



SOLOMON ISLANDS GOVERNMENT

Performance Audit Report

Management of the Government Motor Vehicle Fleet

Auditor General
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One of the newer vehicles in the Ministry of Communication and Aviation fleet

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Foreword

Background

I have pleasure in presenting this performance audit report on the management by the Solomon Islands Government of its motor vehicle fleet.

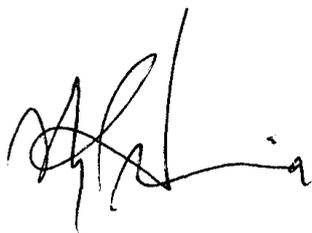
Six ministries were reviewed in the performance audit: the Ministry of Infrastructure Development; the Ministry of Finance and Treasury; the Ministry of Public Service; the Ministry of Communication and Aviation; the Ministry of Police, National Security and Correctional Service; and the Ministry of Rural Development.

Audit

Fieldwork for the audit was conducted in the period June to October 2010.

The audit disclosed many significant issues in the manner in which ministries operated their motor vehicle fleets. The lack of adequate systems and processes, as well as documentation to evidence and support key management activities was a major concern.

I have made a number of recommendations to provide a framework for Solomon Islands Government ministries to enhance their motor vehicle management arrangements.



Edward Ronia
Auditor General

1 April 2011

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Summary and Recommendations

Government motor vehicle fleet

The Solomon Islands Government (SIG) requires a substantial fleet of motor vehicles to carry out its day-to-day business. At the time of audit, SIG documentation indicated that the fleet comprised over 450 vehicles of various types including sedans, four wheel drives, trucks and motorcycles.

The SIG vehicle fleet represented a significant government asset estimated, by the Office of the Auditor General (OAG), to be in excess of SBD \$50 million. In the period from 2005 to 2009, SIG expenditure on managing, acquiring, hiring and maintaining motor vehicles was over \$85 million, an average of \$17 million pa.

The fleet is operated under the following legislative and regulatory framework:

- Public Service Act [Cap. 92] 1988 (as amended), Public Service Vehicle Rules;
- Public Finance and Audit Act 1978;
- SIG General Orders, Chapter T; and
- Financial Instructions 2004 and 2010.

The Audit

The objectives of the audit were to:

- evaluate the development and application of SIG motor vehicle management systems, policies and procedures;
- assess the adequacy of SIG management in regard to the acquisition, usage, maintenance, security, disposal and accounting for its motor vehicle fleet; and
- ascertain the effectiveness of SIG management information systems to monitor and control fleet performance.

The audit reviewed motor vehicle management in six SIG ministries: the Ministry of Infrastructure Development (MID); the Ministry of Finance and Treasury (MoFT); the Ministry of Public Service (MPS); the Ministry of Communication and Aviation (MCA); the Ministry of Police, National Security and Correctional Service (MPNSCS); and the Ministry of Rural Development (MRD).

The opening interview was held at MID on 16 June 2010 and audit fieldwork was undertaken at the six ministry headquarters in Honiara over the period June to October 2010. The audit was prolonged due to the lack of supporting documents and records in ministries.

Conclusions and recommendations

The audit disclosed many significant issues in the manner in which ministries operated their motor vehicle fleets. The lack of adequate systems and processes, as well as documentation to evidence and support key management activities was a major concern. This was particularly evident in MID, the ministry holding responsibility for government vehicles under the Public Service Vehicle Rules.

The audit also identified an extensive misuse of government vehicles for private purposes by government employees, in contravention of the requirements of the Public Service Vehicle Rules.

Key audit findings by chapter

Chapter 2 Government vehicle policy and responsibilities

MID no longer has a central vehicle management policy that details the overall objectives, strategies and priorities for the SIG vehicle fleet, and that provides guidance for ministries in managing their vehicles. Such a policy is needed to facilitate consistency of approach by ministries in managing their vehicles, monitoring resource usage and developing an efficient fleet in terms of its size and vehicle mix. (2.3.2)

Chapter 3 Acquisition processes

OAG found that auditee ministries do not develop soundly argued and rigorous business cases for new vehicle acquisition and supplier selection, and there was inadequate documentation held in support of these processes. (3.3.6)

OAG noted that the SIG fleet does not currently comply with the MID vehicle standardisation policy as it comprises a wide range of vehicle types outside those approved by Cabinet. (3.4.3)

In 2009 MID incurred expenditure of \$978,000 on vehicle hire. Long term vehicle hire is currently used to satisfy the shortfall in vehicle requirements for permanent secretaries and constitutional post holders. (3.4.8, 3.4.9)

Chapter 4 Usage of vehicles

OAG identified a common practice whereby officers retain their vehicles after leaving a government post, despite the cessation of their entitlement to the vehicle. (4.2.3)

OAG fieldwork identified extensive private usage of government vehicles. Private usage of vehicles incurs significant costs to the government both through additional operating costs and through the costs associated with accidents. (4.3.3)

OAG highlighted a wide practice in ministries of home garaging government vehicles by employees, a significant component of which was in breach of the Public Service Vehicle Rules. (4.4.6)

Chapter 5 Repairs and maintenance

Ministries complained of a loss of MID workshop technical capability and significant delays in MID approving and servicing ministry vehicles. Ministries cited examples of vehicles that had been held at the MID workshop for six months or more, while awaiting repairs. (5.3.3)

Ministries noted that maintenance funding was inadequate and that their fleets contained a large number of vehicles that were in poor condition. Vehicles in most ministries are not maintained in a regular manner and many vehicles are not roadworthy. (5.4.2)

Chapter 6 Disposal processes

OAG concluded that individual ministries did not have adequate systems for recording vehicle disposals. Records were often not available for verification of the vehicles disposed of by ministries through the tender board process. (6.3.9)

Chapter 7 Fleet management information

In contravention of Financial Instructions (FI) requirements, ministries did not maintain up-to-date inventories of their vehicles. No formal asset registers were kept and no regular stocktake of vehicles was performed. There has been little or no asset control over the SIG fleet. Ministries cannot confirm the correct numbers of vehicles in their possession and the whereabouts of many vehicles is unknown. (7.2.2)

Most ministries operated their vehicle fleets with an almost complete lack of useful management information. Maintenance records were poor or nonexistent, data on vehicle usage was not captured and ministries were not always aware of the extent of private usage and of security issues affecting their vehicles. The absence of readily available management information on the condition, maintenance, disposition and use of fleet assets adversely impacts on the ability of ministries to properly manage and control their fleets. (7.3.2)

Implications of the audit findings

The findings of the audit identify a range of harmful outcomes that may occur into the future unless steps are taken to alleviate the problems highlighted in this report. This includes:

- significant unauthorised use of government vehicles by staff members, including incurring the associated running and repair costs;
- government motor vehicles being stolen with the theft going unnoticed, or with ministries taking little or no action to recover the vehicles or have the crime punished;
- ministries spending hundreds of thousands of dollars on vehicles which they did not have to buy because they could

have solved their transport needs by more efficient use of vehicles they already owned;

- government vehicles being inadequately maintained, resulting in higher repair costs and significantly reduced vehicle life;
- fees not being charged for authorised private use of government vehicles, as required by existing regulations; and
- ministries ignoring legislative rules which were developed to ensure the most efficient and effective use of government vehicles.

Permanent Secretaries are responsible for the good governance of their ministries; for ensuring regulations are complied with; and that government assets are used efficiently and to the maximum benefit of government. There appear to be many examples where these objectives have not been met.

Recommendations

Recommendation No. 1 (section 2.3.6)

OAG recommends that MID develop an overarching vehicle management policy for use by all ministries, that it cover key vehicle management areas and that it allow for the specialised needs of the essential services ministries.

Recommendation No. 2 (section 2.4.6)

OAG recommends that MID ensure that, once developed, central vehicle management policy and operational guidelines are distributed to all ministries and that the policy requirements are enforced.

Recommendation No. 3 (section 3.3.7)

OAG recommends that MID require ministries to undertake a thorough analysis of their vehicle needs, develop a sound business case for any proposed new vehicle acquisitions and fully document the process.

Recommendation No. 4 (section 3.4.6)

OAG recommends that MID revise the current vehicle fleet standardisation policy and actively implement the policy across all ministries.

Recommendation No. 5 (section 3.4.12)

OAG recommends that MID should cease all long term hire of vehicles and that the demand for vehicles should be satisfied either by the reallocation of vehicles from existing vehicle users or, if necessary, by the purchase of new vehicles.

Recommendation No. 6 (section 4.2.7)

OAG recommends that MID institute procedures to recover vehicles from all persons who have retained their government vehicle after their entitlement has lapsed.

Recommendation No. 7 (section 4.3.7)

OAG recommends that all ministries review procedures for controlling the use of their vehicles and strictly enforce the requirement to control the private use of government vehicles.

Recommendation No. 8 (section 4.4.8)

OAG recommends that ministries should dramatically curtail the practice of home garaging of government vehicles in order to minimise the associated costs to the government.

Recommendation No. 9 (section 5.3.7)

OAG recommends that MID should upgrade the capability of its workshop and maintenance procedures to ensure the timely and competent maintenance and repair of ministry vehicles.

Recommendation No. 10 (section 5.4.4)

OAG recommends that ministries should undertake regular maintenance on their vehicles and provide adequate funding for their fleets.

Recommendation No. 11 (section 6.3.10)

OAG recommends that MID should record information relating to the disposal of all government vehicles in a central register of SIG vehicles and that all ministries should provide MID with details of these disposals including the vehicle type, registration number, disposal date and amount recovered.

