
Management Audit of the Traffic Violations Bureau

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

Report No. 93-21
December 1993



THE AUDITOR
STATE OF HAWAII

The Office of the Auditor

The missions of the Office of the Auditor are assigned by the Hawaii State Constitution (Article VII, Section 10). The primary mission is to conduct post audits of the transactions, accounts, programs, and performance of public agencies. A supplemental mission is to conduct such other investigations and prepare such additional reports as may be directed by the Legislature.

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* evaluate new professional and occupational licensing programs to determine whether the programs should be terminated, continued, or modified. These evaluations are conducted in accordance with criteria established by statute.
4. *Sunrise analyses* are similar to sunset evaluations, but they apply to proposed rather than existing regulatory programs. Before a new professional and occupational licensing program can be enacted, the statutes require that the measure be analyzed by the Office of the Auditor as to its probable effects.
5. *Health insurance analyses* examine bills that propose to mandate certain health insurance benefits. Such bills cannot be enacted unless they are referred to the Office of the Auditor for an assessment of the social and financial impact of the proposed measure.
6. *Analyses of proposed special funds* and existing *trust and revolving funds* determine if proposals to establish these funds and existing funds meet legislative criteria.
7. *Procurement compliance audits* and other *procurement-related monitoring* assist the Legislature in overseeing government procurement practices.
8. *Fiscal accountability reports* analyze expenditures by the state Department of Education in various areas.
9. *Special studies* respond to requests from 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

Kekuanao'a Building
465 South King Street, Room 500
Honolulu, Hawaii 96813

OVERVIEW

THE AUDITOR
STATE OF HAWAII

Management Audit of the Traffic Violations Bureau

Summary

The Traffic Violations Bureau, within the Hawaii Judiciary, processes citations for violations of state and Honolulu county traffic and other laws. The bureau also prepares drivers' abstracts that list drivers' traffic violations. The bureau handles about 600,000 cases annually.

We found that the manager of the bureau has limited authority to make decisions, making it difficult to manage the operations of the bureau. Requests from the manager face multiple layers of review and frequent delays. The manager lacks control over the bureau's funds, its budget, and receives little information about the bureau's operating costs. To carry out the manager's assigned responsibilities, more delegation of authority is needed.

The bureau's traffic violations computer system (TRAVIS) is old and inadequate for processing traffic citations and drivers' abstracts. As a result, manually intensive procedures have proliferated throughout the citation processing system. The Judiciary's computerization strategy does not meet the bureau's immediate needs. Delays in automating only contribute to continuing, and possibly increasing, backlogs.

During our audit, we found an estimated 20,000 parking citation envelopes remained unopened. Delays in opening envelopes and recording payments result in lost interest income to the State. Delays also increase the likelihood of issuing incorrect penal summonses. We also found abstract processing backlogged by 200,000.

In addition, we found that the bureau needs to improve its management of check deposits, cash register receipts, and the tracing of ownership of transferred vehicles. Its policies and procedures manual is outdated. Finally, the Judiciary has made mixed progress in implementing our previous audit recommendations pertaining to the bureau.

Recommendations and Response

We recommend that the administrative director of the courts clarify the responsibilities, authority, and reporting relationships of the manager of the Traffic Violations Bureau. We also recommend that the Judiciary establish a separate program budget for the bureau and submit a specific appropriation request to the Legislature for the program. The Legislature should fund the

bureau with its own program identification number in the Judiciary's appropriations act.

The manager of the bureau should investigate the feasibility, costs, and benefits of enhancing the traffic violations computer system (TRAVIS), for example by integrating advanced technology. The manager should independently complete the steps outlined in the computerization planning methodology created for the bureau by the Judiciary and then reevaluate the data, applications, and computer system needs of the bureau. Any proposed system must be coordinated with the Judiciary-wide computer system now being developed.

In addition, we recommend that the Judiciary's Fiscal Office work with the bureau to simplify the process of depositing checks received for fines. The bureau's manager should ensure that a separate party determines if the bureau's cash registers balance at the end of each day and that the policies and procedures manual is updated.

The Judiciary responded that it appreciates our recommendations. It did not respond directly to our recommendation to clarify the responsibilities, authority, and reporting relationships of the manager of the Traffic Violations Bureau or to our recommendation to establish a separate program budget for the bureau. Instead, the Judiciary believed that we were suggesting that the bureau be made a division in the Judiciary's organization. That was not suggested in the audit report nor is it our recommendation. We believe that management of the bureau could be improved simply by clarifying the responsibility and authority of the manager of the bureau and by delegating more authority to the manager.

The Judiciary agrees that TRAVIS is antiquated and says it is working towards replacing it with a more efficient automated system. The Judiciary views our recommendation for the bureau to independently complete the steps outlined in the planning methodology for automating the bureau as slightly inconsistent with recommendations in our prior audits to centralize all information services. The recommendation that the bureau complete the plan, however, is not inconsistent since any proposed system must be coordinated with the Judiciary-wide computer system. We had found that the Judiciary's overall plan is barely underway while the bureau's automation needs require immediate attention.

Marion M. Higa
State Auditor
State of Hawaii

Office of the Auditor
465 South King Street, Room 500
Honolulu, Hawaii 96813
(808) 587-0800
FAX (808) 587-0830

Management Audit of the Traffic Violations Bureau

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

Submitted by

THE AUDITOR
STATE OF HAWAII

Report No. 93-21
December 1993

Foreword

House Concurrent Resolution No. 489, House Draft 1 of the 1993 Regular Session, requested the State Auditor to conduct an audit of the management of the Traffic Violations Bureau, including an examination of the bureau's organization, funding, and automation.

This report contains our findings and recommendations on these subjects. It also presents our assessment of the Judiciary's progress in implementing our recommendations pertaining to the bureau in two previous audits.

We wish to express our appreciation for the cooperation extended to us by the Chief Justice; by judges, officials, and staff of the Judiciary including the Traffic Violations Bureau; and by others who provided assistance during the course of the audit.

Marion M. Higa
State Auditor

Table of Contents

Chapter 1 Introduction

Background on the Traffic Violations Bureau.....	1
Objectives of the Audit.....	5
Scope and Methodology	6

Chapter 2 Findings and Recommendations

Summary of Findings	9
Insufficient Authority Weakens Bureau Management	9
Traffic Violations Computer System Is Seriously Deficient	14
Additional Improvements Are Needed in Operations	21
Judiciary Has Made Mixed Progress on Previous Recommendations	23
Recommendations	25

Notes	27
--------------------	-----------

Response of the Affected Agency	29
--	-----------

Exhibit 1.1: Organization Chart Traffic Violations Bureau.....	3
---	----------

Chapter 1

Introduction

The Traffic Violations Bureau is an administrative unit of the Honolulu District Court of the First Circuit of the Hawaii Judiciary. Located in the district court building in downtown Honolulu, the bureau processes citations (tickets) issued for violations of state and Honolulu county traffic laws. The bureau also prepares drivers' abstracts for the courts, the general public, insurance companies, and other government agencies. Drivers' abstracts list drivers' traffic violations.

In addition, the bureau processes citations for violations of other state and Honolulu county laws relating to such matters as boats and harbors, weights and measures, dog leashes, parks and recreation, and airport ramps.

In House Concurrent Resolution No. 489, House Draft 1 (1993), the Legislature requested the State Auditor to conduct an audit of the management of the Traffic Violations Bureau. The resolution requested that the audit include but not be limited to an examination of the bureau's organization and funds, the appropriateness of its funding mechanisms, and the impact of automation proposals.

The legislative committee reports on the concurrent resolution said that traffic ticket processing at the bureau was backlogged more than two months with fines of approximately \$700,000 to \$1 million not being deposited. In addition, the committee reports said that the bureau was behind in providing drivers' abstracts to insurance companies with about 70,000 abstracts still to be issued.

