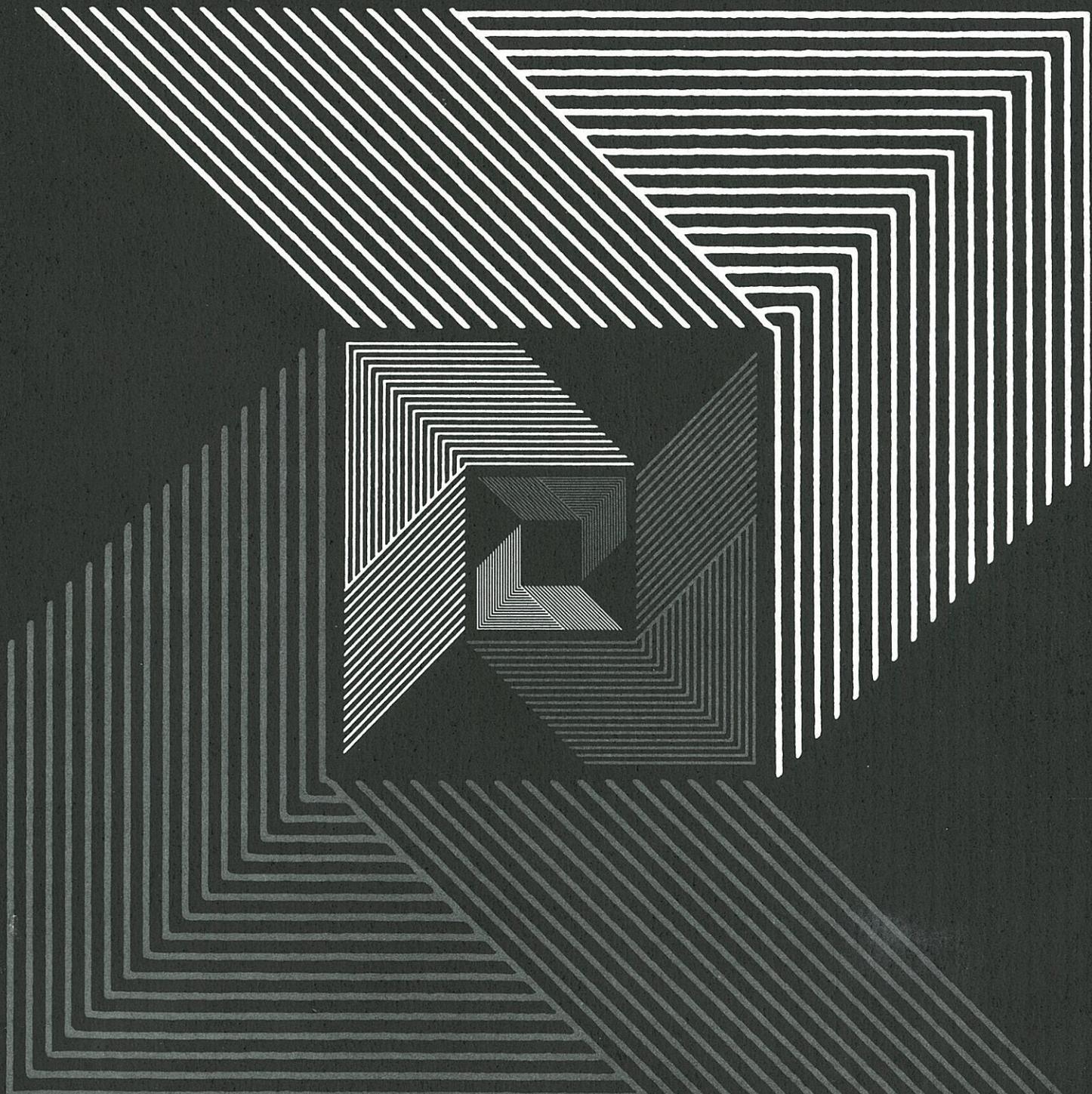


FINANCIAL AUDIT OF THE STATE JUDICIARY

A REPORT TO THE GOVERNOR AND THE LEGISLATURE OF THE STATE OF HAWAII



THE OFFICE OF THE LEGISLATIVE AUDITOR

The office of the legislative auditor is a public agency attached to the Hawaii State legislature. It is established by Article VI, Section 7, of the Constitution of the State of Hawaii. The expenses of the office are financed through appropriations made by the legislature.

The primary function of this office is to strengthen the legislature's capabilities in making rational decisions with respect to authorizing public programs, setting program levels, and establishing fiscal policies and in conducting an effective review and appraisal of the performance of public agencies.

The office of the legislative auditor endeavors to fulfill this responsibility by carrying on the following activities.

1. Conducting examinations and tests of state agencies' planning, programming, and budgeting processes to determine the quality of these processes and thus the pertinence of the actions requested of the legislature by these agencies.
2. Conducting examinations and tests of state agencies' implementation processes to determine whether the laws, policies, and programs of the State are being carried out in an effective, efficient and economical manner.
3. Conducting systematic and periodic examinations of all financial statements prepared by and for all state and county agencies to attest to their substantial accuracy and reliability.
4. Conducting tests of all internal control systems of state and local agencies to ensure that such systems are properly designed to safeguard the agencies' assets against loss from waste, fraud, error, etc.; to ensure the legality, accuracy and reliability of the agencies' financial transaction records and statements; to promote efficient operations; and to encourage adherence to prescribed management policies.
5. Conducting special studies and investigations as may be directed by the legislature.

Hawaii's laws provide the legislative auditor with broad powers to examine and inspect all books, records, statements, documents and all financial affairs of every state and local agency. However, the office exercises no control functions and is restricted to reviewing, evaluating, and reporting its findings and recommendations to the legislature and the governor. The independent, objective, and impartial manner in which the legislative auditor is required to conduct his examinations provides the basis for placing reliance on his findings and recommendations.



**LEGISLATIVE AUDITOR
STATE CAPITOL
HONOLULU, HAWAII 96813**

FINANCIAL AUDIT OF THE STATE JUDICIARY

**Conducted by the
Office of the Legislative Auditor
and
Peat, Marwick, Mitchell and Co.
Certified Public Accountants**

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

**Submitted by the
Legislative Auditor of the State of Hawaii**

June 1976

Audit Report No. 76—4

FOREWORD

This financial audit report is the result of the examination of the financial statements and records of the state judiciary for the fiscal year ended June 30, 1974. The audit was conducted by the office of the legislative auditor and Peat, Marwick, Mitchell & Co., certified public accountants.

This report is divided into three parts. Part I contains introductory information and a brief description of the programs of the state judiciary and its organization and functions. Part II contains our findings, comments, and recommendations regarding the judiciary's system of internal control and financial management practices. The judiciary's financial statements, including the audit opinion of the CPA firm on the accuracy of the financial statements are displayed in chapter 5 of part II.

It is our practice to request the agency affected by the audit to submit in writing its comments on the findings and recommendations and to indicate what action has been or will be taken. The state judiciary's response is included in part III of this report entitled, "Response of the Affected Agency."

We wish to express our sincere appreciation for the excellent cooperation and assistance extended by the officers and staff of the state judiciary.

Clinton T. Tanimura
Legislative Auditor
State of Hawaii

TABLE OF CONTENTS

		<i>Page</i>
PART I	INTRODUCTION AND SOME BACKGROUND	
<i>Chapter</i>		
1	Introduction	2
	Objectives of the Audit	2
	Scope of the Audit	2
	Organization of the Report	2
2	Some Background	3
	Programs	3
	Organization and Functions	3
PART II	INTERNAL AND FINANCIAL CONTROLS AND FINANCIAL STATEMENTS AND ACCOUNTANTS' OPINIONS	
3	Introduction	6
	Summary of Findings	6
4	Internal and Financial Controls	7
	Summary of Findings	7
	Internal Control Deficiencies in General	7
	Traffic Violations Bureau	9
	The Circuit Courts	13
	Hilo District Court: Imprest Fund	15

<i>Chapter</i>		<i>Page</i>
5	Financial Statements and Accountants' Opinions	16
	Summary of Findings	16
	Accountants' Opinions	16
	Description of Financial Statements	17
	Definition of Terms	18
	Notes to Financial Statements	18
	General Fund – Statement of Appropriations, Expenditures, and Encumbrances for the Year Ended June 30, 1974 (Exhibit A)	21
	Trust and Agency Funds – Combined Balance Sheet, June 30, 1974 (Exhibit B)	23
	Trust and Agency Funds – Combined Statement of Cash Receipts and Disbursements, Year Ended June 30, 1974 (Exhibit C)	24
	Trust and Agency Funds, Circuit Courts, Balance Sheet, June 30, 1974 (Exhibit D)	25
	Trust and Agency Funds, District Courts, Balance Sheet, June 30, 1974 (Exhibit E)	26
	Trust and Agency Funds, Other Courts, Balance Sheet, June 30, 1974 (Exhibit F)	27
	Trust and Agency Funds, Circuit Courts, Cash Receipts and Disbursements, Year Ended June 30, 1974 (Exhibit G)	28
	Trust and Agency Funds, District Courts, Cash Receipts and Disbursements, Year Ended June 30, 1974 (Exhibit H)	29
PART III	RESPONSE OF THE AFFECTED AGENCY	
	Comments on Agency Response	31
	Attachment 1	32
	Attachment 2	33

PART I

INTRODUCTION AND SOME BACKGROUND

Chapter 1

INTRODUCTION

This is a report on the audit of the financial transactions, books, and accounts of the state judiciary. The audit was conducted pursuant to section 23-4 of the Hawaii Revised Statutes, which requires the state auditor to conduct post-audits of all transactions and of all books and accounts kept by or for all departments, offices, and agencies of the State and its political subdivisions. The audit was conducted by the office of the legislative auditor and by Peat, Marwick, Mitchell and Co., an independent certified public accounting firm.