Recommendation No. 12 (section 7.2.4)

OAG recommends that SIG ministries should comply with government requirements to record all necessary supporting documentation for financial transactions relating to motor vehicles.

Recommendation No. 13 (section 7.3.4)

OAG recommends that MID should develop improved systems to record basic management information relating to the acquisition, operation, maintenance and disposal of government vehicles and require ministries to record and provide any required details of their vehicle operations.

Summary of ministry responses

The Ministry of Infrastructure Development agreed with all the recommendations and considered the report and its recommendations to be ‘the way forward’.

The Ministry of Public Service provided a minor correction to the report and did not disagree with any recommendations. The other

four auditee ministries did not note any disagreement with any recommendations.

Audit Findings and Conclusions

1. Introduction

1.1 Background

1.1.1 The Auditor General, pursuant to the provisions of section 108 of the Constitution, as read with sections 35(1)(d), 35(1)(e) and 39(3) of the Public Finance and Audit Act [Cap 120], has authorised the staff of the Office of the Auditor General to conduct this performance audit of the management by SIG of its motor vehicle fleet.

1.1.2 This audit of SIG motor vehicle management was conducted as OAG's first performance audit. It was undertaken in recognition of the value of the SIG fleet and the important role the vehicle fleet plays in the conduct of the government's day-to-day business.

1.2 Audit methodology

1.2.1 The audit focused on several key stages in the life cycle management of the SIG motor vehicle fleet and reviewed ministry processes for the acquisition, usage, maintenance, security and disposal of government vehicles. The audit looked at SIG vehicle fleet management activities, primarily over the period 2005 to 2010. It considered efficiency and effectiveness aspects of the operation by ministries of their vehicles and endeavoured to identify any management information systems used by ministries to control their fleets.

1.2.2 The audit also considered the overarching legislative framework and relevant administrative guidelines for government vehicles, in particular the compliance by ministries with the requirements of the Public Service Act 1988 (as amended, Public Service Vehicle Rules), Financial Instructions 2004, Financial Instructions 2010 and SIG General Orders (Chapter T).

1.2.3 OAG developed best practice criteria for each of the vehicle management stages reviewed. The audit conclusions in this report were based on the findings of audit fieldwork when considered against these criteria.

1.2.4 OAG fieldwork involved interviewing relevant personnel within each ministry, reviewing available SIG files, electronic media and documentation, as well as analysing expenditure data extracted from the Ministry of Finance and Treasury General Ledger system known as 'Maximize'.

1.2.5 Aside from the findings in this audit report, past OAG audits have identified issues with SIG management of government vehicles. These issues are summarised in Appendix 1 of this report.

2. Government vehicle policy and responsibilities

2.1 Background

2.1.1 This chapter identifies the need to develop SIG vehicle fleet policy and guidelines. The Public Service Vehicle Rules, subsection 3 requires all government vehicles to be 'held in the charge' of the Permanent Secretary (PS) of the Ministry of Transport, Works and Utilities (now Ministry of Infrastructure Development - MID). MID therefore, is the ministry responsible for the government vehicle fleet. The only exception to this requirement identified in the rules is specialist vehicles or plant, the use of which is restricted to one office or ministry.

2.1.2 As such, MID should be the central coordinating authority for SIG vehicle fleet management and should be responsible for the development and promulgation of SIG motor vehicle policy. The MID PS is the responsible officer for this coordination role across the Solomon Islands government and also holds responsibility for administering and managing the vehicles operated by his own ministry.

2.1.3 In the 2005-09 period, MID expenditure on managing, acquiring, hiring and maintaining motor vehicles was \$35 million, averaging some \$7 million pa.

Audit criteria

2.1.4 OAG considers that SIG should have a central vehicle fleet management policy that is applicable to all ministries. Such a policy is considered essential for ensuring that ministries act in a consistent and appropriate manner when acquiring, using, maintaining and disposing of government vehicles.

2.1.5 This policy should comply with the requirements of relevant legislation (e.g. the Public Service Act 1988 (as amended) and the Public Finance and Audit Act 1978) and other government regulations such as the Finance Instructions and General Orders.

2.1.6 The policy should be comprehensive, covering all aspects of vehicle fleet management and comprise requirements based on international best practice.

2.2 Current MID vehicle responsibilities

2.2.1 MID informed OAG that its current government vehicle responsibilities were to: manage the SIG vehicle fleet; keep records on the fleet; undertake vehicle inspections; manage driver licensing; undertake maintenance; and repair vehicles in its workshops. MID also provides vehicles for ministers, constitutional post holders and contracted employees such as ministry permanent secretaries.

2.2.2 Of MID's ten functions outlined in the 2007-09 MID Corporate Plan, the seventh requires the ministry to 'effectively plan the upgrade and rehabilitation of ... fleet and plant and machinery.' The corporate plan identified a staff of 28 in its Mechanical and Workshops Division. The division has vehicle management responsibilities which include: 'all vehicle registrations, inspections, driver licensing, vehicle procurements and coordinating repairs and maintenance of all government vehicles and plant.' The MID workshops used to be responsible for undertaking maintenance and repairs on all government vehicles. As the division's capabilities eroded over the years, other ministries turned to the private sector to maintain their vehicles.

2.2.3 MID also provides a vehicle inspection function. This function is used to ascertain the roadworthiness and state of repair of government vehicles. It identifies any mechanical work that needs to be undertaken on vehicles and the inspection report is used to authorise the repair of ministry vehicles either by MID or by the private sector. The inspection report should also be attached to the general payment voucher as supporting documentation for the payment of repairs by MoFT.

2.2.4 The corporate plan also noted that each division was required to report quarterly on its 'Activities Performance Measures'. MID was asked to provide copies of the performance reports for the Mechanical and Workshops Division, however it was unable to do so. This aspect of the corporate plan was never implemented, however MID advised it is now developing the performance reports.

2.2.5 The MID PS is the representative on the Central Tender Board who provides technical advice to the board in its deliberations on vehicle acquisitions and disposals. MID also has a role in providing technical expertise to SIG ministries on the management of their fleets and is responsible for the vehicle registration process.

2.3 SIG vehicle management policy

2.3.1 Given that the Public Service Vehicle Rules require SIG vehicles to be 'held in the charge' of the Permanent Secretary of the Ministry of Transport, Works and Utilities (now MID), the ministry should maintain a SIG motor vehicle policy that is distributed to all ministries and users of government vehicles. MID informed OAG that it no longer had a vehicle policy and that its vehicle management was based on the Public Service Vehicle Rules and Chapter T of the General Orders. The Public Service Vehicle Rules and General Orders do refer to some aspects of vehicle usage, however they are not comprehensive and are no longer current.

2.3.2 The 2007-09 MID Corporate Plan had, as an objective for its Mechanical and Workshops Division, the development of effective policies for the SIG fleet. MID was asked to provide audit with a copy of any specific vehicle policies that the ministry had developed for the government fleet, but was unable to do so. The other ministries audited did not have any copies of previous MID vehicle guidelines, however some had developed their own. Equally there was no documented statement detailing the overall objectives, strategies and priorities for the SIG vehicle fleet.

2.3.3 OAG considers that material of this nature is essential for setting long term goals for the SIG fleet, ensuring consistency of approach by ministries in managing their vehicles, monitoring resource usage and developing an efficient fleet in terms of its size and vehicle mix. OAG concluded that there is no up-to-date detailed policy relating to the management and operation of government vehicles that applies to all ministries. It considers that there is a strong need for MID to develop such guidelines, as ministries currently have no centralised guidance and there is no consistency in the way SIG vehicles are managed and utilised.

2.3.4 OAG considers that MID should give priority to the development of a new motor vehicle management policy that guides SIG ministries on their responsibilities for the day-to-day management of their motor vehicles. Such a policy should be comprehensive and cover the primary areas that involve ministries in the management of motor vehicles. In particular, the guidelines should cover processes for the acquisition, usage, maintenance, security and disposal of government vehicles. The policy should detail those areas where government officers must comply with legislative and administrative requirements, as well as any other effectiveness and accountability requirements such as the need to maintain adequate management information on vehicle fleet operations. Such a policy should guide the ministries in the management of their vehicle fleets and in the operational requirements for their vehicles.

2.3.5 The policy should also allow for the specialised needs of the essential services ministries such as Health and Medical Services, MCA and MPNSCS. These ministries are required to maintain a high level of vehicle availability and as such, may have a need to operate their own maintenance workshops. MID should therefore ensure that the policy is developed in consultation with other ministries.

Recommendation No. 1

2.3.6 OAG recommends that MID develop an overarching vehicle management policy for use by all ministries, that it cover key vehicle management areas and that it allow for the specialised needs of the essential services ministries.

MoFT draft vehicle policy

2.3.7 OAG's fieldwork in MoFT identified a draft vehicle management policy that the ministry had developed in November 2008. This policy noted in its introduction that it was developed to 'replace the one currently used by the Ministry of Works, Transport and Utilities' (now MID). The MoFT policy remains in draft and was never formally adopted.

2.3.8 The MoFT draft policy focused on the use and maintenance of government vehicles. It identified the officers responsible for vehicle management and covered areas such as authorised drivers, the efficient use and garaging of vehicles, conformity with the law, reporting and managing accidents, vehicle booking procedures, approval for the after-hours use and private hire of vehicles by government officers, the use of log books, maintenance and care of vehicles.

2.3.9 OAG considers that the MoFT policy has a good coverage of matters relating to vehicle usage and that MID should take the MoFT policy into account when developing its own overarching policy for SIG motor vehicle management.

