

EVALUATION REPORT

YAP STATE GOVERNMENT VEHICLE REGULATION AND USE





OFFICE OF THE STATE PUBLIC AUDITOR

YAP STATE GOVERNMENT

Federated States of Micronesia

P.O. Box 927 Colonia, Yap FM 96943

Phone: (691) 350-3416 Fax: (691) 350-4987 Email: auditvap@mail.fm

EXECUTIVE SUMMARY

This report presents the results of our evaluation of the use of government vehicles in conformity with the Yap State Government Vehicle Regulations.

The purpose of our evaluation was to determine the extent of compliance by agencies with government vehicle regulations and other applicable laws, regulations, and policies, and to identify opportunities for strengthening internal control and improving operating efficiency. This evaluation was conducted pursuant to the authority vested in the Public Auditor and in accordance with the Quality Standards for Inspections and Evaluations issued by the Council of the Inspectors General on Integrity and Efficiency of the United States.

As a result of our evaluation, we found a lack of adherence to government vehicle regulations in connection with the failure to consistently and properly prepare vehicle trip logs, written authorization for vehicle use outside of normal business hours, and maintenance of those records. Additionally, there appear to be indications of abuse in the after-hours use of vehicles and a lack of compliance in submitting trip tickets to the Division of Public Safety. We also noted the Government Vehicle Regulation may require updating, and enforcement of compliance could be improved.

We have circulated a draft copy of this report to all affected agencies, and to the Chief of the Division of Public Safety (DPS), Director of the Office of Administrative Services (OAS), and the Office of the Attorney General (AG).

Ronald C. Yow
Acting Yap State Public Auditor
August 31, 2011

**EVALUATION REPORT
GOVERNMENT VEHICLE REGULATION AND USE**

TABLE OF CONTENTS

INTRODUCTION

Background.....	1
Objective, Scope, and Methodology.....	2
Prior Audit Coverage.....	3
Conclusion.....	3

FINDING AND RECOMMENDATIONS

Finding 1: Vehicle Logs.....	3
Recommendation.....	4
Finding 2: Trip Tickets.....	4
Recommendation.....	5
Finding 3: Vehicle Records.....	6
Recommendation.....	5
Finding 4: Designated Parking.....	6
Recommendation.....	7
Finding 5: Vehicle Registration.....	8
Recommendation.....	8
Finding 6: Vehicle Regulations.....	8
Recommendation.....	8
Finding 7: Enforcement of Vehicle Regulations.....	9
Recommendation.....	9

MANAGEMENT RESPONSES	10
----------------------------	----

PUBLIC AUDITOR’S EVALUATION OF MANAGEMENT RESPONSES	17
---	----

EVALUATION REPORT

GOVERNMENT VEHICLE REGULATION AND USE

INTRODUCTION

Background

Consistent with the Yap State Constitution and public law, Government Vehicle Regulation 1993-01, as amended by State Regulation 2002-03, was established to govern the acquisition, use, maintenance, and disposition of all government vehicles. The Governor is authorized by the Government Vehicle Act to issue regulations for implementing the Act. The regulations cover all departments, offices, and branches of the state government (“agencies”). Additionally, Executive Order 2008-04 lists the designated lots for parking of government vehicles after normal business hours.

Under government vehicle regulations agencies are required to maintain travel logs for vehicles. The logs should include the trip purpose and destination, start and end time, and number of miles travelled for each trip, and the name of the vehicle operator. Vehicle use must be for official purposes only. Official purpose is defined by regulation as routine administrative functions or special assignments that are “necessary for or contribute to the efficient and effective operation of the government.”

The use of government vehicles after normal business hours is prohibited unless specifically authorized. Department and office directors and administrators for their employees, and the Governor and certain government officials for their staff, may authorize vehicle use after working hours. Unless authorized for after-hours use, all vehicles must be parked in designated areas during weekends and holidays and on weekdays from 4:30 p.m. to 7:30 a.m. That authorization must be written as evidenced by issuance of a trip ticket. The trip ticket contains the vehicle number and description, operator’s name and, if applicable, passengers, date and time of expected use, purpose of trip or use, and authorizing signature. Trip tickets must also specify the parking location of the vehicle when not in use.

Use of a government vehicle after normal working hours must be for official business, and individuals operating such a vehicle must have a valid driver’s license and a government operator’s I.D. card, been authorized to use the vehicle by issuance of a trip ticket from an appropriate official, and a copy of the trip ticket must have been given to the Patrol Desk at DPS. In certain circumstances, the requirement of the possession of a government operator’s I.D. card may be waived by the appropriate department or office head. The trip ticket issued for after-hours authorized vehicle operation must specify the parking location of the vehicle when not in use.