Background on the Traffic Violations Bureau

The Traffic Violations Bureau was established in the Honolulu Police Department in 1932.¹ Its purpose was to relieve the courts of minor traffic offenses. Those charged with violations could waive their appearance in court by posting bail and forfeiting it, a procedure known as "bail forfeiture." The police determined whether an alleged violation was suitable for bail forfeiture.

In 1961, a Honolulu ordinance² transferred the bureau from the police department to the Honolulu district courts, which were part of county government at the time. Two factors led to this transfer. First, in Act 113 of 1961, the State had established a traffic point system that assesses points for violations of certain traffic laws and ordinances.³ The point system is used to evaluate drivers' operating records and determine their

continuing qualifications to operate a motor vehicle. Since the traffic point system is complex with many legal ramifications, administration by the courts instead of the police was seen as more suitable. Second, the transfer was designed to foster impartial ticket processing by having it done by an entity separate from the police department.

In 1965, the district courts, including the traffic bureau, were transferred to the state Judiciary with the establishment of a unified court system under Act 97.

Statutory framework

Traffic on Hawaii's roadways is regulated by the Hawaii Highway Safety Act, Chapter 286, HRS; Traffic Violations, Chapter 291, HRS; the state Traffic Code, Chapter 291C, HRS; and county laws (ordinances). The Traffic Violations Bureau carries out administrative functions arising from these laws.

Traffic violations (including moving violations, parking violations, and motor vehicle equipment violations) are criminal offenses punishable by fines that the district courts impose, enforce, and collect. The state Traffic Code⁴ authorizes the administrative judge of the district courts to adopt or prescribe a citation form for the police to use for violations of traffic laws that do not require the physical arrest of violators. When a citation is issued, it is given to the alleged violator, or affixed to the vehicle if unattended. The Highway Safety Act requires the district court judges in each county to: (a) keep, maintain, and control accurate records of each conviction, bail forfeiture, or other disposition of a violation, and (b) establish procedures to account for, control, and dispose of each citation.⁵

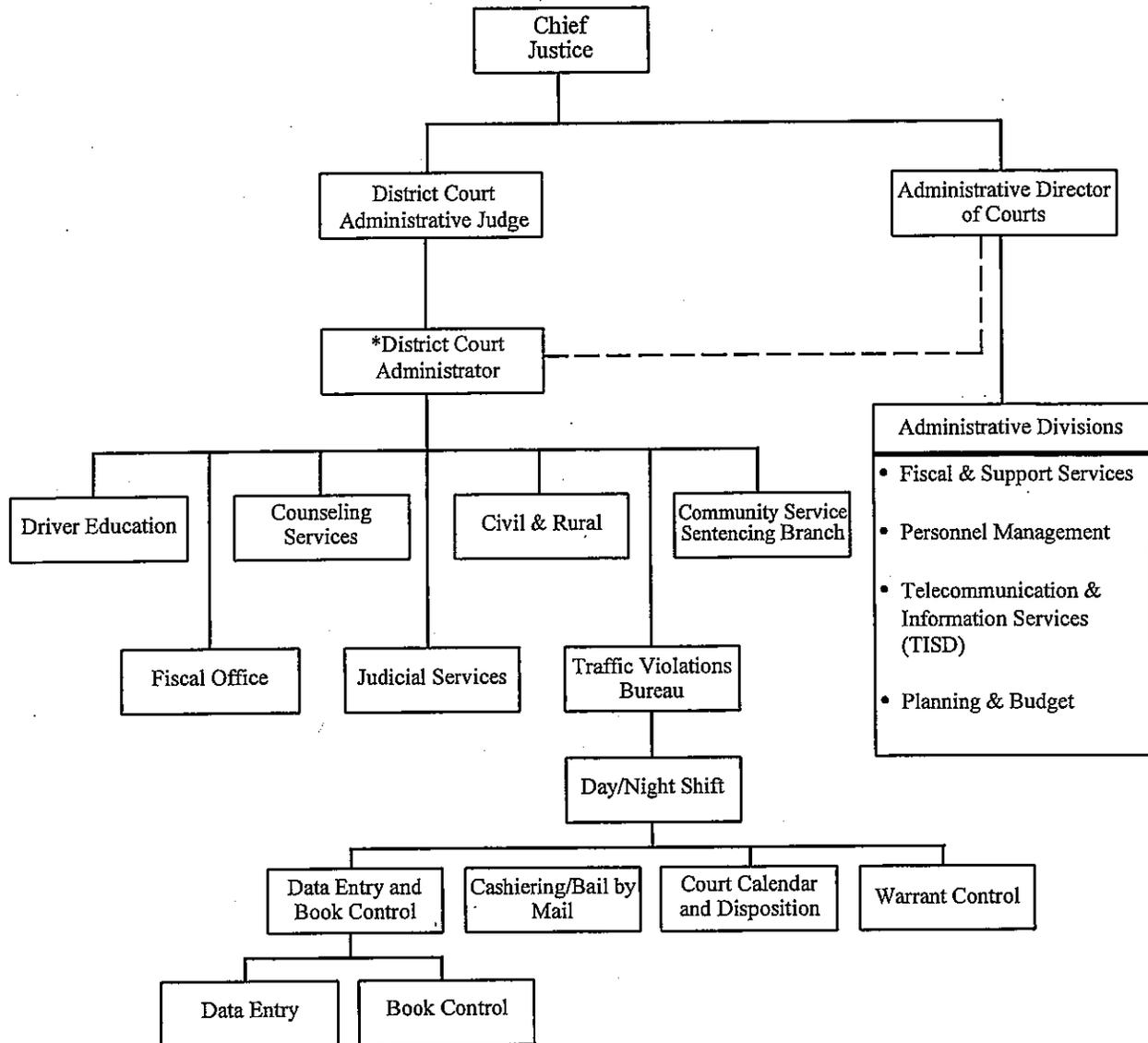
Traffic Violations Bureau

The Traffic Violations Bureau is responsible for meeting the prescribed requirements for violations occurring within the Honolulu area. Exhibit 1.1 shows the organization of the Traffic Violations Bureau within the Judiciary. It is organized into four sections whose functions are described below.

Data Entry and Book Control Section

The Book Control Section tracks the use of each citation. The section orders the citation books from the printer, records the citation numbers (consisting of nine alphanumeric digits) into its computer system (TRAVIS), sends citation books to agencies to assign each book to an individual police officer, and records the assignment on TRAVIS. The section receives and records copies of citations issued by officers and generates a "missing tag" report for citations assigned to police officers but not turned in.

Exhibit 1.1 Organization Chart Traffic Violations Bureau



* Receives direction from the Administrative Director of Courts on administrative support functions such as budget, personnel, data processing.

Drivers with moving citations receive a bail forfeiture notice. The notice informs the driver to appear in court or waive the appearance by paying the fine through the mail or in person. This process is called bail forfeiture or “bail by mail.” The bail amount is set by the administrative judge of the district court. For parking citations, the bail forfeiture amount is listed on the citation and therefore does not require a notice.

The section also generates court calendar listings for arraignments (court hearings where the prosecutor formally charges a person with a crime, and the court records a plea of guilty or not guilty). The calendar listings show the names of persons who are scheduled to appear in court on a particular day and the violations they are charged with. Preparation of the calendar listing is manually intensive and a key part of the court preparation process.

Cashiering/Bail by Mail Section

The Cashiering Section is responsible primarily for handling payments for citations. It receives bail forfeitures either over the counter or through the mail, and ensures that the amounts paid are correct. This section also receives payments for abstract requests and handles bounced checks.

Court Calendar and Disposition Section

The Court Calendar and Disposition Section performs court preparation functions for arraignments. Court preparation involves verifying and finalizing court calendars, handling requests for changes of venue and court dates, gathering necessary paperwork (abstracts, citations, and accident reports), and forwarding the paperwork to the prosecutor’s office. The section also prepares the paperwork for trial requests and forwards it to the District Court’s Judicial Services Office.