2.4 Ministry fleet management processes and guidelines

2.4.1 OAG fieldwork in the six auditee ministries identified a loss of control by MID over the SIG vehicle fleet in recent years – the individual ministries now largely manage and operate their own fleets. However, as no overarching government policy exists to drive fleet management processes, individual ministries differ greatly in the way their vehicles are managed, used and maintained.

2.4.2 OAG interviewed senior officers and reviewed documentation in the auditees, to ascertain the extent to which internal procedures and rules had been developed for operating and maintaining ministry vehicles. Of the SIG ministries, MPNSCS manages the largest fleet with over 100 vehicles. It operates its own repair workshops to maintain its fleet and has developed operational guidelines for its vehicles. MPNSCS vehicle usage guidelines and processes are discussed in more detail in the next section.

2.4.3 MID, MCA and MoFT each operate fleets of around 20 vehicles. MID and MCA both operate workshops to maintain their fleets. None of these ministries have current guidelines available for use by staff in operating their vehicles. These ministries also do not have in place adequate vehicle records or associated information systems to manage the vehicles. No up-to-date vehicle asset registers were identified and the maintenance records for the fleet were poor.

2.4.4 MPS and MRD are small ministries that have few vehicles. They rely on MID for policy guidance and for support

of their vehicle fleets. These ministries displayed little understanding of existing legislation and guidelines relating to the operation of government motor vehicles. Equally these ministries did not have adequate systems in place to manage their motor vehicles. MPS used a white board to monitor the daily use of its vehicles, noting for each vehicle the allocated driver and purpose of the trip. A similar system was used to record maintenance activity on vehicles.

2.4.5 OAG's overall conclusion in relation to fleet management processes and guidelines was that there were inconsistent approaches and inadequate vehicle management processes in most ministries reviewed. OAG considers that MID should develop and distribute a central vehicle management policy and operational guidelines for use by all ministries and that the policy requirements be enforced.

Recommendation No. 2

2.4.6 OAG recommends that MID ensure that, once developed, central vehicle management policy and operational guidelines are distributed to all ministries and that the policy requirements are enforced.

2.5 MPNSCS vehicle usage guidelines and processes

2.5.1 The MPNSCS ministry comprises two major organisations, the Royal Solomon Islands Police Force (RSIPF) and the Correctional Service of Solomon Islands (CSSI). OAG reviewed the vehicle management practices of both organisations. Both RSIPF and CSSI have developed guidelines for the use and management of their motor vehicles.

2.5.2 The RSIPF guidelines covered ownership of vehicles and motor cycles, permitted use and allocation of vehicles from the vehicle pool, garaging of vehicles, maintenance, repair and inspection of vehicles, use of vehicle logs, damage to motor vehicles involved in an accident, motor vehicle pursuits, fuelling of vehicles, safety precautions, the RSIPF bus service and allocated pick up points.

2.5.3 The CSSI guidelines covered care of vehicles and equipment, outboard motor boat operation, shift drivers handover-takeover and pickup routes, accidents and damage to vehicles, vehicle logbooks, vehicle maintenance and welfare use for vehicles.

2.5.4 OAG found that the RSIPF and CSSI guidelines were clear and provided a useful basis to help govern their usage of motor vehicles. OAG considers that MID should take account of relevant aspects in these guidelines when developing the higher level SIG motor vehicle management policy.

2.5.5 OAG reviewed the implementation by RSIPF of its guidelines. The audit fieldwork showed that the RSIPF use of its

vehicles did not always comply with its guidelines. In particular it was noted that RSIPF:

- did not maintain a central register of drivers and their license status, and a sample of RSIPF license documents indicated that 46% of RSIPF drivers had expired licences;
- vehicle logbooks were not always kept up-to-date;
- maintained a schedule for refuelling vehicles, but that it was not always enforced;
- did not ensure that vehicles were signed for before use; and
- vehicles that are not being used on shift work (and that are not subject to home garaging) are returned to police compounds for overnight parking.

2.5.6 OAG fieldwork showed that CSSI generally used its guidelines in the day-to-day operation of its vehicle fleet. OAG noted that:

- a register of drivers and their license status was maintained;
- vehicle logbooks were largely kept up-to-date;
- CS maintained a tight control over the amount of fuel released to users; and
- CSSI vehicles are signed out to users each morning and the vehicles and their keys must be returned for overnight garaging by 4:30 pm.

2.5.7 OAG concluded that there is scope for MPNSCS to better enforce the requirements of ministry guidelines by personnel using its vehicles.

3. Acquisition processes

3.1 Background

3.1.1 This chapter considers current SIG vehicle purchasing responsibilities and practices, as well as a proposed standardisation of vehicle types. When ministries identify the need to acquire a new vehicle, the area requesting the purchase submits a request to the executive management committee of the ministry, identifying the need and the type of vehicle most suitable. The membership of this committee generally comprises the PS, the undersecretaries and department heads.

3.1.2 This committee reviews the request and if the request is considered justified it approves a new funding bid for the following years recurrent budget. If the vehicle is needed urgently then funds can either be obtained by seeking funding through the supplementary budget process or funds can be sought via a virement transfer between budget line items.

3.1.3 Once a budget request for the purchase of a vehicle has been approved, the vehicle purchase is subject to the quotation and tendering procedures as required in SIG Financial Instructions (FI). Under the FIs that applied in the period of audit (2005-09), procurements between \$50,000 and \$500,000 required tenders to be called and a ministerial tender board to evaluate the tender. New FIs issued in 2010 increased this range from \$100,000 to \$500,000. Procurements over \$500,000 also require tenders to be called and are evaluated by the Central Tender Board in MoFT.

Audit criteria

3.1.4 OAG considers that when a ministry identifies the need for an additional vehicle, a robust business case should be developed to justify vehicle acquisition. The business case for purchasing a vehicle should be persuasive, based on reasonable assumptions, soundly argued and should consider alternatives to purchase (e.g. short-term hire or use of other ministry vehicles).

3.1.5 Only vehicles which are appropriate to the required purpose should be considered for acquisition. Vehicle and supplier selection should be documented and made on the basis of the best value for money, i.e. the cheapest option that meets the specification. Vehicles should be purchased in the most economical way and vehicle purchases should be appropriately dealt with in ministry budgeting and tender procurement processes.

3.1.6 Appropriate accounting practices should be employed, i.e. the payment should be approved by a relevant senior officer, the amount paid for the vehicle should equal the amount tendered and should be recorded in an asset register.

3.2 Acquisition policy and practice

3.2.1 Subsection 16 of the Public Service Vehicle Rules deals with the replacement of vehicles and requires the MID PS to be responsible for replacement of vehicles in his charge and for maintaining, within the limit of funds appropriated, an adequate establishment of vehicles to provide for the approved requirements of all ministries. Subsection 4 of the Public Service Vehicle Rules requires ministries to hire their vehicles from MID.

3.2.2 Under these requirements MID received budget funding via the general ledger system for vehicles, including operating costs such as fuel. Vehicles would then be provided by MID to ministries for their operational use. MID had the power to retrieve vehicles from ministries if their vehicle budgets were exhausted or if the vehicle was being underutilised. Any damage to vehicles was charged to the responsible ministry. MID noted that this centralised control over the SIG fleet was an effective way of controlling fleet costs.

3.2.3 This practice was stopped by a MoFT instruction in the late 1990s and successive governments have provided funding for individual ministries to acquire their own vehicles. Thus MID no longer maintains a pool of loan vehicles to lend to ministries and the ministries now purchase their own vehicles or use hire vehicles from the private sector. OAG considers that the Public Service Vehicle Rules should be updated to reflect current practice.

3.2.4 The 2007-09 MID Corporate Plan highlighted two objectives relevant to vehicle acquisition policy. In the plan, MID was to:

- develop effective policies and employ appropriate contemporary approaches to the establishment and management of the government fleet; and
- conduct an assessment of vehicle requirements in consultation with ministries.

3.2.5 These objectives do not appear to have been achieved. OAG fieldwork showed that effective policies and contemporary approaches to management of the government fleet had not been developed and discussions with MID officers indicated that an assessment of government vehicle requirements was yet to be conducted.

3.3 Acquisition processes and supporting documentation

3.3.1 Motor vehicles are acquired by ministries either as new purchases, donor supplied or on transfer from other ministries. New vehicles are centrally acquired by MID on behalf of the ministries and represent a significant component of government expenditure. The SIG 'Maximize' General Ledger system was interrogated to extract expenditure data on SIG motor vehicle

acquisitions in the period 2005-09. The system identified a total expenditure of \$38 million on vehicle acquisitions in the five year period, representing an average of \$7.6 million per annum.

3.3.2 In its 2007-09 Corporate Plan, MID determined that SIG vehicle purchasing procedures should be subject to transparent and effective tendering and procurement processes. The MID Procurement Manual, developed in Dec 2006, was provided to MoFT in an attempt to ensure that a consistent approach was undertaken to vehicle acquisitions by ministries. MID noted, however, that not all the procurement requirements were followed by ministries. In particular, the requirement for three quotations was not always complied with and a sound business case was not always prepared to support a vehicle acquisition.

3.3.3 OAG considers that new vehicles should only be acquired if their acquisition is the most efficient and effective way to meet the needs of the ministry. The process that ministries should follow to justify the purchase of a new vehicle is to develop a well considered and robust business case in support of the purchase. OAG therefore sought documentation from the auditee ministries on their management decision making processes for vehicle acquisitions and in particular requested executive management committee documentation supporting recent vehicle purchasing decisions.

