during the next session. Should you have any questions in the meantime or if I can provide you with additional information, please contact me at 548-4605.

Sincerely,

Irwin Tanaka
Administrative Director
of the Courts

1. Recommendation: Establish a formal process to formulate and disseminate policy. The process should ensure staff participation and identify the points at which various policies become official, the kinds of policies various offices have the authority to issue, and the policies which are currently in effect. (Chapter 3, page 34)

The Judiciary is continuing its development of a comprehensive administrative policies and procedures manual. The 1990 Legislature appropriated funds for this purpose and the Judiciary is seeking bids from firms to consult and assist. Substantive policies and procedures are being gathered and codified and the entire manual should be completed by April, 1991.

2. Recommendation: Give priority to developing a policy on organization that requires all units to have functional statements describing the duties and responsibilities of the unit accompanied by organization chart that accurately depicts, to the extent possible, the number and type of staff in each unit and the reporting relationship. The policy should delineate the procedures for reorganization, the steps in the review process, and the process for approval by the chief justice. (Chapter 3, page 34)

Funds have been approved by the Legislature and a Request for Proposal (RFP) has been prepared for a consultant to revise and update the Personnel Manual of Policies and Procedures. Since the monitoring of Judiciary reorganization is an assigned function of the Personnel Office, the processing of reorganization will be included as a separate chapter in the personnel manual. The timetable for the publication of this manual was originally estimated as December 30, 1990 has been changed to April 30, 1991.

3. Recommendation: In consultation with the justices of the supreme court, establish policy and procedures for evaluating the performance of the administrative director and other top administrators. (Chapter 3, page 34)

Rating criteria for the administrative director of the courts have been developed based on the functions and responsibilities delineated in the Hawaii Revised Statutes. Rating criteria have been developed for other top Judiciary managers based on official functional statements.

4. Recommendation: Begin to reorganize the Judiciary by focusing on the functions of the courts and how they can be best supported. In doing so:

*The authority and responsibility of administrative judges should be clearly established and differentiated from those of the administrative director and their salaries should be reviewed to determine whether they should be compensated for their additional duties;

*Authority over chief clerks and court staff should either comply with the law or the Judiciary should seek to have the law amended;

*Specifications and position descriptions of the chief clerks should be reviewed and upgraded and made more accurate and consistent. Supervision over the position should be clarified and the position of an exempt chief clerk should be converted to civil service; and

*The organization of the office of the administrative director should focus on support functions, particularly those assigned by statute. (Chapter 3 page 34-35)

Although formal reorganization was approved and accomplished on December 14, 1989, the Judiciary continues to implement various aspects of its administrative restructuring. In keeping with Recommendation #4, consultants have been contracted to review the reorganization plan, interview administration staff and administrative judges, conduct seminars and educate and train judges and staff in administration and effective management. The Office of the Administrative Director is also in the process of relocating certain programs assigned to the Office to the appropriate courts in order to more effectively focus on support functions. These include the Office of the Public Guardian and Program Services which are being placed in the courts of all the circuits. Other related changes being implemented or formalized involved the organization of the Planning, Budget and Evaluation division, and the consolidation of data processing and information functions under the newly appointed chief information officer. This division will be called Telecommunications and Information Services division which brings voice, data, and video communications under one roof. Final plans are being negotiated with the union and final approval is expected shortly.

Consistent with these changes, certain court programs are also being revised. The Family Courts of all circuits are acquiring three (3) program components previously located under program services, and the Second, Third, and Fifth circuits of Family Court will no longer be responsible for adult probation functions which are being transferred to the Circuit Court section.

5. Recommendation: Hold the office of the administrative director and its managers responsible to develop expertise for the conduct of support functions such as the statistical data system, assistance to the courts, facilities management and development; and require the staff to develop information that will enable performance to be monitored. (Chapter 3, page 35)

As reported elsewhere in this document, the Judiciary has taken various steps aimed at strengthening the critical support functions within the Office of the Administrative Director. Particular emphasis has been placed on management information systems and the integration of voice, data and video technologies. The Judiciary's expertise in these and related areas is now considerably enhanced.

