

THE CONTROLLER AND CHIEF AUDITOR'S

REPORT TO PARLIAMENT

1 JANUARY TO 30 JUNE 2007

1. INTRODUCTION

In compliance with Article 99 of the Constitution of the Independence State of Samoa 1960, and Section 10 of the Audit Office Ordinance 1961, I present this report on the performance of the functions of the Audit Office for the period January – June 2007.

This is my second report based on the Audit Office new reporting basis as disclosed in my last Report to Parliament for audits and other work of the Audit Office completed between July 2004 and December 2006.

This Report will cover audits and other Audit Office work completed between January 2007 and June 2007. This Report will also commence the alignment of the reporting of the irregularities to the new reporting format. The irregularities covered in this report will be for the period July 2005 – June 2007.

2. STATUS OF AUDIT WORK

The status of audit work in terms of audits already due as at 30 June 2007 but yet to commence is listed below. This list does not include the many project audits that depend on the preparation and submission of financial statements by the Ministry of Finance and Implementing Agencies. Work is now being undertaken by the Audit Office to identify audit and accounting requirements for all currently active projects in order to update the list of all project audits that should be conducted on an annual basis.

Ministry Audits

The audits of Ministries are all done by the Audit Office Staff because of the uniqueness of the public sector knowledge required. In addition, the audits of Projects implemented by the Ministries are also all done by Audit Office Staff. The list of annual Ministries audits outstanding as at 30 June 2007 that were yet to commence included:

- 2.1.1 Ministry of Prime Minister and Cabinet – July 2006 – June 2007**
- 2.1.2 Ministry of Police & Prisons – July 2006 – June 2007**
- 2.1.3 Ministry of Education, Youth, Sports & Culture – July 2006 – June 2007**
- 2.1.4 Ministry of Communication & Information Technology – July 2005 – June 2007**
- 2.1.5 Ministry of Commerce, Industry and Labour – July 2005 – June 2007**
- 2.1.6 Ministry of Foreign Affairs and Trade – July 2005 – June 2007**

- 2.1.7 Ministry of Women, Community & Social Development including the Government Printer – July 2006 – June 2007**
- 2.1.8 Ministry of Finance – July 2005 – June 2007**
- 2.1.9 Attorney General – July 2005 – June 2007**
- 2.1.10 Public Service Commission – July 2005 – June 2007**
- 2.1.11 Electoral Commissioner – July 2005 – June 2007**
- 2.1.12 Ombudsman's Office – July 2005 – June 2007**
- 2.1.13 Legislative Assembly – July 2005 – June 2007**
- 2.1.14 National Health Services – July 2005 – June 2007**
- 2.1.15 Samoa Fire Service – July 2005 – June 2007**
- 2.1.16 Telecommunications Regulator – July 2005 – June 2007**

2.2 Public Bodies and Other Financial Audits

The Audit Office is assisted by private Audit Firms in the audits of Public Bodies. The audit of the Public Accounts is a financial statement audit for the whole of Government but is also done by Staff of the Audit Office itself. Annual Public Bodies and other financial audits outstanding as at 30 June 2007 that were yet to commence at 30/6/07 included:

- 2.2.1 Public Accounts – 30/6/06**
- 2.2.2 Samoa Broadcasting Corporation – 30/6/06**

2.3 Audits in Progress as at 30 June 2007

The following audits represent those annual audits that at 30 June 2007 were in progress and expected to be covered in the next Report to Parliament:-

2.3.1 Ministry of Justice and Courts Administration – July 2004 to June 2007

This audit was completed in November 2007.

2.3.2 Ministry of Natural Resources & Environment – July 2004 to June 2007

This audit was completed in December 2007.

2.3.3 Ministry of Works, Transport & Infrastructure – July 2004 to June 2007

This audit is expected to be completed by the end of February 2008.

2.3.4 Ministry of Revenue - July 2001 to June 2007

This audit is expected to be completed by the end of March 2008.

2.3.5 Ministry of Agriculture, Fisheries, Forestry and Meteorology - July 2005 to June 2007

This audit is expected to be completed by the end of February 2008.

2.3.6 Ministry of Finance – ADB Sanitation Project July 2003 to June 2006

This audit was completed in September 2007.

2.3.7 National Kidney Foundation – July 2005 to June 2006

This audit was completed in December 2007.

2.3.8 Samoa Quarry and Sealing Products – July 2005 to June 2006

This audit was completed in November 2007.

2.3.9 SamoaTel – July 2005 to June 2006

This audit was completed in December 2007.

2.4 Audits Commencing and in Progress – July to December 2007

2.4.1 Public Accounts – 30 June 2006

The first draft of the Public Accounts for the year ended 30 June 2006 was received by the Audit Office on 12 October 2007 and the audit of the same is being undertaken. I expect this audit to be completed by late February 2008 and will be included in my next Report to Parliament.

2.4.2 Current Audits – July to December 2007

The audits of the rest of the following Auditees are in progress from July 2007 to December 2007 and I expect these audits to be completed and included in my next Report to Parliament.

- i. National Provident Fund Building Maintenance – 30/6/07**
- ii. Samoa Land Corporation – 30/6/07**
- iii. Parliamentary Pension Scheme – 30/6/07**
- iv. Housing Corporation – 30/6/07**
- v. Accident Compensation Corporation – 30/6/07**
- vi. Samoa Ports Authority – 30/6/07**
- vii. Samoa Shipping Corporation – 30/6/07**
- viii. SamoaTel – 30/6/07**
- ix. Apia Park Board – 30/6/07**
- x. Apia Park Board – 30/9/07**

- xi. South Pacific Games Authority – 30/6/07
- xii. South Pacific Games Authority – 30/9/07
- xiii. Totalisator Agency Board – 30/6/07
- xiv. Samoa Sportslotto Agencies Ltd – 30/6/07
- xv. National Kidney Foundation (Dialysis Unit) – 30/6/07
- xvi. Samoa Quarry – 30/6/07
- xvii. Samoa Qualifications Authority – 30/6/07
- xviii. Research and Development Institute – 30/6/07
- xix. Samoa Life Assurance Corporation – 30/6/07
- xx. Samoa Water Authority – 30/6/07
- xxi. Samoa Shipping Services – 30/6/07
- xxii. Samoa Broadcasting Corporation – 30/6/07
- xxiii. Samoa Public Trust – 30/6/07
- xxiv. Electric Power Corporation – 30/6/07
- xxv. EPC Rural Electrification Local Costs – 30/6/07
- xxvi. Development Bank of Samoa – 30/6/07
- xxvii. Institute of Technology – 30/6/07
- xxviii. Institute of Higher Education – 30/6/07
- xxix. Samoa Maritime Trust – 30/6/07
- xxx. Samoa Trust Estates Corporation – 30/6/07
- xxxi. Polynesian Ltd – 30/6/07
- xxxii. Samoa National Provident Fund – 30/6/07
- xxxiii. Samoa National Provident Fund Senior Citizen Pension Scheme – 30/6/07
- xxxiv. Samoa Airport Authority – 30/6/07
- xxxv. Agriculture Store Corporation – 30/6/07
- xxxvi. Samoa Tourism Authority – 30/6/07

2.5 Audits to be Conducted – January to June 2008

The following audits represent those annual audits expected to be conducted and completed within the 6 months January 2008 – June 2008.

- i. Public Accounts – 30/6/07
- ii. Ministry of Prime Minister and Cabinet – July 2006 – June 2007
- iii. Ministry of Police & Prisons – July 2006 – June 2007
- iv. Ministry of Education, Youth, Sports & Culture – July 2006 – June 2007
- v. Ministry of Communication & Information Technology – July 2005 – June 2007
- vi. Ministry of Commerce, Industry and Labour – July 2005 – June 2007
- vii. Ministry of Foreign Affairs – July 2005 – June 2007
- viii. Ministry of Women, Community & Social Development including the Government Printer – July 2006 – June 2007
- ix. Ministry of Finance – July 2005 – June 2007
- x. Attorney General – July 2005 – June 2007
- xi. Public Service Commission – July 2005 – June 2007

- xii. **Electoral Commissioner – July 2005 – June 2007**
- xiii. **Ombudsman’s Office – July 2005 – June 2007**
- xiv. **Legislative Assembly – July 2005 – June 2007**
- xv. **National Health Services – July 2005 – June 2007**
- xvi. **Samoa Fire Service – July 2005 – June 2007**
- xvii. **Telecommunications Regulator – July 2005 – June 2007**

3. SPECIAL INVESTIGATIONS

In terms of Section 12, the Audit Office Ordinance 1961 and Section 24, the Public Bodies (Performance and Accountability) Act 2001, the Controller and Chief Auditor conducted special investigations on the performances of the following Government Entities.

3.1 National Kidney Foundation of Samoa – 26 March 2007

From an audit spot check on 12 March 2007, it was discovered that substantial receipts were unaccounted for and these funds were later confirmed as misappropriated by the Finance Manager of the Foundation.

This prompted the Honourable Minister of Health to request a special investigation be pursued by the Audit Office of the Foundation’s operations. Hence, this special audit started on 26 March 2007.

The audit findings revealed the need to reassess operations by installing proper financial systems and accounting procedures with proper internal controls set in place. Proper manuals for systems and procedures were also recommended to be drawn up. There appeared to be indecisiveness with many issues discussed and subcommittees decisions were not followed up immediately resulting in delays in the decision making process. There was indeed a lapse in management skills and experience.

The findings with recommendation of this special audit had been submitted to the Chairperson and the Board of Directors for their consideration and action.

3.2 Samoa Consulate General’s Office, Auckland, New Zealand

This special audit inspection was prompted by a request from the Samoa Consul General to the Audit Office to follow up and confirm what was discovered by a Doctor administering the Samoa Overseas Medical Treatment Scheme of the Scheme’s funds being embezzled through forgery by an officer of the Samoa Consulate General’s Office.

The audit investigation found that funds totaling NZ\$55,736.90 were confirmed embezzled through five(5) cheques from the Overseas Medical Treatment Scheme Bank Account forged by the Accounts officer of the Samoa Consulate General’s Office.

In addition, audit found that 17 cheques of the Consulate General’s Office Bank Account were also forged by the same officer and those cheques amounted to NZ\$44,469.58.

Total public funds involved amounted to NZ\$100,206.48. One cheque of the five cheques forged from the Overseas Medical Treatment Scheme amounting to \$27,470 was paid into the Samoa House Trust Account to cover ten (10) months rentals by the Samoa Consulate General's Office outstanding. This rental outstanding arose from ten (10) months rental paid through nine (9) cheques issued and forged by the Accounts Clerk herself. The Accounts Clerk was one of the four signatories operating the Consulate General's Office Bank Account and to operate, two signatories must be on the cheque.

The Accounts Clerk forged the signatory of one lady officer and with her signature counter signing, the cheques were easily paid out. Total recovery made by the culprit was \$72,736.48 and the \$27,470 was forgone in the view that the forged cheque was paid immediately into the Samoa House Trust Account without any benefits accruing to the forger.

4. DONOR AND LOAN FUNDED PROJECTS

Comments on the audit report on donor and loan funded projects have been sought from the Ministry of Finance however at the time of finalization and printing, none had been forthcoming.

4.1 ADB Loan No.1752(SP) – Education Sector Infrastructure Project 30 June 2006

This is Phase I of the Education Sector Infrastructure Project, which purported to close on September 2005 but had extended to 30 June 2006.

4.1.1 Project Funding

This Project started in the year 2000 with total project loan proceeds of SAT\$20,529,828. As at 30 June 2006, total cumulative expenditures out of ADB funds came to SAT\$20,906,630.19 which is \$376,802.19 more than it was estimated.

For the year to 30 June 2006, total expenditures for the Project came to \$888,682.31 of which \$464,074.98 was paid from loan proceeds and \$424,607.33 from Government counterpart contributions.

This is the final year of phase I of the Education Sector Infrastructure Project through ADB Loan No.1752. Total Funds utilized for this Phase I of this Project is as follows:

ADB Loan Proceeds	SAT\$20,906,630.19
Government of Samoa	<u>12,636,028.81</u>
TOTAL COST OF PHASE I	SAT\$33,542,659.00

Government contributions cover all custom duties and VAGST, and other local costs.

The nineteen (19) schools built under this ADB Loan Scheme were fully completed and equipped with furniture and equipments.

4.1.2 Project Status

With the completion of Phase I, Audit was able to witness the good state of the nineteen (19) school buildings with all furniture and equipments provided. Audit observed that defects encountered in the conditions of furniture or supply of equipments earmarked for schools were due mainly to the lack of monitoring by village school committees of contracts engaged for such works. However, the Project Phase I was quite a success.

4.2 **ADB Loan No.1788 – Small Business Development Project – 30 June 2006**

4.2.1 Project Objectives

The major objective of the Project is to generate income and employment opportunities by expanding the Micro Small Enterprise Sector through greater access to financial credits, business training and advisory services.

This is the fourth year of the Project. To achieve the Project Objectives, four components were established as focus to complement each other towards the expected end results:

The Four Project Components

(i) Expand the Small Business Loan Guarantee Scheme.

This is the main part of the Scheme. The Small Business Enterprise Centre processes loans to their clients through the four(4) local banks and the Development Banks and such loans are guaranteed by the ADB through this Small Business Loan Guaranteed Scheme.

As at 30 June 2006, the following accounts were deposited at the Banks as security for the loans granted by the Banks:

ANZ Bank (Samoa) Ltd	SAT\$ 488,696
National Bank of Samoa	“ \$ 269,348
Westpac Bank	“ \$ 169,348
Samoa Commercial Bank	“ \$ <u>369,348</u>
TOTAL SECURITY	SAT\$<u>1,296,740</u>

The Total contingent liabilities for loans guaranteed under the above scheme for the period under audit were about \$4.3 million tala surpassing the amount of USD\$1 million embarked for guarantees. This Scheme has shown success with the low level of foreclosures in comparison to previous years.

(ii) Enhance Business Advisory and Training Services

While trainings were carried out by the two(2) organizations – Women in Business (WIBDI) and Small Business Enterprise Centre (SBEC), Audit was unable to find out how successful these trainings were due to lack of follow up and absence of monitoring reports.

Evidence showed that the WIBDI appeared negative in its efforts to encourage the development of small businesses through its holding back of most of its clients from borrowings at credit facilities available.

(iii) Support Pilot Micro Finance Facility

This component is administered mainly by the Development Bank of Samoa (DBS). There were only 50 loans being approved during the year and it was noticeable that the WIB had withheld most of its clients from borrowings. The would be borrowers had to go through the WIB for assessment and recommendation for loans and the WIB strict terms and conditions contributed to the low rate of utilization of this finance facility.

(iv) Policies and Legislative Reform

The Legislative reform under this component covering company law and land law is currently on hold pending the decision by the Ministry of Commerce, Industry and Labour (MCIL) on what type of register to be adopted to support the two (2) pieces of legislations. As for the credit reference facility, a report had been completed similar to the Debt Recovery Report. The Baycorpo Advantage (NZ) has withdrawn and to be replaced by Data Services Ltd (DSL) however, its operations are currently on hold until the issue is finalized. We trust the decision yet to be made will assist in attaining the objectives of this component of the Project. However, the momentum must be maintained as this part of the project is very much behind schedule.