Special purpose vehicles, such as police cars, ambulances, fire and utility trucks, and other vehicles made for special purposes or approved by the Governor for special purpose are exempt

EVALUATION REPORT GOVERNMENT VEHICLE REGULATION AND USE

from the trip ticket requirements. Vehicles assigned to the Governor, Lieutenant Governor, Members of the Legislature, State Court judges, and the Chairman of the Councils of Pilung and Tamol are exempted from the government vehicle regulations.

OAS is responsible for affixing on all government vehicles, including special purpose vehicles, a state seal with the name of the department or agency to which the vehicles are assigned. Vehicles assigned to the Governor, Lieutenant Governor, members of the legislature, State Court judges, and Chairman of the Councils of Pilung and Tamol are exempted from this requirement. OAS is also responsible for the devise and use of an appropriate system of plate numbering, processing and issuance of operator I.D. cards, sharing I.D. data with DPS, and repossession of department or agency assigned vehicles in the case of continued violation of government vehicle regulations.

Objective

The purpose of this evaluation was to determine the extent of compliance with the Yap State Government Vehicle Regulations.

Scope and Methodology

In conducting our evaluation, we interviewed Public Safety officials and personnel from the Attorney General's office. We also examined documentation, including travel logs and trip tickets, and inspected vehicles to ensure they were parked at their designated locations. Our evaluation covered 75 regular government vehicles from 43 agencies. Special purpose vehicles and vehicles assigned to the Governor's office, State Court judges, Members of the Legislature, and chairmen of the Councils of Pilung and Tamol were excluded from our evaluation. We reviewed 767 vehicle log entries and examined 93 trip tickets covering approximately a one month period. Our evaluation was performed in accordance with the Quality Standards for Inspections and Evaluations issued by the Council of the Inspectors General on Integrity and Efficiency of the United States, and pursuant to the authority vested in the Public Auditor as codified under Title 13, Chapter 7, Section 703 of the Yap State Code, which states in part:

“The Public Auditor shall inspect and audit all accounts, books, and other financial records of the State Government, to include but not limited to, every branch, department, office, political subdivision, board, commission and agency, and other public legal entities or non-profit organizations receiving public funds from the State Government, and to prepare written reports of such inspections and audits for presentation to the Governor and the Legislature;”

EVALUATION REPORT GOVERNMENT VEHICLE REGULATION AND USE

Prior Audit Coverage

This is the first engagement of its kind in connection with government vehicle regulations conducted by the Yap State Public Auditor.

CONCLUSION

Our evaluation disclosed lapses in complying with government vehicle regulations and record keeping. We found vehicle logs and trip tickets were not properly prepared and copies of trip tickets not consistently provided to DPS. We also note that some agencies fail to keep copies of vehicle logs and trip tickets. Agencies did not always park vehicles when not in use in their designated locations and, during a random inspection we performed of government vehicles and trip tickets, we could not account for all vehicles. Moreover, we discovered the registrations for many of the government vehicles had lapsed, in some cases for years. There are also indications of possible abuse in the after-hour and weekend use of regular government vehicles and government vehicle regulations may need to be updated and compliance therewith improved. The findings, along with our recommendations are discussed in the accompanying pages.

FINDINGS AND RECOMMENDATIONS

Finding No. 1: Vehicle Logs

Our review of vehicle logs revealed the following:

- Entries consistently fail to record the full name of the operator, often just indicating the operator's first name. Although the regulation merely states the name of the operator is required, the full name should be written in the log.
- Fully half the logs fail to indicate the purpose of the trip.
- Logs failed to record the completion time of trips 45% of the time.
- Forty log entries did not indicate the starting time for each trip.
- Mileage was not entered or, if entered, included only the beginning or ending mileage figure 38% of the time.

EVALUATION REPORT GOVERNMENT VEHICLE REGULATION AND USE

There were occasional lapses each in recording the operator name, trip destination, and date of trip on the logs. In addition, log entries often failed to indicate whether the time was a.m. or p.m., notwithstanding it might have been self-evident in many cases.

We also identified indications of possible abuse in the use of vehicles during normal business hours. For example, official business in some cases was listed as “to get my glass,” “to take my medicine,” “shopping,” “home,” “lunch,” “errands,” and “off work” with the destination stated as “home.” Additionally, vehicle logs revealed some entries for weekend use with no corresponding authorization (trip tickets).