When a person fails to appear for arraignment, the court orders a penal summons requiring the person to appear in court on a specified date to answer a specific charge. Should the person fail to appear in response to a penal summons, the court orders a bench warrant. A bench warrant commands law enforcement officers to arrest a person and to bring the person into court.⁶

This section also prepares drivers’ abstracts used in court for arraignments and trials. In addition, the section prepares abstracts for the public and insurance companies. The bureau gives priority to processing payments for moving citations and generating abstracts for the court because these functions are part of court preparation. The bureau also gives priority to generating abstracts over the counter to better serve the public.

Warrant Control Section

The Warrant Control Section tracks penal summonses and bench warrants. The section reviews penal summonses for accuracy and mails them by certified mail. Bench warrants are forwarded to the sheriff's office to be served.

The section also clears "stoppers" and prepares the paperwork for court cases resulting from penal summons responses and bench warrant arrests. Stoppers are entries on computer records that prevent those with outstanding citations from renewing their driver's licenses or car registrations. Stoppers are cleared by paying for the citations plus court costs.

The traffic bureau interacts with several other organizations in carrying out its work. Within the Judiciary these include: the Judicial Services Office, Fiscal Office, Telecommunications and Information Services Division, and Office of the Administrative Director. External agencies include: the Motor Vehicle and Licensing Division of the City and County of Honolulu; the Honolulu Police Department; the State Sheriff; and other law enforcement agencies that write tickets.

Network of traffic violations bureaus

There are nine traffic violations bureaus in Hawaii, each serving a different geographic area. The First Circuit has five bureaus: one serving Honolulu (the subject of this audit) and one for each of four rural areas of Oahu. The state has four other judicial circuits, each with a traffic violations bureau: the Second Circuit (including the islands of Maui, Lanai, Kahoolawe, Molokini, and most of Molokai); the Third Circuit (the island of Hawaii); and the Fifth Circuit (the islands of Kauai and Niihau). The rural Oahu bureaus and the neighbor island bureaus are managed separately from the Traffic Violations Bureau in Honolulu.

Cases filed at the Honolulu bureau account for over 70 percent of the statewide total. For the past five fiscal years, Honolulu averaged almost 600,000 cases filed per year. Rural Oahu and neighbor island bureaus averaged a combined total of 230,000 filings per year.⁷ For the past two fiscal years, Honolulu generated approximately \$10 to \$12.5 million in revenues from payments for citations, abstracts, and court costs. The rural Oahu bureaus had about \$4 million in revenues and the neighbor island bureaus had about \$3.5 million.⁸

Objectives of the Audit

1. Examine the citation management process of the Traffic Violations Bureau to identify areas in which service can be improved.

2. Assess the adequacy of the bureau's policies, procedures, and utilization of current electronic data processing to support timely processing of citations.
3. Assess whether budgeting practices are sufficient to enable the bureau to carry out its responsibilities.
4. Assess the extent to which the Judiciary has implemented the recommendations pertaining to the bureau in our previous *Financial Audit of the Judiciary* (1987) and *Management and Financial Audit of the Judiciary* (1989).

Scope and Methodology

Our audit was only of the Traffic Violations Bureau serving Honolulu. We did not examine the rural Oahu or neighbor island bureaus because the resolution requesting the study was concerned primarily with Honolulu. Based on the resolution, we focused on the bureau's processing of traffic citations and drivers' abstracts. We did not examine other activities of the bureau such as license suspensions under the administrative revocation of license law and processing of miscellaneous citations such as those relating to dog leashes and weights and measures.

We examined the organization and management of the Traffic Violations Bureau within the Judiciary. We reviewed the bureau's decision making process and communications procedures. Our work included reviewing annual reports, committee minutes, manuals, computer printouts, plans, and internal communications. We interviewed key personnel involved in the management and operations of the Judiciary and the bureau, and in the administration and programming of the bureau's traffic violations computer system (TRAVIS). We flowcharted the bureau's operations, and studied its use of computers in processing citations and producing abstracts.

Our work included a review of the bureau's management controls and its compliance with applicable laws to the extent necessary to fulfill the audit objectives.

In addition, we reviewed pertinent budgeting practices from 1989 to present and examined their impact on the management of the bureau. In so doing, we reviewed budget requests, appropriations, proposals, funding and spending policies, and contracts for services and products.

We also reviewed literature on traffic courts and traffic violation computer systems. As criteria and guides for our evaluation, we used several sources: standard management texts, judges' orders, administrative plans, applicable laws and regulations, and general principles of accounting.

Our work was performed from June 1993 through November 1993 in accordance with generally accepted government auditing standards.

Chapter 2

Findings and Recommendations

In this chapter we examine the management of the Traffic Violations Bureau, the adequacy of the bureau's computer system, and some operational issues. We also report on the status of actions taken on pertinent recommendations from our previous audits of the Judiciary.

Summary of Findings

1. The manager of the Traffic Violations Bureau has limited authority to make decisions, making it difficult to manage the operations of the bureau.
2. The bureau's computer system is old and inadequate for processing traffic citations and drivers' abstracts. As a result, manually intensive procedures have proliferated throughout the citation processing system.
3. The bureau needs to improve its management of check deposits, cash register receipts, and the tracing of the ownership of transferred vehicles. It also needs to improve its policies and procedures manual.
4. The Judiciary has made mixed progress in implementing our previous recommendations affecting the bureau.

Insufficient Authority Weakens Bureau Management

The Traffic Violations Bureau is a large government agency with complex responsibilities, many of them legal. It handles about 600,000 cases of traffic violations each year. It has 122 authorized positions with 91 on the day shift and 31 on the night shift. Despite these responsibilities, the bureau manager's authority to manage is limited and vague.

Multiple layers of review are required for even relatively minor decisions. The manager has no authority to make purchases and no control over the bureau's budget or expenditures. The manager's requests are sometimes met with no action or lengthy delays. Insufficient delegation of authority and multiple layers of approval tie his hands.

The many tedious steps delay the purchasing of items that may be needed immediately. They waste upper management's time that could be better spent on more important decisions. They also threaten the morale and initiative of the bureau manager and his staff.

Decisions undergo multiple layers of approval

The manager of the Traffic Violations Bureau reports to the district court administrator, who in turn reports to the administrative judge of the district court. The process for deciding on any bureau request is time consuming. All requests go to the district court administrator. Depending on the nature of the request, some go through the district court administrator to other levels.

Requests for purchases, for example, go from the bureau manager to the district court administrator. The district court administrator forwards the request to the district court Fiscal Office for review of availability of funds. The Fiscal Office returns the request to the district court administrator who notifies the bureau manager whether the request is approved. Depending on the nature of the purchase, the request may be forwarded from the Fiscal Office to the district court administrator and on to the Fiscal and Support Services Office in the Office of the Administrative Director of the Courts.

Many requests going through the approval process are minor and would not warrant the time and attention of those performing the review. Examples include:

- Installation of a buzzer for access to the bureau manager's office area.
- Disposal of room cubicles no longer needed by the bureau.
- Purchase of a computer printhead for \$248.
- Purchase of five computer keycaps at \$42.95 each.

Requests are often delayed

The multiple reviews often delay requests. In addition, because of the many steps involved, it is not always clear where the delays occur.

We examined some requests made over the past three years by the bureau manager. At the time of our audit, no response had been received on 9 of 13 requests. We also reviewed 42 requests to the Judiciary's Telecommunications and Information Services Division from 1991 to 1992 for improvements to the bureau's computer system. No response had been received on 8 of these 42 requests.

The request for installation of credit card readers (called draft capture terminals) is a good example of delay. These terminals would allow cashiers to process credit card payments for traffic fines more quickly. Instead of requesting authorization for credit card transactions by phone, the cashier could simply slide the card through the terminal as clerks do at retail stores.