4.2.3 Project Progress

Overall the Project albeit delays in the implementation of some components is progressing steadily towards meeting its objectives and goals.

4.3 IDA Loan No. 3848 IAMP-II – 30 June 2006

4.3.1 Project Objective

IAMP-II is the continuation of IAMP-I which was completed two (2) years ago. The overall purpose of the project is to “enhance the economic, environmental and social sustainability of transport and coastal infrastructure assets and to manage those assets,

natural resources and disaster risks through an effective partnership sector stakeholders.

The core objective of this Phase II – Infrastructure Assets Management is investing for sustainable growth and protection. This objective would be achieved through Aviation Infrastructure, Road Infrastructure, Sustainable Management of Infrastructure, Natural Resources and Risks, Institutional Development in Transport, Infrastructure and Project Management.

4.3.2 Project Funding

Total cumulative expenditure to date of the IAMP-II is \$26.3 million tala made up of:

Total IDA Expenditure	SAT\$16.9 million
Total GoS Expenditure	SAT\$ 9.4 million
	SAT\$<u>26.3</u> million

For the year under audit, total expenditure to 30 June 2006 for the Project was \$9.3 million, sourced as follows:

Total YTD Expenditure IDA	SAT\$6.2 million
Total YTD Expenditure GoS	SAT\$ <u>3.1</u> million
	SAT\$<u>9.3</u> million

Total funds received for the Project was \$27,223,056 which needs to be utilized by 31 December 2008, being the closing date of the Project. However, with the Project progress so well advanced, it appears that the Project will be completed by 30 June 2008, which is exceptionally commendable.

4.4 IDF Grant for Procurement Reforms and Capacity Development – 1 March 2006 to 31 March 2007

This is a Grant from the International Bank for Reconstruction and Development and is designated as the IDF Grant for Procurement Reforms and Capacity Development. The purpose of the Grant is to assist in the implementation of public procurement reforms and in the development of the capacity of Government officials in managing procurements.

The activities of the Grant include development of procurement guidelines and policies and development of procurement manuals.

The Grant is USD\$176,000 (SAT\$478,781) and is to be applied as follows:

(i)	Consultant's services	USD\$154,720
(ii)	Training Workshops	USD\$ 10,480
(iii)	Goods	USD\$ 10,800
		USD\$<u>176,000</u>

The Grant was to be utilized by 5 October 2007, however it has been extended to 5 October 2008, because of delays in implementation procedures.

As at 31 March 2007, the balance to be utilized of this Grant is SAT\$397,084 (USD145,968) and these funds must be spent to complete the purpose of the Grant by 5 October 2008.

4.5 International Waters Project (IWP) – 1 January to 31 December 2006

The overall objectives of the strategic action programme for International Waters Project (IWP) were to develop, achieve and implement measures to conserve, sustainably manage and restore coastal and oceanic resources in the Pacific Region to obtain and achieve global benefits.

For Samoa's International Waters Programme the primary objectives were to find ways of improving the management of freshwater resources for the two (2) pilot communities of Lepa and Apolima Tai.

Funds allocated to Samoa's International Waters Project were \$1,016,212 apart from SPREP regional contributions and the project was to be completed within five (5) years by February 2005. The Project had been put back to 2007.

The problem of non-co-operation and lack of coordination of all involved in the implementation of these Projects is the major cause of the unduly procrastination of completion, resulting in unnecessary non utilization of donor funds.

4.6 Samoa Health Sector Management Project – 30 June 2006

4.6.1 Project Objectives

The objectives of the Project are to assist the Government of Samoa to:

- (i) develop and implement appropriate health policies, legislation and regulations;
- (ii) improve the functional and technical quality of health facilities.

4.6.2 Project Progress

The World Bank approved this Project in August 2000 to be closed by March 2006. However, there were several delays encountered mainly through lack of coordination in the implementation process which resulted in the project being extended to close on 31 December 2006.

According to reports by the Project management team, most of the project components are 90% complete and hopefully the Project will achieve its development

objectives by the 31 December 2006. The outstanding works included civil works for the replacements of the three (3) rural hospitals.

4.6.3 Project Funding

Total credit approved for this Project was SAT\$16,810,000, equivalent to SDR3,800,000. Total accumulated funds spent and committed to 30 June 2006 was SAT\$12,524,000 leaving a balance of SAT\$4,286,000 to be spent by 31 December 2006.

On top of credit funds spent on this Project, Government had contributed towards cost of project operations and for the period under audit, total funds committed came to SAT\$3,120,000 sourced as follows:

IDA financed	SAT\$2,365,000
Government financed	SAT\$ <u>755,000</u>
TOTAL EXPENDITURE 30/06/06 SAT\$<u>3,120,000</u>	

4.6.4 Project Status

The Health Sector Management Project is in its final stage and most of the components are near completion. The remaining three (3) hospitals namely Lalomanu, Poutasi and Safotu, currently under construction should be completed on time.

4.7 Talavou Project – 1 January to 31 December 2006

4.7.1 Project Objectives:

To improve the self worth of Samoa people through education and building the long term physical and psychological capacity of young people (12 to 29 years);

To foster flexible and inclusive environments conducive to school retention, skills formation and career choice for youth in formal and informal education by 2009;

To increase employment and income generation opportunities for urban and rural young people in formal and informal sectors by 2009;

To strengthen the capacity of the Division for Youth (DFY) in collaboration with stakeholders in managing the implementation of the Samoa National Policy through the Talavou Programme.

4.7.2 Project Funding:

- (i) Originally, total budget for the four (4) years as shown in the Project Document for the duration of the Project came to USD\$841,000;

However, a re-phrasing of the budget for the three (3) years from 2007 to 2009 appeared as follows:

		UNDP	NZAID	TOTAL
(a)	2007	USD92,072	USD123,300	USD215,372
(b)	2008	USD72,947	USD127,300	USD200,247
(c)	2009	<u>USD59,535</u>	<u>USD 90,300</u>	<u>USD149,835</u>
	TOTAL	<u>USD224,554</u>	<u>USD340,900</u>	<u>USD565,454</u>

- (ii) For the 2006 year, cumulative spending to date came to \$413,143, and \$118,415 or 30% of it was for conference and meeting expenses.

4.8 Water Sector Support Program – 30 June 2006

4.8.1 Project Objectives

The overall objective of the programme is to reduce poverty and hardship in Samoa by ensuring community access to water of suitable quality and appropriate quantities to meet reasonable health, environmental and economic development needs.

The purpose of this programme is to accelerate the achievement of water sector policy goals and objectives and more specifically to improve the quality of public health through improved water services and the sustainable management of water resources.

4.8.2 Project Funds

The initial funding received for the Water Sector Support Programme was SAT\$1,586,000 and expenditures incurred so far for the programme is as follows:

Programme Management	\$17,880
Office Equipments – Fixed Assets	\$93,574
Stationery	\$ 1,472
Petty Cash Expenses	\$15,390
Project Activities	\$ 1,000
Staff Costs	\$34,737
Vehicle Expenses	<u>\$70,967</u>
SPENDING TO DATE	SAT <u>\$235,020</u>

This is 15% of the total advance made. \$141,012 or 60% of spending to date were for the Steering Committee meeting expenses and entertainment.

5. PUBLIC ACCOUNTS – JULY 2004 to JUNE 2005

Comments on the audit report on the Public Accounts audit for the year ended 30 June 2005 have been sought from the Ministry of Finance however at the time of finalization and printing, none had been forthcoming.

5.1 Public Accounts 2005

5.1.1 Key Performance Indicators

- (i) The operating surplus of \$4.984 million tala and capital surplus of \$332 million tala recorded in 2005 were the best achievements in these categories of performance indicators over the five(5) years analysed (2001 – 2005).
- (ii) The debt service ratios and percentages for the same 5 year period appeared to show a comfortable position as well as an improving trend although this assessment could be overstated because of the inclusion of all receipts and not just receipts from operations such as duties and taxes; Term debt remained relatively static at a little over \$450 million tala during the 5 year period.

5.1.2 Operating Statement of the Treasury Fund

- (i) Total receipts increased by 16% over the audited period compared to an increase of a mere 6% from 2003 to 2004. Total payments also increased by 11% compared to an increase from 2003 to 2004 of 7%. It is important however to consider the increase in payments in the context of the \$4.985 million tala operating surplus when Government budgeted for a deficit of \$2.170 million tala and also if compared to actual deficits of \$7.455 million tala in 2003 and \$9.107 million tala in 2004.
- (ii) Payments disclosed in this statement included unauthorized expenditure of \$1.834 million tala. The Ministry of Finance was advised to prevent this situation from recurring. The \$1.834 million tala was below the 1% limit allowed by the Constitution which for 2005 translates to \$2.799 million tala.

5.1.3 Statement of Assets and Liabilities of the Fund

It was pleasing to note an increase of 10% in the capital surplus from \$302 million tala to \$332 million tala. This increase was brought about by a 2% increase in Total Assets and a 2% decrease in Total Liabilities. What must also be considered in light of these indicators was the fact that not all assets of Government were included and contingent liabilities as at 30/6/05 stood at \$261 million.

5.1.4 Statement of Changes in the Treasury Fund

The revaluations as reflected in this Statement as well as Statement of Fixed Assets was perhaps a reminder to the Ministry of Finance of the fluctuations in property values, the risks in holding them and the need for a proper and formal risk management strategy. Comments from the Ministry of Finance Public Accounts Team indicate that a risk management strategy will be put in place as part of the Ministry's fiscal responsibility.

5.1.5 Schedule 1 - Statement of Receipts

- (i) The overall outlook in this Statement was a 16% or \$45 million tala increase in receipts from 2004 to 2005 and an achievement of 2% or \$7 million tala over the budget.
- (ii) The comparisons to actuals show that 8 of the 17 revenue collecting Ministries or 47% achieved the budgeted collection. We are aware that the mid-year review tries to ensure that targets are reached but perhaps the Ministry of Finance should be more aggressive. Otherwise continuous under collection by Ministries makes a mockery of the approved estimates by Parliament and the corresponding review processes. The Ministry's Public Accounts Team agreed and advised the audit that monitoring and corrective action will be stepped up.
- (iii) Despite the findings on the poor performing Ministries, it was encouraging to see that the Ministry of Finance was leading by example in terms of it being the number 1 Ministry with the increasing collections over the audited period as well as being able to meet or better the targeted revenues.

5.1.6 Schedule 2 – Statement of Ministries Expenditures

- (i) The overall outlook in this Statement was a 9% or \$23.1 million tala increase in expenditures and spending of only 0.2% over the budget or \$450 thousand tala.
- (ii) Of the 19 Ministries 16 or 84% had its expenditures increased from 2004 to 2005 while only 3 or 16% had decreases. Clarification was sought from the Ministry of Finance as to the reasons for the major increases in the Ministry of Communications (52%) and the Ministry of Natural Resources (65%) in terms of additional activities achieved over and above the level reached in 2004;
- (iii) The comparisons to actuals show that only the Ministry of Communications had exceeded levels of over expenditure at more than 20% of the budget. But an over-expenditure is an over-expenditure for the law does not discriminate between major and minor over-expenditures.
- (iv) Despite the findings on the over expenditures and the major increases in expenditures, it was encouraging to see the Ministry of Finance again leading the way with a decrease in expenditures while increasing collections or revenues (efficiency gains) and spending less than the budget.

5.1.7 Schedule 3.1 – Statement of Statutory Expenditure – Foreign Debt Servicing

Some over expenditures were noted in the statement for individual loans resulting in an overall over-expenditure of \$230,668 tala. The explanation according to

documentary evidence was that the over expenditure was due to exchange rate fluctuations. The Ministry of Finance was advised to put in place the appropriate measures to prevent or avoid losses arising from inadequate principal repayments or exchange rate fluctuations. The Loan Officer of the MOF in the exit meeting has assured the Audit Office that appropriate measures would be in place to address this concern.

5.1.8. Schedule 3.2 – Statement of Statutory Expenditure – Statutory Remuneration

Some over expenditures were noted in the statement and the Ministry was reminded of the responsibilities in section 13 of the Public Finance Management Act 2001. It was the view of the audit that over expenditures of statutory expenditure requires Cabinet endorsement or approval.

5.1.9. Schedule 3.3 – Statement of Statutory Expenditure – Other Expenditure

Some over expenditures were noted in the Statement particularly the 49% or \$3.4 million tala over expenditure in VAGST Refunds. The Ministry was again reminded of the responsibilities in section 13 of the Public Finance Management Act 2001 as well as the need for an endorsement by Cabinet of over-expenditures in statutory expenditure.

5.1.10. Schedule 4 – Statement of Unforeseen Expenditure

According to this statement there was an over-expenditure of 3% or \$87,066 tala. The Ministry was again reminded of the responsibilities in section 13 of the Public Finance Management Act 2001. This over-expenditure can be viewed as an unauthorized expenditure born out of an unforeseen expenditure and the Ministry of Finance was advised to put in the appropriate improvements.

5.1.11. Schedule 5 – Statement of Cash Balances

- (i) The audit noted that there was no reconciliation for the ADB Power Sector Improvement Account for 2 years. This absence of reconciliation means the Ministry failed to pick up an understatement in the account of \$1.258 million tala. As a result of the audit, the accounts were adjusted to remove the understatement. The magnitude of this understatement (i.e. \$1.258 million tala) was a reminder to the Ministry of Finance of the importance of regular reconciliations on all bank accounts. The Ministry's Public Accounts Team agreed and advised Audit that monitoring and reconciliation will be improved;
- (ii) It was noted that payments or withdrawals from the Government Central Bank of Samoa (CBS) accounts were sent directly from the CBS to the payees on the instruction of the Ministry of Finance. It is the view of the audit that these payments should be countersigned by the Audit Office in pursuant of the pre-

audit requirements of the Public Finance Management Act 2001. The Ministry's Public Accounts Team agreed and advised the audit that commencing in financial year 2007/2008, these transfers would be forwarded to the Audit Office for pre-auditing.

5.1.12. Schedule 6 – Statement of Receivables

There were no movements in the receivables from Polynesian Airlines (Holdings) Limited, Samoa Airport Authority, SamoaTel Limited, Samoa Land Corporation Limited, Samoa Trust Estates Corporation and Central Bank of Samoa. We asked the Ministry of Finance if it was still appropriate to disclose these non-moving receivables as assets and at these values and whether there was a degree of certainty that these will be received in the near future. We were of the view that there should be some work in progress to recover these assets, otherwise appropriate measures should be put in place to recognize the possibility of uncollectability.