Recommendation: Re-emphasize to department and agency management the significance of maintaining proper vehicle log records and the importance of complying with public law. Management should also be reminded that assigned vehicles may be repossessed if an agency continually violates government vehicle regulations.

Since use of government vehicles must be for official business only, the purpose of the trip is an important component of the vehicle log. DPS is charged by law with “enforcing these regulations by way of stopping and/or inspecting from time to time vehicles.” A lack of purpose on the log may preclude DPS from determining whether the vehicle is being properly used.

Finding No. 2: Trip Tickets

Our review of trip tickets issued during a one month period revealed the following:

- We noted 32% of tickets examined were not on file with the DPS patrol desk, indicating they had either been lost or not forwarded to DPS by the relevant agency.
- Tickets for 40% did not specify the parking location of the vehicle when not in use.
- There is no standard form for authorizing off-hours use of vehicles. Each agency has its own design and used its own format for trip tickets.
- The description of the purpose for 43%, though adequate, could be more detailed.

We also identified indications of possible abuse in the use of vehicles outside of normal business hours. The expectation is that this kind of vehicle use would principally be for a few days or a weekend and this is what should be reflected on trip tickets. However, we noted instances in which trip ticket dates authorized use of vehicles for extended periods of time and for purposes

EVALUATION REPORT GOVERNMENT VEHICLE REGULATION AND USE

which raise questions about its use for official business. Nearly 20% of trip tickets examined contained dates reflecting extended use of vehicles, in one case for 183 consecutive days. In another instance, the stated business purpose was listed as “to work at the office after working hours” and “vehicle will be parked at the operator’s residence.”

Recommendation: To reduce the likelihood of abuse of vehicle use and ensure trip tickets accurately reflect the nature of and authorized use of vehicles, institute random checks of trip tickets filed with DPS. Additionally, a standard trip ticket form should be developed by OAS, which has the responsibility to “design and revise all official forms required by these regulations” {State Regulation 1993-01, §12, ¶(e)}.

Finding No. 3: Vehicle Records

Our evaluation of compliance with government vehicle requirements was limited by the lack of available documents in connection with the following:

- The departments of Youth & Civic Affairs (Media & Protocol) and Health Services (DHS) use one log sheet for all vehicles in their agencies.
- Twenty agencies, roughly 40% of all those assigned vehicles, represent they do not maintain copies of vehicle logs on file. Accordingly, we were not able to examine any vehicle log entries for this group. The list of departments and, if applicable, the specific agencies not in compliance are as follows:

Department of Youth & Civic Affairs – Youth Services
Department of Youth & Civic Affairs – Historic Preservation Office
Environmental Protection Agency – Office
Office of Planning & Budget (OPB)
Department of Public Works & Transportation
Department of Resources & Development – Marine Resources
Department of Resources & Development - Workforce Enrichment Division
Satawal Community
Waab Community Health

- We could not obtain trip tickets from a number of agencies which did not keep copies of trip tickets on file. These agencies included the Department of Health Services, OAS, OPB, and Satawal Community.

EVALUATION REPORT GOVERNMENT VEHICLE REGULATION AND USE

Although there is no requirement for a separate log to be maintained by vehicle, in order for DPS to carry out its responsibilities and, for example, to perform a proper inspection, it is necessary to maintain a log for each vehicle and that it remain in the vehicle, at least during times when not parked. In addition, pursuant to the Yap State Archives and Records Management Act of 1998, ¶306(c) requires agencies “comply with any requirements relating to preservation, security, transfer, and management of public records,” and Yap State Regulation No. 2005-05, “Keeping of Minutes and Records” stipulates that records detailing maintenance, service, and operation of agency vehicles be retained for at least 7 years. The list of documents identified in this section includes trip tickets and vehicle running sheets (logs).

Recommendation: To ensure agencies properly maintain logs and otherwise comply with government vehicle regulations, OAS should conduct periodic desk reviews of travel logs and trip tickets and report the results to the Governor. A desk review is a quick assessment not requiring fieldwork that is essentially a document review.