Objectives of the Audit

The objectives of the audit were:

1. To provide a basis for expressing an opinion on the reasonable accuracy of the financial statements of the state judiciary.
2. To ascertain the degree of compliance with the laws, rules, and regulations and policies and procedures of the State of Hawaii in making and recording expenditures and other disbursements and in collecting and accounting for revenues and other receipts.
3. To evaluate the adequacy, effectiveness, and efficiency of the state

judiciary's systems and procedures for financial accounting, internal and operational controls, and recommend improvements to such systems and procedures.

Scope of the Audit

The audit was concerned with the financial transactions of the judiciary during the fiscal year July 1, 1973 to June 30, 1974. It included tests of financial and related records and an examination of existing systems and procedures of accounting, reporting, and operational and internal controls.

Organization of the Report

This report is organized into three parts. Part I (chapters 1 and 2) contains this introduction and background; part II (chapters 3 through 5) presents our findings and recommendations regarding the system of internal and financial controls, and the financial statements of the judiciary and a report on the statements. As is customary, we requested the agency affected by the audit to comment in writing on the recommendations contained in the audit report. The response of the judiciary is included in part III of this report.

Chapter 2

SOME BACKGROUND

The State Constitution vests the judicial power of the State in the supreme court, circuit courts, and in such other courts established by the legislature. The chief justice of the supreme court is the administrative head of the judiciary. He is responsible for the efficient operation of all of the courts and for the expeditious dispatch of judicial business.

Programs

The major program categories of the judiciary are court operations and support services. The objective of the programs in the court operations category is to safeguard the rights and interests of persons by assuring an equitable and expeditious judicial process. The objective of the programs in the support services category is to enhance the effectiveness and efficiency of the judicial system by providing the various courts with administrative services such as fiscal control and direction of operations and personnel. The support services category includes the operation of the administrative director's office, law library, and driver education and training.

Organization and Functions

The major courts and offices of the judiciary are the supreme court; the land, tax appeal, circuit, and district courts; and the office of the administrative director.

Supreme court. The supreme court is the highest judicial body in Hawaii's court system. The supreme court exercises ultimate administrative responsibility and rulemaking power for all courts. It hears and determines all questions of law or mixed questions of law and fact appealed to it from the circuit, district, land, and tax appeal courts. It also hears appeals directly from certain quasi-judicial administrative agencies, such as the labor and industrial relations appeals board.

The court consists of a chief justice and four associate justices who are appointed by the governor with the advice and consent of the state senate. As the head of the judiciary, the chief justice is responsible for the supervision of its operations and appoints an administrative director of the courts to assist him in the supervision of the courts.

Land court and tax appeal court. The land court and tax appeal court are statewide courts of record, which are based in Honolulu. The land court exercises exclusive original jurisdiction over all applications for the registration of title to land and easements or rights in land held and possessed in fee simple.

The tax appeal court has both original and appellate jurisdiction in disputes concerning assessment of taxes, whether the taxes assessed are income, general excise, property, or other taxes. All appeals from the tax court are made directly to the supreme court.

Circuit courts. There are four judicial circuits in the judiciary system—one for each of the counties (Honolulu, Maui, Hawaii, and Kauai). The judges of the circuit courts are appointed by the governor with the advice and consent of the state senate.

The circuit courts exercise exclusive jurisdiction in criminal felony cases, civil suits involving more than \$5000, probate proceedings, the determination of heirs, and cases tried before a jury. Additionally, they exercise concurrent jurisdiction with the district courts in civil matters involving less than \$5000 but more than \$500 (\$1000 as of January 1, 1976). Appeals are made directly to the state supreme court:

Each judicial circuit has a family court division which has jurisdiction over cases involving juvenile offenses, marital actions, and other family matters.

Other functions of the circuit courts include acting as statutory administrators of estates of a value not exceeding \$3000 and acting as statutory guardians for minors and incompetents whose assets are less than \$3000. These duties are performed by the chief clerk's office of each judicial circuit. These offices also receive and disburse alimony and child support payments.

District courts. Each of the four judicial circuits has a district court which has exclusive jurisdiction over civil matters where the amount in dispute does not exceed \$500 (\$1000 as of January 1, 1976), over cases involving violations of traffic and other regulatory laws, ordinances, and rules, and over other criminal misdemeanor cases, unless in any of these matters there is a trial by jury and a jury trial is demanded.

In the district court, there is a violations bureau. The violations bureau prepares and processes citations for traffic and other violations (e.g., violations of law, ordinances, and rules relating to airport ramps, dog leash, fish and game, harbor boating, and industrial safety). The citation forms are uniform throughout the State. Most of the persons cited for traffic and other violations forfeit bail. The violations bureau is responsible for the collection of such bail forfeitures. The Honolulu office of the bureau maintains a centralized record of all traffic and other violations that occur throughout the State.

Office of the administrative director. The office of the administrative director is responsible for ensuring effective and efficient operations of all courts of the judiciary and has the authority to review all aspects of judiciary operations with the exception of court decisions. Activities of the office include, among other things, formulating policies, monitoring and evaluating operations, preparing budgets, and maintaining fiscal control and systems of purchasing and inventory management. The office is headed by an administrative director of the courts who is appointed by the chief justice with the approval of the supreme court.

Law library. The Hawaii State Law Library is composed of the Supreme Court Library in Honolulu and the satellite collections of the second, third, and fifth circuit courts on the neighbor islands. The library and the satellite collections provide judges and the staffs of all courts with necessary material in legal research.

Driver education and training. This program is intended to assist in reducing the number of deaths and injuries resulting from highway accidents by reeducating adults and juveniles involved in traffic accidents.

PART II

**INTERNAL AND FINANCIAL CONTROLS AND
FINANCIAL STATEMENTS AND ACCOUNTANTS' OPINIONS**

Chapter 3

INTRODUCTION

This part contains the audit findings and recommendations. Chapter 4 is concerned with the state judiciary's system of internal and financial controls. Chapter 5 includes the financial statements of the judiciary and the audit opinions of the certified public accounting firm, Peat, Marwick, Mitchell and Co.

Summary of Findings

Overall, the audit findings are as follows:

1. Internal controls and safeguards over collections and trust property are generally weak throughout the court system.
2. The Honolulu traffic violations bureau's data processing equipment is antiquated and is inadequate for the expeditious processing of citations. As a result, there is a backlog of unprocessed, unbilled and uncollected traffic citations.
3. Peat, Marwick, Mitchell and Co. concludes that the financial statement of the judiciary concerning the programs of the judiciary financed by the state general fund is reasonably accurate; and the CPA firm reports that it can render no opinion on the financial statements relating to trust and agency funds administered by the courts of the judiciary.

Chapter 4

INTERNAL AND FINANCIAL CONTROLS

This chapter contains our findings and recommendations on the judiciary's system of internal¹ and financial controls.

Summary of Findings

1. In general, throughout the court system, there is no appropriate separation of functions as to enable the system to assert adequate controls over receipts and disbursements. Further, the court system is without a detailed financial accounting and procedures manual to guide its various courts and units.

2. The Honolulu traffic violations bureau is in need of a computerized system. In the absence of such a system, it is unable to exercise adequate controls over bail forfeitures and it is unable to prepare and issue delinquency notices, penal summonses, and bench warrants in a timely fashion. The result is a backlog of uncollected bail forfeitures.

3. The various circuit courts are not providing adequate safeguards respecting probate and guardianship property and other securities, funds, and assets held in trust by the courts. They are often left unattended in the open. The various circuit courts also are not properly processing checks received. The first circuit court is not exercising proper control over its check-writing machine and is not always abiding by its check approval procedure.

4. The imprest fund of the Hilo district court requires reconciliation and a review of the amount established for the fund.

Internal Control Deficiencies in General

The general deficiencies in the judiciary's system of internal control are described in this section. In the other sections we describe some particular deficiencies respecting specific courts or specific kinds of courts.

Handling of cash receipts. Cash is collected by all circuit and district courts. Cash collections include fines, bail, and bond forfeitures. All such cash collections are deposited in the state treasury.

One of the cardinal principles of internal control is that no one person should perform all collection functions. Ideally, the function of receiving cash and preparing deposit slips for the

¹The term "system of internal control" means the plan of organization and all of the methods and measures adopted within the judiciary to check the accuracy and reliability of accounting data, to promote operational efficiency, and to encourage adherence to prescribed laws, policies, and rules and regulations of the State and the state judiciary. A sound system of internal control includes two basic elements. The first is a system of authorizations and recording procedures to provide adequate and reasonable accounting control over assets, liabilities, revenues, and expenditures in accordance with generally accepted accounting principles, the laws, policies, and rules and regulations of the State and the judiciary. The second is an appropriate segregation of duties assigned in a manner that no one individual controls all phases of a transaction without the interrelated function of a cross-check by some other individual.

cash received and that of depositing the cash and recording receipts in the accounting records should be separated and performed by two different persons. This separation of functions does not exist in the district court of Honolulu and in all circuit courts. In the district court of Honolulu, one account clerk handles all phases of the cash collection process. He receives cash from the Honolulu police department, district court cashier, traffic violations bureau, and fiscal office cashier, and he also balances the daily receipts, prepares the deposit slip, records the cash received in the accounting records, and receives the validated deposit slips directly from the bank. In the circuit courts, one clerk prepares the deposit slips, records the cash received, and receives the validated deposit slips.

Another principle of internal control is that periodically a comparison should be made of the list of cash receipts and of the recorded and deposited amounts to ensure that all receipts of cash have been properly recorded and deposited. In none of the courts is such a comparison made.

Recommendation. We recommend that in the Honolulu district court and the first circuit court, the duties of receiving cash and preparing deposit slips and those of depositing cash and recording receipts be separated and performed by different account clerks. The Honolulu district court and the first circuit court have sufficiently large staffs to permit this segregation of duties. In the second, third, and fifth circuit courts, due to limited personnel, this segregation of duties may not be practical, and thus for these courts we recommend that unannounced reviews of the collection records be performed more frequently. We also recommend that in all courts, periodic, unannounced comparisons of the list of cash receipts with the accounting records and validated deposit slips be made.