6. Recommendation: The Judiciary establish a stronger identity for the family courts by instituting a more consistent system of judicial assignments to family court matters. (Chapter 4, page 56)

The Judiciary continues to take steps in all circuits that enable Family Courts to have a stronger identity. The judicial assignment system is now more consistent and lead judges remain in their positions for nine months.

7. Recommendation: Priority attention be given to the needs of the district courts for automation, staffing, technical assistance, and other support that would enable them to improve operations and eliminate backlogs. (Chapter 4, page 56)

The District Court operational analysis was completed in January, 1990 and implementation steps are underway. New judicial divisions have been established and judges have been appointed to head them. The Chief Judge of each division now coordinates with the Administrative Judge to manage and further develop division programs.

8. Recommendation: The courts establish and reinforce caseflow standards, policies, and goals by organizing, compiling, and distributing them widely. Policies and rules for each court should also be organized in an accessible document within each circuit. (Chapter 4, page 56)

The Judiciary is continuing its review of caseflow time standards and intends to compile these in a single document when the review is completed. Because of its magnitude and complexity, this task necessarily must involve a combination of judicial, administrative, and technological changes, particularly in the collection, analysis, and distribution of statistics and the integration of different automated systems. The original projection for completing this work was December, 1990 but the Judiciary believes another year will be required to complete this effort.

9. Recommendation: The chief justice review judicial assignments by assessing how many judges are required to handle the criminal caseload in the first circuit on an ongoing basis and consider transferring judges from the civil to criminal division if the drop in the civil workload justifies such an action. As part of this review, the chief justice should reduce reliance on per diem judges in the family and district courts and implement the recommendations of the national center for state courts to improve the selection, retention, and training of per diem judges. (Chapter 4, page 56)

The Judiciary has from time to time shifted judges from civil to criminal divisions to assist with fluctuating caseloads in the First Circuit. Wherever possible, the Judiciary is also attempting to reduce its dependence on per diem judges. Longer term review of judicial workloads is also underway as a part of the general effort at producing a stronger caseload management information reporting system.

10. Recommendation: The Judiciary initiate action to adopt a decriminalized traffic offense system. (Chapter 4, page 56)

In the absence of legislation to decriminalize traffic offenses, the court continues to examine ways to reduce arraignments and expedite bail forfeitures through administrative orders. During the last legislative session, much of the focus by the Judiciary in the traffic area was in the passage of SB 1148 (Act 188) relating to the administrative revocation of licenses. The Judiciary again intends to introduce legislation to decriminalize traffic offenses.

11. Recommendation: The office of the administrative director improve caseload and caseload management information by developing and implementing consistent methods of data collection and reporting. (Chapter 4, page 57)

The Judiciary continues to work on the improvement of its caseload and caseflow management systems. Workshops and management planning sessions were held in November, 1989 and January, 1990, with the technical assistance of the Institute for Court Management. Substantial progress has been made on the development of individual caseload management plans for each court and a system-wide caseload and caseflow plan will eventually be put in place. This will be dovetailed with enhancements to the Judiciary's automation systems.

12. Recommendation: The office of the administrative director provide training opportunities for administrators on the use of management information and on caseflow management. When accurate and reliable information is available, managers should be given in-service training on practical ways to use data to analyze operations and make adjustments that improve caseflow. In addition, this training should include the dynamics of caseflow, understanding the "local legal culture" in which caseflow occurs, the promises and pitfalls of various caseflow management techniques such as diversion and settlement conferences, programs and procedures for follow-up enforcement, and the use of computers in caseflow procedures. (Chapter 4, page 57)

The Judiciary continues to sponsor the participation of court administrators, program managers, and staff professionals at regional workshops and national seminars that are offered by national court service providers such as the National Center for State Courts and similar professional organizations. This has included training programs on reducing court delay, management information systems, and information and technology. Within its budget limitations, the Judiciary continues to seek to improve, broaden and strengthen training opportunities for court administrators to insure that they are well-trained in the principles of court administration and abreast of modern court management techniques. At the operational level, the Judiciary Computer Systems Office has conducted a series of on-site training sessions in the Second, Third, and Fifth Circuits as part of its HAJIS Implementation Schedule. As of the end of June, 1990, data collection training for the HAJIS criminal component was completed in all Circuit Courts. Similarly, on the civil side, one-day training sessions for reporting clerks in each of the neighbor island

circuits have been scheduled. By the end of January, 1991, all reporting personnel in the Circuit Courts statewide will have been trained in HAJIS.