5.1.13. Schedule 7 – Statement of Investments

- (i) Audit noted during the audit that some investment figures (Central Bank, Polynesian Airlines Holding and Investment, Computer Services Limited, Air Pacific and Samoa Breweries Limited) were not supported by audited accounts and recommended that the Ministry ensure to have updated audited accounts for all its investments not only for their monitoring but also for public accounts preparation. Audit also recommended that appropriate provision be made for the probable diminution of the values of investments of Government in compliance with International Financial Reporting Standards (IFRS) and Generally Accepted Accounting Practice (GAAP);
- (ii) Audit noted that payments for community service obligations were treated as Government Investments for the Water Authority. The accounts were adjusted on audit recommendation. The Ministry was advised to watch out in the future for this type of misstatement in all investments involving community service obligations.

5.1.14. Schedule 9 – Statement of Fixed Assets

As in the past, this schedule includes only 3 land or real properties of the Government all located overseas in Wellington, Auckland and Canberra. We requested clarifications from the Ministry as to when other assets of Government can be included such as land and vehicles not held under State Owned Enterprises without even considering introducing accrual accounting. The Ministry's Public Accounts Team agreed and advised the audit that appropriate improvements will be put in place.

5.1.15. Schedule 10 – Statement of Term Debts

- (i) Total term debt has remained static over the 5 year period from 2001 – 2005 and debt servicing has also been reasonably satisfactory. We have no doubt that the Ministry of Finance knows when term debt will start making significant movements, descending preferably and whether debt servicing will continue to be adequate five, ten or fifteen years from now. Considering the following factors we asked the Ministry if they could enlighten the Audit Office with its strategy or plan on when total term debt should start descending and whether there would still be adequate revenue streams to support the descension. The factors that we think might impact on the descension are listed below:-
 - (a) global movement towards zero import tariffs and duties;
 - (b) continuous increase of the threshold for VAGST registration/collection;
 - (c) continuous privatization of dividend paying State Owned Enterprises;
 - (d) graduation of Samoa from the least development status and the withdrawal of previous benefits.
- (ii) Discrepancies have continued to be detected by the audit between Ministry of Finance records and the records of the lenders. The audit has also continued to detect computation errors in this schedule. The computation errors and discrepancies have resulted in adjustments to the draft accounts. These discrepancies situations have existed for quite sometime and we would think that by 2005 they would have been eliminated altogether. The Ministry was asked to look into ways of resolving these discrepancies situations once and for all.

5.1.16. Schedule 11 – Statement of Movement in Project Aid Funds

(i) Overview

We noted from this schedule that some project aid funds for example from Canada, Commonwealth Youth Programme, Great Britain, South Pacific Commission and United States of America have not moved during the audited period. The Ministry of Finance was advised to publicise or raise awareness of these funds so they can be put to good use in the development of Samoa;

(ii) Projects with no movement

From our detailed review of individual project aid funds, we noted that there were several projects which were completed but according to the ledger, funds were still available. We noted that these projects have not moved for more than 10 years hence its status must be determined. The Ministry was asked to confirm whether or not there were actual funds available for these projects. Furthermore, the Ministry was also asked to identify any project that should

be cleared from Schedule 11 and the funds to be transferred to a particular bank account;

(iii) **Overdrawn Projects**

From our review of projects included in this schedule, we noted that there were some projects whose accounts have been overdrawn. We recommended that the Ministry confirms whether these accounts were actually overdrawn and also confirm whether or not funds from these overdrawn projects could be recovered from the Donors;

(iv) **Fixed assets not labeled**

From our inspection of fixed assets bought under various project funds, we noted that some fixed assets were not labeled appropriately. It was important that these assets were labeled appropriately to identify that such assets are assets of the Ministry;

(v) **Matter reported in previous years**

From our review of our management letter on the audit of the Public Accounts for the year ended 30 June 2004, we noted that we have raised our concern with projects with significant balances that were either inactive or overdrawn. The total of inactive accounts as at 30 June 2004 and 30 June 2005 respectively were \$4,248,527 and \$4,256,522. We recommended to the Ministry of Finance to take the necessary actions to clear these accounts so that Schedule 11 represents the actual final status of the projects;

5.1.17 Statement of Cash Flows

The 2005 Public Accounts again failed to comply with the Public Finance Management Act 2001 requirement for a Statement of Cash Flows to be compiled as part of the Public Accounts and was in fact given an emphasis of matter audit opinion. The Ministry of Finance was asked as to when the Public Accounts would comply with this statutory requirement. The MOF team has assured the Audit Office that an attempt will be made in the 2006 accounts to amend this failure.

6. PUBLIC BODIES

Comments on the audit report on the Public Bodies discussed below have been sought from the Public Bodies. For those who responded, comments are incorporated into their respective sections. Others however have not yet responded at the time of finalization or printing of the Report

6.1 Accident Compensation Corporation – 30 June 2006

The Accident Compensation Corporation had been audited and a clean audit opinion was issued on its financial statements for the year ended 30 June 2006.

Audit raised the following matters with management for its action towards a satisfactory solution:

6.1.1 Insurance:

For vehicles, insurance is paid at costs rather than on the current market value. Insurance on market is more realistic and cost effective than paying insurance on the basis of costs.

Management has endorsed Audit Office recommendations to have insurance, premiums assessed on the basis of current market values of vehicles.

6.2 Agriculture Store Corporation – 30 June 2006

The Agriculture Store Corporation financial accounts for the year ended 30 June 2006 had been audited and an unqualified audit opinion was given on the Corporation accounts. However, matters of concern raised by the Audit Office are noted hereunder:

6.2.1 Late Bankings:

It was noted that some revenues collected and receipted took 7 days before they were banked, which practice was against the normal control procedures of daily bankings.

Audit Office reminded management that prompt bankings was a vital aspect of cash control and should be complied with.

The Financial Controller has responded that the delay was due to long week ends following receipting and that there were not sufficient funds for changes to cover cheques by the customers;

6.2.2 Materials Return Documents:

There were some materials return dockets not properly approved. Audit Office noted that some of these materials returned were quite substantial.

Audit Office recommended that these materials returned be properly approved to ensure goods returned were in good order and condition.

The Financial Controller responded that improvements would be made.

6.3 Apia Park and Sports Facilities Board – 1 July 2003 to 30 June 2006

The accounts for the three (3) years ending 30 June 2006 had been audited and an unqualified audit opinion was given for each of the financial years examined. The delay in finalizing the audit of this Board arose from the fact that the accounts were unduly delayed due to shortage of staff and the absence of proper qualified personnel for the preparation of financial accounts. Common weaknesses through the years examined were as follows:

6.3.1 Receipts

Common through the years examined was the weakness of delayed bankings for more than two(2) days. There were some shortages noted in Savaii Office. For the main Office at the Apia Park, these delayed bankings could be attributable to the fact that only the Accountant performed all the clerical work inclusive of receipting and lodgements of receipts.

Audit recommended to recruit staff to enable proper segregation of jobs to comply with proper cost effective internal controls.

6.3.2 Fixed Assets

The Fixed Assets Register was incomplete in that only the name of the assets appeared in the Register. The assets were not labeled and unmarked. Details of when the assets were acquired, cost, serial and registration were not recorded in the Fixed Assets Register.

Management responded that improvements would be made.

6.3.3 Debtors

There were not many outstanding debtors, but for what was recorded there were disputes from the debtors of accounts noted as owing to the Board.

Audit recommended to have this matter cleared to ensure what exactly are receivables for the Board. Management would look into this matter.

6.3.4 Board Allowances

Audit noted that there were more members in this Board than what was prescribed in the Act. This fact appeared illegal and management had not responded to Audit query on this aspect.

6.4 Betting (Totalisator Agency Board) – 30 June 2006

This Board had been audited for the year ending 30 June 2006 and an unqualified audit opinion was issued on its accounts. The following issues were raised for the Board to consider and action:

6.4.1 Revenues

(i) Delay in receiving Duty Rebates

Revenues collected through sales of tattslooto products are subject to duty from the State Government in Victoria, Australia. This is how the duty rebates arise.

Audit had noted delays in receiving payments of refunds of these duties and had recommended timely remittances of these rebates. These lapses however were only temporary as the relationship has since grown to be profitable and amicable.

The Board has also added that improvements had been realized in that TAB was dealing direct with the Australian Government source rather than through intermediaries in the TMS;

6.5 Development Bank of Samoa – 30 June 2006

The Development Bank financial accounts for the year ended 30 June 2006 had been audited and a clean audit opinion was issued on them. Certain matters were raised with management as noted hereunder requiring their advice of subsequent clearance and action taken.

6.5.1 Interest on Income:

From the audit review of interest income from loans, it was noted that the analysis of interest income was based on loans departments while loans receivables were analysed according to industries. As a result it was difficult to observe any correlated movements between the two components. For example, we could not identify factors that contribute to the increase or decrease in interest income.

It was recommended to analyse interest in the same categories as loans receivables to enable management to making meaningful comparisons. For instance, if there was an increase in loans in the agriculture industry, interest income from Agriculture would also be expected to show an increase.

Management responded positively to the recommendation made;

6.5.2 Board and Subcommittee Meeting:

A review of minutes of Board of Directors meetings and minutes of subcommittee meetings for the period under review from 8 July 2005 to 13 July 2006 were found to be all unsigned, hence they appeared to be unofficially binding.

It was recommended that all minutes be formally approved by having them all signed by the Chairman.

6.5.3 Loans Management System(LMS) – Arrears:

Certain loan accounts appeared to disclose that they did not have any arrears outstanding on the LMS. This non disclosure of outstanding repayments portrayed a false image as if these accounts were not in arrears.

Management responded that the balances shown were additional finances after these accounts had been paid lump sum in advance. This explanation should be transparently disclosed in the accounts. Management agreed to have the system structure reviewed and modified to rectify the Audit Office's point of concern.

6.5.4 Different rates of Interest per Loan Agreement and on LMS:

From a review of small loans (loans disbursed below \$5,000) it was noted that certain accounts showed a different interest rate on the loan agreement from the interest rate disclosed as applied in the LMS. Moreover, LMS calculated an effective interest rate on the term of the loan.

For example:

Account No.	Interest per Loan Agreement	Interest on LMS
1012847	13.5%	24.21%
1092921	13.5%	23.61%
1012843	13.5%	24.09%

It was recommended that to avoid future disputes with clients, management should look at whether the loan agreement needed amendment to include details of the effective interest rate applied.

Management responded that they would review the concerns raised and implement appropriate action.

6.6 Electric Power Corporation – 30/6/06

The Corporation Financial Statements for the year ended 30 June 2006 had been audited and an unqualified opinion was issued.

6.7 EPC Rural Electrification Local Costs – 30/6/06

The EPC Rural Electrification Local Costs for the year ended 30 June 2006 had been audited and a clean opinion was issued.

6.8 Parliamentary Pension Scheme – 30 June 2006

The Scheme had been audited and an unqualified audit opinion was issued on its financial accounts for the year ended 30 June 2006.

6.8.1 Legislation Review:

The Board had prepared an Amendment to the Parliamentary Pension Scheme Act 1998 to be tabled in 2005. It appears from the response of the Plan Administrator that the amendment has now been referred to Cabinet.

6.9 Polynesian Limited – 30 June 2006

The Polynesian Limited had been audited and a clean audit opinion was expressed on its financial statements for the 8 months ended 30 June 2006. Some matters of concern to Audit Office were noted for management action:

6.9.1 General Ledger:

Audit Office noted that manual adjustments made were not posted to the General Ledger. It was also observed that some journal entries made were not double checked and authorized by a senior authorized personnel. It was recommended that all journal entries be authorized and double checked by a senior personnel. Management has responded that this lapse occurred only because of shortage of staff.

6.9.2 It was also noted that some accounts were wrongly coded, and consequently, postings were correspondingly wrong. This resulted in account balances being over or under stated in the General Ledger.

Management responded that this was due to lack of accounting staff and the introduction of a new AccPac Accounting System which necessitated the re-numbering of all account codes, hence the mis-coding of accounts.

6.9.3 VAGST – Late lodgement of VAGST Returns:

A review of VAGST returns revealed that returns were lodged after their respective due dates. This matter was raised in previous audits but so far the problem had not been resolved. For instance, VAGST returns for period October to November 2005 due on 21 December 2005 was lodged on 01 March 2006, likewise VAGST returns for December 2005 to January 2006 due on 21 February 2006 was lodged on 26 June 2006 which were three (3) months and four(4) months late respectively.

It was recommended that VAGST returns should be lodged on a timely basis to avoid payment of late penalty fees and the Company responded positively that recommendations would be attended to.

6.9.4 Sundry Debtors–Double payment Account No.TT7656 for \$3,409(USD1,250):

In a perusal of Bank statements, it showed that TT7656 was double paid by the Bank of Hawaii. Audit Office had raised this matter previously and management was asked to follow the matter up with the Bank of Hawaii if it was indeed a double payment, and recovery action be pursued with the payee, which was a ticket stocks supplier in China.

Management replied that the Bank of Hawaii had confirmed double payment made, and that a refund was requested from Shejing Matsuoka Printing Company but no response could be received. Therefore, since the amount involved was immaterial, management considered the matter as irrecoverable;

6.9.5 Trade Debtors Aging Trial Balances – Credit Balances:

A review of the aging trial balance at period end showed that some accounts had significant credit balances. These credit balances related to payments that had been received but the invoices had not been raised to offset these payments or sales returns from overseas Offices that had not been received and posted.

The Chief Executive Officer of the Polynesian Airlines Limited confirmed that most of these credit balances were not overpayments of accounts but payments received without sales returns and some might be due to mispostings, and that thorough investigation of these balances was still pending due to limited staff currently employed.

This matter was raised by the Audit Office in prior audits and to date, the problem still prevailed. The implication of this was that the debtors were persistently understated reflecting a false balance at year end.

It is recommended that a thorough review as indicated by management should be carried out immediately to ensure that all credit sales are brought into the system and that documentations pertaining to these transactions are properly recorded;

6.9.6. Debtors Reconciliation:

The account 0058 Trade Debtors and accounts 0074/0075 Sundry Debtors had not been reconciled for sometimes.

Management replied that reconciliation could not be done due to the downscaling of operations resulting in redundancy of staff. This reasoning was not good enough

because the implication of the absence of debtors reconciliation was that the balance of debtors was either over or under stated in the accounts.

6.9.7. Fixed Assets – Capital Expenditures Limits:

It was noted that there was no set limit for capital expenditures for the Chief Executive Officer or Chief Financial Officer and it was either the CEO or CFO who could approve the acquisition or disposal of fixed assets.

This matter was raised in previous audits but the Company has yet to establish a capital expenditure policy. Management has responded however that these are referred to the Board for its information and approval.

6.10 Samoa Airport Authority – 30 June 2006

The financial statements of the Authority had been audited and an unqualified opinion was given thereon. Matters for consideration of the Board raised are noted herewith:

6.10.1 Accounting Systems and Accounting Procedures.

It was noted in the audit that MYOB system was not rolled over after final audit adjustments to ensure separation of accounting periods and the accuracy of balances carried forward. Management responded that the reason for the delay in the roll over was because of the adjustments awaited from the land issues with Aggies Resort and roll over has now been completed.

Furthermore, the Authority did not maintain a General Journal for entries processed during the year. There appeared to be no hard copies available to ensure proper authorization of entries made.