Control over cash disbursements. The district court in Honolulu maintains three bank accounts, two of which are used as depositories for bail, bail bonds, bail forfeitures for traffic violations, and court fines. All monies deposited

by way of bail or bail bond which have not been declared as forfeited by the court are refunded to the persons concerned. The third account is used to pay witness fees and private car mileage reimbursements.

The account clerk for each of these funds makes all cash disbursements from the account, i.e., prepares and signs refund or mileage and witness fee checks, and also reconciles the bank account. This practice does not afford a "cross-check." Under this practice, it is possible for errors in recording disbursements and cash receipts to go undetected indefinitely and for irregularities to be concealed. For example, a disbursement check could be made out but the recording of it omitted, either intentionally or unintentionally. Since the person who makes out the check also reconciles the bank account, the failure to record the check could be concealed through an improper reconciliation. A sound system of internal control requires that the duty of disbursement and the duty of reconciliation of bank accounts be appropriately separated and performed by different individuals.

In addition to the foregoing, the account clerk for one of the accounts also handles all phases of the cash collection process (from receipt to recordation of cash). This presents an even more tenuous situation. We have already commented on the need to separate the cash receipt and receipt recording functions. The assignment of the disbursement and bank account reconciliation functions to the same person who already handles all cash receipt functions compounds the control problems.

Recommendation. We recommend that the function of preparing and disbursing checks and that of reconciling bank accounts be performed by separate individuals. Preferably, the bank account reconciliation function should be performed by either the fiscal officer or other qualified personnel. We further recommend that the account clerk who handles cash receipts be relieved of the duties associated with cash disbursements. Finally, we recommend that bank

reconciliations be reviewed and a comparison of deposits and disbursements be made with recorded totals in the accounting records.

Submission of financial reports. Each circuit and district court is required by judiciary policy to submit monthly to the administrative director an encumbrance report, a balance sheet, and an operating statement (i.e., statement of cash receipts and disbursements). The monthly encumbrance report, which shows the sums of money earmarked or set aside from monies allotted, and the monthly operating statement are control devices to ensure that expenditures do not exceed the amount allotted. In addition, the monthly operating statement which shows (in addition to the expenditures for the month) a cumulative total of all receipts and expenditures from the beginning of the fiscal year to the reporting date, enables the director to readily ascertain the funds available for use. The balance sheet includes information on trust and agency funds and is necessary for the director to make informed cash management decisions, i.e., decisions regarding the amount of money to be deposited into savings or time deposits.

Despite the policy, many courts are not submitting the required monthly reports. Consequently, the administrative director is unable fully to maintain budgetary controls for the court system as a whole and for the individual courts.

Recommendation. We recommend that the administrative director take the steps necessary to ensure that each circuit and district court complies with the requirements of submitting monthly financial reports.

Policies and procedures manual. The judiciary at present does not have a complete and detailed accounting and operational policies and procedures manual. The deficiencies in internal control noted above are in part due to the absence of such a manual. In addition, the lack of such a manual is causing inconsistent

practices to be followed by the various courts, making an accurate systemwide consolidation of data difficult, and it is further causing duplication in recordkeeping in some courts and failure to maintain certain records in others.

The judiciary does have a *Manual of Policies and Procedures*, but this manual is insufficient for the financial and operational management of the judicial branch. There are only a few policies relating to financial management, and these treat only generally the areas of judiciary expenses, preparation of purchase orders and summary warrant vouchers, reconciliation of cash, and the submission of encumbrance reports and financial statements by the various courts.

Recommendation. We recommend that the judiciary give immediate attention to the development of a complete and comprehensive accounting and operational policies and procedures manual.

Traffic Violations Bureau

During the fiscal year 1973-74, more than 585,000 traffic citations were issued statewide, an increase of about 6.7 percent over the previous year. Of this number, more than 500,000 were issued on Oahu. Considering that a large proportion of the citations are issued on Oahu and that a majority of these citations are disposed of through bail forfeitures, we paid particular attention to the operations of the violations bureau in Honolulu in processing citations and bail forfeitures.

Controls over monies received. Forfeited bails are collected by the cashiering section of the bureau. It receives a copy of each citation for which bail may be forfeited. The cashiering section files the copies of the citations in a numerical sequence by month, pending receipt of the bail.

The bail to be forfeited may be paid either in person or by mail. It may be paid in cash or

by check. When paid in person (whether in cash or by check) or when paid in cash by mail, the payment is processed as received, but when paid by mail and by check, it is processed at a later time. Processing a bail payment entails recording the payment on the cash register, depositing the payment, and removing the copy of the applicable citation from the files of the cashiering section.

Two observations are pertinent regarding controls over the monies received by the cashiering section.

1. *Accounting for collections.* There is at present no checks made to ensure that the amounts actually collected by the cashiers match the amounts that should have been collected. That is to say, no comparison is made between (1) the amounts registered on the cash registers and the amount collected and (2) the amount of the bail forfeitable under the citations processed. Without such a check, the violations bureau has no assurance that all amounts receivable are in fact being received and accounted for.

2. *Security of mailed-in checks.* Mailed bail forfeiture payments made by checks are not being properly secured. Mailed-in checks are often not processed for days. In our audit, for instance, we noted there were unprocessed checks received over a two- to four-day period, totaling \$45,000. Until processed, these checks were left in their opened envelopes and placed in boxes in the cashiers' room, a room which is not secured by a lock and which is often left unattended. This system of handling mailed-in checks makes the checks readily accessible to many employees of the bureau.

Under a sound system of internal control, controls over mailed-in checks are exerted immediately upon receipt of the checks. Ideally, the following procedure should be followed. An individual other than the cashiers should receive the checks and prepare a daily list of all checks received. The checks should then be properly secured until processed. As each check is

processed and deposited, the check is marked off the listing initially prepared. This procedure minimizes the possibility of loss and defalcation. However, due to the volume of payments received by the bureau, this procedure is probably impractical. Two alternatives are offered in such event.

One alternative is a lock box system. Under the lock box system, forfeited bail is mailed to a bank, rather than to the violations bureau. The bank deposits all payments to the credit of the bureau and makes an accounting to the bureau and transmits all copies of the citations to the bureau at a later date. This system ameliorates the volume of unprocessed payments at the bureau. It further provides for faster deposits of collections. The lock box system is an extension of the bail-by-mail system.

The second alternative is the "batching" process. This process is similar to the ideal system, except that a short-cut is taken. A person other than the cashiers sorts the checks and the accompanying citations by types of violation or other appropriate groupings. Then, instead of listing each individual check, he simply runs an adding machine tape of the payments for each batch. The total amount for each batch is recorded in a daily log book. Each batch is kept intact as a unit in processing. This means that the cashiers "punch-in" only the totals of each batch into the cash registers. In addition, only the batch totals are recorded on the deposit slips.

The two alternatives discussed above would establish accounting control over mailed bail forfeiture payments immediately upon receipt by the cashiers. We believe that the two alternatives merit serious consideration by the traffic violations bureau.

Enforcement of bail payments. Not all violators pay forfeitable bail on time. When a bail is not paid within the time prescribed, the violations bureau is supposed to send a delinquency notice to the violator. In some cases, despite the receipt of a delinquency

notice, the violator continues to refuse to pay the bail. In such a situation, the violations bureau is supposed to prepare and have served a "complaint and penal summons" commanding the violator to appear personally in court. If the complaint and penal summons fails to produce any result, the violations bureau is then supposed to prepare and have served a bench warrant for the arrest of the violator. Presently, there is much delay in the issuance of delinquency notices, complaints and penal summonses, and bench warrants; indeed, in some cases, it appears that these steps are not taken at all.

In the case of delinquency notices, the citations issued for parking violations illustrate the delay. Parking citations are supposed to be satisfied within seven days of issuance. This means that if a parking citation is not paid for within seven days, a delinquency notice is supposed to be sent to the violator. However, it appears that it now takes as long as two months from the date of the issuance of the citation for a delinquency notice to be sent.

The delay in the preparation and service of complaints and penal summonses is even worse. Here, it appears that a complaint and a penal summons are not prepared for all cases requiring such complaint and summons and that not all complaints and summonses, though prepared, are served. According to the statistics furnished by the violations bureau, 56,524 motorists on Oahu should have been served with penal summonses during 1973 for failure to respond to traffic citations and delinquency notices issued. However, only 23,422 summonses were actually prepared and, of these, only 6,938 were served. The same problems appear to exist with respect to bench warrants. For instance, the statistics supplied by the violations bureau indicate that of some 350 bench warrants prepared for citations issued on Oahu in September 1974 only 50 were actually served.

The results of the delays in the issuance, and in some cases the non-issuance, of delinquency notices, penal summonses, and bench

warrants are (1) collections of bail are delayed for long periods and (2) collections on account of some citations are never made at all. Consider the following statistics. During the year 1973, bail on about 195,000 parking citations, or one-third of the total number issued during that year, remained uncollected for periods ranging from one to two months from the month of issuance. Then, as of December 31, 1973, delinquent parking citations outstanding totaled 96,926. Of this number, about 36,000 were issued during 1973, and about 30,800 were issued in 1972. The remaining 30,926 included those issued as far back as 1970. Collection on the older ones was, of course, on December 31, 1973 (and collection on all not subsequently collected is now) barred by the two-year statute of limitations.²

Although our audit concentrated primarily on the operations of the violations bureau in Honolulu, a quick look at the situation on the neighbor islands revealed that conditions there are no better than those prevailing on Oahu. On Hawaii, not a single delinquency notice was ever sent for unpaid parking citations issued in 1973. On Kauai, the delinquent file contained about 1000 parking citations, the bail on some of which can now never be collected because of the expiration of the two-year statute of limitations. Further, on Kauai, no bench warrants have ever been issued for \$1911 in delinquent payments. On Maui, in the districts of Wailuku and Makawao, no bench warrants have ever been issued for some \$698 in delinquent deferred payments.³

Enforcement of penalties. When bail is not paid within the time prescribed, a penalty is imposed by law for late payment. For instance, under Ordinance No. 3744 of the city and

²HRS, section 701-108(2) states that "A prosecution for a misdemeanor or a parking violation must be commenced within two years after it is committed."