13. Recommendation: The office of the administrative director improve its support services to the courts particularly in the area of automation and personnel. (Chapter 4, page 57)

The Personnel Office continues to strengthen its support to the courts. The age of pending classification requests has been reduced from five years to two years. In addition, the Personnel Office has recently hired a person to manage the classification program, assigned a personnel clerk to this branch on a full-time basis to relieve professional personnel management specialists from the performance of clerical work, and filled a long time vacant personnel management specialist position. The Classification Branch is now fully staffed for the first time in a number of years.

14. Recommendation: The Judiciary vigorously pursue a program of facilities improvement within the constraints of its capital budget. (Chapter 4, page 57)

Space standards established in the Judiciary's Facilities Master Plan have been applied, in modified form, to all new facilities planned by the Judiciary. The application of these standards will assure some uniformity in all Judiciary facilities. All requests for renovation projects have been reviewed by the Capital Improvement Project Committee and several renovation projects are underway. The systematic assessment of facilities improvements and maintenance will be accomplished once a capital improvements coordinator is hired. The Judiciary is in the process of establishing a position for a CIP coordinator. The establishment and recruitment of the position should be completed before the end of 1990.

15. Recommendation: Immediate attention be given to improving the district courts' records system. To improve access to case files, a standard case file folder system should be implemented to include indexes, master locator cards, or other such filing aids. (Chapter 5, page 64)

A records management division has been created and charged with implementing and maintaining a comprehensive records management program. This division, also, is responsible for the integration and standardization of all records and information carriers.

16. Recommendation: The supreme court move to finalize retention schedules as soon as possible. (Chapter 5, page 64)

This recommendation has been implemented.

17. Recommendation: The office of the administrative director undertake the following:

*develop and administer a program of records management training and technical assistance for trial court managers and supervisors;

*develop policies and guidelines for records management that address proper file maintenance, retention schedules, inactive records storage, records security, and other important records issues;

*resume and complete the forms project; and

*clarify the responsibilities and supervision of the microfilm unit. (Chapter 5, page 64)

Records management training will be made available to trial court managers and supervisors as seminars become available in the subject area. In accordance with this recommendation, the Judiciary requested a records management officer position to lead the Judiciary in a comprehensive records management program. The 1990 legislature failed to fund the position. Standardized procedures are being developed to address file maintenance, inactive records storage, and records security. Completion of the Forms Project has been extended from June, 1990 to June, 1991. The Judiciary is also finalizing a plan to bring the microfilm section under the Circuit Court administration. The District Court has established its own microfilm unit to handle District Court microfilming needs.

18. Recommendation: The chief justice and the administrative director in consultation with members of the executive committee on technology appoint a chief information officer with primary authority for information systems development and administration. (Chapter 6, page 80)

A chief information officer was selected and began work on August 16, 1990.

19. Recommendation: The chief information officer, the chief justice, administrative director, and the executive committee on technology work together to:

- *establish policies and priorities;

- *develop a detailed tactical plan that identifies priority projects, the resources required to accomplish those projects, realistic and specific timeframes for project work, and the project management structures to be used to accomplish the work;

- *establish effective management structures and controls for each project

- *establish an appropriate "architecture" that optimally meets the needs of users;

- *establish procedure for systematically evaluating commercial software packages. (Chapter 6, page 80)

The Chief Justice, Administrative Director, Executive Committee on Technology and Chief Information Officer (CIO) are working to strengthen the Judiciary's telecommunication and information systems. The activities in support of this goal are as follows:

The Executive Committee on Technology has been streamlined to make it a more responsive policy, priority and decision making body. This committee is now responsible for setting policy and project priorities for all Judiciary technology projects. It also is responsible for decision-making at key project milestones, e.g. final choice of software/hardware to implement a new or enhanced application. The CIO provides staff support to the committee to ensure its members are able to make timely and informed decisions.