The manager requested the terminals in 1989 through the district court administrator to the administrative director of the courts. The district court's Fiscal Office was also involved. The administrative director of the courts approved the request and signed a contract with a bank in September 1991. The bank would rent terminals to the traffic bureau and deposit charges into an account.

In March 1992, the bureau manager asked the fiscal officer about the status of the terminals. The fiscal officer replied that the contract was signed and ready to be implemented. However, as of September 1993—four years after the original request—the terminals still had not been installed.

Another example is the delay in taking official action. The processing of deferred court fines was transferred from the District Court Judicial Services Office to the bureau in July 1991. As of August 1993, the transfer remains unofficial, and positions for this function have not been transferred from the Judicial Services Office to the Traffic Violations Bureau.

Deferred court fines are traffic fines paid on a schedule by defendants who are unable to pay their fines at the time of their trial. Previously, the Deferred Court Fines Section of the Judicial Services Office accepted and kept track of these payments. The bureau took over the function because of complaints and inquiries from the public about the payments. Since the function officially remains with the Judicial Services Office, and the bureau was assigned no new personnel, it has to pull clerks from other sections in the bureau to carry out this function. Some of these clerks lack the proper job classification to accept the deferred payments and reconcile the cash register. In December 1991, the bureau manager, through the district court administrator, asked the administrative director of the courts for approval of a temporary reallocation to upgrade the clerks as needed. As of August 1993, no reply had been received.

More delegation of authority is needed

The bureau's manager has not been delegated sufficient authority to carry out the manager's assigned responsibilities for planning, organizing, directing, and coordinating the bureau's daily operations. Too much of the decision making authority rests with higher level personnel. This hampers efforts to improve the operations of the bureau.

Appropriate delegation of authority to a manager has several advantages:

- It frees higher-level officials from routine decision-making.
- It requires the manager to accept increased responsibility together with the associated accountability for his decisions.

- It results in better decisions since they are made by those closest to the action.
- It promotes initiative and morale.
- It expedites decision-making on matters requiring immediate attention. It avoids unnecessary delays because subordinates do not have to check with their superiors (who in turn may have to check with their superiors) before making a decision.

Policies need clarification

To expedite routine purchasing, the administrative director of the courts recently liberalized the Judiciary's purchasing policies and procedures. According to the new policy, when a fiscal officer determines that funds are available, program managers may purchase items under \$50 without price quotations when the total amount does not exceed \$200. Also, the administrative director's approval will no longer be required for purchases of unbudgeted items under \$500.

Clarification is still needed, however, of the authority of the bureau manager to make purchasing decisions. The Judiciary's policies are not sufficiently clear. The Judiciary's *Financial Administration Manual* states that the clerk of the court (that is, the district court administrator) is responsible for overall court operations. The manual states further that the clerk at the Honolulu District Court delegates responsibilities to the division heads who have primary responsibility for the fiscal activities of the court. The manual says that the Traffic Violations Bureau is one of these divisions. This would imply that the bureau manager, as head of a division, should be delegated certain fiscal responsibilities.

The *Financial Administration Manual* also states that the clerk of the Honolulu District Court is responsible for fiscal administration of all activities of the court and is assisted in his fiscal responsibilities primarily by the manager of the Traffic Violations Bureau. What this means is not clear.

The policies in the financial manual suggest that the manager of the Traffic Violations Bureau is a division head who has authority to make certain purchasing decisions. However, the district court Fiscal Office considers the district court administrator to be the division head with sole authority to approve purchases. In addition, the district court administrator requires all purchase requisitions to be routed to his office for approval.

The administrative director of the courts should clarify the levels at which various purchasing decisions should be made and define what the levels are because existing policies seem to conflict. The *Financial*

Administration Manual should be revised to clarify these policies. The administrative director should require all units to comply with the manual.

Bureau manager has no control over funds

The bureau manager has no control over funds for the bureau. The bureau's budget, as well as its operating expenses, are incorporated into the budget and operating expenses of the District Court. The budget and expenditures are controlled by the district court administrator. Along with the lack of control, the bureau manager receives very little information about the bureau's budget, expenditures, or other financial aspects of the program for which he is responsible.

Bureau manager lacks budget information

The bureau manager submits his budget request to the district court administrator. The administrator ranks the request, along with requests from the six other District Court divisions, according to need and workload. The rankings are forwarded to the District Court's Fiscal Office and then to the Judiciary's Administrative Planning and Budget Division. Budget requests are ranked for the entire Judiciary before they are submitted to the Legislature. The Legislature makes appropriations at the district court level.

The Traffic Violations Bureau does not receive a separate appropriation since funds for its operations are included in the appropriation for the District Court. The bureau manager does not receive the financial information necessary for him to manage the bureau. The current system may give the district court administrator the flexibility of distributing moneys among the various District Court divisions; however, it leaves the bureau manager without the ability to plan or manage the bureau's program.

Bureau manager unaware of operating costs

The manager is also unaware of the bureau's operating costs. Like the budget, the bureau's operating costs are incorporated into the operating costs of the District Court. The only bureau cost that can be identified is its personnel costs. Other costs, such as current expenses or equipment costs, cannot be separated from those of the District Court without tracing every purchase order or requisition.

The lack of financial information about the bureau prevents other interested parties, including the Legislature, from evaluating the program and its use of financial resources. Financial information, such as yearly expenditures and equipment and supply purchases, are not readily available.

Conclusion

The manager of the Traffic Violations Bureau needs more authority and autonomy if he is to maintain and improve operations. Control and responsibility for funds and more knowledge of the budget would help him manage more effectively.

To achieve this, the administrative director of the courts needs to clarify the manager's responsibilities and authority. The manager could be given the authority to make purchases up to a certain dollar amount. The Deferred Court Fines Section should be officially transferred to the bureau with its staff or moved back to the Judicial Services Office. The Judiciary should establish a separate program budget for the bureau and submit a separate request to the Legislature. The Legislature should fund the bureau as a line item one level below that of the District Court.

Traffic Violations Computer System Is Seriously Deficient

In our 1989 *Management and Financial Audit of the Judiciary*, we reported that the traffic violations computer system (TRAVIS) was of limited utility and difficult to use. We found, for example, that information had to be entered twice because cash registers were not connected, names were truncated on court calendars, and drivers' abstracts did not contain point totals. We recommended that the administrative director of the courts improve automation services to the courts, giving priority to the district courts in order to improve operations and eliminate backlogs.

Today, we find many of the same deficiencies. TRAVIS is basically a patched-up version of a system installed in 1979. It was originally designed for limited functions. Since 1979, additional functions have been added to track and process citations, but the effectiveness of the functions is limited by the original design. As a result, manually intensive procedures have proliferated throughout the citation processing system. One manual procedure has led to the creation of others to check on data inaccuracies caused by human error in manually entering information.

Attempts to automate manual procedures have been frustrated by two factors. First, TRAVIS is incapable of automating certain complex procedures because of its antiquated design. Second, the bureau lacks control over its resources and priorities.

The integrated, Judiciary-wide computerization strategy now being developed does not meet the traffic bureau's immediate needs. Delays in automating bureau functions only contribute to continuing—and possibly increasing—backlogs.

We found that TRAVIS has resulted in inefficient and unreliable data, time consuming procedures, delays, lost revenues, and insufficient management information.

Data entry is inefficient and of questionable reliability

Bureau clerks create a TRAVIS case file for each issued citation turned in by law enforcement officers. The clerks must enter information from the handwritten citation. The bureau handles approximately 600,000 cases per year. The procedures for data entry are manually intensive, time-consuming, and prone to error. They are a major cause of the citation processing backlog.