3.3.4 OAG fieldwork determined that none of the auditee ministries were able to provide executive committee documentation supporting recent vehicle acquisitions. Additionally, there was little evidence in the way of detailed evaluation undertaken or of supporting arguments developed for the acquisitions. SIG vehicles do not always appear to have been acquired based on ministry transport needs. In some ministries, officers without a vehicle entitlement were noted to have exclusive use of vehicles, indicating that vehicle numbers are also driven by the desire of senior staff to each have a government vehicle at their disposal.

3.3.5 OAG sighted budget documentation from MCA requesting a new funding bid for the replacement of old vehicles in its fleet. The funding request considered issues of fleet effectiveness such as the reliability of the vehicles to support the work of the Henderson airport control tower. It also considered efficiency aspects such as the higher cost incurred in running the older vehicles. However MCA was not able to provide documentation relating to executive management consideration of the proposed acquisition nor of the development of a business case supporting the proposal. A sound business case should be developed prior to seeking budgetary approval for the vehicle acquisition. OAG considers that this documentation should have been completed as part of management considerations for the purchase of vehicles and should have been available to audit.

3.3.6 Overall, OAG concluded that auditee ministries do not develop rigorous and soundly argued business cases for new vehicle acquisitions and supplier selection, and there was inadequate documentation held in support of these processes. OAG considers that ministries should undertake a thorough consideration of their vehicle needs, that a soundly argued case be developed before proceeding with new vehicle acquisitions and that the process be well documented.

Recommendation No. 3

3.3.7 OAG recommends that MID require ministries to undertake a thorough analysis of their vehicle needs, develop a sound business case for any proposed new vehicle acquisitions and fully document the process.

Vehicle acquisition accounting documentation

3.3.8 OAG selected a sample of auditee ministry vehicle purchases from the period 2005-09, in order to review the adequacy of accounting process documentation. This review noted that only 53% of the general payment vouchers that were identified in the data sample could be located by audit. The missing vouchers were not stored in the appropriate files. OAG concluded that this was due to poor filing practice and inadequate controls over documentation storage within the MoFT Procurement and Payment Section.

3.3.9 Of the vouchers that could be sighted, audit noted that all were authorised correctly by the officer authorised to incur expenditure. However, not all vouchers sighted had all of the associated documentation attached, in support of the purchase and one voucher had no supporting documentation attached. In particular, documents such as Ministerial Tender Board (or Central Tender Board) approval and supplier quotes were not always attached. Also the supporting documentation seldom confirmed that a rigorous business case had been completed in support of the purchase decision. OAG considers that ministries should attach all relevant documents supporting a new vehicle purchase to the relevant payment voucher.

3.4 Vehicle mix in the government fleet

3.4.1 On 10 January 1990 the Minister for Transport, Works and Utilities submitted a Cabinet Memorandum proposing the standardisation of government vehicles. This policy was aimed at minimising the number of different vehicle types in the fleet in order to 'ensure compatibility of spare parts and stock holdings, maintenance techniques and tooling and a more flexible availability status of equipment as a whole'. After Cabinet consideration, this policy was promulgated by MID to all Permanent Secretaries and Provincial Secretaries on 2 February 1990.

3.4.2 Under the 2007-09 MID Corporate Plan, MID was to revisit the government vehicle standardisation policy. The plan required that vehicle types were once again to be standardised across the SIG fleet. It considered that standardisation would make the fleet more manageable and cost effective.

3.4.3 OAG noted that the SIG fleet does not currently comply with this standardisation policy as it comprises a wide range of vehicle types outside those approved by Cabinet. This is due in large part to the failure to dispose of older vehicle types in the fleet and also of the failure to ensure compliance through purchasing practices. With the loss of MID centralised control over the SIG fleet in recent years, ministries have purchased a wider range of vehicles than allowed under the standardisation policy.

3.4.4 OAG also noted that ministry fleets have a high percentage of four wheel drive vehicles and that these vehicles have significantly higher maintenance and running costs. Given that most ministries are headquartered in Honiara this raises the question as to whether the more expensive four wheel drive vehicles are always warranted and whether an appropriate mix of vehicle types is being purchased. The decision that matches a recommended vehicle type to an identified need should be made by the ministry in the development of its business case for the purchase of a vehicle.

3.4.5 OAG considers that MID should revise and update the existing fleet standardisation policy and actively implement the policy across ministries, in order to standardise SIG vehicle types and achieve the consequent cost savings.

Recommendation No. 4

3.4.6 OAG recommends that MID revise the current vehicle fleet standardisation policy and actively implement the policy across all ministries.

Long term hire of private vehicles for ministry fleets

3.4.7 The Public Service Vehicle Rules, subsection 4 outlines public service rules relating to the hire of government vehicles. It notes that ‘No vehicles ... may be hired from other sources except with the approval of the Permanent Secretary [of MID].’ OAG was advised that ministries do not always seek MID approval for the hire of private vehicles for their fleets.

3.4.8 OAG analysed SIG expenditure data for the period 2005-09. This showed a total expenditure on vehicle hire from the private sector of \$7.5 million in the period, with an average expenditure of \$1.5 million pa. In 2009 MID expenditure alone was \$978,000 on vehicle hire. The hiring of vehicles is extremely expensive and should only be used to meet short term contingencies.

3.4.9 MID was asked why expenditure on vehicle hire was so large and why it did not purchase vehicles instead of the more expensive hire option. The response was that it does not have sufficient vehicles to satisfy the vehicle requirement for permanent secretaries and constitutional post holders. This in part reflects on the current budgetary constraints and in part on the poor management of vehicle allocations.

3.4.10 As noted in Chapter 4, a number of government vehicles have been retained by their recipients long after the entitlement has elapsed. Tighter control over the return of these vehicles would greatly alleviate the MID vehicle shortage.

3.4.11 OAG considers that MID should cease all long term hire of vehicles. The demand for vehicles should be satisfied either by the reallocation of vehicles from existing vehicle users or, if necessary, by the purchase of new vehicles.

Recommendation No. 5

3.4.12 OAG recommends that MID should cease all long term hire of vehicles and that the demand for vehicles should be satisfied either by the reallocation of vehicles from existing vehicle users or, if necessary, by the purchase of new vehicles.

Privately plated vehicles in government fleets

3.4.13 The Public Service Vehicle Rules, sub-section 14 (f) requires government vehicles to be clearly identifiable as government vehicles at all times. OAG noted from SIG ministry records and from observations that a number of government fleet vehicles were privately plated. OAG considers that MID should ensure that all ministry vehicles are registered as G plated vehicles once they are transferred to the government fleet.

4. Usage of vehicles

4.1 Background

4.1.1 This chapter outlines selected aspects of government vehicle usage such as official entitlement, private usage, driver licensing and physical security of vehicles. The Public Service Act 1988 (as amended), section 4, part III outlines public service rules relating to the use of government vehicles and plant. Chapter T of the SIG General Orders further describes these rules.

Audit criteria

4.1.2 Private usage of government vehicles should only occur where there is an entitlement. Limited private usage of government vehicles by those without an entitlement should be authorised by the responsible officer and only occur in special circumstances, as outlined in the regulations. A policy should specify those authorised to use government vehicles, the requirements for usage of vehicles for official purposes and the limitations on private usage of these vehicles.

4.1.3 Controls should exist in relation to the use of vehicles for both official and private purposes, and should be monitored and enforced. A vehicle usage register or logbook should be in place and used by drivers for every trip made in government vehicles. Secure garaging should exist at ministries and home garaging of vehicles outside of business hours should only be allowed when properly authorised.

4.1.4 Users of government vehicles should be appropriately authorised and should have G permits and a valid drivers licence.

4.2 Entitlement to government vehicles

4.2.1 Under clause 9 (a) of the SIG contractual agreement of service for ministry permanent secretaries, the PS has an entitlement to a government vehicle for both official and personal use. Clause 9 (b) of the contract requires the government to either provide fuel and lubricants for the PS vehicle or to provide the PS with a fortnightly allowance. Clause 9 (c) makes the repair and maintenance of the vehicle the responsibility of the government.

4.2.2 Section 42 (2) of the parliamentary entitlements regulations note that ministers and parliamentary office holders (Leader of the Opposition, Leader of the Independent Group, Deputy Speaker, Chairman of the Parliamentary Caucus and Chairman of the Standing Committees) are entitled to a vehicle for the discharge of their official duties. Section 42 (4) provides the member with the option to purchase the vehicle at the end of the life of parliament, otherwise MID is to retrieve the vehicle. Constitutional post holders (Chief Justice, Judges, Director of Public Prosecutions, Public Solicitor, Auditor General,

Commissioner of Police, Ombudsman, Chairman Public Service Commission and Governor General) are also entitled to a vehicle for their official duties.

4.2.3 OAG was concerned to note a common practice whereby officers retain their vehicles after leaving a government post, despite the cessation of their entitlement to the vehicle. MID noted that it often has difficulty in retrieving vehicles after an entitlement ceases and that this is one of the reasons SIG is short of vehicles. MID noted that attempts at recovering these vehicles often fail, even when referred to the police, as it is not receiving support from the permanent secretaries of the ministries concerned.

4.2.4 OAG observed that even senior ex-government officials, including past ministers, have illegally retained their vehicles after their entitlement to a vehicle has lapsed. Some ex-permanent secretaries have also retained their government vehicles after the termination of their contracts. OAG was also advised of a particular instance where an ex MCA contractor refused to give back a government vehicle on cessation of his contract. The ministry subsequently informed MID of the situation, but as the vehicle had been missing for some time the theft was eventually reported to the police.

4.2.5 Ministries are aware of this practice yet little seems to be done about it and where attempts have been made to retrieve these vehicles, they have apparently failed. Permanent secretaries are the responsible persons who should be enforcing the return of government vehicles, yet many seem unwilling to intervene and ministries seem powerless to retrieve these vehicles.