Audit Office recommended that the Authority rectify deficiencies noted and management has responded that MYOB keeps track of the journals and if need be in the future a printout will be generated for audit purposes.

6.10.2 Accounting Manual – Policies and Procedures.

There were no written and approved accounting policies and procedures manual to which staff members could refer for compliance, but it was pointed out to Audit Office that the Accounting Manual for the Authority was in the making.

6.10.3 Receipts and Income.

It was noted that there was no proper system in place to monitor oil levies received from Petroleum Product Supplies (PPS). The Authority charged 1 sene per litre of oil. However, there was no written agreement to verify this and also the Authority had no procedures in place to check the accuracy of oil levies paid by PPS.

The Authority was recommended to establish proper procedures to monitor oil levies received from PPS.

From some invoices examined, it was found that there was no evidential notification that payments had been received. However, these invoices had been cleared as per the General Ledger.

6.10.4 Payments:

It was noticeable that supporting documents for some payment vouchers were not stamped "PAID" to avoid double payment. Furthermore, the three(3) requisitioning and certifying officers, did not know their level of authorization and authorization limits.

6.10.5 Payroll – Salary Increase and variances in salary paid.

Audit Office noted that management personal files were not updated to reflect new salary increase effected from 1 July 2005 and that there were no contracts in file executed for managers. Furthermore, actual salaries paid to managers were not in accordance with the salaries approved by the Board. Of the four(4) managers reviewed, an average of \$5,794 was overpaid to them from their approved salaries.

Audit Office recommended that management should ensure that the Board of Directors resolution be complied with to avoid any conflict arising between managers and the Board.

6.10.6 Annual Leave:

Audit Office noted that annual leave for some employees were brought forward without any written approval from the General Manager in terms of Section 11 of the Administration Manual for the Authority. An average of 73 days per person of the four officers noted were carried forward and in fact one officer had 219 days carried forward.

It was recommended that management should strictly operate in compliance with existing policies.

6.10.7 Stock:

Stock cards were not properly posted and updated. Details, such as cost of items purchased were not recorded in the cards. This could give rise to discrepancies realized in the cost used by the Authority to value their stock on hand at 30 June 2006 and costs per invoices paid.

The Authority was advised to adopt an appropriate stock valuation method and complied by it to avoid the overstatement of stock on hand at end of year.

6.10.8 Fixed Assets:

There was no Fixed Assets Register kept by the Authority to record all its fixed assets, except fixed assets schedules printed monthly for management reports. Furthermore, fixed assets approved by the Board to be purchased for the Authority were different from the ones bought by management. For instance, a vehicle described as a Toyota Hilux Single Cab approved in the Board's meeting of 5 December 2005 for the Fire Chief was replaced by management at additional cost and without knowledge of the Board by a double cab 4WD Toyota Hilux.

This action could lead to conflicts due to the abuse of authority and disregard of protocol.

6.10.9 Trade Debtors:

Except for some posting errors in some individual accounts, outstanding balances of more than 90 days make up 51% of total debts outstanding. This reflected clearly the lack of any follow up action by management of trade debtors for debt recoveries.

Audit Office recommended that a proper system of debt collection be put in place to ensure follow up measures were being implemented.

6.11 Samoa Land Corporation – 30 June 2006

An unqualified audit opinion was issued on the financial statements of the Samoa Land Corporation for the year ended 30 June 2006.

Noted hereunder were issues raised with management:

6.11.1 Ministerial Donations:

Cabinet policy on Ministerial donations is quite clear and that is a maximum of \$300 allowed for each invitation. Yet Audit Office noted that several payments for donations were well above the required limit.

Management acknowledged the findings and agreed that the policy would be adhered to;

6.11.2 Faleata Golf Course:

There was a significant amount owing by people at the bar, and the practice of allowing such debts should be discouraged;

6.11.3 Land Debtors – Ex WSTEC \$383,500:

These debtors were taken over from WSTEC and eleven(11) families owed this amount which averaged to \$35,000 per family. Some of the borrowers have died.

It was recommended that a 50% provision be allowed on these land debtors and management had it noted.

6.11.4 Land Debtors – Industrial \$1,329,700:

There were significant amounts owed by Ministries, Organisations and prominent individuals to SLC. With so much land involved, its utilization had not been productive. The Corporation should take immediate recovery measures for outstanding leases or pursued other appropriate measures.

Management noted the recommendation saying that the Corporation would try and address the issue soonest.

6.12 Samoa Life Assurance Corporation – 30 June 2006

The Financial statements of this Corporation had been audited and a clean audit opinion was issued on 31 October 2006. However, issues of concern for management to follow up are noted hereunder:

6.12.1 Former Employees Receivables Outstanding

There is still \$24,164.11 outstanding balance due to the Corporation from former employees. This represents 15% of total receivables from former employees.

Audit recommended a better arrangement for a satisfactory recovery solution, and management responded that a review and follow up action had been taken to clear these debts as soon as possible.

6.12.2 Staff Car Loans

These car loans outstanding are for two(2) former employees of the Corporation. It was noticeable that out of the two(2) former employees who made up the staff car loans outstanding, only one made a single repayment of \$400 for the whole year 2006 under audit.

Audit recommended that management made a review for a better repayment schedule.

6.13 Samoa Maritime Trust Limited – 30/6/06

This Company had been audited and a clean opinion was given on its financial statements for the year ended 30 June 2006.

6.14 Samoa National Provident Fund – 30 June 2006

The Fund had been audited for the year ended 30 June 2006 and an unqualified opinion was given, but matters of interest and concern to Audit Office are noted hereunder:

6.14.1 Accrued Interest on NZD Term Deposits not accounted for.

It was found during the audit that the following accrued interests on term deposits were not accounted for:

	NZD	SAT
Wespac Bank (Samoa)	5,238.33	8,865.00
ANZ Bank (NZ)	<u>102,688.24</u>	<u>173,167.35</u>
	NZ\$<u>107,926.57</u>	SAT\$<u>182,032.35</u>

Audit Office recommended to have these brought into account and to ensure that these accrued interest on Offshore NZD term deposits are properly accounted for in the Fund's Book.

6.14.2 Interest earned on NZD Term Deposits not accounted for:

Audit Office noted that the following interests earned on maturity of NZD Term Deposits were not accounted for and hence not reflected in the Fund's Books.

	NZD	SAT
Wespac Bank (Samoa)	6,916.67	11,705.32
ANZ Bank (NZ)	<u>158,929.74</u>	<u>268,009.69</u>
	NZ\$<u>165,846.41</u>	SAT\$<u>279,715.01</u>

Maturity dates for interest were 14/1/06 and 03/03/06 respectively for ANZ Bank (NZ) and Wespac Bank (Samoa).

Audit Office recommended that staff responsible should take note of maturity dates of such term deposits to ensure that interests earned on these offshore NZD term deposits were accounted for and properly taken up in the Fund's books.

The Fund responded that new staff employed were not familiar and hence overlooked the matter.

6.14.3 Molesi and Food Court Debtors:

Substantial variances were noted in subsidiary ledgers and Pacific Corporate Services (PCS) records of monthly balances for sundry debtors from rentals of Molesi and Food Court spaces as follows:

	Feb 06	Mar 06	Apr 06	May 06
Per Subsidiary	\$0.0	\$0.0	\$0.0	\$0.0
Per PCS	<u>\$15,422.42</u>	<u>\$60,156.19</u>	<u>\$34,068.10</u>	<u>\$33,704.62</u>
Variance	(\$15,422.42)	(\$60,156.19)	(\$34,068.10)	(\$33,704.62)

The cause of the variance was the failure to take up monthly rental charges and these should be substantiated by rent receipted by PCS as per PCS records.

The Fund responded that a segregation of duties would solve the problem and that would be followed up by Audit Office;

6.14.4 PCS Outgoing Claims

PCS claims for outgoings were not properly documented and substantiated and Fund's finance personnel were not doing any proper vouching of claims made as indicated hereunder:

	<u>Per PCS Claims</u>	<u>Total per Receipts and Invoices</u>	<u>Variances</u>
May 06 Outgoings	\$64,903.26	\$58,156.33	(\$6,746.93)
June 06 Outgoings	\$65,073.07	\$52,876.02	(\$12,197.05)

Management responded that the change in segregation as indicated in 6.15.4 above should solve it and that the Fund's internal auditor would audit their report;

6.14.5 Samoa National Provident Fund Food Court and Molesi Samoa Complex Tenants Lease Agreements

The NPF Internal Audit Division had in their June 2006 quarterly report raised the matter of lease agreements due to be signed by all tenants but were still left pending. The SNPF legal department appeared to be doing practically nothing to ensure the security and safety of the Fund by having these lease agreements signed.

SNPF management's response appeared vague and unclear;

6.14.6 Active and Deceased Pensioners:

Pensioners personal files were not updated since 2002 and that there were no official records in existence to confirm the status of pensioners whether they were still active or inactive.

Audit recommended to update these personal files of pensioners and a report to be prepared on a timely manner of active and deceased pensioners to correct the Fund's records and saving costs;

6.14.7 Long unpresented cheques not cleared:

Audit Office found out that there were long outstanding unpresented cheques not cleared by the Bank and hence not written back in the Fund's books.

Bank	Date	Cheque No.	Names	Amount
ANZ	6/7/04	503627	Pito Malifa	\$730.00
"	1/11/04	526496	Island Expedition	\$751.70
"	25/2/05	546127	Takashi Takagishi	\$2,442.48
"	25/2/05	546274	Tui Luatutu	\$510.00
Wespac	14/11/05	5001369	Feliuai Tanielu	\$300.00

Audit Office recommended that the Finance Division should consult with the respective Banks for clearance, otherwise write back the cheque into a Sundry Creditors Account.

6.14.8 Bank Errors not cleared in time:

Audit noted a lot of Bank errors arising from cheques debited twice, cheques overstated, wrong cheque numbers, invalid cheque and unknown credit appearing in bank statements.

Audit Office recommended that these bank errors should be cleared and management responded that consultation had been made with the Banks towards clearance of these bank errors;

6.14.9 Fixed Assets Register:

It was noted by Audit that the Fixed Assets Register had not been updated, in that assets declared damaged and unidentified from previous years were still appearing in the Register, and that new assets bought prior to balance date had not been coded and tagged as SNPF properties;

6.14.10 Unidentified, lost and missing assets:

Some fixed assets with material carrying amounts noted as missing, unidentified or lost could not be located during the fixed assets count and there were no information kept to confirm their existence or their where about.

Audit Office recommended to keep track of these assets and report of appropriate action taken.

6.15 Samoa National Provident Fund Senior Citizen Pension Scheme – 30 June 2006

An unqualified audit opinion was issued on the financial statements of the Scheme for the year ended 30 June 2006.

6.16 Samoa Ports Authority – 30 June 2006

The audit of the Samoa Ports Authority financial accounts for the year ended 30 June 2006 had been completed and a clean audit opinion was issued on them.

However, some issues of concern noted hereunder were raised with management for consideration and improvement of services.

6.16.1 Debtors - \$683,217:

Audit raised with management substantial amounts owed for sometimes by some debtors and yet 86% of these were either Ministries or Public Bodies. Management responded saying that the legal Manager had been asked to update recovery action.

6.16.2 SPA change in Accounting Methods – IAS 20:

The change in Accounting methods adopted by the SPA from the Capital to the Income approach on the aid funded assets had effectively reduced Government's equity in the SPA by \$78.44 million tala.

Audit's main concern was that the application of this income accounting treatment would create cosmetic window dressing accounting portraying a false favourable operational result rather than the natural economic reality.

SPA has indeed applied the income approach of IAS 20 as it was supported by the Ministry of Finance.

6.17 Samoa Public Trust Office – 30 June 2006

The Public Trust Office had been audited for the year ended 30 June 2006, and an unqualified opinion was given on its financial statements for the year ended 30 June 2006 with an emphasis of matter that without financial support from Government, the principle of a going concern for the Public Trust Office appeared questionable. Matters of concern to Audit Office are noted hereunder:

6.17.1 Compensation Arrears - \$566,182

These compensation monies were received from the Lands and Survey Department for lands and properties used for Government Projects like roads, drainages etc. These funds were held by the Public Trustee to pay claims by landowners.

The problem associated with these compensation monies was that there was no listing detailing names of landowners or estates that these funds belonged to. The Public Trust Office however classified the amounts owing into the following categories:

A/c No.	Account Name	Balance 30 June 2006
01	L Compensation Trust	\$206,770
02	L Compensation Trust – Westcoast	\$221,337
03	Bleazard Collin	\$16,326
04	Apia, Afiamalu Compound	\$8,427

There were payment vouchers from the Lands and Survey Department that disclosed the parcel number, name of the beneficiary, amount for each beneficiary and total payment received by the Public Trustee.

Therefore Audit Office recommended that a subsidiary listing of those details be compiled to support the compensation amount of \$566,182 to be shown in the financial statements. Additional information could be obtained from the Lands and Survey Department if required to ensure that the compensation was paid to the correct rightful beneficiary;

6.17.2 Overview of financial performance and position 2006

The Public Trust Office's expenditures still exceeded its revenues in 2006. The 2006 net loss of \$858,102 tala was 22% more than what was carried in 2005 of \$703,938. The Public Trust Office revenue base was approximately 1/3 of total costs thereby resulting in the significant loss in 2006.

6.18 Samoa Quarry & Sealing Products – 30 June 2003, 30 June 2004 and 30 June 2005

6.18.1 Delays in submission of Financial Statements for audit

The delays in preparing the financial statements for the years ended 30 June 2003, 30 June 2004 and 30 June 2005 led to delays in the audits for these years. Whatever recommendations to be provided from these audits will largely be historical because of the lapse of time. These delays were caused largely by the sudden passing away of the Finance Manager who was recruited when the Business Unit was set up. The 3 years were all issued with qualified opinion because of the failure of the Samoa Quarry to call in the Audit Office for the physical stock take.

6.18.2 Weaknesses

Weaknesses noted include delayed bankings, missing vouchers and record, overpayments, inaccurate accounting of cash payments, unsupported payments and so forth.

6.19 Samoa Shipping Corporation – 30 June 2006

This Corporation had been audited and a clean opinion was given on its financial statements for the year ended 30 June 2006 with matters of concern to Audit Office noted hereunder:

6.19.1 Debtors

Debtors had increased by 38% but provision for bad debts appeared static;

6.19.2 Investments

There was no provision made in the accounts for the diminution in value of the Corporation's investment in the Samoa Shipping Services, which was \$2,786,671 in 2004, but was recorded as \$2,093,737 in 2005, a 25% diminution;

6.19.3 5000 Ordinary Shares

Audit Office noted that these shares cost \$222,526 but was revalued to \$277,936 with no certain basis for the revaluation;

6.19.4 Employees Benefit

In the review of other creditors it was noted that other employee benefits payable at 30 June 2006 of \$234,123 for long service leave were not provided for in the financial statements. This is quite a significant payment not provided and accounted for in the financial statements.