Finding No. 4: Designated Parking

We performed an inspection of government vehicles for a specific date and noted that 9 vehicles were missing from their designated parking locations, but did not have trip tickets on file with DPS. In addition, the following agencies did not adhere to their designated parking locations, but park their vehicles at their office premises:

- Department of Education – Administration
- Department of Education – Curriculum
- Department of Education – Technology
- Department of Education – School Area Supervisor
- Department of Education – Special Education
- Department of Public Works & Transportation – Airport
- Department of Youth & Civic Affairs – Media & Protocol
- Environmental Protection Agency
- Office of Planning & Budget – Fais Community
- Satawal Community
- Waab Community Health Center – Gagil Dispensary
- Waab Community Health Center – Tomil Dispensary
- Waab Community Health Center – Rumung/Maap
- Waab Community Health Center – Nimgil

EVALUATION REPORT GOVERNMENT VEHICLE REGULATION AND USE

Recommendation: A comprehensive review of all regular government vehicle assignments should be performed to determine whether agencies have a justified need and optimally utilize their vehicles, and if vehicles can be better used in other capacities. In connection therewith implement a tracking system to identify underutilized vehicles. Monitor vehicle use by requiring agencies to report each month their vehicle use (days, hours, etc.) and mileage.

Consider centralizing responsibility for government vehicles under which the care, operation, repair, and disposal of vehicles would shift to the state government. Vehicles could be maintained in government motor pools and assigned to agencies by request on an hourly, daily, or other short or long term basis. Agencies would be charged a fee for the use of government vehicles. The benefits of centralization and storage of vehicles in motor pools are:

- More efficient use of the vehicle fleet. Presently, vehicles are permanently assigned. Some vehicles see only limited use during the day and, in some cases remain parked and unused for several days. Even vehicles that remain idle are subject to wear from the elements and need to be maintained. The pooling of these resources will increase utilization.
- Increased security and reduced likelihood of damage from theft and/or vandalism.
- Improved accountability, since the location and use of each vehicle at any one time would be known.
- Substantial reduction or elimination of abuse in the use of government vehicles.
- Establishing uniform guidance and help in identifying opportunities for improving the vehicle fleet's cost efficiency.
- Charging fees for vehicle use would make costs more visible to agencies and business units and provide an incentive for users to be more judicious in their vehicle use.

Additionally, to account for vehicle user fees, a fleet management revolving fund should be established. Revolving funds allow organizations to recover the cost of services from users, which maximizes efficient and effective use of vehicles. Revolving funds are intended to operate on a break-even basis, using the fees generated by the fund to finance its operations. Revolving funds may also be used to accumulate funds in a dedicated reserve to pay for the replacement of vehicles.

EVALUATION REPORT GOVERNMENT VEHICLE REGULATION AND USE

Finding No. 5: Vehicle Registration

Registration was expired for 27% of regular government vehicles. The length of time vehicles have remained unregistered ranged from less than a month to as long as 28 months.

Recommendation: As the operator of state owned vehicles it is the responsibility of each agency to ensure its vehicles are properly registered. It is unlawful (YSC, Title 25, ¶208) for any person to operate a motor vehicle which is not registered. To safeguard the public and adhere to public law, require that:

- DPS immediately impound all regular government vehicles whose registration has lapsed beyond a specified grace period, e.g. 5 days.
- DPS communicate to OAS in a timely manner the registration status of all government vehicles.
- OAS repossess vehicles whose registration have been expired more than 6 months.

Finding No. 6: Vehicle Regulations

The State Government Vehicle Regulations were issued in 1993. These were amended in 2002 to clarify the requirements of the State official seal, and an executive order issued in 2008 to designate the parking areas of all regular government vehicles during outside working hours.

However, the regulations make reference to a Government Vehicle Review Committee (GVRC), which no longer exists, and many of the functions of this former panel have been assumed by other agencies, such as OAS, DPS, and OPB.

Recommendation: Update government vehicle regulations to reflect the changing conditions and circumstances that have taken place since its inception. State law and policy should also allow employees to use personal vehicles when it is reasonable or more cost-effective than using state vehicles.

Revise regulations or establish a policy to require a minimum annual days/mileage use for each vehicle class or category, e.g., the lesser of 75% of working days or 2,500 miles a year. Agencies should maximize efficient and effective use of state owned vehicles when determining the nature and number of vehicles required. If a vehicle does not meet the days use/mileage requirement, the vehicle should be reassigned to another use or agency.

EVALUATION REPORT GOVERNMENT VEHICLE REGULATION AND USE

Finding No. 7: Enforcement of Vehicle Regulations

Improvements are needed in the enforcement of government vehicle regulations. Statistics obtained from DPS show only 30 citations issued on government vehicles over the most recent ten-month period for which data is available. Nearly half the vehicles cited were impounded, and copies of citations were provided to the Yap State Court and AG. However, copies were not provided to OAS, as required by law. Moreover, only 5 of the citations were issued for times outside of normal working hours.