Support and implementation of all telecommunication and information technologies are now the responsibility of the newly reorganized Telecommunications and Information Services Division (TISD). The TISD, headed by the CIO, combines all functional responsibility for the support of voice, data, image and video technologies within a single organizational unit.

The CIO is initiating a strategic planning process for telecommunication and information technologies. This planning effort will bring together various elements including the project management plan for uniform automated information systems and caseflow management and the (to be established) plan for an integrated Judiciary communications network. The strategic planning effort will establish guidelines for the design and implementation of future information systems to include designation of appropriate architecture(s) for implementing systems, and guidelines for the evaluation of alternative system implementation (e.g. package versus "ground-up" development). After completing the initial strategic planning effort, the Judiciary will concentrate on tactical and operational plans to implement key components and coordination of TISD staff efforts consistent with the strategic plan.

20. Recommendation: The Judiciary computer systems office be restructured to place organizationally within JCS the data processing operation currently under Honolulu district court. The ongoing role of JCS should evolve toward data center operations; specialist staff support in systems programming; administration of communication, networking and interface systems; and technical assistance for applications acquisition development projects. Major applications projects should be administered on a decentralized basis, with user/managers in charge and JCS staff used for technical advice and support. (Chapter 6, page 80)

The Judiciary has conducted and completed a review of its telecommunications and data processing functions. And, a new organizational structure combining the Management Services function of the Fiscal and Support Services Office and the Judiciary Computer Services Office into a Telecommunications and Data Processing Branch has been put into place. This Branch is headed by the chief information officer and reports to the Administrative Director of the Courts. The Judiciary has determined that the Honolulu District Court data processing function should remain with the District Court. This assessment was based on the fact that over 95% of the work done by the District Court data processing office is in direct support of District Court operations, primarily the Traffic Violations Bureau.

21. Recommendation: The Judiciary computer systems office assess whether it would be less expensive to lease or purchase the IBM 4381. (Chapter 6, page 80)

The lease on the IBM 4381 computer system expires late this year. The Judiciary has acquired an IBM 3081 computer processor complex, at no cost to the Judiciary, from the Executive Branch Information and Communications Services Division. This processor is an interim solution. Peripheral equipment to complete the IBM 3081 computer system configuration will be leased and the Judiciary Computer Systems Office expects the IBM 3081 computer system to be operational by November, 1990.

22. Recommendation: In coordination with the courts and programs, the administrative director and the personnel director develop policies on the organization of the personnel function within the Judiciary. The role of the personnel administrator and the authority delegated to the position should be clarified and functional statements for the personnel office should be developed. (Chapter 7, page 105)

Official functional statements for the Personnel Office and a document detailing the role and authorities of the Personnel Administrator have been developed. The Legislature has approved funds for the purchase of consultant services to finalize the Personnel Manual of Policy and Procedures. The timetable for the publication of this manual is April 30, 1991.

23. Recommendation: The Judiciary develop personnel policies and procedures in keeping with its administrative rules. Priority should be given to completing and refining the existing manual of policies and procedures to include procedures for all personnel transactions. The administrative director and personnel administrator should seek the assistance of the heads of the courts and programs. (Chapter 7, pages 105-106)

The timetable for the publication of the Personnel Manual of Policies and Procedures was originally targeted for December 30, 1990. That date has been changed to April 30, 1991. In the interim, policies and procedures are being communicated to the courts through memoranda, orientation sessions, and meetings.

24. Recommendation: In developing these policies, consideration should be given to correcting specific areas such as (a) the transfer of positions and other organization efforts without proper justification and review; and (b) the use of contract employees without adequate standards, procedures, or administrative review. (Chapter 7, page 106)

The Judiciary has taken steps to clarify its policies and procedures regarding the transfer of positions and the use of contract employees although additional work remains to be done by the consultants who will assist with the Personnel Manual of Policies and Procedures. That Manual will contain explicit policies and procedures that cover both of these areas. The manual is scheduled to be completed on April 30, 1991.

25. Recommendation: The personnel administrator should focus attention on improving the efficiency of his office. At a minimum this would include:

*A management information system to include regular reporting of office activities and transactions;

*Time standards for recruitment and classification actions; and

*A plan to reduce backlog and delays.

