

2011-12

Audit Office

REPORT ON IRREGULARITIES

This report covers all irregularities reported for the financial year 2011-2012

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AUDIT OFFICE

10th October 2014

Afioga La`aulialemalietoa Leuatea Polataivao Fosi
Honourable Speaker of the House
Legislative Assembly
Independent State of Samoa

Dear Mr Speaker,

Report to Parliament – Report on Irregularities in the Ministries and Parliamentary and Constitutional Offices of the Executive Government of Samoa reported to the Audit Office for the period, July 2011 to June 2012

In compliance with Article 98 of the Constitution of the Independent State of Samoa 1960 and Section 42 of the Audit Act 2013, I respectfully submit to you, for transmission to the Legislative Assembly of Samoa and for tabling in the next Parliament session, my Report on Irregularities in the Ministries of the Executive Government of Samoa reported to the Audit Office for the period, July 2011 to June 2012.

Yours Sincerely,

Fuimaono Papali'i C. G. Afele

CONTROLLER AND AUDITOR-GENERAL

Foreword

All Ministries and Parliamentary and Constitutional Offices are required to report to the Audit Office any irregularities that occur within their entities related to cash, stores or other assets. The Ministry of Finance (MOF), through its Internal Audit and Investigations Division, carries out investigations of these irregularities reported.

This report is a summary of all irregularities reported to the Audit Office for the financial year 1 July 2011 to 30 June 2012.

Irregularities are classified in our reports to parliament into 3 categories or types. These are:

1. Vehicle Parts and Repairs
2. Loss and Theft of Public Property
3. Misappropriation of Public Funds

Irregularity reports must be submitted immediately after the incident to which it relates and must not be delayed pending the completion of any departmental, ministry or Police investigation, as per Treasury Instructions 1977, Sec. C.15

In the past the reports on irregularities were included in the main report to Parliament of the Audit Office. In clearing the audit backlog and undertaking reforms and capacity building in the Audit Office, the reports on irregularities for the financial years ended 30 June 2011 and 30 June 2012 were completed separately from the Main Reports hence its separate reporting to Parliament.



Fuimaono.Papali'i.C.G.Afele

CONTROLLER AND AUDITOR-GENERAL

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Ministry	Agriculture and Fisheries
Number of Irregularities	1

1. Damages to government vehicle MAF36 on 27 May 2011

Type	A. Vehicle Parts and Repairs
Value	\$4,500
Details	This was reported on 3 November 2011. The vehicle was hit at Lalovaea bridge by a taxi from Togafuafua, which caused damages on its right side. The matter was reported to Police who confirmed that the taxi driver was at fault. The government vehicle is insured with Apia Insurance Company.
Action taken	MOF had recommended for MAF to meet the total excess amount of \$500 to Apia Insurance Company; and that all drivers should ensure that utmost care is exercised at all times when on duty for safety of all in the vehicle, and to prevent similar incidents in the future. The Ministry was also advised on the timely submission of Irregularity Reports.

Ministry	Communication, Information and Technology
Number of Irregularities	1

1. *Loss and disappearance of copper sheets and cables from the 2AP mast at Matautu*

Type	B. Loss and Theft of Public Property
Value	Refer Details
Details	This was reported on 11 January 2012. A special investigation undertaken by the Audit Office is in the Audit Office Report to Parliament for the financial year ended 30 June 2012.

1. Damages to government vehicle MESC05 on 15 January 2012

Type	A. Vehicle Parts and Repairs
Value	\$1,100
Details	This was reported on 20 January 2012. The accident occurred at Vaimoso when the driver picked up staff for overtime on Sunday. A taxi hit the vehicle from behind while slowing down on a speed bump, causing damages to its bumper and rear side. The vehicle is insured with Federal Pacific Insurance (FPI) Ltd. FPI has declined to meet the full repair costs of \$1,100 because it was below the excess of \$1,500.
Action taken	MOF had recommended that the Ministry pay the full repair costs from any available budget funds.