4.2.6 OAG considers that all ministries should actively seek the return of a vehicle, once the entitlement to the vehicle lapses. In all occurrences where recovery of the vehicle fails, then MID should be informed. Additionally, MID should institute procedures to identify and recover vehicles from persons to whom a vehicle entitlement has lapsed. If administrative action fails, then the matter should be referred to the police for immediate recovery action.

Recommendation No. 6

4.2.7 OAG recommends that MID institute procedures to recover vehicles from all persons who have retained their government vehicle after their entitlement has lapsed.

4.2.8 OAG also noted instances where government employees take government vehicles with them when transferring between organisations. Examples sighted by OAG included officers such as Permanent Secretaries and Chief Accountants. When this occurs ministry vehicle records are seldom updated, resulting in out-of-date management information. The practice of transferring vehicles between organisations should only occur with the

approval of both organisations and MID should be informed so as to enable the central records to be updated.

4.3 Private usage of government vehicles by officers

4.3.1 Subsection 5 of the Public Service Vehicle Rules requires that vehicles only be used on official duty except where specifically authorised otherwise and subsection 9 limits passengers in government vehicles to officers in the course of their duties, as well as ‘such other persons ... as may be authorised by the responsible officer in charge of the vehicle’.

4.3.2 Subsection 11 of the Rules provides for limited private usage of government vehicles noting that: ‘Government vehicles ... may be hired to private ... persons, including ... employees, with the approval of and at rates ... prescribed by the Permanent Secretary provided that such private hire shall not result in any government office or ministry being deprived of the use of the vehicle and [that] vehicles are not available for hire from other sources’. Private usage of SIG vehicles therefore requires both formal approval and payment of a ‘hire fee’.

4.3.3 One of the more significant findings of the audit has been the identification of extensive private usage of government vehicles. In order to quantify the extent of this practice, OAG conducted a survey in Honiara of government ‘G plate’ vehicles being driven on two weekends in October 2010. Over 200 different G plate vehicles were identified being driven on the road, during a total of four hours of the weekend survey. MID documentation indicated that most of these vehicles were not entitled to be used for private purposes. This is contrary to the requirements of the Public Service Vehicle Rules. The analysis showed that on each of the two days surveyed, over 30% of the total government vehicle fleet was being used for private purposes.



This picture was taken during the weekend survey and shows a government vehicle from the MID fleet being used for private purposes, in contravention of the public service vehicle rules.

4.3.4 Ministries advised that some private usage of government vehicles had been authorised, however they were unable to provide documentation to OAG concerning the formal authorisation of this private usage. Under the Public Service Vehicle Rules such private usage must be paid for by the individuals concerned and no such payments could be identified in MoFT records.

4.3.5 One mechanism that can be used to monitor and control the usage of government vehicles is the use of logbooks. Drivers should be required to record the date and purpose of each trip, along with the start and end odometer readings. From its review of ministries, OAG concluded that logbooks are not used in most government vehicles, and when they were sighted they were noted as not being kept up-to-date or used to monitor after-hours private usage. OAG considers that subsection 14 (g) of the Public Service Vehicle Rules requiring the use of vehicle logbooks should be enforced and that ministries should monitor and record details of vehicle usage.

4.3.6 Private usage of vehicles incurs significant costs to the government both through additional operating costs and through the costs associated with accidents. As Permanent Secretaries are the responsible persons in each ministry for enforcing government regulations, OAG considers that Permanent Secretaries in all ministries should review procedures for the use of their vehicles and strictly enforce SIG regulations which impose strict requirements on the private use of government vehicles.

Recommendation No. 7

4.3.7 OAG recommends that all ministries review procedures for controlling the use of their vehicles and strictly enforce the requirement to control the private use of government vehicles.

4.3.8 Subsection 13 of the Public Service Vehicle Rules notes that the government is under no obligation to transport government employees between their places of residence and work, and that the transport of officers between their places of residence and work by government transport is limited to occasions when a vehicle is being engaged on that route for other specific duty. Essential services ministries such as MPNSCS and MCA use their vehicles to transfer 'shift' employees from home to work. As this practice is not consistent with the regulations, OAG considers that MID should discuss the advisability of this practice with the relevant ministries.

Code of Ethics

4.3.9 The 2007-09 MID Corporate Plan noted that the ministry was soon to adopt its first Code of Ethics, which all staff were to be required to sign up to as part of their commitment to the adoption of high ethical standards. OAG considers that this is an excellent initiative that all ministries should undertake.

4.3.10 However for it to be effective, the senior management within ministries must set an example and public service regulations must be enforced. It is noted that in the OAG survey of government vehicles, most ministries were represented in the group identified as having used government vehicles for private purposes. OAG was also advised of government vehicles being used for personal business purposes. One example was the use of police fire tankers which some drivers use to earn income from the delivery of water to private residences. On 16 October 2010, after one such delivery at Vura Heights a fire truck was damaged after it rolled off the edge of an embankment.

4.3.11 OAG considers that ministries should foster ethical practice by pursuing initiatives such as a code of conduct and should strictly enforce government regulations in order to define the boundaries of appropriate behaviour for government employees. MID noted that it is still working on a draft code of ethics. OAG considers that MID should finalise this and distribute it to all staff members as soon as possible.

4.4 Physical security of vehicles

4.4.1 OAG fieldwork included a review of ministry compound security. Of the six auditee ministries four had compounds for overnight parking of their vehicles. MPNSCS, MCA, MoFT and MID HQ each had a fenced compound with 24/7 security. Additionally MID, MPNSCS and MCA had workshop areas with locked garages. With the exception of the MID workshop area, the ministries considered their compounds to be relatively secure.

4.4.2 Most auditee ministries advised that standard practice was to lock up their vehicles in secure compounds for overnight parking. The only exception to this was vehicles that were home garaged by ministry officers. MPS noted that after use, vehicle keys are returned to the Human Resource Manager and vehicles are garaged at the MID compound overnight. MRD also has no secure compound, but its three vehicles are home garaged. In the case of MoFT vehicle keys are held by the manager of the corporate services section. Other ministries use their workshop area to control the allocation of vehicles to authorised drivers. MCA leaves the vehicle keys with its drivers as the ministry has allocated all its vehicles to ministry staff to home garage the vehicles overnight.

Home garaging of vehicles

4.4.3 Subsection 17 of the Public Service Vehicle Rules outlines requirements relating to officers permitted to drive and garage government vehicles. Under the rules an officer in an essential service may be allocated a vehicle and approved to garage the vehicle at his house, provided he has no suitable vehicle of his own of a model appropriate for emergency duties. Where this occurs, the officer shall be held responsible for the vehicle. Under no circumstances is the vehicle to be used outside normal hours of duty except in accordance with written instructions issued by the responsible officer.

4.4.4 Both MPNSCS and MID noted that some senior officers had approval to home garage their vehicles, however the ministries were unable to provide documentation for the approvals. Most MCA vehicles are home garaged. The ministry noted that home garaging is based on trust that the vehicles will not be used privately, but conceded that many were used for private purposes. The ministry was unable to supply OAG with any approval documentation. MPS does not allow home garaging of its vehicles, however the three MRD vehicles are home garaged with verbal approvals.

4.4.5 The MoFT PS has authorised two undersecretaries and four division heads to home garage vehicles and the ministry advised that these officers were authorised drivers with residences in secure locations with proper fencing. Customs advised that it had given approval for the home garaging of its vehicles, however no supporting documentation was available from MoFT. OAG observed that very few MoFT vehicles were secured in the MoFT HQ compound overnight and concluded that many ministry vehicles are home garaged at private residences without approval by the responsible ministry official. Documentation was not available to confirm that checks had been made by the ministry of the fencing and security conditions at the sites where their vehicles were home garaged.

4.4.6 Ministries were invariably unable to provide OAG with documentation authorising home garaging of vehicles and most ministries admitted that they had only given verbal approval for home garaging of vehicles to selected staff. Most auditee ministries breached the Public Service Vehicle Rules which clearly preclude the use of government vehicles for private purposes and which only allow home garaging by officers in an essential service who may require a government vehicle for emergency duties.

4.4.7 OAG considers that the extensive practice of home garaging of government vehicles results in a high risk of damage to vehicles due to the lack of secure storage at private homes. Home garaging also fosters the private use of government vehicles after hours which in itself incurs significant unnecessary costs to the government. The SIG policy of selective home garaging has clearly failed and ministries should dramatically

curtail the practice in order to comply with the Public Service Vehicle Rules and to minimise the associated costs to the government.

Recommendation No. 8

4.4.8 OAG recommends that ministries should dramatically curtail the practice of home garaging of government vehicles in order to minimise the associated costs to the government.

4.5 Reimbursement for repair of damaged vehicles

4.5.1 When a government vehicle is damaged in an accident it is the responsibility of the driver to report the damage to the relevant PS. In the case where the police attended an accident they would submit a report identifying whether or not the driver was at fault. The responsible PS would then request MID to undertake a vehicle inspection. This assessment would identify the extent of the damage and any required repairs.

4.5.2 Sub-section 19 (3) of the Public Service Vehicle Rules requires that damage to government vehicles be recovered from the responsible officer. Where the government driver has been identified as responsible for the damage, the MID PS will write to MoFT requesting that it recover the repair cost from the driver. This can take the form of a regular salary deduction.