³Bench warrants are issuable for delinquent deferred payments. "Deferred payment" is a means by which an offender who cannot afford to pay a court-imposed fine immediately is allowed a period of time in which to make the payment.

county of Honolulu, if a parking citation is not paid within seven days of the date of issuance of the citation, the offender is subject to a penalty ranging from \$1 to \$15, depending on the nature of the violation.

The penalty provided by law is not always assessed. This is particularly true when payment is made, although late, before the violations bureau has prepared and sent out a delinquency notice. There are perhaps several reasons for not assessing penalty on a payment made late but before the issuance of a delinquency notice. The more pragmatic one appears to be the following.

The delinquency notice specifically provides that a penalty must be paid along with the bail amount. However, when late payment is made in the absence of a delinquency notice, the offender is either unaware of the need to pay a penalty or simply overlooks it. Although when an offender makes late payment personally at the violations bureau the cashier could notify him of the penalty and collect it from him, the same procedure is not possible if a late payment is made by mail. The cost of collecting the penalty when late payment is made by mail is probably not worth the penalty assessed, and if no effort is to be made to collect penalty from those making late payments by mail, in fairness, no penalty should be collected from those making late payments in person. All of this appear to suggest that penalties are better assessed and collected if delinquency notices could be sent out sooner than they are now being sent.

EDP processing. The problems noted above, particularly those related to enforcement of bail payments, exist in the violations bureau because it lacks an adequate data processing system. This is not to say that the bureau does not have a data processing system. It does. However, the equipment it has is of an older "generation" and is far from adequate for the purposes of the bureau. It is designed to read, tabulate, and print out data from cards; it lacks data storage and retrieval capabilities. Thus, for each different purpose, the same data need to

be repetitiously keypunched onto cards, and the cards sorted and collated. For example, initially when copies of issued traffic citations are received, the bureau keypunches onto cards all information contained on the citation (i.e., name of the driver, driver's license number, nature of violation, date of violation, arresting officer's badge number, citation number, etc.), and the information is printed-out in the form of a citation listing. This is done to establish overall control over all citations issued. However, subsequently, for each of the following purposes: to record bail forfeiture payments, to prepare delinquency notices, to prepare penal summons, to prepare bench warrants, and to issue monthly status reports; much of the same data must again be keypunched onto cards. This system entails much manual labor. Considering the number of citations that the bureau must process, the system is inefficient and makes it difficult, if not impossible, for the bureau to perform its many functions expeditiously.

We believe that the violations bureau should be equipped with computers having data storage and retrieval capabilities. Such computers could relieve the cashiers of much tedious manual work and enable the bureau to prepare and issue delinquency notices, penal summonses, and bench warrants on a timely and routine basis. Moreover, such computers could assist the bureau in maintaining control and accounting of not only those citations actually issued but of all citation forms supplied by the bureau to arresting officers, whether or not they are in fact used.

Recommendations. We recommend as follows:

1. *The violations bureau take immediate steps towards installing a computerized system.*
2. *The violations bureau establish control and security over bail payments made by mail. It should explore the feasibility of instituting a lock box system or implementing a "batching" process to secure and account for its receipts.*

The Circuit Courts

Circuit courts have a fiduciary responsibility over securities and cash deposited with the courts for various purposes. In probate proceedings, for instance, bonds, stocks, time certificates, and insurance policies are often placed in the hands of the court for safekeeping until the validity and authenticity of decedents' wills are established. Likewise, in guardianship proceedings, similar kinds of securities belonging to minors and incompetents are placed with the courts until a guardian or guardians are appointed by the court. Then, cash amounts are frequently deposited with the court as bail, condemnation payments, and alimony and support payments to be held in trust until the disposition of the case or until claimed by the intended recipients. Annually, the circuit courts handle over \$30 million worth of securities and cash.

Our examination revealed deficiencies in the manner in which these securities and cash are safeguarded against possible loss, theft, or misappropriation. In addition, our examination noted deficiencies in the circuit courts' handling of cash receipts and disbursements.

Safeguarding securities and cash held in trust: first circuit court. Securities and cash held in trust by the first circuit court are generally kept in a locked vault in the fiscal office. However, from time to time, they are removed from the vault and left unattended in open trays on desks in the cashiering section, making them susceptible to loss or theft. The following are examples.

Time certificates of deposit often expire before the attendant case is finally concluded and must be renewed by the court if they are to continue to be held in the form originally received. In these instances, the certificates are removed from the vault and placed in an open tray on the supervising cashier's desk for pickup and replacement by a bank representative. While in the tray, they are frequently left unattended.

In condemnation cases, a government check in a sum representing the government appraised value of the land to be condemned is deposited with the court. The check, upon receipt, is posted in a general ledger. The check is placed in the vault at night but is removed from the vault daily until the check is deposited, which usually takes approximately one week. While out of the vault, the check is left in a tray on the cashier's desk.

Alimony and support payments made through the courts are usually in the form of a cashier's check, certified check, or money order made out to the chief clerk of the circuit court. Sometimes the name of the payee is left blank. In some cases, the identity of the recipient of a payment is not immediately discernible because the payer has not identified the recipient on the cashier's check or has failed to supply sufficient information when making the payment. In these situations, deposit of the check is withheld until the recipient is identified. Although the check is stored in the vault for safekeeping at night, during the day it is kept in an open tray in the cashiering section. At the time of the audit, there were 18 such checks, totaling \$1071.

Recommendation. We recommend that none of the securities, checks, and cash be left unattended on any open tray. All securities, checks, and cash should be left in the vault and be removed from the vault only when making a deposit or taking specific action thereon. In the case of checks representing alimony and support payments, if the identity of the recipients is not immediately known, we recommend that the checks be immediately deposited in a suspense account until the identity is known, at which time appropriate adjusting entries may be made.

Accounting for assets held in trust: all circuit courts. None of the financial statements of the circuit courts includes securities in its custody. For example, the investment report of the first circuit court does not include approximately \$190,000 in bank passbooks, insurance policies, stocks, U.S. savings bonds, and other security items held in its vault for

safekeeping. These assets are recorded only in the individual case files.

Without a complete record of all securities in the custody of each circuit court, it is difficult for the administrative director's office to ascertain whether all securities are being accounted for. In addition, there is no assurance that all assets are in fact being properly invested.

Recommendation. We recommend that each circuit court include in its accounting records all securities held in trust.

Control over cash receipts: first and third circuit courts. The first and third circuit courts are not now restrictively endorsing checks payable to the court immediately upon receipt. Rather, the checks are being endorsed "for deposit only" at the time the checks are readied for deposit. Checks that are not restrictively endorsed remain negotiable and are thus susceptible to misuse. Checks made out to cash and checks with the name of the payee left blank are especially vulnerable to loss through theft or defalcation.

Recommendation. We recommend that the first and third circuit courts restrictively endorse checks immediately upon their receipt.

Control over disbursements: first circuit court. The first circuit court's control over disbursements is inadequate. Specifically, the court does not maintain proper security over its check-signing machine and over unused checks. Further, the court is not following its policies relating to check approvals.

1. Check-signing machine and unused checks. Two keys are required to operate the court's check-signing machine. Two keys are required to ensure that the machine is used only as authorized. The keys are supposed to be in the hands of two different persons, making it difficult for one person on his own and any unauthorized persons to operate the machine. However, it appears that during working hours, both keys are left in the machine, thus keeping

the machine fully operable at all times by any single person and by any person who desires to use the machine. This practice negates the control intended by requiring two keys. Further, a supply of unused checks is always kept next to the machine, making the use of the machine even more accessible to unauthorized persons.

Recommendation. We recommend that the keys to the court's check-signing machine be assigned to two different persons, one of whom should be the supervising clerk. The key assigned to the supervising clerk could be left in the machine during working hours but should be removed at the end of each day. The key assigned to the other authorized clerk should be used only when he or the supervising clerk operates the machine. In addition, we recommend that the supply of unused checks be physically controlled by a specific individual such as the chief clerk and that a daily reconciliation be made of checks issued with the disbursement records to assure an accounting of all checks issued.

2. Check-signing policy. The first circuit court's policy provides that a machine-signed check in an amount less than \$1,000 need not be approved by any person; that a check in an amount between \$1,000 and \$24,999 be initialed by the fiscal officer; that a check in an amount between \$25,000 and \$999,999 be initialed by the chief clerk; and that a check in an amount \$1 million or more be manually signed by the chief clerk or chief documents clerk or the fiscal officer.

Our test examination revealed that 14 checks, each in an amount between \$1000 and \$3000 had not been initialed by the fiscal officer as required by the policy. The purpose of the approval procedure is to provide some control over disbursements. Failure to comply with the procedure increases the likelihood of unauthorized disbursements being made.

In addition, it appears that the \$1000 cut-off for checks not requiring approval is much too high and that a lower limit should be established.

Recommendation. We recommend that the first circuit court ensure adherence to the check approval procedure set forth in its procedures manual. We further recommend that the \$1000 limit on the issuance of a check without approval be lowered.

Hilo District Court: Imprest Fund

The Hilo district court maintains an imprest fund⁴ of \$500. The monies are kept in a bank checking account and are used to pay for purchases of miscellaneous supplies. This account, at the time of our examination, had not been reconciled for more than two years. An attempt was made to reconcile the receipts for payments made from the fund with the amounts disbursed; however, the attempt was discontinued when it became evident that such a reconciliation would involve too much time and would necessitate reviewing the records for previous years. We noted also that the last time the fund was replenished by the general fund

was almost a year ago. While there is no one rule which dictates how frequently imprest funds should be replenished, we believe that the replenishment rate experienced by the Hilo district court is too low. Such an experience rate is an indication that \$500 may be too large an amount for current operations, and the court should consider reducing the amount of the imprest fund.