International Accounting Standards IAS-19 Employee Benefits provides a ruling on the measurement and recognition of employee benefits in the financial statements, and it was recommended that provision must be made for long service leave and sick leave so that when such expenses arise in the future, provision has been made to forestall any understatement of liabilities in any financial year;

6.20 Samoa Shipping Services – 30 June 2006

The financial statements of the Samoa Shipping Services for the year ending 30 June 2006 had been audited and an audit opinion with emphasis on matters regarding the overstatement of investment in Samoa Maritime Trust as well as the non-consolidation of amounts with the Samoa Maritime Trust continued to be disclosed as it was in last year's audit.

6.20.1 Investment in Samoa Maritime Trust - \$809,403

Total investment in the Samoa Maritime Trust is \$809,403 and this figure is still appearing in the Samoa Shipping Services books but at 30 June 2006, the net assets of Samoa Maritime Trust stands at \$523,404. No provision has been made for the diminution in value of this investment in the books of the Samoa Shipping Services. The Samoa International Finance Authority has discontinued the license for the Samoa Maritime Trust a wholly owned subsidiary of the Samoa Shipping Services.

6.21 Samoa Sports Lotto Agency – 30 June 2006

The Agency had been audited and an unqualified opinion was given on its financial statements for the year ended 30 June 2006. Matters for consideration of the Agency are noted hereunder:

6.21.1 Fixed Assets Register:

Audit noted that fixed assets like the generator found in the Warehouse in good condition, did not appear in the Fixed Assets Register. In addition, assets registered in the Register like computer parts were not in anywhere within the Office of the Agency;

6.21.2 Bank Account Non-Existent:

A Bank Account containing funds amounting to \$5,926.00 was not in the books before the audit. This Bank account was discovered from confirmation notices received by Audit Office from the Banks. This bank account has now been entered into the books and management was advised to ensure that nothing of the sort will repeat.

6.22 Samoa Trust Estates Corporation – 30 June 2006

The Corporation's financial statements for the year ended 30 June 2006 had been audited and a qualified opinion was issued on its financial statements on 25 January 2007.

6.22.1 Opinion

The qualification on the Corporation's financial accounts emanated from the Corporation's ability to operate as a going concern. The Corporation realized a net loss after tax and before abnormal items of \$925,052 at 30 June 2006.

6.22.2 VAGST payable to the Ministry for Revenues \$138,393.

A review of the VAGST showed that the Corporation had not yet resolved the disputed amount of \$138,393 being VAGST payable to the Ministry for Revenue in 2001.

The management informed Audit Office that vigorous efforts would be pursued to ensure that this matter would be resolved before the next audit;

6.22.3 Payroll Variance \$20,892.

A review conducted for the payroll revealed that a variance of \$20,892 existed between the total payroll per P4's filed with the Ministry for Revenue and the General

Ledger payroll totals. Variances of this nature would create disputes with the Ministry for Revenue with inviting legal and statutory scrutiny.

Management responded by saying that finance staff were working on reconciling P4s against the General Ledger.

6.23 Samoa Tourism Authority – 30 June 2006

The audit of the Samoa Tourism Authority's financial statements for the year ended 30 June 2006 had been completed and a clean audit opinion was given on them.

Matters of concern in its internal controls and accounting procedures were raised as follows:

6.23.1 Personal Files:

It was noted that personal files were not updated to reflect the current changes to staff salaries. This updating aspect is very important as the new salary scale approved by Government effective from 1 July 2005 upon which salary increments and appraisal of staff performance could easily be documented.

Management has noted the recommendation for action;

6.23.2 Payroll Deductions:

The review of payroll highlighted that the Authority handled quite a majority of personnel payments to various financial institutions and third parties. Staff payments were usually made to the four(4) local banks and to six(6) other institutions inclusive of social club loans. These many payments were handled manually by the payroll Officer and could be a contributing factor to the many errors discovered during the audit.

It was recommended that there should be a limit to the number of deductions processed by the Authority for staff to minimize errors and saving costs.

6.23.3 Fixed Assets - Insurance Cover:

As at 30 June 2006, written down value of fixed assets of the Authority was \$696,756 and it was found out that the Authority did not have a full insurance cover for its assets. For vehicles, only those under finance lease from Wespac Bank and the Toyota Grandvia in New Zealand were the only fixed assets covered by Insurance.

Management was advised as recommended to consider full insurance cover for all fixed assets. Management advised that they would look into this matter for the future.

6.23.4 VAGST Receivable:

A review of VAGST indicated that \$60,462 was receivable from the Ministry for Revenue and furthermore there were no VAGST returns prepared for the year.

It was recommended that VAGST returns be completed and documentations pertaining to expenses claimed should be properly provided to support the claim for VAGST refund.

6.24 South Pacific Games Authority(SPGA) – 30 June 2006

The financial accounts for the year ended 30 June 2006 of the South Pacific Games Authority had been audited and a qualified audit opinion was issued on them.

The following represent the significant issues raised with management for its consideration and necessary remedial action:

6.24.1 Contracts:

Several contracts were awarded without Board approvals and without any FK approvals, particularly contracts of over \$4 million tala as in the case of training gym, Court Beach Volley and Bowling Green. Some of these contracts were not completed;

6.24.2 Fraud \$32,000:

An employee of the SPGA who was involved in the fraud of Board allowances, altered the amount of one cheque from \$2,000 to \$32,000. This cheque was duly countersigned and she cashed it at the Bank in December 2006. The amount fraudulently cashed had not been paid back yet.

**SUMMARY OF IRREGULARITIES
IN RESPECT OF CASH AND STORES
REPORTED TO AUDIT OFFICE AS FROM
JULY 2005 TO 30 JUNE 2006**

<u>PARTICULARS</u>	<u>TOTAL NOs</u>	<u>TOTAL CASH (\$)</u>
A. Vehicle Parts and Repairs	29	72,653.86
B. Vehicle Parts and Repairs	4	Unknown
C. Vehicles Write off	2	70,000.00
D. Vehicles Write off	2	Unknown
E. Stores stolen	3	4,135.00
F. Stores Write off	2	27,690.00
G. Houses Break in	1	150.00
H. Houses Break in - Nelson Memorial Public Library	1	Unknown
I. Houses Burnt – Write off	2	40,000.00
J. House Burnt	1	Unknown
K. Salary Overpayment	1	6,915.60
<hr/>		
OVERALL TOTAL	48	\$ 221,544.46
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IRREGULARITIES IN RESPECT OF CASH AND STORES
REPORTED TO AUDIT OFFICE AS FROM
1 JULY 2005 TO 30 JUNE 2006

MINISTRY	NO	AMOUNT (\$)	PARTICULARS	ACTION TAKEN
Ministry of Agriculture and Fisheries	1A	311.35	Incident involving government vehicle no. MAFF 03 causing crack to sliding window due to heat and closed windows while parking at the Ministry driver's house at Lotopa while waiting for transporting of Quarantine staff for Faleolo Airport. Occurred: 15/06/05 Reported: 07/07/05	The Ministry of Finance recommended the Ministry that the driver should take care of Govt assets under their control to avoid similar incidents in future and Insurance Company meets repair cost of the new sliding window, and any excess cost to be met by the Ministry's driver.
"	2E	95.00	Asset stolen (1 hydraulic car jack) from Government vehicle No. AFF 40 while parking at Accident Compensation Corp Building car park due to it's sliding window damaged and can be easily access by anyone. Occurred: 18/07/05 Reported: 02/08/05	The Ministry of Finance recommended that since the employee involved during the accident had nothing to do with stealing asset, Ministry pay full cost of the new hydraulic jack and advised the Ministry's Transport officer to check all assets within Government vehicles before knock off time and weekends. The driver should take care of Govt assets under their control to avoid similar incidents in future.
Audit Office	3A	6,700.00	Traffic accident involving, Government vehicle No. AD 02 driven by the husband of Acting Controller and Chief Auditor, at Lepea, causing damages to several parts of vehicle and cracked the windscreen when the pedestrian woman suddenly ran across the road and banged on the front passenger right end side of vehicle Occurred: 03/12/05 Reported: 05/12/05	The Ministry of Finance recommended that the Assistant Controller and Chief Auditor who was then Acting Controller and Chief Auditor at the time of the accident, meets full cost of repairs through salary deductions of \$50 per fortnight while awaiting any Court Ruling from the Ministry of Police Prison and Fire Services. The Court ruling stated the pedestrian was at fault.
Audit Office	4B	Unknown	Traffic accident involving Government vehicle No. AD 02 driven by the Controller and Chief Auditor at Tauese when a private vehicle heading the same direction and was taking the outside lane on its right swerved towards the Government vehicle and hit its rear right side panel and sliding door. Occurred: 19/02/06 Reported: 21/02/06	The Audit Office reported that the driver of the private vehicle agreed to pay full cost of repairs to Government vehicle.

MINISTRY	NO	AMOUNT (\$)	PARTICULARS	ACTION TAKEN
Ministry of Commerce Industry and Labour	5B	Unknown	Traffic accident causing damages to front right side of Government vehicle No.MCIL 04 at Siumu driven by the Ministry's driver accompanied by the Office Assistant, during their official inspection of houses when it's front right tyre burst, swerved off the road and hit some huge stones. Occurred: 20/06/05 Reported: 08/07/05	The Ministry of Finance recommended the Ministry that full cost of repairs be met by the Insurance Company and that all drivers to be alert in exercising due care when on road not only for their own safety and those of the public but in safeguarding government assets under their control, and recommended that this matter now be closed.
"	6E	2,595.00	Asset Stolen (1 Codex Digital Camera) from the Assistant Executive Officer's unlocked cabinet, she is also Manager of WHO/FAO Codex Project due to lost keys of the cabinet. Occurred: September 2005 Reported: 29/03/06	The Ministry of Finance reported that the Assistant Chief Executive Officer did not report the matter to Ministry of Police and Prison but she has accepted full responsibility for the lost item through salary deductions of \$50 per fortnight to recover the cost of stolen item.
Ministry of Communications and Information Technology	7A	1,430.00	Traffic accident involving Government vehicle No.MCIT 02 driven by the Ministry's driver when it hit the private vehicle taxi No.T903 causing damages to private vehicle at Chan Mow Plaza's car park Savalalo. Occurred: 28/06/05 Reported: 22/08/05	The Ministry of Finance recommended that full cost of repairs to private vehicle taxi no. T903 be met by Insurance Company and for any excess cost be paid by the Ministry's driver through salary deduction of \$30 per fortnight, also a stern warning was given to Ministry drivers in exercising due care when handling government vehicles.
"	8A	1,100.00	Incident involving Government vehicle No.MCIT 01, causing cracked windscreen from a small stone flicked up from a passing by pick up truck around Afulilo Dam area, driven by Chief Executive Officer from Apia to Aleipata to attend the Funeral service of the late Member of Parliament. Occurred: 15/10/05 Reported: 09/11/05	The Ministry reported that the Insurance Company already met cost of the new windscreen and the excess cost paid from the Ministry's Budget Output.
"	9E	1,445.00	Asset stolen (1 Sony Cypershot DSC32 Digital Camera) for the Savali Newspaper Team at S't Mary's Cathedral, Mulivai while on official duties for the funeral of the Cardinal Bishop of Samoa Catholic Church. Occurred: 28/01/06 Reported: 21/03/06	The Ministry of Finance recommended the Savali Newspaper Chief Editor be responsible for the full cost of the lost item through salary deduction of \$30 per fortnight also a stern warning was given to staff implicated to be more alert in future when performing tasks that involved assorted equipments.

MINISTRY	NO	AMOUNT (\$)	PARTICULARS	ACTION TAKEN
Ministry of Education, Sports and Culture	10F	26,490.00 (written off)	Incident causing damages to Equipments from a fallen Power pole at Malifa Compound in the vicinity of Computer Laboratory and IT Unit Room Occurred: 25/09/05 Reported: 29/09/05	The Ministry of Finance recommended the Ministry that all non-repairable equipment should be written off or replaced them as soon as possible also replace other old power poles in the compound to avoid similar incidents in future.
"	11A	562.50	Incident causing broken windscreen of Vaipouli College Bus No.ED 13 at Samalaeulu Savaii driven by the Ministry's driver while returning to the office after transporting the school children home. Occurred: 21/10/05 Reported: 18/11/05	The Ministry of Finance recommended the Ministry to meet costs of the new windscreen and ensure vehicles are well maintained and properly looked after to avoid similar incidents in future and ensure safety of those using these vehicles as a mode of transport.
"	12H	Unknown	Break-In at the Nelson Memorial Public Library at Apia by a suspect thief causing damaged to its door lock without any properties stolen. Occurred: 01/02/06 Reported: 07/02/06	The Ministry of Finance supported the Ministry's action taken that repairs to damaged door lock have been fixed and the Ministry of Police Prison and Fire Services reported that the suspect was charged with burglary and was appeared in court on March 7, 2006.
"	13B	Unknown	Incident causing damages to Switch for the Fan and Heater control of Government vehicle No.12336 that was allocated to Parliament Under Secretary. Occurred: 09/05/06 Reported: 12/05/06	The Ministry reported that costs of vehicle repairs was paid by them.
"	14J	Unknown	Fire to some classrooms of Leifiifi College at Malifa which spread from Pat Ah Him's premises causing damages to school fence, school properties and children's books destroyed Occurred: 20/06/06 Reported: 21/06/06	The Ministry of Police Prison and Fire Services reported that suspect arson admitted and charged accordingly while awaiting its court ruling in October 4, 2006, and recommended that repairs should be done immediately in classrooms for college used.
Ministry of Finance	15D	Unknown (Write off)	Traffic accident involving Government vehicle No. MFIN 04 driven by the Ministry's driver and a private 4WD pick up at Faleula Ministry when the driver was intoxicated and at very high speed loose control and crashed into a private pick up heading towards the opposite direction, swerved and headed towards a family home next to Catholic Church. Occurred: 28/05/05 Reported: 15/07/05	The Ministry of Finance reported that the Ministry's driver services were terminated while the other officer suspension for two weeks for not observing Government policies and procedures and was also warned that any recurrence of similar incident in future would result in termination from service, and that Government vehicle MFIN 04 to be written off.