The results of these activities should be communicated to the courts and programs, and office activities and transactions should be included in the Judiciary's annual report. (Chapter 7, page 106)

The Personnel Office has developed a management information system to include regular reporting of office activities and transactions, time standards for processing classification actions, and plans which have already resulted in the reduction of backlogs and delays in processing actions and filling positions. The results of these activities have been communicated to the courts and programs via meetings and have been included in the most-recent Judiciary annual report.

26. Recommendation: The personnel administrator should take steps to overhaul the Judiciary's classification plan to include a survey and study of the clerical classes. The Judiciary seek the assistance of an outside consultant experienced in judicial personnel systems for the initial study, and that a plan be developed for maintaining the system thereafter. (Chapter 7, page 106)

The Legislature has approved funds for the purchase of a consultant's services to overhaul the Judiciary's classification plan, and a Request for Proposal (RFP) has been prepared containing specifications. The timetable for the completion of the consultant's study was originally estimated as December 30, 1990, but that date has been changed to April 30, 1991.

27. Recommendation: The Judiciary examine its employee development and training program to bring activities in line with existing policies in the areas of judicial and nonjudicial training, performance evaluation, and affirmative action.

*The judicial education program should be upgraded to include a more comprehensive orientation program for new judges and orientation and training for per diem judges;

*The personnel office should have a greater role in coordinating all nonjudicial training. It should conduct a needs assessment in coordination with program managers. The Judiciary should consider making training a separate budget item for all programs;

*The personnel office should review the performance and evaluation program to see whether the process could be streamlined to avoid inconsistencies and backlog; and

*The Judiciary should create a full-time position for an affirmative action officer who would be responsible for developing a plan, gathering data, setting up a grievance procedure, and implementing a program.
(Chapter 7, page 106)

The Judiciary has hired a judicial education officer and has created a judicial education committee to plan and implement programs for judicial education. The training officer has conducted an initial needs assessment and the findings are being incorporated into a comprehensive training plan. The Judiciary is also considering making training a separate budget item for all programs.

The performance evaluation process has been reviewed, the backlog eliminated and a course on performance appraisal for supervisors is being offered.

The Judiciary is now recruiting for an affirmative action officer who will be assigned to the Office of the Administrative Director of the Courts.

28. Recommendation: The Judiciary should review its pre-employment medical standards program and develop a more effective implementation plan. Consideration should be given to the capacity of the personnel office to adequately administer the program and to whether the elaborate pre-employment screening process is justified for all employees. (Chapter 7, page 107)

In its update of January 10, 1990, the Judiciary reported that a review of the Judiciary's contract with Occumed was expected to be completed by February, 1990. The review has been completed and findings are being analyzed to determine whether the contract should be continued. The estimated completion date of this phase of the process is expected by December 31, 1990.

29. Recommendation: The office of the sheriff be transferred from the Judiciary to the executive branch. (Chapter 8, page 122)

30. Recommendation: Until such a transfer is made, the chief justice and administrative director of the courts take prompt action to provide the sheriff's office with the leadership, support, and resources necessary to ensure the health, safety, and welfare of the deputies, other court personnel, and the public. (Chapter 8, page 122)

The Office of the Sheriff was transferred to the Executive Branch on July 1, 1990.

31. Recommendation: The legislature amend sections 601-4, and 607-8, HRS, to change the process for serving civil process. The responsibility should be removed from the sheriff's office and transferred to the attorneys involved in the litigation process. The Judiciary should only be involved in training, qualifying, and certifying process servers. (Chapter 8, page 122)

The Judiciary has conducted an initial review of process serving activities and the Supreme Court has appointed a committee of judges and attorneys to undertake further efforts in this area. A working draft of proposed qualifications has been transmitted to all committee members for their consideration and review. Also, a judge from Hawaii's Federal District Court (where service of process by mail is permitted) has been asked to suggest other ways of streamlining service. The Committee is also exploring the possibility of transferring licensing authority from the Hawaii Supreme Court to the Department of Commerce and Consumer Affairs (DCCA). The Committee's task is expected to be completed by April 1, 1991.