2. Damages to government vehicle MESC12 on 13 March 2012

Type A	Vehicle Parts and Repairs
Value	Unknown
Details	This was reported on 19 March 2012. This vehicle was driven by the Associate Minister and involved in an accident at Mulivai about 11:55am. He stopped when the vehicle travelling ahead was about to turn right and was struck from behind by another vehicle causing damage to its rear bumper. The driver of the private vehicle was at fault and he agreed to fix the government vehicle by his mechanic.
Action taken	No investigation by MOF.

3. Damages to government vehicle MESC02 on 18 November 2011

Type	A. Vehicle Parts and Repairs
Value	Unknown
Details	This was reported on 20 January 2012, a month after the incident. The windscreen was broken caused by a stone flipped from another vehicle travelling ahead during the Minister's official visit in Savaii. The vehicle was driven by the driver while accompanied by the Minister.
Action taken	No investigation by MOF.

4. Discrepancies in quarterly report for MESC

Type	Special Investigation
Value	Unknown

Details	This was reported on 11 November 2010. A special investigation was carried out by MOF concerning issues raised in the Principal Internal Auditor's quarterly report for the financial year 2010/11. Discrepancies identified included poor compliance with government policies, regulations and systems of internal controls. The lack of performance by responsible personnel also contributed to various issues.
Action taken	Various recommendations were made by MOF to prevent discrepancies and possible loss to the Ministry and Government as a whole. Some of these recommendations included proper enforcement of procedures and policies, the segregation of duties, the safeguard of government records and enforcement of Cabinet directives relating to vehicles. There was an emphasis for guidelines for tsunami fund allocation process and storage of stationeries and asset procurement. Disciplinary actions against responsible officers should be considered immediately.

5. Damages to government vehicle MESC25 on 18 April 2011

Type	A. Vehicle Parts and Repairs
Value	\$950
Details	This was reported on 5 May 2011. Damages were caused when an unknown suspect threw a stone from the side of the road at Lufilufi which was driven by the CEO smashing the front left side door window. The matter was reported immediately to the Police for investigation.
Action Taken	The vehicle is insured with Progressive Insurance Company who covered the cost of damages, with the excess of \$200 which was paid by the Ministry under the Education Sector Project.

6. Damages to government vehicle MESC07

Type	A. Vehicle Parts and Repairs
Value	\$600
Details	This was reported on 14 September 2011. The vehicle was damaged on its left side when the school teacher was trying to throw a student with a hacksaw and hit the vehicle instead. The school principal advised the responsible teacher to pay the cost of repairs. The teacher privately paid \$100 to the bus driver for repairing cost. However, the bus driver spent the \$100 for his personal use.
Action Taken	The school teacher paid 70% of damage cost (\$420.00) while the ministry driver paid 30% (\$180.00) through salary deduction of \$20.00 per fortnight. MOF recommended that a stern warning should be given to the responsible teacher that any further accident as a result of negligence on his part will result in a recommendation for termination especially that the lives of the students under the teachers' care are involved in this matter.

Ministry	Finance
Number of Irregularities	1

1. Damages to government vehicle MFIN04 on 5 September 2011

Type	A. Vehicle Parts and Repairs
Value	\$747
Details	This was reported on 6 September 2011. The vehicle was on an official run. At Vaimea, he drove to the side of the road to avoid a head-on collision with another vehicle that suddenly overtook them from the inner lane without signaling. The front bumper and right side of the vehicle were scratched as a result of this accident. The matter was reported to the Police and the driver of the private vehicle accepted his fault of carelessness.
Action Taken	MOF recommended that the case should be closed as the driver of the private vehicle paid the full amount for repair services and that every driver should be aware and exercise due care at all times to avoid similar accident in the future and keep in mind the safety of passengers.

