

# OVERVIEW

THE AUDITOR  
STATE OF HAWAII

## Management Audit of the Legal Aid Society of Hawaii

### Summary

The Legal Aid Society of Hawaii is a nonprofit corporation that provides civil legal services to the poor. Most of its cases involve public assistance, housing, family problems, and consumer law. The society maintains nine offices on six islands with a central office in Honolulu and has a staff of 64 attorneys, paralegals, secretaries, and other support staff. The society is supported by state funds, federal funds, the United Way, and other sources.

We assessed the organization and management of the society. We found that the society has made some progress but it is having difficulty keeping up with an increasingly complex legal environment. The society faces special challenges. Among these is the difficulty of managing complex, professional work in branch offices that are far apart geographically. And like other legal aid offices throughout the country, the society has had to fight for its share of federal funds. To cope with these forces, the board and the society must pay more attention to oversight and management.

### *Board of Directors*

The society is governed by a 33-member board made up mainly of attorneys and members of the client population. The board has played an active role in the affairs of the society, but it needs to review more systematically the program and the performance of its executive director.

In carrying out its responsibilities, the board may be hampered by its large size and rigid membership requirements imposed by the federal government. The board is also hampered by not receiving sufficient information from the executive director about the kinds of cases being handled, activities at the branch offices, staff concerns, and the impact of the board and management decisions on activities.

### *Questionable decisions*

In several instances, the society's decisions on major program changes were not adequately thought through, implemented, and monitored. The results were counterproductive. In 1989, concerned about high staff turnover and low salary levels, the society chose to "retrench." Certain offices were closed and resources reallocated to pay higher salaries. This caused client services to drop dramatically even though the society continued to receive increased revenues. Another questionable decision was to give across-the-board bonuses to all staff. A new time-accounting system has also created problems for staff.

**Central control**

Management has made an effort to provide better staff training, personnel procedures, and fringe benefits, but centralized control by the Honolulu office has caused persistent problems. Trouble spots include evaluation of branch secretaries by the Honolulu office manager, control of supplies and resources, and inadequate access by attorneys and paralegals to long distance telephones and computers. These problems hamper productivity, lower staff morale, and work counter to the society's mission.

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**Recommendations  
and Response**

We recommend that the Board of Directors clearly assign to a committee the responsibilities for evaluating the program and the executive director. In making changes, the society should analyze the problems and options more clearly and monitor implementation more closely. Throughout, there should be input from staff. The society should examine the respective responsibilities of the central office in Honolulu and the branch offices. Responsibilities that can be performed more productively, efficiently, and cost effectively at lower levels should be delegated. The society should develop a program for computerizing appropriate operations.

The Legal Aid Society responded to our report by saying that our suggestions were beneficial and that many of our comments will be considered by the board.

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