Missing-tag reports are time consuming and prone to error

The bureau is responsible for tracking the use of each citation, beginning with assigning the numbered citation books to law enforcement officials, recording in TRAVIS to whom the assignments were made, recording copies of citations issued, and generating a “missing tag” report for citations assigned but not turned in.

Law enforcement officials turn in copies of each numbered citation they have issued along with tally sheets listing all citations turned in. About 1,300 to 3,000 citations are turned in daily at the bureau. Bureau clerks verify the accuracy of the tally sheets by matching them against the copies of citations turned in. They contact law enforcement officers for any missing citations.

Every month TRAVIS generates a missing-tag report that lists citation forms distributed to law enforcement agencies but not turned in to the bureau. The bureau sends a report on the missing tags to each law enforcement agency every other month. To verify the accuracy of the report, the clerks must first compare the report to the previous month’s report to remove those citations that had been previously checked. They then manually search the bureau’s physical files to make sure that the citation is indeed missing. Bureau staff say that it takes an average of three weeks from the time the missing-tag report is generated to the time its accuracy is verified.

Despite the manual verification, mistakes still occur because of human error. Clerks must review handwritten tally sheets and over 1,000 handwritten nine-digit alphanumeric figures. In addition, a citation may have been misfiled, making it difficult for the clerk to verify whether it is actually missing.

Under TRAVIS, the bureau is unable to account for every citation or hold law enforcement officers accountable for missing citations. Some tickets apparently remain unaccounted for indefinitely. In theory, officers must explain the status of any missing citation and the

prosecutor's office can cancel the citation. The August 1993 missing-tag report sent to the Honolulu Police department listed 1,439 missing citations. Some of these citations were assigned more than one year ago and should have been cleared up.

More accurate methods of data entry are available, such as scanning technology that stores an image of the citation and records every citation turned in. Scanning technology could generate a receipt listing all the citations turned in eliminating the need for tally sheets and verification.

Processing of parking citation payments is delayed

Each month the bureau receives an average of over \$400,000 in fines for parking citations, and almost \$90,000 for moving citations. As of July 1993, an estimated 20,000 parking citation envelopes—approximately five weeks' worth—remained unopened. Delays in opening envelopes and in recording payments result in lost interest income to the State. Delays also increase the likelihood of issuing incorrect penal summonses.

To process the payment, clerks input the same information several times. First, clerks enter the citation number on TRAVIS and retrieve the computerized citation record. They visually check the record to determine whether a penal summons is outstanding, the payment is on time, and the amount is correct. The clerk then totals the payments with an adding machine. A second clerk repeats the process to verify the work before the payments are deposited into the cash registers. Payment information is not updated immediately in TRAVIS because the cash registers are not on-line. The cash register receipt tapes and citations are routed to another section for input into TRAVIS.

The delays in processing and recording payments result in additional time-consuming procedures to prevent the erroneous issuance of penal summonses. TRAVIS records for parking citations continue to be five weeks behind since parking envelopes remain unopened for five weeks. Penal summonses, however, are generated when parking citations are outstanding for thirty days (approximately four weeks). A person might have paid the parking citation, but since the envelope is unopened, TRAVIS is not properly updated and a penal summons will be generated for that person. To prevent such occurrences, the clerks check TRAVIS immediately before mailing the penal summonses.

An automated system that could compare data and instantaneously update TRAVIS could remove the backlog. For example, the system could compare the date the payment was received with the date of the violation to determine if the payment is timely. The accuracy of the payment amount could be compared with the amount required. If the

amount is correct, records could be updated instantaneously, a receipt generated, and the citation number printed on the check for recordkeeping and control purposes.

To reduce the backlog, the Judiciary has contracted with a bank for lock box processing of payments for parking citations. Violators mail their citation and payment to a post office box. A bank picks up the mailings and deposits acceptable payments (a payment that matches the amount written on the citation). The bank then forwards to the bureau the citations, unacceptable payments, a microfilm copy of the citations, and a magnetic tape that records the check amounts and citation numbers. This new process was implemented after the close of our fieldwork. We are concerned, however, that insufficient research and study has been done to coordinate the lock box operation with other operations and procedures in the bureau. This could lead to additional problems and backlogs.

For example, the lock box approach creates additional tasks for the clerks. The bureau receives 600 to 800 underpayments each month. It returns underpayments and citations to violators with a letter explaining why the payment was rejected. If a penal summons has been ordered because the violator was late in making the payment, the summons would include an additional \$25 court cost that is assessed on the violator. Consequently, the payment from the violator will be insufficient. When the bureau gets the magnetic tape from the bank, TRAVIS will reject the payment because it does not cover the \$25 court cost. The clerks must then locate and return the physical citation mailed in by the violator to explain the reason for the rejection. Prior to the lock box system, clerks reviewed and compared the citation, the payment, and the computer record to determine whether the payment was correct or insufficient. Clerks did not need to locate the citations because they had the citations in hand. The extent of the effect of the lock box on the bureau's operations and procedures should have been investigated.

Abstracts are backlogged

Abstracts are an important part of the traffic violations system. The court uses abstracts to review a person's driving record and to hand down sentences based on the person's propensity to violate traffic laws. Insurance companies use abstracts as a basis for providing insurance or raising premiums.

Abstracts generate close to \$75,000 a month for the bureau. Most of this amount has been paid by insurance companies for abstracts that they have yet to receive. Abstract processing at the bureau is backlogged by 200,000 abstracts.

The backlog results largely from the many steps the bureau's clerks must perform. For any one person, the clerk must first check the person's driver's license number in TRAVIS to see if there are any records. Second, the clerk enters the person's name. If there are others with the same name, the clerk must compare the records to determine if any of the records belong to that person. This determination involves comparing birthdates, addresses, and using some discretion to resolve differences caused by data entry error. Any records that belong to that person must be merged before an accurate abstract can be generated.

Should the computer show a moving violation with a court date that has passed, the clerk must verify the final disposition by calling the Judicial Services Office since that office does not update TRAVIS immediately after a court disposition. Finally, the clerk manually totals the points listed on the abstract after it is printed.

Clerks spend considerable time and effort to manually calculate the points for an abstract. The calculation of points is based not on simple addition but on the length of time since the last violation. For example, points for violations occurring within 12 months of the last violation are counted at full value. Points for violations occurring between the 12 and 24 month period from the last violation are counted at half value, and points resulting from violations more than 24 months old are not counted.

Calculation of points is not in compliance

We also found that the bureau's method of calculating points is not in compliance with statutory requirements to credit points to violators. Section 286-128(g) provides that if no violation has been charged within the last 24 months, six points will be credited to offset existing points. The bureau does not calculate this offset unless the violator submits a written request for review and approval by an administrative judge. The six-point offset should be automatic and incorporated into any point-calculating computer program.

At the time of our audit, the bureau reported a backlog of 200,000 requests for paid abstracts and 30,000 requests for government (free) abstracts. The bureau manager blames the backlog on: hiring restrictions, employees on leave, insufficient terminals to look up records, time spent dealing with outdated records, long lines at the counter, and manual calculation of points.

Processing abstracts will be an even greater problem in the future when decriminalization of traffic offenses is implemented. Decriminalization will require clerks to calculate points for every person cited for a moving violation—something not currently required. At present, persons with moving violations can pay their fines by mail. Under decriminalization,

however, before any payment or request for a hearing for a moving violation can be processed, the person's total points as shown on the abstract must be less than 12.

Unprocessed penal summonses result in lost revenues

The penal summons process has been partially improved by automation, but it is still manually intensive. In July 1991, a computer program was completed to generate penal summonses for parking citations that had not been paid on time. These penal summonses would be served on violators through certified mail. The bureau estimates that the service of penal summons by certified mail would generate an estimated \$500,000 more in net revenues per year over service by process servers.