4.5.3 OAG confirmed that some payroll deductions are occurring, however it noted that some ministries pay for the repair of damage to their vehicles without fully recovering the amount from the responsible officer. OAG considers that ministries should review their policies on recovery of costs for the repair of damage to government vehicles and enforce the recovery of costs

4.6 Ministry licensing of vehicle users

4.6.1 Subsections 6 and 7 of the Public Service Vehicle Rules outline the requirements for authorising drivers of government vehicles and the requirement to issue a permit to operate these vehicles.

4.6.2 OAG reviewed ministry controls over vehicle user licensing. MID, MoFT, MPS and MRD were unable to provide registers of their vehicle users and their license status. OAG concluded that these ministries do not monitor the validity of drivers licences or G vehicle permits for their officers driving government vehicles and do not, therefore, adequately control the licensing requirement for their drivers.

4.6.3 RSIPF guidelines require that drivers of government vehicles be licensed. OAG noted that the RSIPF had a drivers register for HQ and Central Police Station, however no other registers for provincial stations could be provided. The two

registers were reviewed and it was noted that most of the drivers licences had expired. Consequently, these drivers did not have the required government vehicle permit.

4.6.4 In 2008, Correctional Services (CSSI) implemented a new system to ensure that its vehicles were only driven by licensed users. CSSI also maintains a register of its drivers. OAG reviewed driver details from a sample of vehicle logbooks and checked the details against the driver register. All drivers in the sample were found to be registered and to have a valid government vehicle permit.

4.6.5 OAG considers that all ministries should maintain registers of their vehicle users and their license status and should ensure that all drivers of government vehicles have up-to-date licences and G permits.

5. Repairs and maintenance

5.1 Background

5.1.1 This chapter deals with maintenance guidelines and practice, government workshops and condition of the SIG fleet. Subsection 15 of the Public Service Vehicle Rules outlines the maintenance requirements for government vehicles. It notes that ‘The Permanent Secretary shall be responsible for the vehicles and plant in his charge and shall arrange for their regular inspection and overhaul. Responsible officers shall give every assistance to the Permanent Secretary to ensure that this requirement is complied with. The Permanent Secretary or his representative has the right of access to all government vehicles at all times and may direct the withdrawal of a vehicle for maintenance or inspection at his discretion.’ The PS of each ministry is therefore responsible for ensuring that the ministry vehicle fleet is maintained to an adequate standard.

5.1.2 In past years, when there was more centralised control over the SIG fleet by MID, ministries were required to obtain prior approval from MID before vehicles could be repaired or serviced. MID would then undertake an inspection of the vehicle to identify the requirement. Most maintenance and certain repairs would be undertaken at the MID central workshop. If the vehicle could not be repaired at the MID workshop then it would be referred to a dealer with appropriate expertise (generally the distributor of that type of vehicle). MID also maintained maintenance history cards to identify the servicing requirements for each vehicle.

5.1.3 In the current decentralised environment, ministries initiate the repair and maintenance of their own vehicles. Drivers of government vehicles are generally responsible for advising their supervisors of the need for repair or that servicing is due. In the case where a ministry has its own workshops (such as the essential service ministries), the workshop chief mechanic would be involved. The MID Transport Pool Division will then inspect the vehicle and issue a report, including details of the required repairs and spare parts. The corporate services area of the ministry will then seek funding authorisation for the servicing or repairs from the PS or delegated undersecretary (or perhaps the Accounting Officer in the case of a vehicle breakdown after hours).

Audit criteria

5.1.4 A central vehicle management policy should cover vehicle repair and maintenance procedures applicable to all ministry vehicle fleets and the policy should be enforced. Accurate vehicle maintenance information should be recorded to facilitate

effective fleet operations and vehicle maintenance cards should be updated in a timely manner.

5.1.5 Vehicles should be regularly checked by referring to the maintenance register. The level of vehicle maintenance (such as routine versus overhaul) and the maintenance periods should be strictly adhered to. Appropriate levels of funding should be budgeted for, in order to maintain SIG vehicles as a cost-effective fleet.

5.1.6 Payment for vehicle maintenance should be approved by a relevant senior officer. Vehicle maintenance and supplier selection documentation should be appropriate and up-to-date.

5.2 Maintenance guidelines and practice

5.2.1 OAG asked auditee ministries to provide a copy of any vehicle servicing or maintenance guidelines developed for their vehicle fleets. None of the ministries, including MID, were able to supply OAG with a schedule outlining required vehicle servicing and maintenance regimes for the vehicles in their fleets.

5.2.2 MID workshops undertake inspections of their own and other ministry vehicles to determine their roadworthiness and state of repair, to identify the need for mechanical work and to authorise required repairs. These repairs can be undertaken either by MID or by the private sector. Ministries can request MID workshop personnel to undertake a vehicle inspection to itemise specific maintenance work that may be required on a vehicle, but inspections are generally requested in relation to repairs on a vehicle after sustaining damage in an accident.

5.2.3 MCA and MPNSCS operate their own workshops and their mechanics identify and undertake minor maintenance, referring major repairs to MID. With most ministries, however, vehicle drivers are responsible for identifying the need for vehicle maintenance. This increases the risk that vehicles will not be regularly serviced or that necessary repairs will not be undertaken. Repairs are generally instigated on vehicles when there is a breakdown or when it becomes obvious that maintenance is needed. OAG considers that ministries should ensure that their vehicles are regularly inspected and maintained, either by the private sector or by using ministry workshop expertise and the MID vehicle inspection capability.

5.2.4 Vehicle maintenance guidelines would provide ministries with information on required servicing intervals for their vehicles and would provide the basis for a consistency of approach by ministries in maintaining their vehicles to a safe operating standard. Undertaking required vehicle servicing also minimises the operating costs of a vehicle fleet by reducing the major repair costs that can result when basic maintenance is not undertaken. The guidelines could also provide a list of preferred tenderers considered to be reliable. MCA advised that two of its vehicles

had to be written off as they had been left at a private repair shop and had subsequently been stripped for spare parts. MCA took no action against the repair shop. This highlights the risks associated with using less reputable repair shops.

5.2.5 OAG considers that there is a strong need for MID to develop maintenance guidelines outlining the frequency and extent of maintenance activity required by the different vehicle types in the SIG fleet. These guidelines should be distributed to all ministries to ensure that ministries have access to centralised guidance and to foster consistency in the way ministry vehicles are maintained and repaired.

5.2.6 The 2007-09 MID Corporate Plan incorporated three objectives relevant to the maintenance of government vehicles:

- review vehicle inspections in consultation with other relevant authorities (this objective was intended to set consistent standards of inspection throughout the Solomon Islands);
- devise an efficient process for contracting vehicle maintenance to the private sector (tenders were to be invited for contracting vehicle repairs that were consistent with FI); and
- develop a transparent and effective tendering and procurement process for the maintenance of the government fleet ... and supply of fuel and parts.

5.2.7 OAG reviewed these objectives and found that they had yet to be fully achieved. Inspection processes are not standardised across SIG authorities and little has changed in regard to government tendering and procurement processes.

Maintenance information and accounting systems

5.2.8 OAG identified a wide variation between ministries in the systems used to monitor and manage vehicle maintenance. MID's systems are primarily manual in nature. MID undertakes and records vehicle inspection reports for both its own vehicles and those of other ministries. Maintenance cards are the primary record used to record the maintenance history for vehicles. Unfortunately this system has not been maintained and OAG noted that maintenance cards were not kept for all vehicles and even if available, were not always kept up-to-date.

5.2.9 OAG fieldwork in MCA sighted a vehicle service schedule for 2010 and also a vehicle servicing checklist from 2009. MPNSCS workshops use maintenance cards for its vehicles, but OAG noted that they were not always kept up-to-date. MoFT, MPS and MRD did not maintain any form of vehicle maintenance or repair registers and no servicing checklists were used to ensure that vehicles were regularly serviced.

5.2.10 Auditee ministries generally displayed a poor standard of maintenance information systems. Where they were available, the maintenance cards and associated manual systems were invariably out of date and maintenance information being maintained for individual vehicles was incomplete. Overall, poor documentation and inadequate systems has meant that vehicle servicing and maintenance has not been undertaken at appropriate time intervals.

5.2.11 OAG used the Maximize General Ledger system to analyse ministry expenditure for the repair and maintenance of government vehicles. OAG reviewed a sample of General Payment Vouchers and noted that:

- all of the payments were authorised;
- supporting documentation such as the payment check list, MID inspection report, requisition form, and quotes were not always attached to the General Payment Voucher;
- not all of the vouchers were supported by the required three quotes – this was generally due to the need to repair a specific make of vehicle through a particular distributor; and
- one voucher identified the purchase of a new forklift truck that was paid out of the MoFT maintenance account through a virement of other funds.

5.3 Government maintenance workshops

5.3.1 In the past MID workshops conducted repairs and maintenance of vehicles on behalf of all ministries. The process involved MID inspecting a vehicle, quoting for the repair and undertaking the work once spare parts were obtained. However, this capability severely eroded over time, with only 13 mechanics/inspectors now employed in Honiara. Auditee ministries commented that the MID process has now become unduly lengthy and they no longer use MID workshops, citing numerous examples where MID failed to return vehicles in a timely manner. Ministries now maintain their own vehicles, preferring either to use the private sector, or in the case of the essential services ministries, to develop and use their own workshops. Ministries with smaller fleets, such as MoFT, MRD and MPS tend to use MID to inspect the vehicle to identify the work required and to use the private sector to undertake the repairs.

5.3.2 MoFT cited an instance where, after sending one of its vehicles to MID for repair and supplying the necessary parts, MID subsequently requested resupply of the parts as they had apparently been used to repair another vehicle. MoFT then withdrew the vehicle from MID and sent it to a private company for repair. MCA equally has lost confidence in MID for the

repair of its vehicles as it has had similar experiences with the loss of parts from its vehicles at the MID workshop.