Ministry	Health
Number of Irregularities	1

1. *Missing Attendance Book, Environment Health Section on 5 October 2011*

Type	B. Loss and Theft of Property
Value	Unknown
Details	This was reported on 17 October 2011. This book was missing during the relocation to the new office. All staff attendance, leave taken, overtime hours recorded for the period starting from 23 April 2010 cannot be traced.
Action Taken	No investigation was undertaken by MOF.

Ministry	Legislative Assembly
Number of Irregularities	1

1. Damages to government vehicle LA01 on 17 September 2011

Type	A. Vehicle Parts and Repairs
Value	Unknown
Details	This was reported on 20 September 2011. The vehicle was travelling eastward on Vailoa road. When turning into Le Vai Shop after traffic was cleared, LA01 collided with a private vehicle that was leaving, causing a scratch to the bumper of the government vehicle. The vehicle is insured with National Pacific Insurance with an excess of \$500.
Action Taken	MOF advised the responsible driver to liaise with NPI for payment of the excess or look at another alternative to pay for repairs needed.

Ministry	Natural Resources and Environment
Number of Irregularities	5

1. Breach of the Code of Conduct

Type	Breach of the Code of Conduct
Value	\$3,250
Details	This was reported on 22 March 2012; a breach of the Code of Conduct by the cashier. The matter was also reported to the Ministry of Police for further investigation.
Action Taken	MNRE reported that the responsible employee paid the total loss of \$3,250 and was terminated from service. MOF recommended that internal controls be strengthened to comply with those specified in Treasury regulations.

2. Damages to government vehicle MNRE29 on 26 March 2011

Type	A. Vehicle Parts and Repairs
Value	\$620
Details	This was reported on 28 March 2012. A scratch on the rear right side of the vehicle was from an accident that could not be verified. The vehicle was driven by three officers during the incident date and no one was aware about this matter until the next day. MNRE29 is not insured.
Action Taken	MNRE was recommended to meet the total cost of damage to the government vehicle through the three officers responsible. Strict control measures should be in place to control the use of government vehicles.

3. Damages to government vehicle MNRE46 on 22 March 2012

Type	A. Vehicle Parts and Repairs
Value	\$16,836
Details	This was reported on 17 April 2012. The vehicle was driven by the Principal Officer (Crops); the accident was at Fagalii ford around 7.30pm. The vehicle slipped off the ford causing damage to its right side. Excessive speed was also a factor. The matter was reported to Police. The vehicle was later towed by Louis Auto Spare Parts at Lotopa and it is not insured.
Action Taken	MOF recommended the responsible driver to have \$880 deducted from his salary plus his retirement benefits of \$15,956. MOF recommended that due care must be exercised at all times when driving government vehicles and for strict control measures to be in place for the use of government vehicles after working hours.

4. Damages to government vehicle MNRE41 on 27 January 2012

Type	A. Vehicle Parts and Repairs
Value	\$500
Details	This was reported on 30 January 2012. The vehicle was involved in an accident around midday while transporting staff. A private vehicle bumped into the rear side of the government vehicle causing damages to the bumper and deck. The incident was reported to Police. The vehicle also had previous damages such as broken tail light and scratches to the left side which were not reported before. National Pacific Insurance agreed to pay the full cost of repairs.
Action Taken	The Ministry was advised to pay for the excess fee of \$500. MOF also advised the management to remind staff about prudent use of government vehicles to avoid waste of government funds in repairs given that the previous damages to the vehicle were not reported.

5. Damages to government vehicle MNRE02 on 23 February 2012

Type	A. Vehicle Parts and Repairs
Value	\$830.55
Details	This was reported on 27 February 2012. MNRE02 was used by the PUMA Division for their official visit at the day of the accident. Broken windscreen was caused by a rock which flipped from a bus when passing at Tiavea. The government vehicle is not insured.
Action Taken	No investigation was undertaken by MOF.