As noted earlier, however, before the summonses can be mailed, clerks must verify the information on the summonses and check that payments have not been received. Because of the large number of manual procedures and limited staffing, the bureau limits the generation of parking penal summons to 1,000 per week. It is estimated that currently about 37,000 penal summonses remain unserved. The 37,000 penal summonses could generate \$1,850,000 in revenues that is now being foregone. (A total of \$50 is assessed for each penal summons, \$25 for the citation plus \$25 for court costs.)

Insufficient information to assess certified mailing

TRAVIS does not generate reports that could give bureau management information for evaluating the efficiency of any particular process. For example, the bureau would not be able to evaluate the advantages of certified mailing of penal summonses. TRAVIS's monthly report on certified mailing of penal summonses does not supply information on the number of penal summonses outstanding. The report merely recounts what happened in a given month, such as how many penal summonses were set for court, paid by mail, and returned unserved, and how many were mailed. It does not match up responses with particular mailings.

Truncated names in calendar cause work

Our 1989 audit of the Judiciary found that names on calendar listings were inappropriately truncated. This has not changed. Clerks still must continually compare the calendar listing to citations to verify information and amend the listing manually. A listing can contain as many as 1,000 persons who appear for arraignment on any given day.

Parking citations for transferred vehicles are misdirected

The bureau mails penal summonses to the registered owners of vehicles who do not pay parking citations within 30 days after the violation date. To prepare penal summonses for certified mailing, the bureau obtains the names and addresses of registered owners from the Department of Motor Vehicles (DMV) computer.

However, if the vehicle had been transferred before the date of the violation and no new registration was submitted, the name will be that of the previous registered owner of the vehicle. The previous owner is not legally responsible for the citation and should not be mailed the penal summons.

The bureau has difficulty locating new owners who are responsible for the parking citations because: (1) some new owners do not submit the official transfers of registration, and (2) DMV does not update its lists of registered owners until it receives the official registration renewals from the buyers. DMV follows this policy because of limitations in its computer. Also, DMV's policy is affected by HRS section 286-52(e) which states the transfer is official only on receipt of registration renewal.

These constraints force the bureau to manually search DMV files for the person legally responsible for the parking citation. Using the name of the previous owner, the bureau's clerks manually search the DMV files to locate the name and address of the buyer listed on the notice of transfer.

***Judiciary
computerization plan
is barely underway***

The Telecommunications and Information Services Division is responsible for automation for the Judiciary. The division plans to revamp TRAVIS, but TRAVIS is only a small part of the division's overall plan to revamp automated services for the Judiciary as a whole.

For a new Judiciary-wide computer system, the division has developed the Strategic Implementation Plan for Court Systems. The plan evaluates the information and technology needs of the Judiciary against currently available technology. It proposes projects for implementation and establishes a timeframe for completion.

The plan, as it pertains to replacing TRAVIS, appears to be far behind schedule. It targets completion of a citation management applications system for October 31, 1994. The Judiciary's chief information officer estimates that the division is about nine months behind schedule. There are many indications that completion will be delayed far beyond the nine months.

First, the steps outlined in the plan need more work. The Telecommunications and Information Services Division still must investigate existing software programs and define data entities for the citation processing system. One of the plan's primary projects, scheduled to have been completed by March 1992, is the evaluation of outsourcing (contracting with private companies to handle complex operations). However, the evaluation of outsourcing has not yet begun.

This delay will have a significant impact on the October 31, 1994 target date for putting a new citation processing system on-line.

In addition, the personnel resources of the Telecommunications and Information Services Division appear to be overcommitted. The division is attempting to implement more than 40 projects by 1998 with only 38 programmers, not all of whom are experienced with overall systems design. At the same time, division staff must continue to maintain the Judiciary's existing systems.

Conclusion

The bureau needs to give immediate attention to automation to eliminate its backlogs. Waiting for the completion of the Judiciary-wide plan by the Telecommunications and Information Services Division is not feasible.

The bureau should investigate the feasibility of integrating the current system with advanced technology, such as optical image scanning and automated citation writing devices. In addition, the current system should be enhanced to: (1) calculate points for abstracts, (2) automate tracking of bench warrants and penal summonses, (3) tie in cash registers, and (4) develop alternatives to eliminate manually intensive procedures.

The bureau should seek to complete independently the steps outlined in the plan created for it by the division. In evaluating its needs, the bureau must examine whether its current procedures are adequate or if new procedures should be developed for the new technology. The design of a new citation management system must be coordinated with the Telecommunications and Information Services Division to ensure consistency and compatibility with the proposed Judiciary-wide computer system.

Additional Improvements Are Needed in Operations

We found several operations of the bureau that are of concern. They include: depositing fines, separating cash register functions, developing policies and procedures, and organizing the bureau's physical work environment.

Procedures for depositing checks are inefficient

The traffic bureau's procedures for depositing checks and credit card payments for fines are inefficient and many are unnecessary. They also increase the risk of lost checks and miscalculated deposit amounts.

The bureau uses one bank for clearing checks and another for final deposit of funds, as follows:

- The bureau bundles all checks and sends them to the Fiscal Office daily.
- The Fiscal Office deposits the day's checks into a checking account at Bank #1 which is used as a clearing account to determine whether the checks will clear or bounce.
- The Fiscal Office issues a check drawn on Bank #1 to the bureau for the total amount of the checks it received for the day.
- Each day the bureau deposits the check and the day's cash receipts into a checking account in Bank #2.
- The Fiscal Office regularly notifies the bureau which checks have not cleared the bank.
- The bureau revises its computer information to show that certain fines have not been paid and generates a bounced check listing.
- The bureau sends the listing to the Fiscal Office to compare with the monthly bank statements.
- The Fiscal Office regularly totals the amount of bounced checks, issues a check drawn on Bank #2, and deposits it in Bank #1 to cover the bounced checks.

The process of transferring checks among the bureau, the Fiscal Office, and two checking accounts increases the risk of lost checks and miscalculated deposit amounts and adds to the bureau's inefficiencies. The end result of all the procedures is that the checks are deposited in Bank #2. The bureau is ultimately accountable for the bad checks since Bank #1 (the clearing account) is reimbursed for the amount of the bad checks from the bureau's funds held in Bank #2. Depositing funds in Bank #1 is unnecessary because Bank #2 is capable of being a clearing account, as well as being the final depository.

A simplified process could achieve this same result. The bureau could deposit checks directly into a single bank (the Deferred Fines Section already uses this method). This would reduce the risk of lost checks and miscalculated deposits.

Duties should be separated for cashiers

The procedures used by cashiers in closing and balancing their cash registers at the end of the day should be changed to ensure that employees do not mishandle funds. We encountered no employee misconduct, but controls should be tightened as a preventive measure.

At the end of the day, the cashiers are responsible for counting and recording the amount of money in their cash registers. They are also responsible for printing the final cash register tape for the day and determining if their cash register is in balance.

The two duties should be separated. Allowing cashiers to count, record, and balance their own cash registers increases the possibility of theft. For example, if the cash register has collected too much money for the day, nothing prevents the cashier from taking the extra money and having the cash register balance.

To prevent mishandling of cash, a separate cashier should print the final cash register tape and balance the cash register.

Policies and procedures manual is outdated

The bureau's manual of policies and procedures was issued in 1978. It is outdated and incomplete. The bureau manager said that new policies and procedures are disseminated to bureau personnel through administrative judges' orders and through communications from the district court administrator and himself. Training manuals exist for each section of the bureau, but they deal with various specialized technical functions and not with matters of general concern to all bureau employees, such as employee leave policies. The bureau needs to develop a policies and procedures manual to ensure that management policies are understood and procedures are uniformly followed.

Work environment is disorganized

The bureau has large quantities of documents piled in various locations throughout the office. Documents sit out in the open on filing cabinets. This increases the risk of misplacing documents and creates an atmosphere of disorganization that could adversely affect operations and public perceptions. The bureau should organize its quarters and ensure that documents are either filed appropriately or discarded.