Recommendation. We recommend that the imprest fund of the Hilo district court be reconciled. We also recommend that the administrative director determine the financial requirements of the court's imprest fund and change the imprest fund amount accordingly.

⁴An imprest fund is a fixed sum of money in the form of cash on hand (commonly termed "petty cash fund") or cash in a bank checking account. This type of fund is established to pay for small purchases and other disbursements of relatively low dollar values so as to enable the agency to make small disbursements without the use of purchase orders. The monies in the fund are advanced by the state general fund and replenished from time to time when the balance in the account becomes low.

Chapter 5

FINANCIAL STATEMENTS AND ACCOUNTANTS' OPINIONS

This chapter contains the results of the examination of the financial statements of the state judiciary for the fiscal year July 1, 1973 to June 30, 1974, conducted by Peat, Marwick, Mitchell and Co., a certified public accounting firm. This chapter includes Peat, Marwick, Mitchell and Co.'s opinions regarding the accuracy of the financial statements, explanatory notes to the financial statements, and displays of the financial statements of the general fund, and trust and agency funds administered by the state judiciary.

Summary of Findings

Upon completion of the examination of the financial statements and related financial transactions of the state judiciary for the fiscal year 1973-74, Peat, Marwick, Mitchell and Co. reported its conclusions as follows.

1. With respect to the statement of appropriations, expenditures, and encumbrances – general fund (exhibit A), Peat, Marwick, Mitchell and Co. concluded that the financial statement was reasonably accurate and in conformity with generally accepted accounting principles.

2. With respect to the financial statements of the trust and agency funds (exhibits B through H) administered by the courts, the CPA firm could render *no opinion* as to the fairness with which those financial

statements represent the financial position of the funds. The omission from the accounting records of two groups of financial transactions caused Peat, Marwick, Mitchell and Co. to refrain from expressing an opinion on the financial statements of the state judiciary's trust and agency funds. The first group includes securities which are held by the courts in escrow or in trust, as deposits for court case costs, or as part of the property placed under the courts' jurisdiction for small estates and small guardianship cases. The second group includes cash receipts and disbursements of transactions relating to small estates and small guardianships. While the exact sum of the omissions is not known, in gross value it totals several million dollars.

Accountants' Opinions

The opinions of Peat, Marwick, Mitchell and Co. filed with the legislative auditor are as follows.

Opinion on statement of appropriations, expenditures, and encumbrances – general fund.

“Legislative Auditor
State of Hawaii

We have examined the accompanying general fund statement of appropriations, expenditures, and encumbrances (Exhibit A) of the Judiciary, State of Hawaii for the year ended

June 30, 1974. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the aforementioned financial statement presents fairly the general fund appropriations, expenditures, and encumbrances of the Judiciary, State of Hawaii, for the year ended June 30, 1974, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

/s/ Peat, Marwick, Mitchell & Co.
Peat, Marwick, Mitchell & Co.
Certified Public Accountants

November 22, 1974”

Opinion on financial statements of trust and agency funds.

“Legislative Auditor
State of Hawaii

We have examined the combined balance sheet arising from cash transactions of the trust and agency funds of the Judiciary, State of Hawaii as of June 30, 1974 and the related statement of cash receipts and disbursements for the year then ended. Except as set forth in the following paragraph, our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

As explained in the notes to the financial statements, the Judiciary, State of Hawaii, does not record in the trust and agency funds accounts certain assets over which it has been charged with custodial responsibility. Furthermore, the First Circuit Court’s records of cash receipts and disbursements are incomplete because they do not reflect the transactions

of the Small Estates and Small Guardianship sections of the court. The effects of the unrecorded assets and transactions upon the financial statements were not determined.

Since certain assets and cash transactions of the trust and agency funds of the Judiciary, State of Hawaii were not recorded and as such we were unable to apply adequate auditing procedures to determine the effect of such omissions, as noted in the preceding paragraph, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on the financial statements referred to above. Accordingly, we also express no opinion on the supplementary schedules (Exhibits D through H).

/s/ Peat, Marwick, Mitchell & Co.
Peat, Marwick, Mitchell & Co.
Certified Public Accountants

November 22, 1974”

Description of Financial Statements

The following is a brief description of the financial statements contained in this chapter.

Statement of appropriations, expenditures, and encumbrances – general fund. This statement (exhibit A) shows the general fund appropriations, the amounts available for expenditures, and the expenditure amounts for the fiscal year July 1, 1973 to June 30, 1974, and the amounts obligated (encumbered) and lapsed at June 30, 1974.

Balance sheet – trust and agency funds. The balance sheet of trust and agency funds are displayed in four exhibits. The combined balance sheet (exhibit B) discloses the total assets and liabilities as of June 30, 1974 of trust and agency funds administered by all of the courts. Exhibit D shows the balance sheet of the trust and agency funds of the circuit courts, exhibit E shows the balance sheet of the trust and agency funds of the district courts, and

exhibit F shows the balance sheet of all of the other courts.

Statement of cash receipts and disbursements – trust and agency funds. Three statements are displayed in this chapter. Exhibit C is the combined statement of cash receipts and disbursements; it summarizes the results of the cash transactions had during the 1973–74 fiscal year in all of the courts. Exhibit G shows the cash transactions of the circuit courts for the fiscal year, and exhibit H shows the transactions of the district courts.

Definition of Terms

The definitions of the technical terms used in this chapter are as follows:

Appropriated receipts – funds received by the State for designated purposes and specifically authorized by the state legislature to be expended by the state agency. Depending upon the designated purposes of the receipts, the funds may lapse at the end of the fiscal year or be carried over until completely expended.

Appropriation – an authorization granted by the state legislature permitting a state agency, within established fiscal and budgetary controls, to incur obligations and to make expenditures. Appropriations are of two types: (1) funds which are available for use until completely expended and (2) funds which lapse if not expended or encumbered at the end of the fiscal year.

Cash basis of accounting – a method of accounting in which revenue is recorded when received in cash and expenditures are recorded when paid.

Encumbrance – the earmarking or setting aside of certain sums of money from an appropriation for payment at a future date.

Expenditure – actual disbursement of funds incurred against authorized funds and

used to pay for goods delivered or services rendered.

Lapsed balance – the balance of authorized funds, unexpended and uncommitted at the end of a prescribed time period. These funds are available for appropriation by the state legislature in the ensuing fiscal year.

Modified cash basis of accounting – a method of accounting in which revenue is recorded when actually received and expenditures are recorded at the time liabilities are paid, except for the encumbrance of funds for commitments. Commitments are recorded at the time contracts are awarded and orders for services, equipment, and supplies are placed.

Transfers – interfund and interagency transfers authorized by the chief justice or his designee.

Notes to Financial Statements

Explanatory notes which are pertinent to an understanding of the various financial statements of the state judiciary are discussed below.

Notes to statement of appropriations, expenditures, and encumbrances – general fund.

1. Accounting principles. The general fund accounts of the state judiciary are maintained and the accompanying financial statement has been prepared on a modified cash basis of accounting. Capital assets for the use of the judiciary are either acquired by the judiciary itself out of general fund monies appropriated directly to it or they are acquired for the judiciary out of funds other than the general fund (e.g., bond fund) by another state agency (e.g., department of accounting and general services). The accompanying general fund financial statement includes only those expenditure amounts for capital assets acquired by the judiciary out of the general fund appropriations made to the judiciary itself and does not include

expenditure amounts for capital assets acquired for the judiciary from funds other than the general fund or from funds appropriated to other state agencies. Depreciation on assets is generally not recorded by the State of Hawaii.

2. *Description of the general fund.* The general fund is used to account for all resources not specifically set aside for special purposes. Any activity not financed through another fund is financed through this fund. The annual operating budget as adopted by the state legislature provides the basic framework within which the resources and obligations of the general fund are accounted. The general fund of the state judiciary is a part of the State of Hawaii general fund and the accompanying general fund financial statement is limited to and reflects only the appropriations, expenditures, and obligations of the state judiciary.

3. *Legislative appropriations.* Funds for the state judiciary that were appropriated from the general revenues of the State totaled \$8,944,938 for the 1973-74 fiscal year. These funds were authorized under the following appropriations.

	1973-74
Act 218, Session Laws, 1973	\$8,677,038
Act 147, Session Laws, 1974	200,000
Act 218, Session Laws, 1974	67,000
	<hr/>
	\$8,944,938

4. *Employee benefits.* Employees of the judiciary earn vacation credits with pay at the rate of one and three-quarters working days for each calendar month of service. Unused vacation credits automatically accumulate except that the accumulation may not exceed 15 working days in any one calendar year and the total accumulation may not exceed 90 working days. Within certain limitations the employees are entitled to receive cash payments for accrued vacation upon termination of their employment.

Sick leave accumulates at the rate of one and three-quarters working days for each month of service without limit, but can be taken only in the event of an illness and is not convertible to pay upon termination of employment.

All full-time employees of the judiciary are required by section 88 of the Hawaii Revised Statutes to become members of the employees' retirement system of the State of Hawaii, a contributory retirement system. The judiciary's and other state agencies' share of the retirement expense for the fiscal year ended June 30, 1974 was included in the general appropriation bill as an item to be expended by the department of budget and finance and is not reflected in the judiciary's accompanying financial statement.

Notes to the financial statements of the trust and agency funds.

1. *Accounting principles and practices.* The trust and agency fund accounts are maintained and the accompanying statements have been prepared on the cash basis of accounting. Because of the nature of the operations of the courts with regard to the trust and agency funds, there is no significant difference between the cash basis of accounting and the modified cash basis of accounting which is the generally accepted method of accounting for governmental agencies.

Trust and agency fund investments are recorded either at cost or at maturity value. All stocks in all courts are recorded at cost, savings bonds at the third circuit courts are recorded at cost, and savings bonds at all other courts are recorded at maturity value. The breakdown of these valuations is as follows:

Stocks, at cost, which approximates market	\$ 8,186
U.S. savings bonds, stated at cost	1,425
U.S. savings bonds, stated at maturity value	<u>43,475</u>
	<u>\$53,086</u>

The courts have custody of certain securities such as stocks, insurance policies, bonds, saving certificates, and time certificates of deposit. These securities represent deposits

received for court costs or are assets placed under the courts' jurisdiction for small estates or small guardianship cases. Unless purchased by the courts, securities of this nature are not recorded on the books of the judiciary.