5.3.3 More generally, ministries complained of a loss of MID workshop technical capability and significant delays in MID approving and servicing ministry vehicles. Ministries cited examples of vehicles that had been held at the MID workshop for six months or more, while awaiting repairs.

5.3.4 Within MPNSCS, RSIPF operates its own workshops employing six mechanics in Honiara and CSSI employs four mechanics in its workshop. These workshops conduct most of the maintenance required for MPNSCS vehicles. Major repairs are contracted out to private workshops. By operating its own maintenance facilities, MPNSCS is able to ensure that its vehicles are maintained in a more timely manner, than if it used the MID workshop. MCA also operates its own workshop at the airport, maintaining its vehicles with a staff of three mechanics.

5.3.5 Objectives in the 2007-09 MID Corporate Plan relating to workshops were:

- ensuring that vehicle inspection and workshop facilities met required standards (an upgrade was to be undertaken of all SIG workshops including the purchase of proper tools and safety equipment); and
- preparation of a new inventory of all workshop tools and equipment (this objective was to update records and to ensure the proper recording of all workshop tools and equipment).

5.3.6 OAG noted that the intended inventory and upgrade of workshops, and the purchase tools and safety equipment, has not been undertaken.

Recommendation No. 9

5.3.7 OAG recommends that MID should upgrade the capability of its workshop and maintenance procedures to ensure the timely and competent maintenance and repair of ministry vehicles.

5.4 Condition of the SIG fleet

5.4.1 OAG analysed maintenance data in the Maximize General Ledger system for the period 2005-09. The system identified a total expenditure of \$12 million on vehicle maintenance in the five year period, representing an average of \$2.4 million per annum. In 2009, maintenance expenditure from all ministries totalled \$3.7 million. This represents an expenditure of approximately \$8,000 per vehicle in the SIG fleet, in that year. This amount includes repairs for vehicles and represents a relatively small expenditure per vehicle on servicing and maintenance.

5.4.2 All the auditee ministries noted that maintenance funding was inadequate and that their fleets contained a large number of

vehicles that were in poor condition. Vehicles in most ministries are not maintained in a regular manner and many vehicles are not roadworthy. Even MCA, that has its own workshops, finds it hard to keep its fleet of vehicles well maintained. In the case of MCA, there is currently an intent to replace the older vehicles in the fleet as soon as funding allows, as their poor condition results in higher maintenance costs. The RSIPF was unable to supply OAG with the maintenance cost of its vehicles but noted that its fleet contained old vehicles with a high maintenance cost.



The government vehicle in this picture is typical of many that are poorly maintained in the SIG fleet. It is no longer serviceable and at the time of audit had been left in the MoFT compound to decay.

5.4.3 OAG noted many instances of government vehicles being poorly maintained. In some cases vehicles had been left in workshops awaiting parts and were subsequently cannibalised to provide parts for other vehicles in need of repair. Once vehicles reach this state of disrepair they generally have to be written-off. This represents a gross mismanagement of SIG assets and places further pressure on MID to replace the lost vehicles. OAG considers that ministries should undertake regular maintenance on their vehicles and provide adequate funding for their fleets.

Recommendation No. 10

5.4.4 OAG recommends that ministries should undertake regular maintenance on their vehicles and provide adequate funding for their fleets.

6. Disposal processes

6.1 Background

6.1.1 This chapter considers the policy and processes associated with government vehicle disposals. Procedures relating to the disposal of government motor vehicles are outlined in the Financial Instructions. Chapter 22 of the 2004 FI (Purchase and Sale of Government Property), paragraph 543A states: ‘Application for the sale of government property, shares and assets shall be made to the Central Tender Board’. The Central Tender Board (CTB) resides in MoFT and is an independent body designed to ensure that decisions for major transactions are conducted in an appropriate and transparent manner. Once approved by the CTB, the disposal process is then undertaken by a Ministerial Tender Board (MTB) operating within the ministry concerned.

Audit criteria

6.1.2 Centralised vehicle disposal guidelines should exist to help ministries determine the appropriate procedures and timing for the cost-effective disposal of their vehicles.

6.1.3 The disposal of motor vehicles should be carried out by ministries as per the procedural requirements of government regulations, including the conduct of a tender process or some other suitable form of competitive selling practice. The selection of a successful vehicle tender applicant should be made on the basis of best value for money (i.e. the best return option that meets the specification) and be fully documented.

6.1.4 Ministries should base disposal decisions on soundly developed business cases which focus on the cost-effectiveness of the disposal decision, including consideration of fleet operational information such as the age and maintenance costs of the vehicles.

6.2 Vehicle disposal policy

6.2.1 Ministries advised OAG that no central disposal policy or guidelines exist and that the decision to dispose of a vehicle was either made independently by each ministry or in concert with advice provided by MID. The types of factors that generally drive the ministry disposal process are:

- the identification of vehicles in the fleet that are in poor condition (often the older vehicles) and that are hard to maintain due to high maintenance costs or the difficulty in obtaining spare parts;
- vehicles that are badly damaged in accidents; and

- the availability of funding to purchase replacement vehicles, for those identified for disposal.

6.2.2 The lack of a central disposal policy with a consistent set of disposal parameters means that individual ministries determine the reasons for, and timing of, their vehicle disposals. This may result in inconsistencies between ministries and in decisions that are not cost-effective. OAG considers that a central policy should exist to guide ministries in relation to the disposal of their vehicles.

6.3 Government vehicle sale process

6.3.1 Once a ministry has identified a vehicle for disposal the relevant division in the ministry seeks approval from the PS. The ministry then develops an application to the CTB which outlines the reason for the disposal and forwards it to the CTB for consideration. The CTB application should clearly identify any conflict of interest with ministry officers and should document any information relevant to the disposal decision, including a detailed description, vehicle identification numbers and the vehicle registration number.

6.3.2 Once the CTB has completed its consideration it advises the relevant ministry of the decision. Based on the condition of the vehicle, the CTB will advise the ministry whether or not to sell and if the decision is to sell, what the reserve price should be. After CTB approval the sale process is then handled by an MTB. The MTB decides how the vehicle is to be disposed of. The decision could, for example, involve the sale of the vehicle to government employees, or to the public at large, or may even involve the disposal of the vehicle for scrap value.

6.3.3 A public sale will involve a request for tender being issued to the public for the purchase of the vehicle. The MTB then considers any tender bids for the vehicle and will award the purchase to the highest bidder, if the bid represents value for money for the government. The successful bidder is then informed by letter to arrange for the payment of the agreed amount to the MoFT cashier and may then remove the vehicle from the MoFT compound on production of the cashiers receipt.

6.3.4 OAG discussions with MoFT officials indicated that an appropriate set of disposal processes occurred within the ministry, however records were incomplete for the vehicles disposed of between 2008 and 2010. OAG fieldwork in other auditee ministries identified that similar disposal procedures are generally in place within the ministries, but invariably highlighted the need for improved documentation. Inadequate documentation in auditee ministries provided difficulties for OAG in confirming the detailed processes undertaken by these ministries. In particular the lack of documentation concerning the reasoning behind

disposal decisions and the failure to outline a sound business case for the vehicle disposals in the audit sample were noted.

Management information supporting disposal decisions

6.3.5 OAG requested both CTB and MID to provide a consolidated list of vehicles that had been disposed of in the period 2005-09. Neither were able to provide this information, each referring OAG to the other organisation. Likewise, individual ministries do not keep an asset disposal register to record vehicle disposals. OAG considers that SIG organisations should maintain a record of the vehicles approved for and actually disposed of, the related decision processes and the associated tender practices. The failure to accurately record the vehicles being disposed of each year also has an impact on the accuracy of MID fleet records, in particular those recording the size, value and condition of the fleet. Available MID records identifying the number and type of vehicles operated by each ministry are therefore overstated.

6.3.6 MCA noted that some vehicles in its fleet were very old and were costing a substantial amount of money to maintain, however this observation was not based on detailed analysis of maintenance data as this costing information is not captured. None of the ministries that were audited collected detailed costing information on the maintenance of their fleets. Current disposal decisions are therefore made without reference to a uniform set of metrics or by the conduct of any form of analysis on vehicle expenditure.

6.3.7 OAG fieldwork concluded that there is limited information available to ministries to support decisions relating to the retention or disposal of vehicles. Vehicle condition information is either not maintained or is not kept up-to-date and there is a lack of detailed information on fleet maintenance costs. This lack of information on fleet maintenance means that ministries are not able to monitor their fleet condition accurately, nor can they conduct any analysis of trends in maintenance expenditure. Thus there is no consistency in the decisions relating to the most cost-effective timing for vehicle disposals. The poor information available to ministries means that it is almost impossible for ministries to make optimal decisions relating to the disposal of their vehicles.

Accounting for disposal of vehicles

6.3.8 OAG reviewed a sample of vehicle disposal documents from MoFT records and noted that:

- the documentation supplied did not enable audit to ascertain what process the ministries went through in deciding to select the vehicles for disposal;

- supporting documentation did not always confirm that assets were paid for by the winning bidder, as receipts were not always attached; and
- disposal records in Maximize use only a single account code for the sale of government property. This makes it hard to distinguish transactions between vehicles and other assets being disposed of, as well as identifying which ministries the disposals relate to.

6.3.9 Also, records were often not available for verification of the vehicles disposed of by ministries through the tender board process. OAG concluded that individual ministries did not have adequate systems for recording vehicle disposals.

Recommendation No. 11

6.3.10 OAG recommends that MID should record information relating to the disposal of all government vehicles in a central register of SIG vehicles and that all ministries should provide MID with details of these disposals including the vehicle type, registration number, disposal date and amount recovered.