MINISTRY	NO	AMOUNT (\$)	PARTICULARS	ACTION TAKEN
Ministry of Health	16A	2,300.00	Traffic accident involving Government vehicle No.MOH 43 driven by the Ministry's driver and a private vehicle taxi No.487 causing damages to vehicle parts of MOH 43 when the private vehicle swerved and hit the Government vehicle after dropping off Assistant Chief Executive Officer at Government Building for a meeting Occurred: 19/08/05 Reported: 24/08/05	The Ministry of Finance recommended the Ministry that full cost of repairs be met by the Insurance Company and any access cost be met by the Ministry's driver also a stern warning was given for all Ministry drivers that any accidents involving Government vehicles in future should not be treated outside of the law without consulting their Chief Executive Officers. A warning was also issued to Ministry of Police Prison and Fire Services to uphold the law to enforce criminal charges against negligent drivers in recovery of cost of repairs for the damaged vehicle and report any accidents involving Government assets immediately for proper action taken.
"	17G	150.00	Incident causing damages to the door knob and door hinges of entrance into the Strategic Development and Planning Division at the Ministry of Health believed to be a thief attempting to break into the room. Occurred: 28/12/05 Reported: 16/01/06	The Ministry of Finance supported the Ministry's recommendation that the tampered locks were to be replaced. The incident was not reported to Ministry of Police, Prison and Fire Services, those responsible were not known, and therefore recommended that this case be closed.
"	18A	7,000.00	Accident causing cracked windscreen and several parts of Government vehicle no. MOH 40 at Satupaitea, driven by the Ministry driver while taking a transfer patient from Foalalo Hospital to Tuasivi, when he overtook a vehicle in front and the road was slippery, made a sudden stop which resulted in turn over of the vehicle on the wet grass. Occurred: 31/12/05 Reported: 13/01/06	The Ministry of Finance recommended that Insurance Company meet cost of repairs of \$5,500.00 with excess amount of \$1,500.00 to be paid by the driver through salary deduction of \$30 per fortnight also issued a stern warning that any similar incidents in future will not be tolerated and that due care must be exercised at all times when handling Government vehicles. The Ministry of Police, Prisons and Fire Services confirmed that the Ministry's driver has been charged with dangerous driving.
"	19A	9,000.00	Incident causing cracked windscreen and several parts of government vehicle no. MOH 43 at Vaivase Taxi driven by the Ministry driver while returning from home after toonai on Sunday believed to be unconscious and blackout caused the vehicle ran off the road and hit the electricity post. Occurred: 01/01/06 Reported: 12/01/06	The Ministry of Finance recommended the Ministry that vehicle repair cost be met by the Insurance Company, and any excess cost, to be shared by 65% be paid by the Ministry driver and 35% met by the Shift Supervisor through salary deductions of \$40.00 each per fortnight, also a stern and final warning was issued that due care must be exercised at all times when handling government vehicles and ensure statements submitted for irregularities from Supervisors were true and correct.

MINISTRY	NO	AMOUNT (\$)	PARTICULARS	ACTION TAKEN
Ministry of Health	20A	4,880.25	Traffic accident involving Government vehicle no. MOH 25 driven by the Ministry's driver at Vaigaga while heading towards Vaitale Uta to pick up a theatre staff, when he fell asleep and the vehicle ran off the road and hit the victim causing head and body injuries, cracked windscreen and damages to several parts of vehicle No. MOH 25. Occurred: 01/03/06 Reported: 01/03/06	The Ministry of Finance recommended the Ministry that vehicle repair costs met by the Insurance Company and excess cost of \$500 be met by the Ministry's driver through wages deduction of \$30.00 per fortnight, and ensure drivers are properly rotated to avoid fatigue and lack of proper rest that may lead to similar accidents in future. A stern and final warning that any further accidents as a result of negligence will result in termination in future.
"	21K	6,915.60	An overpayment of 120 days of Long Service Leave for one Health Officer Resignation Benefits found to be inappropriate, as she was not entitled to it given that she was re-employed on 2 July 1996 till resignation on 1 July 2005. Occurred: Unknown Reported: 31/05/06	The Public Service Commission advised the Ministry to familiarise with the prevailing Policies and Employment Instructions to prevent unnecessary costs to government. Oversight of this nature is not tolerated and further mistakes may result in disciplinary actions against the Human Resource personnel who are responsible for preparing and checking of TY 15s.
Ministry of Justice and Courts Administration	22B	Unknown	Accident causing broken windshield and damaging other parts of Government vehicle No. 10221 driven by the Ministry's driver at Fasitoo Uta, returning from delivering of Ministry's Donation for the Faamasino Samoa's wife's funeral at Nofolii, when it swerved to its right to avoid collision with an oncoming private vehicle, but unfortunately hit the concrete wall of Latter Day Saints Church.. Occurred: 17/05/05 Reported: 18/05/05	The Ministry of Finance recommended that the Ministry's driver be reminded of his duties to drive with care as per <i>Treasury Instructions 1977 Part L.6</i>
"	23A	1,500.00	Accident causing damages to rear windscreen of Government vehicle No. LTD01 driven by the Ministry's driver at Chief Justice Residence at Matautu-Tai, while reversing and hit the top part of the garage causing its rear windscreen to shatter. Occurred: Unknown Reported: 04/10/05	The Ministry of Finance recommended that since the Ministry's driver was on official duties, he will meet 50% or \$750.00 of the total cost of the new windscreen and advice that due care must exercised at all times in handling of Government vehicles

MINISTRY	NO	AMOUNT (\$)	PARTICULARS	ACTION TAKEN
Ministry of Justice and Courts Administration	24A	740.00	On Monday 24/10/05, Traffic accident involving vehicle travelling from opposite side causing broken left side mirror and headlights of Government vehicle No. MJCA04 driven by the Ministry's driver, when he fell asleep while driving for a Court visit to Tufutafoe. On Friday 2/11/05, the Head light of the same car was broken but no one knew exactly what happened. Occurred: 24/10/05 – 02/11/05 Reported: 10/11/05	The Ministry reported that the driver's service was terminated on 3/11/05, and that the screen had been replaced by the Assistant Chief Executive Officer responsible for the driver.
"	25A	928.12	Accident causing damages to rear bumper of Govt vehicle No.MJCA 01 driven by the President of the Lands and Titles Court at Vailele where he accidentally hit a tree stump while reversing causing a dent to its rear boot. Occurred: 03/12/05 Reported: 08/12/05	The Ministry of Finance reported that the President of the Lands and Titles Court agreed to meet full cost of vehicle repairs through appropriate deductions from his salary and also recommended the Ministry to ensure the subject vehicle is registered as an asset of the Ministry to avoid any future controversy and that the said vehicle must be insured to safeguard against any such incidents in future.
"	26A	1,000.00	Incident causing damages to rear bumper and cracked rear light of government vehicle no. MJCA 04 driven by the Ministry's driver at Faga Savaii while parking in front of his house, the vehicle slide backwards without pulling brakes and hit the tree. Occurred: 01/02/06 Reported: 13/02/06	The Ministry of Finance recommended that the Insurance Company meets full cost of repairs to MJCA 04 and the Ministry driver's license must be renewed immediately also issued with stern warning that due care must exercise at all times when handling government vehicles.
Ministry of Justice and Courts Administration	27C	40,000.00 (written off)	Traffic accident involving government vehicle no. MJCA 04 driven by the recent deceased Assistant Chief Executive Officer, a 4 Runner pick up truck and a passenger bus at Sapapalii Savaii when MJCA 04 applied its breaks instantly due to the sudden stop by the 4 Runner travelling in front, was hit from behind by a passenger bus travelling at high speed caused MJCA 04 smashed into the rear of the 4 Runner causing damages to both vehicles. Occurred: 19/04/06 Reported: 26/06/06	The Ministry of Finance recommended the Ministry that; <ul style="list-style-type: none"> • MJCA 04 be written off and seek advice from the Attorney General before accepting the \$48,600 offered by Insurance Company for the damaged vehicle • File a civil claim of \$1000 excess fee immediately against the charged bus driver and to comply with Treasury Instructions to furnish Irregularities in future on timely basis.

MINISTRY	NO	AMOUNT (\$)	PARTICULARS	ACTION TAKEN
Ministry of Natural Resources and Environment	28A	117.78	Incident causing damaged right side mirror of government vehicle no. AFF 119 driven by the Ministry's driver at Falelima Savaii, while he reversed the vehicle after official run at Masamasa Forest, the right side tangled by some overhanging vines resulting in the mirror to come off. Occurred: 27/07/05 Reported: 04/08/05	The Ministry of Finance reported that the Ministry driver had admitted fault and agreed to replace the damaged mirror. The Investigation and Internal Audit Unit confirmed and sighted the new mirror replaced, therefore, recommended that this matter be closed.
"	29F	1,200.00 (Write Off)	Incident causing damages to Digital Camera at Fugalei swampy while conducting a land survey around Fugalei when the canoe accidentally overturned resulting in the camera to fall onto the swamp. Occurred: 11/11/04 Reported: 20/09/05	The Ministry of Finance recommended that the damaged digital camera be written off and a new camera be purchased by the Ministry to replace the damaged one, given that the two cameras reported lost last years had not been replaced also Officers should also be alert when conducting surveys to avoid occurrence of such incidents in future.
"	30A	10,000.00	Traffic accident involving government vehicle no. MNRE 17 driven by the Ministry's driver and a private vehicle at Tiavi Siumu causing damages: a cracked windshield and several parts of government vehicle, while returning from Safata to Apia on official run when the private vehicle heading the same direction on its full speed hit it. Occurred: 05/10/05 Reported: 03/11/05	The Ministry of Finance reported that the Ministry's driver be responsible for cost of repairs for the damaged Government vehicle and the private vehicle driver for his own vehicle, although the Ministry repaired the damaged vehicle, the Ministry's driver should settle full cost of repairs to recover Ministry's funds.
"	31A	220.00	Accident cracking windscreen of Government vehicle No. MNRE 14 at Falealili Street while travelling towards Vailima to the Forestry Division's office when some loose gravel from the tracks of a private vehicle that was travelling in front of it hit the windscreen. Occurred: 24/01/06 Reported: 30/01/06	The Ministry of Finance recommended that the Ministry meets full cost of repairs to the damaged windscreen. The new windscreen should be replaced as soon as possible to ensure safety of Government vehicles for transportation. Also any similar accidents to be reported immediately to prevent cracks from spreading so as to minimise costs involved.
"	32A	140.00	Accident breaking right side mirror of Government vehicle No. LSE 10 driven by the Ministry's driver at Toamua while travelling back to Head Office after dropping off overtime staff, when the side mirror came loose and fell off. No other person was with the driver at the time of the incident. Occurred: 06/05/06 Reported: 09/05/06	The Ministry of Finance recommended that the Ministry meets full cost of replacing the side mirror, also issued a stern warning to all drivers to ensure vehicles are properly checked to avoid similar incidents in future.

MINISTRY	NO	AMOUNT (\$)	PARTICULARS	ACTION TAKEN
Ministry of Natural Resources and Environment “	33A	1,900.00	Accident involving Government vehicle No.NREM 08 causing scraped right side of rear-end of government vehicle while parking at Molesi Car Park, Savalalo, when a private vehicle taxi no. T1446 reversed into it causing damage to its rear right side. Occurred: 12/05/06 Reported: 23/05/06	The Ministry of Finance supported the Ministry's action taken that the vehicle repair costs be met by the Insurance Company with excess amount of \$500.00 initially paid by the Project manager for SIAM 2 has been reimbursed by the owner of the private taxi involved, and was therefore recommended that this matter be closed.
Ministry of Police, Prisons and Fire Services	34D	Unknown (Write off)	Traffic accident involving Government VIP Buick vehicle driven by Corporal Officer at Satapuala while returning from Faleolo Airport to Apia on high speed, trying to overtake a private vehicle in front causing it to roll upside down sustaining body damages to Government VIP vehicle. Occurred: 01/06/05 Reported: 25/08/05	The Ministry of Finance recommended the Ministry that the government vehicle be written off and ensure Write off Forms should be completed and submitted thereof. The Ministry of Police Prison and Fire services reported that the Corporal has been charged with dangerous driving and was also suspended from the Ministry while awaiting court ruling which was set on 15 September, 2005.
“	35A	\$2,120.06	Accident sustaining damages to windscreen and other parts of Government vehicle No. POL 04 at Salelologa Savaii when stoning by some culprits while on Police official business. Occurred: 31/08/05 Reported: 06/09/05	The Ministry of Finance supported the Ministry's recommendation that full cost of repairs be met by them and suspects had been charged and will appear in court on 29 September 2005, and in addition to any criminal charges brought against them be made to pay for damages sustained by this government asset.
“	36A	2,705.62	Traffic accident involving government vehicle no. Buick 007 driven by Constable officer at Faleula and a private vehicle no. 13840 of Funway Rental Company causing damages to front left head light and broken left side mirror when private vehicle trying to overtake Buick 007 and scratched the government vehicle. Occurred: 10/09/05 Reported: 03/10/05	The Ministry reported that further investigations was done to determine the party at fault for restitution purposes and recommended that repair costs to Buick 007 be borne by the Ministry.
“	37A	2,840.62	Traffic accident involving Government vehicle No.POL 03 at Maluafou driven by Parliament Under Secretary Occurred: 20/10/05 Reported: 01/11/05	The Ministry reported that cost of repairs be met by them while awaiting the outcome of court decision.

MINISTRY	NO	AMOUNT (\$)	PARTICULARS	ACTION TAKEN
Ministry of Police, Prisons and Fire Services	38A	1,200.00	Accident breaking windscreen of Government vehicle No. POL 24 driven by Constable officer accompanied by another officer at Satapuala, when it was hit by a bullet causing injury to Constable driver while attending to official calls. Occurred: 27/01/06 Reported: 31/01/06	The Ministry of Finance reported that the windscreen of POL 24 had already been replaced and recommended the Ministry that this case be left to the Court for its deliberation and our law enforcement agencies should deal with these cases severely.
"	39A	8,162.00	Traffic accident involving Government vehicle No.POL 2008 driven by the Police Engineer and Alapati Ifopo Vili owner driver of a private taxi No. T1544 at Mulifanua on high speed hitting POL 2008 and an intruder Emile Ifopo Peia wilfully damaged the door and window of the Police vehicle. Occurred: 13/04/06 Reported: 19/05/06	The Ministry reported that the private taxi driver was charged for dangerous driving and Court would be on 28/08/06 for decision also the intruder damaging the vehicle was charged for the damages. The Ministry of Finance reported that both taxi driver and the intruder involved admitted at fault and they were requested for payment of full repair cost of the damaged Government vehicle also to be referred to the Attorney General for legal actions.
Ministry of the Prime Minister and Cabinet	40A	798.75	Accident cracking windscreen of Government vehicle No.MPMC 06 driven by the Ministry's driver in front of Seventh Day Adventist at Lalovaea, while on official run and a small stone flicked up from an unknown vehicles passing by and hit its windscreen Occurred: Unknown Reported: 27/10/05	The Ministry of Finance recommended that the Ministry meets full cost of the new windscreen and also Ministry's driver be issued with stern warning that due care must be exercised at all times when handling Government vehicles
Ministry of Works Transport and Infrastructure	41A	150.00 (repair to windscreen) 562.50 (new windscreen) Total: \$712.50	Accident involving Government vehicle No.MWTI 07 driven by the Principal Maintenance Engineer at Vaipua Savaii when some loose gravel flicked up from the Electric Power Corporation's vehicle in front and hit its windscreen cracking it. Occurred: 05/08/05 Reported: 22/08/05	The Ministry of Finance recommended that \$150.00 should be refunded to the Principal Maintenance Engineer as the accident was beyond reasonable doubt, and a new windscreen should be placed, also a warning was given to all Ministry drivers that due care must be exercised at all times when handling Government vehicles.
"	42A	1,518.75	Accident sustaining damages to windscreen of Government vehicle No.MWTI 09 while parking at Samoa Polytechnic at Vaivase, when the Principal officer after attending the Samoa Polytechnic Council meeting, noticed the cracked on the windscreen due to negligent behaviour of one of the students Occurred: 06/10/05 Reported: 20/10/05	The Ministry of Finance supported the Ministry's recommendation and advice the Samoa Polytechnic for payments of the new windscreen and the Ministry's driver was also issued with stern warning that Government vehicles should parked in a safer location to avoid such accidents in future, and that this matter is now closed.