2. *Description of trust and agency funds.*

Trust and agency funds are used to account for

resources held by the state judiciary as a trustee or an agent. These accounts are operated in accordance with court orders, specific agreements, or other governing regulations. The judiciary also use the trust and agency funds for clearing accounts in which collections are deposited and are subsequently transferred into the state treasury.

State of Hawaii
The Judiciary
General Fund
Statement of Appropriations, Expenditures, and Encumbrances
For the Year Ended June 30, 1974

Description	Balance July 1, 1973	Appro- priations	Appro- priated receipts	Transfers	Total	Expen- ditures	Encum- brances	Lapsed balances	Unencum- bered bal. June 30, 1974
State appropriations									
Supreme court:									
Criminal cases	\$ -	\$ 100,613	\$ -	\$ (10,938)	\$ 89,675	\$ 86,300	\$ 145	\$ 3,230	\$ -
Civil cases	-	403,381	-	(44,255)	359,126	335,925	22,430	771	-
Law library and reference services	2,633	174,597	-	(1,363)	175,867	175,161	-	706	-
Publication of Hawaii reports	34,769	-	-	-	34,769	16,727	17,554	488	-
Revision of statutes and probate laws	13,368	-	-	-	13,368	732	-	-	12,636
Total supreme court	\$50,770	\$ 678,591	\$ -	\$ (56,556)	\$ 672,805	\$ 614,845	\$ 40,129	\$ 5,195	\$ 12,636
Circuit courts:									
Pretrial processing	\$ -	\$ 500,076	\$ -	\$ (5,602)	\$ 494,474	\$ 492,875	\$ 447	\$ 1,152	\$ -
Criminal cases	-	783,877	5,438	(14,604)	774,711	771,823	716	2,172	-
Civil cases	-	1,232,669	-	49,000	1,281,669	1,279,130	1,270	1,269	-
Pretrial services—civil cases	-	409,954	-	(1,387)	408,567	408,191	89	287	-
Post-trial services—civil cases	-	301,690	-	(5,680)	296,010	290,471	4,736	803	-
Presentence investigation	-	249,214	-	(5,897)	243,317	242,315	998	4	-
Adult presentence investigation	-	188,950	-	(5,607)	183,343	181,992	715	636	-
Juvenile detention facilities	-	491,619	-	(3,294)	488,325	485,124	2,874	327	-
Juvenile probation	-	713,868	-	(53,993)	659,875	645,324	13,370	1,181	-
Adult probation	-	186,549	-	(5,052)	181,497	180,880	-	617	-
Provide for additional judges and staff	-	16,500	-	(16,500)	-	-	-	-	-
Increase pay to jurors	-	200,000	-	-	200,000	-	-	-	200,000
General	3,663	-	-	-	3,663	3,426	-	237	-
Total circuit courts	\$ 3,663	\$5,274,966	\$5,438	\$ (68,616)	\$5,215,451	\$4,981,551	\$ 25,215	\$ 8,685	\$200,000
District courts:									
Pretrial processing	\$ -	\$ 802,495	\$ 528	\$ 33,751	\$ 836,774	\$ 833,263	\$ 3,207	\$ 304	\$ -
Criminal cases	-	1,187,439	853	20,262	1,208,554	1,201,743	6,496	315	-
Civil cases	-	326,895	35	4,938	331,868	331,652	-	216	-
Accident prevention and highway safety Provide for additional courts and operational workload requirements	-	102,201	-	(3,359)	98,842	98,831	-	11	-
Provide for additional staffing for traffic court	-	34,400	-	(34,400)	-	-	-	-	-
Provide for additional staffing for traffic court	-	17,000	-	(17,000)	-	-	-	-	-
Total district courts	\$ -	\$2,470,430	\$1,416	\$ 4,192	\$2,476,038	\$2,465,489	\$ 9,703	\$ 846	\$ -
Land court	\$ -	\$ 52,303	\$ -	\$ (279)	\$ 52,024	\$ 51,385	\$ -	\$ 639	\$ -
Office of administrative director	\$11,337	\$ 468,648	\$ -	\$121,259	\$ 601,244	\$ 411,417	\$ 62,562	\$127,265	\$ -
Total state appropriations, carried forward	\$65,770	\$8,944,938	\$6,854	\$ -	\$9,017,562	\$8,524,687	\$137,609	\$142,630	\$212,636

(Continued)

State of Hawaii
The Judiciary
General Fund

Statement of Appropriations, Expenditures, and Encumbrances
For the Year Ended June 30, 1974

Description	Balance July 1, 1973	Appro- priations	Appro- priated receipts	Transfers	Total	Expen- ditures	Encum- brances	Lapsed balances	Unencum- bered bal. June 30, 1974
Total state appropriations, brought forward	\$ 65,770	\$8,944,938	\$ 6,854	\$ -	\$9,017,562	\$8,524,687	\$137,609	\$142,630	\$212,636
Federal funds									
Supreme court—law library	\$ -	\$ -	\$ 37,000	\$ -	\$ 37,000	\$ 37,000	\$ -	\$ -	\$ -
Circuit courts:									
Adult probation	\$ -	\$ -	\$ 12,240	\$ -	\$ 12,240	\$ 9,448	\$ -	\$ -	\$ 2,792
Public employment program— adult probation	-	-	8,796	8,449	17,245	(441)	-	-	17,686
Emergency Employment Act of 1971. Family courts:	8,449	-	1,070	(8,449)	1,070	-	-	-	1,070
Omnibus crime control and safe streets	6,276	-	-	(6,276)	-	-	-	-	-
Volunteer service to the judiciary Information officer—family court systems project	26,061	-	-	(26,061)	-	-	-	-	-
Prevention and control of juvenile delinquency—third circuit	3,713	-	-	(3,713)	-	-	-	-	-
Group foster home and career foster parent—fifth circuit	2,959	-	-	(2,959)	-	-	-	-	-
First circuit	3,253	-	-	(3,253)	-	-	-	-	-
Third circuit	-	-	38,214	19,348	57,562	39,885	-	-	17,677
Fifth circuit	-	-	36,324	2,959	39,283	25,275	-	-	14,008
	-	-	17,195	3,253	20,448	19,941	-	-	507
Total circuit courts	\$ 50,711	\$ -	\$113,839	\$(16,702)	\$ 147,848	\$ 94,108	\$ -	\$ -	\$ 53,740
District courts—computer data system Hawaii criminal justice data center	\$ 11,469	\$ -	\$ -	\$(11,469)	\$ -	\$ -	\$ -	\$ -	\$ -
Office of administrative director	\$ -	\$ -	\$203,154	\$ 28,171	\$ 231,325	\$ 169,592	\$ -	\$ -	\$ 61,733
Total federal funds	\$ 62,180	\$ -	\$353,993	\$ -	\$ 416,173	\$ 300,700	\$ -	\$ -	\$115,473-
Contributions									
Contribution by city and county of Honolulu for model cities	\$ 13,571	\$ -	\$ 35,765	\$ -	\$ 49,336	\$ 28,357	\$ -	\$ -	\$ 20,979
Total general fund	\$141,521	\$8,944,938	\$396,612	\$ -	\$9,483,071	\$8,853,744	\$137,609	\$142,630	\$349,088

See accompanying notes to financial statement.

EXHIBIT B

State of Hawaii
The Judiciary
Trust and Agency Funds
Combined Balance Sheet
June 30, 1974

	<i>Circuit Courts</i>	<i>District Courts</i>	<i>Others</i>	<i>Total</i>
<i>Assets</i>				
Cash on hand and in bank	\$ 5,605,925	\$134,057	\$19,952	\$ 5,759,934
Time certificates of deposit	5,507,168	--	--	5,507,168
Investments	53,086	--	--	53,086
Total assets	\$11,166,179	\$134,057	\$19,952	\$11,320,188
<i>Liabilities (note 2)</i>				
Due to state general fund:				
Imprest and change funds	\$ 7,000	\$ 4,195	\$ 500	\$ 11,695
Unremitted government realizations.	16,824	3,994	--	20,818
Total due to state general fund	\$ 23,824	\$ 8,189	\$ 500	\$ 32,513
Trust funds	\$ 117,085	\$125,868	\$19,452	\$ 262,405
Case costs:				
Civil	\$ 8,158,957	--	--	\$ 8,158,957
Criminal	136,242	--	--	136,242
Probate	12,384	--	--	12,384
Other	17,828	--	--	17,828
Total case costs	\$ 8,325,411	--	--	\$ 8,325,411
Small estates and guardianships	\$ 2,671,554	--	--	\$ 2,671,554
Other liabilities	\$ 28,305	--	--	28,305
Total liabilities	\$11,166,179	\$134,057	\$19,952	\$11,320,188

See accompanying notes to financial statements.