Judiciary Has Made Mixed Progress on Previous Recommendations

We performed a financial audit of the Judiciary in 1987 and a management and financial audit in 1989. The audits included some recommendations pertaining to the operations of the Traffic Violations Bureau. The Judiciary has implemented some of the recommendations but has not given sufficient attention to others.

Processing of penal summonses and bench warrants is not yet automated

In our 1987 audit, we found that the preparation and monitoring of penal summonses and bench warrants relating to traffic violations needed to be computerized to be more efficient and to eliminate significant backlogs.

The preparation and monitoring of penal summonses for delinquent parking citations have been automated through certified mailings. However, the preparation of penal summonses for delinquent moving violations is still manually typed by the Judicial Services Office and mailed by the bureau. Also, the preparation and monitoring of bench warrants have not been automated since the 1987 audit.

Decriminalization of traffic offenses is achieved

Our management audit recommended that the Judiciary take action to bring about decriminalization of traffic offenses. Act 214 of 1993 brought about decriminalization, effective July 1, 1994.

Decriminalization will increase the workload of the bureau in two ways. First, until the current system is phased out, the bureau will have to process citations under both the current system and a decriminalized system. For example, under decriminalization, arraignments are no longer required because only criminal offenses require arraignments, and traffic offenses will not be considered criminal offenses. Instead of arraignment, the motorist who chooses not to pay the citation will be required to appear at an administrative hearing. The bureau's procedures to prepare for arraignment would be eliminated, but new procedures will be adopted for the administrative hearings. The citation forms will also be different because the motorist must answer the citation within 15 days of being cited.

Second, as explained earlier in this report, decriminalization will force the clerks in the traffic bureau to calculate the points assessed on all drivers who are cited for moving violations. Currently, abstracts are not produced for motorists who decide to pay for the citations through bail forfeiture.

Lock box processing has been delayed

Our 1989 audit recommended that the Judiciary take the necessary steps to eliminate a backlog in bail-by-mail receipts and to ensure that future receipts be processed on a daily basis. When we followed up in 1990, the Judiciary reported feasibility studies of a lock box system would be completed by June 1990. In a later follow-up, the Judiciary reported that specifications to solicit proposals were scheduled to be drafted by August 1990.

The Judiciary has been slow in implementing lock box servicing of bail-by-mail receipts. The lock box project was initiated by a former administrative director of the courts in December 1987. Drafting of specifications took nearly four years. In 1991 the Legislature appropriated \$75,000 for the lock box project to be expended in the 1992-93 fiscal year, and a request for proposal went out in October 1991. The contract was signed in February 1992 and implementation

was predicted to be on January 1, 1993. The project was only recently implemented. In addition, contrary to the Judiciary's 1990 response, we found no feasibility study had been performed.

The lock box service is estimated to cost about \$60,000 per year. A study would have compared that cost with the feasibility and cost of using overtime or hiring more staff to relieve the backlog. Additionally, the feasibility of contracting for programming services to connect cash registers to TRAVIS and to create a computer program to compare data and instantaneously update TRAVIS should have been investigated. We are concerned that lack of study and investigation could affect the effectiveness of the project and the efficiency of the bureau's operations.

Recommendations

1. The administrative director of the courts should clarify the responsibilities, authority, and reporting relationships of the manager of the Traffic Violations Bureau.
2. The Judiciary should establish a separate program budget for the Traffic Violations Bureau and submit a specific appropriation request to the Legislature for the program. The Legislature should fund the bureau with its own program identification number in the Judiciary's appropriations act.
3. The Judiciary should officially make the Deferred Court Fines Section a part of the Traffic Violations Bureau or return the deferred fines function to the Judicial Services Office.
4. The manager of the Traffic Violations Bureau should investigate the feasibility, costs, and benefits of integrating advanced technology with the current traffic violations computer system (TRAVIS), such as optical image scanning and recognition and automated citation writing devices. In addition, the manager should study the feasibility of enhancing the current system to: calculate points for abstracts, automate tracking of bench warrants and penal summonses, tie in cash intake stations, provide access for police officers, and develop alternatives to manually intensive procedures. The feasibility analysis should consider not only monetary factors but also other factors including the following: speed of processing tickets, elimination of manual procedures, worker morale, public convenience and satisfaction, generation of revenue, and adaptability to future computer systems. The analysis should accompany any request for appropriation by the Legislature.

5. The manager of the bureau should independently complete the steps outlined in the computerization planning methodology created by the Telecommunications and Information Services Division; once done, the manager can reevaluate the data, applications, and computer system needs of the bureau. Any proposed system must be coordinated with the Judiciary-wide computer system.
6. The Judiciary's Fiscal Office should work with the bureau to simplify the process of depositing checks received for fines. Checks should be deposited directly into the bank with the bureau's daily cash deposits.
7. The bureau manager should ensure that:
 - a. a separate party determines if bureau cash registers balance at the end of the day; the supervisor or independent third party should initial cash record (tally) sheets to document that the cash register balance was checked for the day.
 - b. the bureau's policies and procedures manual is updated.

Notes

Chapter 1

1. Act 1, Special Session of 1932.
2. City and County of Honolulu Ordinance No. 2017, 1961.
3. Act 113, 1961.
4. Section 291C-165, HRS.
5. Section 286-137, HRS.
6. For traffic violations, bench warrants are issued under Section 803-6(e) and Section 291C-169, HRS.
7. Hawaii Judiciary Annual Reports, FY1986-87 through FY1991-92.
8. Hawaii Judiciary Revenue Receipts, District Courts, FY1991-92 and FY1992-93.

Chapter 2

1. Section 286-128 (g), HRS.
2. Section 286-52 (e), HRS.

Response of the Affected Agency

Comments on Agency Response

We transmitted a draft of this report to the Judiciary on November 29, 1993. A copy of the transmittal letter to the Judiciary is included as Attachment 1. The Judiciary's response is included as Attachment 2.

The Judiciary responded that it appreciates our recommendations and our pointing out of various limitations in how the Traffic Violations Bureau is organized and managed.

The Judiciary did not comment on our recommendation to clarify the responsibilities, authority, and reporting relationships of the manager of the Traffic Violations Bureau or on our recommendation to establish a separate program budget for the bureau. Instead, the Judiciary believed that we were suggesting that the bureau be made a division in the Judiciary's organization. That was not suggested in the audit report nor is it our recommendation. We had found that the manager lacked sufficient authority to manage the bureau. Insufficient authority and multiple layers of approval tied his hands. This situation can be corrected by clarifying the responsibility and authority of the manager of the bureau and delegating more authority to him.

The Judiciary agrees that the traffic violations computer system (TRAVIS) is antiquated and says it is working towards replacing it with a more efficient automated system. The Judiciary views our recommendation for the bureau to independently complete the steps outlined in the planning methodology for automating the bureau as slightly inconsistent with recommendations in our prior audits to centralize all information services. The recommendation that the bureau complete the plan, however, is not inconsistent since any proposed system must be coordinated with the Judiciary-wide computer system. We had found that the Judiciary's overall plan is barely underway while the bureau's automation needs require immediate attention.

ATTACHMENT 1

STATE OF HAWAII
OFFICE OF THE AUDITOR
465 S. King Street, Room 500
Honolulu, Hawaii 96813-2917



MARION M. HIGA
State Auditor

(808) 587-0800
FAX: (808) 587-0830

November 29, 1993

COPY

The Honorable Ronald T. Y. Moon
Chief Justice
The Judiciary
Ali'iolani Hale
417 S. King Street
Honolulu, Hawaii 96813

Dear Chief Justice Moon:

Enclosed for your information are five copies, numbered 6 to 10 of our draft report, *Management Audit of the Traffic Violations Bureau*. We ask that you telephone us by Wednesday, December 1, 1993, on whether you intend to comment on our recommendations. If you wish your comments to be included in the report, please submit them no later than Monday, December 13, 1993.