MINISTRY	NO	AMOUNT (\$)	PARTICULARS	ACTION TAKEN
Ministry of Works Transport and Infrastructure “	43A	967.50	Accident causing damages to rear tail parking light, reflector and a dent at the bottom panel of the Government vehicle No. MWTI 27 opposite to the Wendt building car park driven by the Project Component Manager when she reversed the vehicle and hit the pole that holds the chains at the entrance and again reversed and hit the second short pole causing damages to several parts of vehicle. Occurred: 07/10/05 Reported: 31/10/05	The Ministry reported that Insurance Company already met half of the cost of damages of \$469.50 inclusive VAGST (receipt No. 0358) except for excess fee of \$498.00 to be met by them
“	44A	754.31	Traffic accident involving Government vehicle No. MWTI 12 driven by the Ministry's driver accompanied by two officers, and a private taxi in front of Wendt Complex at Saleufi causing damages to the bumper front left side when the private taxi swerved and hit it while on official run. Occurred: 19/09/05 Reported: 30/11/05	The Ministry reported that damages had already been fixed without cost to Government. The Ministry of Finance recommended that a stern warning must be issued to officers involved to take due care at all times when handling Government vehicles.
“	45C	30,000.00 (Write off)	Traffic accident involving Government vehicle No. MWTI 14 driven by a Senior Officer accompanied by another staff, and a private vehicle No.11594 in front of Faleolo Airport gate while heading to Mulifanua Wharf for inspections at Savaii, tried to overtake this private vehicle in full speed but collided causing both vehicles to be written off. Occurred: 23/01/06 Reported: 26/01/06	The Ministry of Finance recommended the Ministry; <ul style="list-style-type: none"> • To forward claims to Insurance Company for MWTI 14 and to await any Court ruling of the officer involved and if found not guilty, he will meet excess claims through appropriate deductions. • To ensure that due care must be exercised at all times when handling Government vehicles to minimise expenses paid by Government
“	46 I	15,000.00 (written off)	Fire at Old Chief Justice Residence Government House No.11 at Maalauli Vaiala that completely destroyed two houses and all Government assets which were inside Occurred: 26/11/05 Reported: 20/01/06	The Ministry of Finance recommended that this matter be left to the Ministry of Police Prison and Fire Services for their investigations and any Court ruling thereafter, also Write Off-Forms should be completed with list of Government assets being destroyed including the house burnt.

MINISTRY	NO	AMOUNT (\$)	PARTICULARS	ACTION TAKEN
Ministry of Works, Transport and Infrastructure	47 I	25,000.00 (written off)	Fire at Government House no. 54 at Motootua registered under Member of Council of Deputies that completely destroyed two houses and all assets which were inside, believed to be a suspected arson Occurred: 11/12/05 Reported: 20/01/06	The Ministry of Finance recommended and supported the Ministry's action taken that; - Government House No.54 with all assets being written off be transferred under their supervision with complete Write off Forms to be submitted thereof and Letters of Demand being given out to Tenants of Government houses to pay their debts as per Limitation Act 1975 - Legal advice must be sought from the Office of the Attorney General for any Court ruling and further access of family members of the Member of Council of Deputy should be dealt with by the Government House Committee.
"	48A	1,043.75	Accident cracking windscreen of Government vehicle No. MWTI 18 driven by the Ministry's driver in front of Gas Station at Vaigaga while travelling towards the main office at Savalalo after official inspection, when loose gravel from passing by private vehicle hit the windscreen causing a tiny crack Occurred: 18/02/06 Reported: 28/02/06	The Ministry of Finance recommended the Ministry to seek the services of a glass specialist to mend the glass before it starts spreading, and to meet full cost of repairing it also warning should be given to Ministry drivers to be more vigilant when driving on the roads.

SUMMARY OF IRREGULARITIES
IN RESPECT OF CASH AND STORES
REPORTED TO AUDIT OFFICE
AS FROM 1 JULY 2006 TO 30 JUNE 2007

<u>PARTICULARS</u>	<u>TOTAL NOs</u>	<u>TOTAL CASH (\$)</u>
A) Vehicle Parts and Repairs	35	168,905.15
B) Vehicle Parts and Repairs	3	Unknown
C) Agriculture Vehicle Write Off	1	4,000.00
D) Justice Fraud on cheques	1	1,400.00
E) PSC & MCIT Stores damages	2	3,000.00
F) Education House break-in	1	Unknown
G) Works Stolen Assets	1	300.00
H) Works Missing Receipts	1	Unknown
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OVERALL TOTAL	45	\$177,605.15
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IRREGULARITIES IN RESPECT OF CASH AND STORES
REPORTED TO AUDIT OFFICE AS FROM
1 JULY 2006 TO 30 JUNE 2007

MINISTRY	NO	AMOUNT (\$)	PARTICULARS	ACTION TAKEN
Ministry of Agriculture	1A	500.00	Accident involving government vehicle no. AFF19 causing damages to rear windshield while parking inside the Fisheries Compound during clean-up work carried out by some of the ministry's employees. Occurred: 19/07/2006 Reported: 10/09/2006	The Ministry of Finance recommended that the Ministry drivers should ensure to park vehicles during clean up times to avoid loss or damage to government assets, and employees who carry out clean up work are reminded to work with due care. Furthermore, those involved should ensure that they report immediately to responsible officers for early preparation and submission of Irregularity reports in line with Part C.15 of Treasury Instructions 1977 and for investigations to be promptly carried out. Also, the Ministry is recommended to meet the full cost of the new windshield.
"	2C	4000.00 (vehicle written off)	Traffic accident involving government vehicle no. MAFF39, claiming the lives of Senior Crops Advisory Officer who was driving the vehicle, his family kin and the driver of the private vehicle (Dyna) which collided at Leulumoea Tuai. Occurred: 25/11/2006 Reported: 28/11/2006	The Ministry reported that a Ty15 had been submitted to pay out (from savings) half of the late Officer's death benefit, and ex-gratia payment to the deceased's dependants, also the vehicle was totally written off. Police have also submitted their report on their investigation to the Coroner's Court.
Attorney General	3A	780.00	Traffic accident causing a small tear to the upper edge above the rear window of government vehicle no. AG 03 driven by the New Zealand Counsel assisting the Attorney General when leaving the car park at Government Building. Occurred: 13/10/06 Reported: 27/11/06	The Attorney General reported that the office vehicle was repaired at Lepea Mechanical Workshop and it is insured.

MINISTRY	NO	AMOUNT (\$)	PARTICULARS	ACTION TAKEN
Audit Office	4A	1,485.00	Traffic accident causing damages to left rear door of government vehicle No. AD04 when government vehicle No.MFIN06 hit it while trying to move out to give way to AD04 for refueling at Government Fuel Bowser at Savalalo. Occurred: 12/12/06 Reported: 15/12/06	The Ministry of Finance reported that repair cost to government vehicle AD04 is covered under its Insurance Policy with Pacific Underwriters Ltd and recommended that the excess amount of \$500 be shared equally between the Fuel Bowser attendant and the driver of AD04 through salary deductions of \$20 per fortnight from their wages until fully paid. Also, the driver of MFIN06 was warned not to leave the vehicle unattended at all times unless it is necessary, and to ensure that no one else obtains the vehicle key without his consent.
"	5A	2,000.00	Traffic accident involving government vehicle No. AD 04 and Samoa Broadcasting Corporation vehicle No. SBC 05 when the driver of SBC05 tried to reverse hitting the Audit Office vehicle causing damages to the left rear side of the bumper. Occurred: 05/01/07 Reported: 09/01/07	The Ministry of Finance recommended that the driver of SBC vehicle at the time of the accident should be more cautious when handling Government vehicles, and the matter was closed as SBC 05's insurance policy paid for the damages to AD04 and the excess amount of \$500 was paid for by the responsible driver.
Ministry of Commerce, Industry and Labour	6A	500.00	Traffic accident causing damages to the left side panel of government vehicle no. MCIL05, driven by Ministry driver when reversing to turn into Marist Brothers School at Mulivai and then came in contact with vehicle PV 15570. Occurred: 03/07/06 Reported: 10/07/06	The Public Service Commission recommended that the Ministry staff should not use Government vehicles to pick up their children from school to comply with Public Service Act 2004 and FK (06) 22 dated 21 June 2006.
"	7E	2,850.00	Damages sustained to Ministry Digital Fuji Finepix camera (from UNDP MALO project) at Main Office used by the ACEO Apprenticeship Section. Occurred: 10/06/06 Reported: 13/09/06	The Ministry of Finance supported the Ministry's recommendation to make the ACEO Apprenticeship Section accountable for the damages of the camera from her salary to acquire a new camera. Also to be reminded that all Government assets including the camera should be under the custody of the Corporate Services division.

MINISTRY	NO	AMOUNT (\$)	PARTICULARS	ACTION TAKEN
Ministry of Communication and Information Technology	8A	500.00	Traffic accident at Fagalii Main road causing damages to government vehicle no. MCIT 02 and a private pick up and van due to busy traffic during peak hours and carelessness of the driver. Occurred: 29/11/06 Reported: 04/12/06	The Ministry reported that the Ministry's vehicle is insured for settling total costs of damages except the claim excess payment of \$500.00 to be covered by the responsible driver. The Public Service Commission and Ministry of Finance supported the Ministry to \$20 salary deductions from the driver for full recovery of \$500.
"	9A	1,800.00	Traffic accident causing damages to the front left side of both vehicles, parking light and bumper of government vehicle No. MCIT 01 driven by the wife of Chief Executive Officer to pick him after work when the vehicle collided with Ministry of Works vehicle No. MWT114 at a blind bend at Fagalii uta near the old airstrip. Occurred: 20/03/07 Reported: 17/04/07	The Ministry reported that both drivers went to the Police Station for their statements and the Ministry's vehicle is insured and the Company authorised the Mechanics at Lepea for repairs to be met by Pacific Insurance Underwriters Limited except the excess fees to be paid by the Ministry and repairs already done.
Ministry of Education, Sports and Culture	10F	Unknown	Broken in by someone at Samoa Qualification Authority at Hotel Teuila causing damages to building parts: broken ceiling (about 2 sq ft), 1 broken draw lock, Torn files, loose light fitting on ceiling, missing handy craft spear (talavalu). Occurred: 24/11/06 Reported: 27/11/06	The Ministry reported that the Police conducted investigations as recommended by the Chief Executive Officer of the Samoa Qualifications Authority.
"	11B	Unknown	Accident causing broken rear left parking light to government vehicle for the Minister driven by him after work when it hit the overhanging part of Car park at Government Building. Occurred: 28/11/06 Reported: 30/11/06	The Ministry of Finance recommended that the Ministry absorb costs of vehicle repairs and advise the Minister to exercise greater caution when driving in the future.

MINISTRY	NO	AMOUNT (\$)	PARTICULARS	ACTION TAKEN
Ministry of Education, Sports and Culture	12A	34,842.00	Traffic accident causing damages to frontal section of government vehicle No. MIN.ED for the Minister driven by him upon his way home after dropping off two guests Ministers from Fiji and Nauru after a meeting at UNESCO Office. At Tuanaimato Road he felt the gravel on the road crunching under the wheels and the vehicle uncontrollably slid and skidded, and landed in the hole by the drainage ditch. Occurred: 20/06/07 Reported: 03/07/07	The Ministry of Finance recommended that the Ministry should pay the excess fee of \$700.00 as the Ministry has already repaired the damaged vehicle at Lepea Mechanics through the Insurance Company at a total cost of \$34,842.00. Also Irregularity Reports must be issued prior to any repair work being carried out to assess the extent of damage.
Electoral Commissioner	13A	910.00	Traffic accident causing damages to front edge, taking off grill and number plate of government vehicle No.OEC03 driven by the Office driver, and Silva Transport vehicle No.11304, travelling at high speed which skidded on the road sideways towards the government van, at the intersection on the western side of the Samoa Tel compound at Lalovaea. Occurred: 19/10/06 Reported: 25/10/06	The Ministry of Finance recommended the Office to ensure complete repair work is carried out for the damaged vehicle, and brought in for inspection by their Internal Audit & Investigation Division at the completion of repair work together with any confirmation of payments made by Silva Transport Company.
Ministry of Finance	14A	885.50	Traffic accident involving government vehicle No. MFIN09 causing damages to its left front door (driver's side), driven by Ministry driver upon return from dropping two Payroll Officers at their homes, then he went to garage the vehicle at Central Bank Building car park, and when he arrived, the gates were closed, then he headed towards the Government Building Car-park, and as he left the car and walked towards the night-watchman on duty relaxing at Samoa Tourism Authority Fale, leaving the driver's door open, suddenly the vehicle glided backwards, pressing the open door to one post of the Samoan fale causing the damages. Occurred: 04/01/2007 Reported: 15/01/2007	The Ministry of Finance ACEO – Corporate Services Division reported that he had interviewed the night-watchman and confirmed that the written statement and explanation from the Ministry driver, is correct, and the matter was referred to PSC for appropriate actions.

MINISTRY	NO	AMOUNT (\$)	PARTICULARS	ACTION TAKEN
Ministry of Finance	15A	423.20	Traffic accident involving government vehicle MFIN02, driven by Ministry driver, causing damages to its rear side when it was accidentally hit by a private car registration No.4003, in front of Frankies Supermarket at Lalovaea on its way to the residence of the ACEO – Corporate Services Division at Papauta to uplift laptop for use by the Budget Division training. Occurred: 27/02/2007 Reported: 13/03/2007	The Ministry of Finance ACEO – Corporate Services Division reported that the government vehicle MFIN02 had been fully repaired and paid full costs of \$423.20 receipt number 07382 by the owner of the private car.
Ministry of Foreign Affairs	16B	Unknown	Traffic accident involving government vehicle MFA02 causing dent at the side of the MFA02 tray behind the rear wheel on the driver's side, when the Chief Executive Officer's wife's car backed into it unnoticed while he was also backing out the MAF02 vehicle out of the garage, at his residence, to go watch the Chinese Acrobats and Elei Fashion Show. Occurred: 02/05/07 Reported: 06/05/07	The Ministry Chief Executive Officer reported that the vehicle is insured, and he had made preliminary enquiries with the Pacific Insurance Company for their assessment, and for him to pay any excess amount.
Ministry of Health	17A	580.00	Traffic accident involving government vehicle no. MOH 28 causing broken windscreen due to a piece of rock/stone that flew from a lawnmower, and hit the car while members of the ministry were on their way to the Mulifanua wharf, trying to catch the 4.00pm ferry to Savaii for a Ministry programme. Occurred: Unknown Reported: Unknown	The Ministry of Finance recommended that the Ministry be liable for the full payment of \$580 to repair the vehicle's windscreen to ensure the safety of passengers.
“	18B	Unknown	Traffic accident involving government vehicle No. MOH01 driven by the Associate Minister crashed with a rental car belonging to Funway Rentals. Occurred: 09/07/06 Reported: 19/07/06	The Ministry of Finance recommended immediate negotiations with Funway Rentals with regard to the cost of repairs to Government vehicle. The court decision on this case stated that the driver of the rental car was fined accordingly.