EXHIBIT C

State of Hawaii
The Judiciary
Trust and Agency Funds

Combined Statement of Cash Receipts and Disbursements
Year Ended June 30, 1974

	<i>Circuit Courts</i>	<i>District Courts</i>	<i>Others</i>	<i>Total</i>
Cash balance, July 1, 1973	\$ 3,521,481	\$ 92,839	\$21,006	\$ 3,635,326
Receipts:				
Case costs	\$30,388,047	\$ --	\$ --	\$30,388,047
Miscellaneous allowances	4,302,483	--	--	4,302,483
Traffic waivers	--	1,700,966	--	1,700,966
Other fines	154,976	1,096,176	--	1,251,152
Bails posted	--	1,115,057	--	1,115,057
Bonds posted	--	83,556	--	83,556
Court costs	293,504	48,793	--	342,297
Interest	265,443	--	--	265,443
Small estates	685,466	--	--	685,466
Small guardianship	232,522	--	--	232,522
Traffic abstracts	--	82,530	--	82,530
Bail and bond forfeitures	27,475	5,020	--	32,495
Court fees	48,118	--	--	48,118
Deposits by taxpayers	--	--	5,253	5,253
Fees, registration of land court titles	--	--	17,480	17,480
Others	78,743	57,516	--	136,259
Total receipts	\$36,476,777	\$4,189,614	\$22,733	\$40,689,124
Disbursements:				
Director of finance, State of Hawaii	\$ 804,768	\$3,445,195	\$ 5,575	\$ 4,255,538
Case costs	24,659,821	--	--	24,659,821
Miscellaneous allowances	4,309,909	--	--	4,309,909
Bail refunds	--	582,181	--	582,181
Bond refunds	--	53,751	--	53,751
Small estates	679,413	--	--	679,413
Small guardianship	226,686	--	--	226,686
Others	48,554	67,269	18,212	134,035
Total disbursements	\$30,729,151	\$4,148,396	\$23,787	\$34,901,334
Cash balance, first circuit court Guardianship section	\$ 1,843,986	\$ --	\$ --	\$ 1,843,986
Cash balance, June 30, 1974	\$11,113,093	\$ 134,057	\$19,952	\$11,267,102
Summary of cash balance:				
Cash	\$ 5,605,925	\$ 134,057	\$19,952	\$ 5,759,934
Time certificates of deposit	5,507,168	--	--	5,507,168
	\$11,113,093	\$ 134,057	\$19,952	\$11,267,102

See accompanying notes to financial statements.

EXHIBIT D

State of Hawaii
The Judiciary
Trust and Agency Funds

Circuit Courts
Balance Sheet
June 30, 1974

	<i>First circuit</i>	<i>Second circuit</i>	<i>Third circuit</i>	<i>Fifth circuit</i>	<i>Total</i>
<i>Assets</i>					
Cash	\$4,471,502	\$236,050	\$555,522	\$342,851	\$ 5,605,925
Time certificates of deposit	5,496,371	10,797	--	--	5,507,168
Investments	9,425	35,075	8,586	--	53,086
Total assets	\$9,977,298	\$281,922	\$564,108	\$342,851	\$11,166,179
<i>Liabilities</i>					
Due to state general fund:					
Imprest and change funds	\$ 4,500	\$ 1,000	\$ 1,000	\$ 500	\$ 7,000
Unremitted government realizations	16,824	--	--	--	16,824
Total due to state general fund.	\$ 21,324	\$ 1,000	\$ 1,000	\$ 500	\$ 23,824
Trust funds	\$ 117,085	\$ --	\$ --	\$ --	\$ 117,085
Case costs:					
Civil	\$7,552,142	\$ 88,073	\$298,395	\$220,347	\$ 8,158,957
Criminal	101,933	13,415	7,994	12,900	136,242
Probate	574	1,947	5,446	4,417	12,384
Other	9,280	2,656	2,385	3,507	17,828
Total case costs	\$7,663,929	\$106,091	\$314,220	\$241,171	\$ 8,325,411
Small estates and guardianships	\$2,147,828	\$174,831	\$247,715	\$101,180	\$ 2,671,554
Other liabilities	\$ 27,132	\$ --	\$ 1,173	\$ --	\$ 28,305
Total liabilities	\$9,977,298	\$281,922	\$564,108	\$342,851	\$11,166,179

EXHIBIT E

State of Hawaii
The Judiciary
Trust and Agency Funds

District Courts
Balance Sheet
June 30, 1974

	<i>District court of the first circuit</i>	<i>District court of the second circuit</i>	<i>District court of the third circuit</i>	<i>District court of the fifth circuit</i>	<i>Total</i>
<i>Assets</i>					
Cash	\$105,320	\$11,738	\$13,686	\$3,313	\$134,057
<i>Liabilities</i>					
Due to state general fund:					
Imprest and change funds	\$ 3,000	\$ 945	\$ --	\$ 250	\$ 4,195
Unremitted government realizations.	2,568	575	833	18	3,994
Total due to state general fund .	\$ 5,568	\$ 1,520	\$ 833	\$ 268	\$ 8,189
Trust funds	99,752	\$10,218	\$12,853	\$3,045	\$125,868
Total liabilities	\$105,320	\$11,738	\$13,686	\$3,313	\$134,057

EXHIBIT F

State of Hawaii
The Judiciary
Trust and Agency Funds

Other Courts
Balance Sheet
June 30, 1974

	<i>Tax appeal court</i>	<i>Land court</i>	<i>Office of admin. director</i>	<i>Total</i>
<i>Assets</i>				
Cash	\$8,286	\$5,343	\$6,323	\$19,952
<i>Liabilities</i>				
Due to state general fund – imprest funds .	\$ --	\$ --	\$ 500	\$ 500
Trust funds	8,286	5,343	5,823	19,452
	<u>\$8,286</u>	<u>\$5,343</u>	<u>\$6,323</u>	<u>\$19,952</u>

State of Hawaii
The Judiciary
Trust and Agency Funds

Circuit Courts
Cash Receipts and Disbursements
Year Ended June 30, 1974

	<i>First circuit</i>	<i>Second circuit</i>	<i>Third circuit</i>	<i>Fifth circuit</i>	<i>Total</i>
Cash balance, July 1, 1973	\$ 1,795,024	\$ 209,561	\$1,072,699	\$444,197	\$ 3,521,481
Receipts:					
Case costs	\$27,337,235	\$1,251,091	\$1,472,538	\$327,183	\$30,388,047
Miscellaneous allowances	4,302,483	—	—	—	4,302,483
Other fines	139,451	8,329	3,836	3,360	154,976
Court costs	239,494	22,800	22,331	8,879	293,504
Interest	109,959	—	155,484	—	265,443
Small estates	476,930	26,640	155,659	26,237	685,466
Small guardianship	—	107,234	—	125,288	232,522
Bail and bond forfeitures	25,450	450	925	650	27,475
Court fees	31,250	5,694	8,975	2,199	48,118
Others	61,480	149	16,373	741	78,743
Total receipts	\$32,723,732	\$1,422,387	\$1,836,121	\$494,537	\$36,476,777
Disbursements:					
Director of finance, State of Hawaii	\$ 558,953	\$ 37,422	\$ 192,563	\$ 15,830	\$ 804,768
Case costs	21,012,976	1,213,705	1,995,962	437,178	24,659,821
Miscellaneous allowances	4,309,909	—	—	—	4,309,909
Small estates	473,569	29,511	155,681	20,652	679,413
Small guardianship	—	104,463	—	122,223	226,686
Others	39,462	—	9,092	—	48,554
Total disbursements	\$26,394,869	\$1,385,101	\$2,353,298	\$595,883	\$30,729,151
Small estates and guardianship, cash balance	\$ 1,843,986	—	—	—	\$ 1,843,986
Cash balance, June 30, 1974	\$ 9,967,873	\$ 246,847	\$ 555,522	\$342,851	\$11,113,093
Summary of cash balance:					
Cash	\$ 4,471,502	\$ 236,050	\$ 555,522	\$342,851	\$ 5,605,925
Time certificates of deposit	5,496,371	10,797	—	—	5,507,168
	\$ 9,967,873	\$ 246,847	\$ 555,522	\$342,851	\$11,113,093

EXHIBIT H

State of Hawaii
The Judiciary
Trust and Agency Funds

District Courts
Cash Receipts and Disbursements
Year Ended June 30, 1974

	<i>District court of the first circuit</i>	<i>District court of the second circuit</i>	<i>District court of the third circuit</i>	<i>District court of the fifth circuit</i>	<i>Total</i>
Cash balance, July 1, 1973	\$ 71,932	\$ 7,344	\$ 11,333	\$ 2,230	\$ 92,839
Receipts:					
Traffic waivers	\$1,574,059	\$ 48,765	\$ 75,095	\$ 3,047	\$1,700,966
Other fines	987,432	31,550	64,064	13,130	1,096,176
Bails posted	915,413	82,341	81,489	35,814	1,115,057
Bonds posted	79,083	3,300	—	1,173	83,556
Court costs	39,905	6,866	627	1,395	48,793
Traffic abstracts	75,806	1,987	3,586	1,151	82,530
Bail and bond forfeitures	—	—	5,020	—	5,020
Others	46,379	4,475	6,023	639	57,516
Total receipts	\$3,718,077	\$179,284	\$235,904	\$56,349	\$4,189,614
Disbursements:					
Director of finance, State of Hawaii	\$3,134,863	\$121,595	\$152,562	\$36,175	\$3,445,195
Bail refunds	447,862	39,476	75,753	19,090	582,181
Bond refunds	49,156	4,595	—	—	53,751
Others	52,808	9,224	5,236	1	67,269
Total disbursements	\$3,684,689	\$174,890	\$233,551	\$55,266	\$4,148,396
Cash balance, June 30, 1974	\$ 105,320	\$ 11,738	\$ 13,686	\$ 3,313	\$ 134,057

PART III

RESPONSE OF THE AFFECTED AGENCY

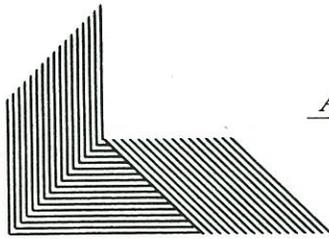
COMMENTS ON AGENCY RESPONSE

A preliminary draft of this report was transmitted to the state judiciary for its comments on the findings and recommendations.

A copy of the transmittal letter to the judiciary is included as attachment 1. Its response is included as attachment 2.

The judiciary acknowledges that the data processing system of the traffic violations bureau needs to be improved and upgraded. The judiciary states that, with additional financial resources recently made available, it is proceeding with the design of a data processing system encompassing the entire court system. We are pleased that the judiciary has initiated action towards the improvement of its system.