7. Fleet management information

7.1 Background

7.1.1 This chapter summarises a number of issues identified in the report relating to SIG vehicle fleet management information.

7.1.2 SIG Financial Instructions require the Accounting Officer and Permanent Secretary of each ministry to ensure that accurate records are maintained of vehicle inventories and that expenditure of public monies on vehicles is appropriate (FI 2004, chapter 26 (Inventories) and chapter 9 (Payments)).

7.1.3 SIG Records Management Policy, March 2007, provides rules and procedures for government records management including electronic records, file registers, access to records, using and returning files.

Audit criteria

7.1.4 Accurate records should exist in ministries to record vehicle acquisition, maintenance and disposal processes, including up-to-date asset registers.

7.1.5 Motor vehicle expenditure should be accurately recorded in the Maximize General Ledger and should be in a form that facilitates analysis. Accounting documentation (such as payment vouchers for vehicle expenditure) should be properly authorised, linked to supporting documentation and reviewed.

7.1.6 Adequate information on the condition and operation of the SIG vehicle fleet should be maintained to allow for the efficient and effective management of government motor vehicles.

7.2 Inadequate vehicle registers and documentation

7.2.1 OAG reviewed a range of SIG processes and transactions relating to the acquisition, maintenance and disposal of government vehicles. Several significant issues became apparent across all ministries reviewed. In particular, OAG was concerned at the unavailability of key control documents and the incomplete nature of supporting documentation for financial transactions.

7.2.2 OAG noted that, in contravention of FI requirements, ministries did not maintain up-to-date inventories of their vehicles. No formal asset registers were kept and no regular stocktake of vehicles was performed. The implications of this are that there has been little or no asset control over the SIG fleet. Ministries cannot confirm the correct numbers of vehicles in their possession and the whereabouts of many vehicles is unknown. MID, as the ministry responsible for managing the SIG fleet, must take particular responsibility for this failure. The lack of an

adequate vehicle asset register means that the SIG vehicle fleet has been subject to a number of significant risks including:

- theft and misuse of vehicles;
- less than optimal acquisition and disposal processes;
- lack of cost effectiveness in the fleet vehicle mix; and
- poor maintenance processes.

7.2.3 Overall, OAG concluded that documentation supporting key management activities with ministry fleets is very poor. This also meant that OAG found a great deal of difficulty in developing an accurate picture for each ministry, of the fleet size, operations, expenditure and asset value.

Recommendation No. 12

7.2.4 OAG recommends that SIG ministries should comply with government requirements to record all necessary supporting documentation for financial transactions relating to motor vehicles.

7.3 Lack of management information to manage the fleet

7.3.1 The 2007-09 MID Corporate Plan highlighted two objectives relevant to fleet management information:

- developing an up-to-date inventory of government plant and equipment (this involved undertaking an inventory of the allocation of all government vehicles and included the development of a computerised register for the SIG fleet); and
- prepare a new inventory of all workshop tools and equipment (this objective was to update records and to ensure the proper recording of all workshop tools and equipment).

OAG concluded that neither of these had been achieved since the completion of the plan, but considers that both should be pursued by MID.

7.3.2 The operation of a vehicle fleet involves a wide range of functions such as inventory control, operational activity, repair and maintenance, workshop scheduling, costing and management reporting. OAG fieldwork in the six ministries highlighted that most operated their fleets with an almost complete lack of useful management information in support of these functions. Vehicle asset registers were not maintained, maintenance records were poor or nonexistent, data on vehicle usage was not captured and ministries were not always aware of the extent of private usage and of security issues affecting their vehicles.

7.3.3 The absence of readily available management information on the condition, maintenance, disposition and use of fleet assets adversely impacts on the ability of ministries to properly manage and control their fleets. Ministries should maintain basic information on their fleets including: the number, type, make,

age, usage history, VIN number, location, maintenance history and mechanical condition of their vehicles. Such information is essential if SIG is to monitor fleet operations and maintain adequate control over the government vehicle fleet. OAG considers that MID should develop improved systems, including computer systems, to enhance the information available to ministries to manage the SIG vehicle fleet.

Recommendation No. 13

7.3.4 OAG recommends that MID should develop improved systems to record basic management information relating to the acquisition, operation, maintenance and disposal of government vehicles and require ministries to record and provide any required details of their vehicle operations.

Appendix 1 Previous OAG findings in relation to SIG vehicles

Although this is the first audit specifically focused on motor vehicles, over the years the OAG has frequently reported on anomalies, waste and dubious practices surrounding motor vehicles. These reports have shown a consistent disregard for the rules regarding the acquisition, use and disposal of vehicles and highlighted the importance of addressing these issues. A few examples from previous audit reports are provided below.

- In an audit published in 2004 the OAG reported that a ministry had circumvented government purchasing procedures for motor vehicles by allowing a company which owed a significant amount for licence fees to offset those fees by providing vehicles to the ministry. This report also noted that the ministry traded-in a vehicle that was five months old and the records show that the ministry received a very small trade-in consideration for that vehicle even though it was almost a new vehicle. When the vehicle was first acquired it was registered in the name of the Deputy Director rather than as a G-plated vehicle and after it was traded-in the Deputy Director purchased the vehicle back from the company. The audit report suggests that the vehicle was provided free-of-charge to the Deputy Director, who organised the transactions with the company.
- In 2001 a then Permanent Secretary sought funding from a contractor to purchase a vehicle for his and the minister's official use. These funds were deposited directly into the bank account of an expatriate that was leaving the Solomon Islands, for the purchase of a second-hand Suzuki Vitara. The vehicle was then registered in the name of the Permanent Secretary for the next two years. During this period, the Permanent Secretary was also receiving a vehicle allowance as part of his salary package while having the use of the motor vehicle. After the Permanent Secretary left government service, it is believed that this vehicle was registered as a government vehicle although audit was unable to locate the vehicle. Audit reported that 'Prior to and at acquisition of the vehicle, there was no consultation with the Permanent Secretary of MID in accordance with the proper government purchasing procedures for motor vehicles nor was there any inspection, assessment and valuation undertaken by the Department'.
- In a routine financial audit in February 2008, the OAG found in a check of assets that a motor vehicle was missing. Further investigation showed that the motor vehicle was still held by the wife of a late minister. OAG was then advised that the

motor vehicle had been 'gifted' by the previous Prime Minister, an action that requires significant documentation. The ministry was unable to locate any documentation to support this giving away of a valuable government asset. Another financial audit found that motor vehicles were purchased in 2006 for a total of \$2.5 million however there were no other quotes or any other documentation to support the tender process.

- In a 2006 audit of the National Referral Hospital (NRH), the audit report noted deficiencies in the management of vehicles in that there was inadequate guidance for appropriate operation and management of the hospital motor vehicles; vehicle management and utilisation monitoring was not being effectively undertaken resulting in the deterioration of a number of vehicles; costs incurred to repair NRH vehicles by a private firm were considered to be inflated and the ongoing repairs to hospital vehicles were too excessive when compared to vehicle utilisation; and refuelling of vehicles was not monitored by NRH resulting in inappropriate fuel usage and additional costs to the hospital.
- In an audit report of a special investigation published in March 2008, a motor vehicle accident resulted in the party at fault paying the Solomon Islands Government \$324,000 for the write-off of its motor vehicle, which exceeded the value of the vehicle that was written off by more than \$100,000. This cheque was signed over to a local motor vehicle dealership, presumably to provide a replacement vehicle. A vehicle was provided to the driver of the original vehicle but it was never registered as a government vehicle. The audit report recommended the police be called in to investigate the transaction.
- In an audit of the Ministry of Infrastructure Development published in September 2008, the OAG said 'In particular, OAG was concerned with the existence and extent of directives from the Minister of Finance to pay for motor vehicles which had been procured outside of all of the proper procedures for purchasing using government funds, including vehicles he had acquired for his own use as Minister. There needs to be tighter control and closer monitoring of the purchase of government motor vehicles. OAG noted that 52 motor vehicles were purchased from one supplier in just over a 12 month period for a total cost of \$12.2 million without any of the proper purchasing processes being applied. From information available to OAG, it is concluded that Members of Parliament, Ministers and government officials are taking delivery of vehicles without purchase orders or requisitions being raised and produced to the supplier. The extent of breaches of normal procedure and the Financial Instructions

suggests there were deliberate acts to circumvent the process for legal use of government moneys.’

- An audit into the Constitutional Reform Unit in 2009 found that the purchase of two used motor vehicles for \$183,000 from Kana Trading Ltd was conducted outside the normal procurement process as required under Financial Instructions. Furthermore the date of the invoice attached to the payment voucher is dated 17th February 2006, but the payment was made in July 2007, which is more than one year before CRU was actually established. This could imply prior arrangements were made to purchase the vehicle for personal reasons or motives before the establishment of the CRU.

Abbreviations

CSSI	Correctional Service of Solomon Islands
CTB	Central Tender Board
FI	Financial Instructions 2004 and 2010
GL	General Ledger
GO	General Orders
MCA	Ministry of Communication and Aviation
MID	Ministry of Infrastructure Development
MoFT	Ministry of Finance and Treasury
MPNSCS	Ministry of Police, National Security and Correctional Service
MPS	Ministry of Public Service
MRD	Ministry of Rural Development
MTB	Ministerial Tender Board
OAG	Office of the Auditor-General
PS	Permanent Secretary
PVs	Payment Vouchers
RSIPF	Royal Solomon Islands Police Force
SIG	Solomon Islands Government
VIN	Vehicle Identification Number