Ministry	Police and Prisons
Number of Irregularities	9

1. Damages to government vehicles POL03 and POL 04 on 10 August 2011

Type A	Vehicle Parts and Repairs
Value	\$14,000
Details	This was reported on 11 August 2011. Both vehicles were damaged during a stone-throwing incident between Apia and Matautu youths. These vehicles were attending the emergency call but upon arrival at the scene the situation was out of control and the Police were attacked, which resulted in extensive damages to both vehicles.
Action Taken	The vehicles are insured with Federal Pacific Insurance which has already met payments for repairs with an excess of \$1,250 for each vehicle.

2. Damages to government vehicle MPAG14 on 29 July 2010

Type	A. Vehicle Parts and Repairs
Value	\$1,803.33
Details	This was reported on 31 July 2010. Broken windscreen was caused by an unknown suspect while the vehicle was parked at the office car park at the time of the accident. The windscreen was replaced with a new one by Hyundai Automotive.
Action Taken	MOF recommended that the Ministry pay the full cost of repairs to the supplier. The management should implement proper measures to ensure that Ministry assets are taken care of, and proper policies and procedures for repairs and maintenance of vehicles are followed. It was reminded that all requisition orders should be approved by MOF before any vehicle is referred to the mechanic for repairs.

3. Damages to government vehicle MPAG03 on November 2010

Type	A. Vehicle Parts and Repairs
Value	\$1,500
Details	This was reported on 25 August 2011, almost a year later. The vehicle's windscreen was broken twice before it was replaced. A small dent was discovered while it was under the care of the former Assistant Commissioner. The vehicle was driven through Siusega road when a stone flew from a passing vehicle hit the windscreen and caused another extensive dent which needed to be repaired. Federal Pacific Insurance met the total repair cost with the excess amount of \$1,250.

Action Taken	MOF recommended that the ministry pay the excess amount to Federal Pacific Insurance. Any irregularity report concerning loss or damage to government property should be forwarded immediately to the CEO of MOF and the Controller and Chief Auditor with a copy to Public Service Commission. The management should investigate damages to ministry vehicles and make appropriate recovery action from responsible officers.
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4. Damages to government vehicle POL10

Type A	Vehicle Parts and Repairs
Value	\$5,931
Details	This was reported on 7 September 2011. The vehicle was used by the former Minister before the General Election and was returned with the following damages: 2 cracks on the windscreen, broken handle of the rear door and damages to vehicle seats. Federal Pacific Insurance Ltd declined payment for damages since details about the damages could not be provided.
Action Taken	MOF recommended that the ministry pay the full costs of repair and to ensure that proper procedures were in place to control the use of government vehicles including the return and transfer of vehicles being used by authorized personnel. Internal investigations should be done by the Ministry to confirm causes of damages and to obtain complete details for purpose of insurance claims.

5. Damages to government vehicle POL09 on 28 June 2011

Type	A. Vehicle Parts and Repairs
Value	\$1,000
Details	This was reported on 7 July 2011. The vehicle was transporting a prisoner from Lotopa to Tafaigata. Damage on the left side window of the vehicle was only discovered upon arrival. The cause of damages could not be determined because of unreliable information provided by the police officers involved.
Action Taken	MOF recommended that the ministry pay the total repairing cost of \$1,000 while the three police officers involved should recover the same amount. The Ministry should insure all its vehicles to ensure that the cost of damages are recovered and all designated drivers and/or police officers should have valid drivers' license to drive government vehicles. Authorized police officers who are driving government vehicles must take responsibility for government assets.

6. Damages to government vehicle POL4 on 17 September 2011

Type	A. Vehicle Parts and Repairs
Value	\$4,000
Details	This was reported on 17 September 2011. Police were attending an emergency call from Lepea at 12.30am about a fight and people throwing stones along Vaitoloa road. The vehicle was parked in front of the victim's house when Lepea youths resumed stoning, which caused a broken windscreen and a dent to the roof of the vehicle. The vehicle is insured with National Pacific Insurance.
Action Taken	MOF recommended that pay the excess amount of \$1,500 to NPI from the budget. The Ministry was requested to look at other possible prevention measures to avoid damages to government vehicles at the same time ensuring officers' safety is not compromised.