THE OFFICE OF THE AUDITOR
STATE OF HAWAII
STATE CAPITOL
HONOLULU, HAWAII 96813



ATTACHMENT 1

CLINTON T. TANIMURA
AUDITOR
RALPH W. KONDO
DEPUTY AUDITOR

June 10, 1976

C
O
P
Y

The Honorable William S. Richardson
Chief Justice of the Supreme Court
State of Hawaii
Honolulu, Hawaii

Dear Chief Justice Richardson:

Enclosed are four preliminary copies of our report entitled *Financial Audit of the State Judiciary*.

The term "preliminary" indicates that the report has not been released for general distribution. Copies of the report have been distributed to the governor and the presiding officers of both houses of the legislature.

The report contains a number of recommendations. I would appreciate receiving your comments on the recommendations directed to your department. Please have your written comments submitted to us by June 25, 1976. Your comments will be incorporated into the report and the report will be finalized and released shortly thereafter.

If you wish to discuss the report with us, we will be pleased to meet with you, at our office, on or before June 17, 1976. Please call our office to fix an appointment. A "no call" will be assumed to mean that a meeting is not required.

We appreciate the assistance and cooperation extended to us during the examination.

Sincerely,

Clinton T. Tanimura
Legislative Auditor

Enclosures



ATTACHMENT 2

THE JUDICIARY

**OFFICE OF THE ADMINISTRATIVE DIRECTOR OF THE COURTS
POST OFFICE BOX 2560 · HONOLULU, HAWAII 96804**

LESTER E. CINGCADE
Administrative Director
TOM OKUDA
Deputy Director

June 22, 1976

ROBERT I. UEOKA
Business Manager
E. H. SHIGEZAWA
Personnel Officer

RECEIVED

JUN 22 3 28 PM '76

OFC. OF THE AUDITOR
STATE OF HAWAII

Mr. Clinton Tanimura, Auditor
Office of the Legislative Auditor
State Capitol
Chamber Level, Room 8
Honolulu, Hawaii 96813

Dear Mr. Tanimura:

Thank you for sharing with us the report of the financial audit of the Judiciary accomplished by Peat, Marwick, Mitchell and Co. completed in 1974.

We are pleased to see that several of the comments contained in the audit report support positions that the Judiciary has consistently held over a number of years. An example is the recommendation that the Traffic Violation data processing system be upgraded. The Judiciary called attention to this need in the mid 1960's. Only recently with the availability of federal funds from the National Highway Safety Program, have the resources been made available to support such an effort. We are pleased to see that the audit report supports the course we have set for ourselves.

In the same area, but beyond what is reflected in the audit report, the Judiciary, through the use of funds from the Law Enforcement Assistance Administration, is presently designing a system that will bring to the remainder of the court system the same degree of computer support recommended for the Traffic Violations Bureau. This new system is aimed at both the judicial record keeping function as well as the financial records.

In other areas in which the auditor reflects a need for added resources, I am pleased to say that the Legislature has responded favorably. In our smaller courts some degree of separation of fiscal duties will be possible with the increased staffing.

Peat, Marwick and Mitchell also recommends that the manual of procedures covering financial operations be upgraded. Now that the Judiciary has been afforded a degree of responsibility

Mr. Clinton Tanimura

-2-

June 22, 1976

over financial operations, by Act 159/74, we are moving ahead in meeting this responsibility. At the time of the audit, the authority to accomplish this task did not rest in the Judiciary.

In response to the auditor's concern regarding the agency and trust accounts, please be advised that the procedures used in accounting for these funds have been the subject of considerable review. A system design which will lead to automation of these accounts will be completed by August 15 as part of the LEAA grant mentioned above.

The entire report will be carefully studied to determine the relative merits of the various recommendations and implementation will follow should they be deemed feasible and in the best interest of the State.

Sincerely,



Lester E. Cingcade

LEC:mmm

PUBLISHED REPORTS OF THE LEGISLATIVE AUDITOR

AUDIT REPORTS

- 1966 1. Examination of the Office of the Revisor of Statutes, 66 pp. (out of print).
- 1967 1. Overtime in the State Government, 107 pp.
2. Management Audit of Kula Sanatorium, 136 pp.
- 1968 1. Financial Audit of the Department of Health for the Fiscal Year Ended June 30, 1967, v.p. (out of print).
2. Financial Audit of the Department of Planning and Economic Development for the Fiscal Year Ended June 30, 1967, v.p. (out of print).
3. Financial Audit of the Department of Regulatory Agencies for the Fiscal Year Ended June 30, 1967, v.p. (out of print).
4. Financial Audit of the Department of Hawaiian Home Lands for the Fiscal Year Ended June 30, 1967, 54 pp.
5. Financial Audit of the Oahu Transportation Study for the Period July 1, 1962 to August 31, 1967, 68 pp.
6. Financial Audit of the Hawaii Visitors Bureau for the Period July 1, 1966 to January 31, 1968, 69 pp. (out of print).
7. State Capital Improvements Planning Process, 55 pp. (out of print).
8. Financial Audit of the Hilo Hospital for the Fiscal Year Ended June 30, 1967, 43 pp. (out of print).
9. Financial Audit of the Hawaii Visitors Bureau for the Period July 1, 1967 to June 30, 1968, 42 pp.
- 1969 1. Financial Audit of the General Fund, State of Hawaii, for the Fiscal Year Ended June 30, 1968, v.p. (out of print).
2. Financial Audit of the Judicial Branch, State of Hawaii, for the Fiscal Year Ended June 30, 1968, v.p. (out of print).
3. Financial Audit of the State Department of Budget and Finance for the Fiscal Year Ended June 30, 1968, v.p.
4. General Audit of the Department of Personnel Services, State of Hawaii, 129 pp. (out of print).
A Summary of the General Audit of the Department of Personnel Services, 53 pp.
5. Financial Audit of the Samuel Mahelona Memorial Hospital for the Fiscal Year Ended June 30, 1968, 34 pp.
6. Financial Audit of the Honokaa Hospital for the Fiscal Year Ended June 30, 1968, 41 pp.
7. Financial Audit of the Kohala Hospital for the Fiscal Year Ended June 30, 1968, 34 pp.
8. Financial Audit of the Kona Hospital for the Fiscal Year Ended June 30, 1968, 44 pp.
9. Financial Audit of the Kauai Veterans Memorial Hospital for the Fiscal Year Ended June 30, 1968, 30 pp.
An Overview of the Audits of the Act 97 Hospitals, 18 pp.
- 1970 1. Management Audit of the Department of Water County of Kauai, 65 pp.
2. Audit of the Kamehameha Day Celebration Commission, 47 pp.
3. Audit of the Medical Assistance Program of the State of Hawaii, 392 pp.
- 1971 1. Financial Audit of the State School Lunch Services Program, Department of Education for the Fiscal Year Ended June 30, 1970, v.p. (out of print).
2. Audit of the County/State Hospital Program, 124 pp. (out of print).
3. Audit of the State Vendor Payment Process, 63 pp.
4. Audit of the Hawaii Educational Television System, 153 pp.
- 1972 1. Audit of the Office of the Public Defender, 39 pp.
2. Financial Audit of the Department of Agriculture for the Fiscal Year Ended June 30, 1971, v.p.

3. Financial Audit of the Department of Labor and Industrial Relations for the Fiscal Year Ended June 30, 1971, v.p.
4. Audit of Utility Facility Relocation in Street Widening Projects, 73 pp.
5. Audit of the School Construction Program of the State of Hawaii, 297 pp.
- 1973 1. Management Audit of the Department of Education, 410 pp.
2. Audit of the University of Hawaii's Faculty Workload, 61 pp. (out of print).
3. Financial Audit of the Department of Education, 73 pp. (out of print).
- 1974 1. Financial Audit of the Department of Regulatory Agencies, 67 pp.
2. Financial Audit of the State Department of Defense and Civil Air Patrol (Hawaii Wing), 52 pp.
- 1975 1. Financial Audit of the Hawaii Housing Authority, 78 pp.
2. Program Audit of the School Health Services Pilot Project, 80 pp.
3. Management Audit of the Public Utilities Program — Vol. I: The Organization for the General Management of the Public Utilities Program, 154 pp.
4. Management Audit of the Public Utilities Program — Vol. II: The Regulation of Public Utilities, 193 pp.
5. Financial Audit of the Department of Taxation, 53 pp.
6. Management Audit of the Public Utilities Program — Vol. III: The Regulation of Transportation Services, 201 pp.
- 1976 1. Management Audit of the Recreational Boating Program, 121 pp.
2. Management Audit of the Hawaii Foundation for History and the Humanities, 96 pp.
3. Management Audit of the State Foundation on Culture and Arts, 64 pp.

SPECIAL REPORTS

- 1965 1. Long and Short Range Programs of the Office of the Auditor, 48 pp. (out of print).
2. A Preliminary Survey of the Problem of Hospital Care in Low Population Areas in the State of Hawaii, 17 pp.
- 1966 1. Procedural Changes for Expediting Implementation of Capital Improvement Projects, 9 pp.
- 1967 1. The Large School: A Preliminary Survey of its Educational Feasibility for Hawaii, 15pp.
2. State-City Relationships in Highway Maintenance, and Traffic Control Functions, 28 pp.
3. Manual of Guides of the Office of the Legislative Auditor, v.p.
- 1969 1. Transcript of Seminar in Planning-Programming-Budgeting for the State of Hawaii, 256 pp.
2. Airports System Financing Through Revenue Bonds, 9 pp. (out of print)
3. Second Annual Status Report on the Implementation of Act 203, Session Laws of Hawaii 1967 (Relating to State-County Relationships), 13 pp. (out of print).
4. An Overview of the Governor's 1969-70 Capital Improvements Budget, 61 pp. (out of print).
5. A Supplementary Report on the Audit of the Hawaii Visitors Bureau, 2 pp. (out of print).
- 1970 1. A Study of the Compensation of Coaches of Interscholastic Athletics of the State Department of Education, 31 pp.
- 1971 1. A Study of the State Highway Special Fund, 14 pp.
- 1972 1. A Study of Hawaii's Motor Vehicle Insurance Program, 226 pp.

**LEGISLATIVE AUDITOR
STATE CAPITOL
HONOLULU, HAWAII 96813**