The Governor and presiding officers of the two houses of the Legislature have also been provided copies of this draft report.

Since this report is not in final form and changes may be made to it, access to the report should be restricted to those assisting you in preparing your response. Public release of the report will be made solely by our office and only after the report is published in its final form.

Sincerely,

Marion M. Higa
State Auditor

Enclosures



SUPREME COURT OF HAWAII

ALIIOLANI HALE

P.O. BOX 2560

HONOLULU, HAWAII 96804

CHAMBERS OF
RONALD T.Y. MOON
CHIEF JUSTICE

December 14, 1993

Marion M. Higa
State Auditor
Office of the Auditor
465 S. King Street, Room 500
Honolulu, Hawaii 96813-2917

RECEIVED
DEC 15 12 29 PM '93
OFC. OF THE AUDITOR
STATE OF HAWAII

Dear Ms. Higa:

Thank you for the opportunity to respond to your draft report, Management Audit of the Traffic Violations Bureau. We appreciate the recommendations and suggestions which you have made in your report. We are also grateful for your thoughtfulness in pointing out various limitations in how the Traffic Violations Bureau is organized and managed and conducts its business. Outlined below are some of our observations and reactions to your findings:

Organization of the Traffic Violations Bureau

As you indicate in your report, the Traffic Violations Bureau Manager answers to the District Court Administrator. Organizationally, the Traffic Violations Bureau is a branch of the District Court. The District Court of the First Circuit would be defined as a division in the Judiciary's organizational hierarchy. A division is the highest organizational unit, followed by a branch then a section. In your report, you seem to suggest that the Traffic Violations Bureau in Honolulu should be elevated to the status of a division so that it be afforded a greater degree of management independence. You cite various organizational shortcomings in the management of the Traffic Violations Bureau's business and the manager's lack of control over the operations of that branch. This new organizational scheme differs significantly from how the Violations Bureau is presently organized and proposes an alternative organizational structure. However, the proposed organizational structure will be seriously considered by the Judiciary.

Authority of the Traffic Violations Bureau Manager

In your report you also suggest that the Traffic Violations Bureau manager has insufficient authority to manage the business of the Traffic Violations Bureau. Again, as outlined above, branch administrators are required to answer to the division administrator. If the Traffic Violations Bureau is elevated to the level of a division, it would be headed by a division administrator who would answer directly to the Administrative Judge of that court.

Further, our fiscal staff in the Honolulu District Court has informed us that they are capable of and are prepared to provide the Traffic Violations Bureau manager with information concerning expenditures and appropriations. This issue will be clarified with the Traffic Violations Bureau Manager and the District Court Administrator.

Scope of the Audit

As explained in your report, the audit focused on the workings of the Traffic Violations Bureau attached to the Honolulu District Court. You also acknowledge that there are Traffic Violation Bureaus operating in the rural courts on O'ahu and all of the neighbor island district courts. Because the scope of this audit is somewhat narrow, it may be difficult to extend all conclusions to include the Traffic Violations Bureaus in rural O'ahu and the neighbor islands which operate under considerably different circumstances. Due to the nature of the population, employees assigned to the rural courts on O'ahu are required to perform a multitude of different functions. Further, the court administrator assigned to a particular rural district court is responsible for the business of the violations bureau. The Traffic Violations Bureau manager on O'ahu is responsible only for the Honolulu program. Additionally, on the neighbor islands, the various court administrators assigned to the District Courts are responsible for processing all Traffic Violations Bureau cases.

A decision as to separating the Traffic Violations Bureau, organizationally, from the District Court on either a circuit or statewide basis will require further study.

It should also be noted that several of our section supervisors indicated that they were not interviewed by the audit staff. We suggest that these individuals would have been able to provide the audit team with greater insights into the management of the Traffic Violations Bureau and the District Court.

Progress Has Been Made Since the Audit Was Conducted

"Bail By Mail: Processing Parking Citations"

Our District Court Administrator has reported to us the amount of progress which has been made over the past six months. He indicated that since October of 1993, the Traffic Violations Bureau has remained current in processing "bail by mail"

citations. As you will recall, these are the parking citations which were left in the District Court vault because there were not sufficient employees to process these traffic citations. It should be noted that since the implementation of "Lockbox" our problems of unopened mail have been resolved.

"Processing Moving Citations"

The processing of moving traffic citations, as pointed out in your report, is a manually intensive process. During the audit period, there was a backlog of moving traffic citations which needed to be entered into the Judiciary's automated traffic records system. The data entry backlog was attributable to a number of vacant positions on the Traffic Violations Bureau's night shift. However, at the present time, we are pleased to report that the District Court on O'ahu is now current in this area.

Processing Traffic Abstracts

When the audit commenced, the Traffic Violations Bureau in Honolulu had a backlog of abstracts still to be processed. Through the use of overtime for District Court employees, this backlog has since been cleared and the court reports that as of the beginning of December, 1993, they are current in processing abstracts. In the spirit of cooperation, the staff of the various rural District Courts on O'ahu were called upon to assist in the processing of these various abstract requests.

Processing Deferred Payments

Our District Court Administrator reports that this function was "informally" transferred to the Traffic Violations Bureau at the request of the Traffic Violations Bureau Manager. It is not uncommon to have such an informal transfer occur with the intent to determine the feasibility of transferring a function from one organizational unit to another. The District Court will continue to monitor and evaluate this situation. It is expected that this situation will improve with the establishment of a new automated case tracking system.

No Fiscal Improprieties Noted

We were very pleased to find that you did not find any fiscal improprieties. In most instances, the staff has followed the provisions outlined in the Judiciary's Financial Administration Manual. Certain procedures outlined in the manual are extremely cumbersome and need to be further streamlined. As you point out in your report, certain procurement procedures have recently been changed to provide supervisors, administrators and managers with greater control over expenditures.

The Need to Replace TRAVIS

The Judiciary continues to work towards replacing the antiquated automated traffic records management system (TRAVIS). Several requests have been made to

the Legislature for funds to accomplish such a task. For various reasons, funds have not been appropriated to the Judiciary for this purpose.

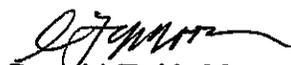
In your report, you recommend that the Traffic Violations Bureau should... "seek to complete independently the steps outlined in the plan created for them by the division" (referring to the Judiciary's Telecommunications and Information Services Division). We find this recommendation slightly inconsistent with the Legislative Auditor's 1989 recommendation concerning automation in the Judiciary. Our staff points out that separate, parallel efforts may potentially cause inefficient use of resources. This could also foster the destructive efforts of negative competition between internal organizational units similar to the Judiciary's pre-1990 technical support organization.

Further, you also recommend that the Traffic Violations Bureau Manager "should investigate the feasibility, cost, and benefits of integrating advanced technology with the current Traffic Violations Bureau computer system". Again, based on your 1989 audit of the Judiciary, we have attempted to centralize all information services in our Telecommunications and Information Services Division. We believe this to be an efficient management approach considering the extremely high cost of implementing technological changes. Also, the Traffic Violations Bureau Manager is not required to possess the kind of technical expertise which such an analysis would require.

The Judiciary will continue to work towards replacing the TRAVIS system with a more efficient automated system.

Again, thank you for your thoughtfulness in developing the various findings outlined in your report. You may wish to further clarify some of the information included in your findings, which are discussed above. Should this be the case, our staff is prepared to meet with either you or your staff in accomplishing this. We look forward to working with the Office of the Auditor and the 1994 Legislature in bringing about positive changes in the Honolulu Traffic Violations Bureau and other areas within the Judiciary. We in the Judiciary are committed to improving the administration of justice in our State. We thank you for the time and effort you have put forth in furthering this effort.

Yours Very Truly,


Ronald T. Y. Moon
Chief Justice