7. Damages to government vehicle POL22 on 5 March 2012

Type	A. Vehicle Parts and Repairs
Value	\$688.57
Details	This was reported on 26 March 2012. The vehicle was parked at the Niu Pharmacy parking lot where police men were on official duty. Upon leaving, the driver reversed the vehicle and was accidentally hit by a private vehicle from behind. The matter was referred to Police.
Action Taken	The court decision ruled for both parties to fix their own vehicles. The ministry should pay the full cost of repairs. Authorized drivers were advised to exercise due care at all times when driving government vehicles.

8. Damages to government vehicle MPAG02

Type	A. Vehicle Parts and Repairs
Value	\$4,601.15
Details	This was reported on 30 March 2011. The former Associate Minister used the vehicle before the General Elections and returned it with damages. It was reported that the vehicle was damaged in the ferry during his trip to Savaii.
Action Taken	Pacific Insurance Underwriters Limited covered the total amount of loss, with the excess to be paid by Police. The management was advised to ensure that damages to ministry vehicles are properly investigated to identify responsible parties or officers.

9. Damages to government vehicle POL26 on 31 December 2010

Type	A. Vehicle Parts and Repairs
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Value	\$4,601.15
Details	This was reported on 2 January 2011. Police officers were on an official run at Laulii. An unknown suspect threw a rock at the vehicle and smashed the back window of POL26. This vehicle has been written off due to wear and tear and is now at Vaimea compound.
Action Taken	MOF recommended that responsible officers, particular authorized police officers driving police vehicles should be alert at all times for the safety of government vehicles. The Ministry should ensure that any third party involved in such incident should be captured immediately if possible, especially when Police officers were on duty at the time.

Ministry	Prime Minister and Cabinet
Number of Irregularities	1

1. Damages to government vehicle MPMC12 on 22 September 2011

Type	A. Vehicle Parts and Repairs
Value	\$30,000
Details	This was reported on 21 October 2011. An accident occurred at Tanugamanono when the ministry driver tried to overtake another vehicle travelling ahead. Vehicle MPMC12 fell into a ditch beside the road. The vehicle was reported with extensive, expensive damages and was not insured.
Action Taken	The Police charged the driver with reckless and negligent driving. No investigation was done by MOF.

Ministry	Revenue
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Number of Irregularities	3
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1. Missing Funds from Finance Division, Matautu on 13 February 2012

Type	B. Loss and Theft of Public Property
Value	\$1,448,772.03
Details	This was reported on 14 February 2012. The daily collections for the Ministry were locked in the vault after working hours ready to be banked the next day. Two Finance Officers were ordered to uplift the bag of cash for banking in the morning and it was then the cash was reported missing.
Action Taken	Investigation was conducted by the Samoa Audit Office and also referred to the Ministry of Police. No investigation was done by MOF.

2. Damages to government vehicle MOR16 on 7 October 2011

Type	A. Vehicle Parts and Repairs
Value	\$5,000
Details	This was reported on 14 October 2011. The vehicle was indicating to make a right turn for the Western Union Money Transfer at Vaitele when a speeding van unexpectedly overtook the Ministry's vehicle causing damages to the front door, side mirror, headlight, and engine bonnet. The accident was reported to the Police at Faleolo. The government vehicle was insured with National Pacific Insurance.
Action Taken	MOF recommended that the ministry pay the excess of \$1,250 and for National Pacific Insurance to meet the cost of repairs. Drivers were advised about compromising the safety of staff and the public.

3. Damages to government vehicle MINMOR on 9 October 2011

Type	A. Vehicle Parts and Repairs
Value	\$5,600
Details	This was reported on 11 October 2011. The Minister was reversing and going backward from the front of his house when he unexpectedly hit the galvanized fittings of his clothesline and broke the rear windshield. The vehicle is insured with Federal Pacific Insurance.
Action Taken	MOF recommended that MOR pay the excess of \$1,250 with Federal Pacific Insurance to meet the full cost of repairs.