MINISTRY	NO	AMOUNT (\$)	PARTICULARS	ACTION TAKEN
Ministry of Justice, and Court Administration	19A	1,500.00	Traffic accident involving government vehicle No.MJCA 06 was hit from behind by the private vehicle No.11452 belonging to Punjas Samoa Ltd, when giving way to another Ministry's vehicle driving out of the Ministry's car park. Occurred: 11/08/06 Reported: 11/08/06	The Ministry of Finance reported that the Police charged the private vehicle driver with careless driving, and the company had agreed to meet all repair costs to the government vehicle and also provided at their own cost a rental vehicle for use by the Ministry while undergoing repair work to the damaged vehicle.
"	20A	1,000.00	Traffic accident involving government vehicles No.MJCA 01 causing damages to left side driven by Land & Titles Court President when he reversed the vehicle in front of the container at his residence car park at Vaiala. Occurred: 15/12/06 Reported: 05/01/07	The Ministry of Finance reported that Ministry should claim the Insurance Company repair costs and the excess is to be paid by the Ministry.
"	21D	1,400.00	Fraud detected by Principal Accountant when preparing Reconciliation Reports in the Maintenance Law Trust Account No. 1200500 at ANZ Bank at Vaitele Branch for cash withdrawals on cheques Nos 902218, 902253, and 902287 Occurred: 12/12/06 Reported: 01/02/07	The Ministry reported to Ministry of Finance, PSC and Police for appropriate action. To date no action appeared taken by Ministry of Finance and Public Service Commission.
"	22A	37,000.00	Traffic accident involving government vehicle no. MJCA06 which was assigned to transport the judges to and from their homes, driven by Ministry driver, when the vehicle ran over a puddle at Eva and Solosolo, causing the engine to stop and unable to start. Occurred: 14/03/07 Reported: 13/06/07	The Ministry of Finance recommended that the Ministry be responsible for the cost of repairs to government vehicle and staff responsible should ensure that requirement under Treasury Instructions for three mandatory quotes is complied with before any service or repairs is undertaken.

MINISTRY	NO	AMOUNT (\$)	PARTICULARS	ACTION TAKEN
Ministry of Justice, and Court Administration	23A	750.00	Traffic accident causing damages to back windscreen and dent to right side of government vehicle No. MJCA14 at Matautu wharf driven by Ministry driver with two policemen while collecting fines when suddenly hit by the Samoa Ports Authority truck No. SPA19. Occurred: 19/06/07 Reported: Unknown	The Ministry of Finance reported that the Pacific Insurance Company had already investigated the damaged vehicle, and the Ministry should pay \$1,000.00 excess, and the private engineer company offered \$750.00 cost of repairs. The Ministry of Police charged the Samoa Ports Authority driver for careless driving. Also, the Ministry of Finance recommended that the Ministry should negotiate with the Samoa Ports Authority to reimburse the Ministry funds incurred for cost of repairs.
National Health Services	24A	\$1,300	An accident involving government vehicle No. MOH15 causing broken left side window when stoned by culprits fighting outside of the National Health Services gate. The security guard was unable to report this incident to the Base as soon as it happened because he was injured during the episode; also he added that there are no telephone services available to them to contact the Base and/or the Police Services when such events happen. Occurred: 08/10/06 Reported: 16/10/06	The National Health Services reported that they had already reported the case to the Police, also to the Pacific Insurance Company for their cost of damaged vehicle repairs assessment The Ministry of Finance recommended National Health Services: To ensure that there are telephone services available to security officers for use at night in case of accidents. To follow up with the Insurance Company regarding vehicle repair work. To park all its vehicles in a safe designated parking lot at the back during after-hours as the current parking is too close to the main road.
Ministry of Natural Resources & Environment	25A	4000.00	Traffic accident causing cracked windshield, right side rear view mirror, front right side door and dent to Government Vehicle No. LSE 13 driven by Forestry Officer on his way home at Papa Puleia, when it skidded on the road at Gataivai causing damages. Occurred: 15/09/06 Reported: 1/11/06	The Ministry reported that their mechanic workshop at Asau had already repaired the damaged vehicle and the Forestry Officer should take full responsibility of the repair costs if charged with careless driving.
"	26A	400.00	Accident causing scratches on the side of a rental double cab pick up No.12442 used by the Water Resource Divisions driven by Officer at Matautu-Tai Occurred: May 2006 Reported: 29/11/06	The Ministry reported that the officer should pay the full fund of \$400 to Apia Rentals for the rental car damages.

MINISTRY	NO	AMOUNT (\$)	PARTICULARS	ACTION TAKEN
Ministry of Police & Prisons	27A	15,543.00	Traffic accident sustaining major damages to Police Van No. POL27 when collided with Private Taxi No. 1557 at the 4 corners at Malifa driven by Sergeant. Occurred: 03/09/06 Reported: 21/09/06	The Ministry of Finance recommended the Ministry to follow up with the Insurance Company regarding repair work for vehicle POL27, and to make the driver and/or owner(s) of the taxi to pay for any excess costs.
"	28A	1,581.50	Traffic accident involving Police vehicle POL19 while on mobile duties, and private vehicle when reversed and hit the left rear side of government vehicle at the reclaimed area in front of the Millenia Hotel. Occurred:16/09/06 Reported:28/11/06	The Ministry reported that they are responsible for repairing the damaged vehicle, and the private vehicle driver is charged for the accident while awaiting court hearing,
"	29A	1,230.50	Traffic accident sustaining damages to Police vehicle No. POL 19 while on official duties at Vaimoso due to bad conditions of the access road. Occurred: 03/03/07 Reported: 07/05/07	The Ministry reported they are responsible for repairing the damaged vehicle.
"	30A	1,234.00	Traffic accident causing the rear windscreen broken into pieces of Police vehicle No. POL 19 when stoned by an unknown person, while on official duties, at Fugalei. Occurred: 07/05/07 Reported: 23/05/07	The Ministry reported that they are responsible for repairing the damaged vehicle.
"	31A	951.29	Traffic accident involving Police vehicle No. POL 30 causing the rear right slide window screen broken into pieces when stoned at Tamaligi by an unknown person while on official duties. No report from the driver and the officer in charge were submitted. Occurred: 26/05/07 Reported: 30/05/07	The Ministry reported that they are responsible for repairing the damaged vehicle.

MINISTRY	NO	AMOUNT (\$)	PARTICULARS	ACTION TAKEN
Ministry of the Prime Minister	32A	6,000-7,000	Traffic accident causing damages to two left side doors were damaged, broken door window, left and right main leaf spring were split, and damaging other parts of Government vehicle No. 11593 (Asco/ANZ Lease Finance), at Tiapapata Tiavi, driven by the Chief Executive Officer's wife when a vehicle hit the vehicle 11593 at the bend below the Methodist Church house then drove on without stopping.. Occurred: 13/11/2006 Reported: 10/01/2007	The Ministry Chief Executive Officer reported that he agreed to personally meet full costs of repairs to damaged government vehicle. The Ministry of Finance recommended to proceed with arrangements with the Insurance Company for repair costs and the Ministry to pay excess amount while awaiting court decision. Also, the Ministry should follow guidelines introduced to all Ministries to use government number plates on all government vehicles.
Ministry of the Prime Minister	33A	20,000 – 28,000	Traffic accident causing damages to government vehicle No. MPMC01 driven by the Chief Executive Officer when he fell asleep as a result of tiredness, on its way back from Fusi Safata after dropping off staff there, when it ran into a gatae tree on the roadside at Siumu/Tiavi. Occurred: 04/01/2007 Reported: 10/01/2007	The Ministry Chief Executive Officer reported that he agreed to personally meet full cost of repair to MPMC 01 through salary deductions or deal directly with the mechanic without any government funds involved. The Ministry of Finance agreed to the Ministry's action taken, and the CEO is advised to ensure to take another driver with him during such long trip to relieve him to avoid such accidents in the future.
Public Service Commission	34E	150.00	Incident causing glass coffee table surface broken into pieces at the Professional Development Centre after the Ministry of Natural Resources & Environment used it for their Environment Week Programme. Occurred: 01/11/2006 Reported: 06/11/2006	The Ministry of Finance reported that the Ministry of Natural Resources & Environment agreed to bear the full costs of the coffee table and the Public Service Commission Office had already forwarded an invoice to the Ministry for settlement of the costs of damages.
“	35A	580.00	Traffic accident involving government leased vehicle No.13463, driven by PSC officer, causing scratch to left rear side when a passenger opened the door of the Government vehicle as the private taxi came pass it, between the Central Bank Building and the Government Building. Occurred: 06/12/2006 Reported: 06/12/2006	The Public Service Commission reported that the passenger involved agreed to pay the cost of repairs to the damaged vehicle.

MINISTRY	NO	AMOUNT (\$)	PARTICULARS	ACTION TAKEN
Telecom Regulator's Office	36A	4,889.00	Traffic accident involving government vehicle No. 15768 and a PMV Bus # MO 332 at Lepa, which stopped near the concrete river crossing at the bottom of the hill, reversed into the government vehicle, causing damages to its front part. Occurred: Unknown Reported: 13/03/07	The Ministry of Finance reported that the matter was reported to Police for investigations, and damages were covered by the Pacific Insurance Underwriters Company with the excess amount of \$700 being invoiced to the ministry while awaiting the completion of Police investigations and Court Decision.
Ministry of Women Community and Social Development	37A	2,800.00	Traffic incident involving government Vehicle No. MWCD 04 at Leauvaa around 8:45pm where a rock was thrown by an unknown person and broke the rear side window, driven by Assistant Chief Executive Officer for the Division of Women when heading towards her village at Malie after dropping off one staff member at Saleimoa. Occurred: 29/08/2006 Reported: 08/09/2006	The Ministry of Finance recommended that the Ministry and the Insurance Company meet the full cost of repairs to government vehicle. Also to ensure that Cabinet directives under FK(06)22 with regards to garaging and using of government vehicles after hours is closely observed and complied with.
"	38A	2,000.00	Traffic accident involving government vehicle MWCD 13 (Talavou Project) at the Tafaigata Dump Site around 4.00pm-5.00pm after disposing rubbish collected from the National youth Week, driven by Ministry driver, when it ran into the Tafaigata compound Gate which was partially opened, damaging the windscreen, due to unclear view as a result of heavy rain. Occurred: 15/12/2006 Reported: 09/01/2007	The Ministry of Finance reported that the Apia Insurance Company will meet the costs of replacing the windscreen except for the excess cost of \$500 to be paid by the Ministry driver involved through salary deductions of \$30 from his fortnight wages until fully recovered.
"	39A	1,390.16	Traffic accident involving government vehicle No. MWCD02, driven by Assistant Chief Executive Officer of Corporate Services to Mulifanua wharf when a stone from a passing vehicle hit the windscreen causing it to crack. Occurred: 18/11/2005 Reported: 12/02/2007	The Ministry of Finance reported that from their investigations and information from the Progressive Insurance Company, accident occurred at Aleipata while travelling with the Ministry of Police and Prisons on Roads Promotion Awareness Workshop. Nevertheless, Maiava is not working for the Ministry anymore, the Insurance Company had already met the costs of replacing the windscreen, and the Ministry to meet \$300 insurance excess cost.

MINISTRY	NO	AMOUNT (\$)	PARTICULARS	ACTION TAKEN
Ministry of Women Community and Social Development	40A	1,800.00	Traffic accident causing broken headlight on the front left side of Government vehicle No. MWCD03 , driven by the Executive's assistant, upon return to the Office after collecting the CEO's ticket, when it crashed into a reversing vehicle, at the car parking lot of the FMFM II Government Building at Matagalalua at about 5.10pm. Occurred: 03/05/2007 Reported: 25/05/2007	The Ministry of Finance reported that Progressive Insurance Company had met the costs of \$1,250 as quoted by the E.S Panel Beating at Vaitele except for the insurance excess costs of \$300 paid by the Ministry and to be recovered from the Executive Assistant through salary deductions of \$30 per fortnight until fully recovered.
Ministry of Works, Transport and Infrastructure	41A	4,200	Traffic accident involving government vehicle no. MWTI 29 while parking at employee's place at Siusega he had a fight with his younger brother who in the early hours of the morning vandalized the government vehicle breaking two front door windows and threaded the wind-shield to pieces. Occurred: 17/12/2006 Reported: 18/12/2006	The Ministry of Finance reported that the Court (Prosecution Division) and Police charged the driver's brother for wilful damage of government assets but case was postponed and they already sighted the vehicle windshield was already repaired and the officer involved already paid \$2,000 to the Insurance Company for Mechanic repair work.
"	42A	750	Traffic accident causing damages to left front door of government vehicle no. MWTI 30 driven by Ministerial Committee member in front of the Apia Bottling Ltd at Taufusi. Occurred: 17/12/2006 Reported: 18/12/2006	The Ministry reported that the employee involved agreed to personally meet the full cost of repairs to the damaged government vehicle.

MINISTRY	NO	AMOUNT (\$)	PARTICULARS	ACTION TAKEN
Ministry of Works, Transport and Infrastructure	43H	Unknown	Missing Master Receipts (4) Serial Numbers 390389-390392 in Master Receipt Book at Corporate Services Division used for receipting Temporary Licenses, Building Permits, Laboratory Tests, Tender Documents, Renewal and Validation of Licenses was found by the Cashier that white original copies of the stated numbers were missing from the book, while the leave butts are still attached thereto with clean duplicate and triplicate copies as no ink and carbon papers were used . Occurred: 11/01/2007 Reported: 09/02/2007	The Ministry reported that their Internal Auditor conducted a special investigation regarding the missing receipts and actions taken on staff involved had not been reported yet
“	44A	3,800	Traffic accident involving government vehicle No. MWTI 14 driven by Ministry driver when it collided with the government vehicle No. MCIT 01 while on its way after visiting the Government house at Fagalii Uta near the old airstrip. Occurred: 19/03/2007 Reported: 22/03/2007	The Ministry reported that the vehicle was insured, and they made preliminary enquiries with the Pacific Insurance Company and took the vehicle for their assessment while awaiting the Police report.
“	45G	300.00	Stolen Government Assets (Plug, sink, torches and bulbs) from main office at Savalalo by Ministry casual cleaner. Occurred: 00/02/07-00/03/07 Reported: 12/07/2007	The Ministry reported that the casual staff involved was referred to Police for investigations and dismissed from work.