32. Recommendation: The Judiciary establish a formal program development policy and process to help ensure the systematic development and adoption of new programs. (Chapter 8, page 122)

The Judiciary has not yet completed the development of a formal program development policy and process but intends to do so by December, 1990 for inclusion in the Administrative Procedures manual. Two program evaluation positions have been established and, pending completion of reorganizations in the Director's office, will be filled and assigned to the Budget and Program Review section.

33. Recommendation: The Judiciary:

*Determine a realistic budget base for its programs as the first step in preparing its budget request; (page 129); and

*Discontinue its policy of purchasing equipment from savings. Instead, the Judiciary should present its needs to the legislature for its decision on whether funds should be appropriated. (Chapter 9, page 129)

This recommendation has been implemented and will be reflected in the Judiciary's Biennium budget. The Judiciary now utilizes a budget format similar to that used by the Executive Branch. Replacing equipment with program savings has also been prohibited and the policies on contingent purchases clarified.

34. Recommendation: The cash receipts duties be separated and performed by different individuals at the Honolulu court. (Chapter 9, page 129)

Due to a manpower shortage the Judiciary is complying with the alternative of having the cashier who does not perform the function of receiving cash, depositing cash or recording cash, to verify the daily collections after they have been tallied for deposit.

35. Recommendation: The cash disbursement functions and reconciliation of bank accounts at the Honolulu district court be performed by separate individuals. (Chapter 9, page 130)

This recommendation has been implemented.

36. Recommendation: The Hilo and Kauai circuit courts adhere to the check approval procedures set forth in the Judiciary's Financial Administration Manual. (Chapter 9, page 131)

Delegation of authority for the Hilo Circuit Court to authorize checks in excess of \$1,000 was granted by the Administrative Director of the Courts on February 15, 1990.

37. Recommendation: One of the keys to the check-signing machine be under the control of the fiscal officer or designee to control the use of the machine. Both keys should not be left in the check-signing machine when not in use. In addition, we recommend that access to the supply of blank checks be physically controlled in a locked storage area under the control of the fiscal officer or designee. (Chapter 9, page 131)

This recommendation has been implemented.

38. Recommendation: The Judiciary develop and implement uniform procedures to safeguard court evidence. These procedures should provide for the maintenance of perpetual inventory records, performance of periodic physical inspection of inventory by an individual other than the custodian of the evidence, and storage of evidence in a secured area with proper controls over its receipts and release. (Chapter 9, page 132)

The Judiciary is developing standardized policies and procedures to safeguard evidence and expects to complete this activity by December, 1990. Physical inventories of court evidence are now being performed by all of the circuit courts.

39. Recommendation: The Judiciary ensure the timely disposition of all unclaimed bail and old outstanding and returned checks that are eligible to become government realizations as provided by law. (Chapter 9, page 133)

Due to continued staff vacancies in the Honolulu Circuit Court, the research required to dispose of unclaimed bails has not been completed. The court is presently in the process of filling these vacancies and will resume the project shortly thereafter. However, the Honolulu Circuit Court is current in turning over the old outstanding and returned checks to the director of finance. Substantial progress has been made in the disposition of unclaimed bails at the Lahaina District Court.

Disposing of unclaimed bails and old outstanding and returned checks at the Wailuku District Court will be made by November, 1990. Previous target dates for disposing unclaimed bails and old outstanding and returned checks for the District Courts of the Third Circuit were based on the presumption that the new account clerk positions would be filled in 1989. Instead, these positions were filled in June, 1990 and the revised target dates to dispose of unclaimed bails and old outstanding and returned checks are October, 1990 and June, 1991 respectively.

40. Recommendation: Honolulu family court's fiscal office periodically inform the probation officers of delinquent amounts due so that proper follow-up collection efforts can be assured. (page 133)

The Family Court is still updating its records to reduce the backlog of delinquent fines and restitutions. The new projected completion date is December, 1990. The Court's fiscal office plans to use a computerized trust accounting system that is being tested by other divisions to automate the process.