Ministry	Statistics
Number of Irregularities	2

1. Damages to government vehicle SBS03 on 16 October 2011

Type	A. Vehicle Parts and Repairs
Value	\$736.00
Details	This was reported on 20 December 2011. The driver reversed too close to the elevator scratching the vehicle's roof under the Government Building.
Action Taken	MOF recommended that the Bureau pay for the full repair cost while the recoveries should come from the officers using the vehicle at the time. The Transport Officer has had a total of \$80 deducted as at 30 September 2012 . The unauthorized driver (Statistics Officer) has already paid a total of \$350 cash. The third Statistics Officer has not paid any amount and was asked to cooperate. The ACEO (Corporate Services) was not informed or aware of the usage of this vehicle. The Ministry should not allow any unauthorized officers to drive any government vehicle at any time except for designated drivers.

2. Damages to government vehicle SBS01 on 27 March 2012

Type	A. Vehicle Parts and Repairs
Value	Unknown
Details	This was reported on 11 April 2012. The vehicle was involved in a traffic accident at Tuaefu which was driven by the Government Statistician. He was heading home and ended up colliding with a Suzuki Terios causing damages to the front grille and bumper. The vehicle is insured with Apia Insurance who is withholding payment until police investigation and the court case is finalized.
Action Taken	MOF recommended that the Bureau follow up with Apia Insurance once the court case has been finalized.

Ministry	Works, Transport and Infrastructure
Number of Irregularities	3

1. Damages to government vehicle MWTI02 on 10 September 2011

Type	A. Vehicle Parts and Repairs
Value	\$1,391.50
Details	This was reported on 13 September 2011. The vehicle was used by the Acting CEO for a personal matter at Moto'otua. He scraped the right rear tail light upon reversing, cracking the filter and scraping the paint next to the rear light of the vehicle.
Action Taken	The matter was reported to the National Pacific Insurance.

2. Damages to government vehicle MWTI01 on 1 April 2011

Type	A. Vehicle Parts and Repairs
Value	\$4,500
Details	This was reported on 1 April 2011. The driver, accompanied by the CEO, drove from the government building towards Fugalei to their office. Damages to the rear bumper of MWTI01 was caused when a private vehicle hit them from behind while they gave way to a taxi ahead which was turning in to Amani's restaurant. The owner of the private vehicle agreed to cover all related repair costs to the government vehicle.
Action Taken	The Ministry recommended urgent repair work for the damaged vehicle to be covered by National Pacific Insurance. It was also recommended for a stern warning to be issued to the ministry driver for his carelessness causing damages to government assets. The owner of the private vehicle involved is liable to pay the insurance excess fees.

3. Damages to government vehicle MWTI30 on 21 September 2010

Type	A. Vehicle Parts and Repairs
Value	\$24,410
Details	This was reported on 28 September 2010. The vehicle was driven by the Advisory Committee member for Upolu which collided with a Honda No. 2093 at Matautu-Uta four corners. He was driving from Moataa to Vaiala while under the influence of alcohol and he did not attempt to give way to the private vehicle that was travelling from the opposite direction. The incident was reported to the Ministry of Police immediately.
Action Taken	MOF had recommended that the driver from the Advisory Committee be terminated. The Ministry was asked to pay for the cost of repairing the government vehicle and to proceed with the payment to the private vehicle's driver of \$17,842.00 that cover repair cost for his vehicle and

to compensate for extra cost incurred. Driving under the influence of alcohol is an offence under the Traffic Ordinance. Officers handling government vehicles are therefore to be reminded accordingly and to be warned that the consumption of alcohol during working hours and while holding these valuable assets are unacceptable and will not be tolerated. This is to safeguard assets and the lives of those involved.