41. Recommendation: The Judiciary take the steps necessary to eliminate the backlog in issuing bench warrants on delinquent deferred payments for fines and consider expanding the capabilities of the present computer system to automatically prepare bench warrants to individuals with delinquent deferred payments. (Chapter 9, page 134)

The Judiciary is up-to-date on issuing bench warrants to individuals with delinquent deferred payments relating to current criminal cases and a computer program for automatic issuance is being developed.

42. Recommendation: The Honolulu, Kaneohe, Waianae, Hilo, Lahaina, and Kauai district courts reconcile their trust fund subsidiary ledger account on a regular basis and that any differences be immediately investigated and corrected. (Chapter 9, page 135) and

All trust fund subsidiary ledgers for Honolulu, Kaneohe and Waianae are being reconciled monthly with the exception of the bail account for Honolulu which is too large to manually reconcile. The Judiciary is therefore awaiting for a computerized subsidiary control for this account.

The Hilo District Court has now filled two vacant account clerk positions. Their present assignment is to eliminate the backlog of recording transactions in the financial records.

43. Recommendation: The Judiciary take the steps necessary to ensure that all purchase orders are properly approved as set forth in the Judiciary's Financial Administration Manual. (Chapter 9, page 135)

This recommendation has been implemented.

44. Recommendation: The Judiciary take the steps necessary to ensure that summary warrant vouchers are signed by the appropriate individual as set forth in the Judiciary's Financial Administration Manual. (Chapter 9, page 136)

This recommendation has been implemented.

45. Recommendation: The Judiciary take the steps necessary to ensure that circuit courts comply with safeguard controls as prescribed in the Judiciary's Financial Administration Manual. (Chapter 9, page 136)

This recommendation has been implemented.

46. Recommendation: The Kaneohe district court provide notice to individuals who cannot be located by placing a single advertisement in a paper of general circulation prior to escheating their unclaimed bails to the State. (Chapter 9, page 137)

With the assistance of the fiscal office of the District Court, the Kaneohe District Court plans to purchase advertisements to provide additional notice of unclaimed bails in 1990. Due to the present staff shortage in the fiscal office, a precise timetable cannot be specified.

47. Recommendation: The Judiciary take the steps necessary to eliminate the current backlog in BBM receipts and to ensure that future BBM receipts be processed on a daily basis. (Chapter 9, page 138)

In the Honolulu District Court, the backlog of unprocessed mail still remains at about three weeks. A draft of the specifications to solicit proposals from banks to provide a "lock box" system is scheduled to be completed by August, 1990.

48. Recommendation: The Judiciary take the steps necessary to ensure that BBM underpayments are deposited and processed as set forth in the Judiciary's Financial Administration Manual. (Chapter 9, page 138)

In the Honolulu District Court, the procedure to deposit the bail-by-mail underpayments increased the workload and required additional steps to process such payments. Other problems, such as duplicate payments and the increase in the backlog of opening mail, resulted from this procedural change could not be resolved without extra resources. Due to the lack of additional resources, the implementation of the new procedure was discontinued. The Hilo, Wailuku, and Kauai District Courts are presently in compliance with the requirements of depositing bail-by-mail underpayments.

49. Recommendation: The Maui and Kauai district courts properly follow-up on delinquent parking citations by issuing delinquency notices and license plate stoppers. (Chapter 9, page 139)

The implementation of a computer program by the Maui District Courts has reduced the backlog of issuing notices of delinquent parking citations and license plate stoppers. In the Kauai District Court, backlogs are at a minimum and delinquent parking citations are issued promptly.

50. Recommendation: Maui district courts prepare summonses on a timely basis. (Chapter 9, page 139)

The Maui District Court is in the process of filling two vacant account clerk positions that will be specifically assigned duties related to the processing of penal summonses.

51. Recommendation: Specific individuals at the Oahu and Maui district courts be assigned the responsibility for the follow-up of outstanding penal summonses. (Chapter 9, page 140)

Since July 1, 1990, the Sheriff's Office has assumed all responsibility for the issuance and follow-up of penal summonses for the District Courts in the First Circuit. The Traffic Violations Bureau forwards the summonses to be served to the Sheriff's Office. The Maui District Court is in the process of filling two vacant account clerk positions that will be specifically assigned duties related to penal summons processing.