In a memo dated June 8, 2007 summarizing the requirements of the Government Vehicle Regulations, the AG noted compliance “may have waned for the course of time.” He argued that, for example, “there appears to be government vehicles that are being operated after normal working hours without proper authorization, that are not properly registered and/or labeled, and that are not parked in their designated parking areas, and that there may be operators of government vehicles without the proper operators’ ID cards.” These are some of the same issues that have been raised in this evaluation report.

The purpose of the AG memo was to alert agencies to a new initiative by his office and DPS within the coming 30 days to “place more emphasis on enforcement with the aim to compel compliance.” There appears to have been little improvement in the enforcement of government vehicle regulations in the nearly 4 years since.

Recommendation: To improve enforcement actions and compel compliance with government vehicle regulations, increase DPS inspection and traffic stops of government vehicles. Additionally, consider:

- Strengthening the sanctions and penalties that may be imposed on agencies who fail to comply with government vehicle regulations. This might include removal of vehicle privileges, such as the right to use of government vehicles outside of normal working days, suspension of use of vehicle for a period of time, and reduction or elimination of assigned vehicles.
- Require agency heads on an annual basis to approve the agency’s assigned category of use for state vehicles used by the agency and confirm the agency is in compliance with the government vehicle regulations. The agency head has ultimate responsibility for use of state-owned vehicles and in ensuring legal and regulatory compliance.

EVALUATION REPORT GOVERNMENT VEHICLE REGULATION AND USE

MANAGEMENT RESPONSES

We circulated copies of our report to 9 departments comprising 40 agencies, OAS, OPB, and Satawal Community included in our scope, and to AG/DPS, and received four responses. The accompanying pages include responses from those submitted, and our evaluation of those responses.



STATE COURT OF YAP

THE STATE OF YAP
POST OFFICE BOX 308
COLONIA, YAP STATE, FM 96943
Tel: (691) 350-2161/2162 Fax: (691) 350-2327 E-mail: ysct@mail.fm

August 24, 2011

Ronald C. Yow
Acting Yap State Public Auditor
P.O. Box 927
Colonia, Yap 96943

Re: Management Response to Performance Audit of Agency Vehicle Usage

Dear Mr. Yow,

Thank you for the opportunity to respond to the performance audit of the Yap State Court's vehicle usage in pursuant to the State policy and regulations. We strongly support the use of performance audits as an important tool to improve in the management of State property.

We agree with the suggestions in the report and have already re-emphasized to all court staff the significance of maintaining proper vehicle log records. We appreciate the Auditor's recommendation on maintaining our log sheet to comply with State law and regulations.

We do wish to clarify, in the incident(s) of log entries failing to record full names, that we at the court are familiar with names and do not feel a need to log full names. Rest assured that we will, as per your recommendation, record full names on all vehicle log entries.

We also wish to clarify, in the incident(s) of trip tickets not on file with Public Safety, that we have been forwarding all trip tickets to Public Safety. We cannot say why it is not on file with Public Safety.

Again, thank you for the opportunity to respond to the performance audit of the Yap State Court's vehicle usage.

Sincerely,


Libuw Pongliyab
Court Administrator
Yap State Court

Office of the Public Auditor
State of Yap

**EVALUATION REPORT
GOVERNMENT VEHICLE REGULATION AND USE**



**OFFICE OF THE ATTORNEY GENERAL
The State of Yap**

P.O. Box 435
Colonia, Yap FM 96943

Tel. Nos: (691) 350-2105/2106 Fax: (691) 350-3922 Email: mnigrey@yapstategov.org

August 26, 2011
Via Electronic Mail

Office of the Yap State Public Auditor
Yap State Government
PO BOX 927
Colonia, Yap, FM 96943

Subject: **Evaluation of Compliance with Vehicle Regulations**

To Whom It May Concern:

This office is in receipt of your draft evaluation regarding the above referenced matter, and your request for responses from the Division of Public Safety, Office of the Attorney General ("OAG"). As follows are those responses, for OAG only:

Response to Finding #1:

OAG concurs with the recommendation to re-emphasize to department and agency management the importance of compliance with vehicle regulations and relevant State laws.

Within thirty (30) days from the date of the issuance of the final audit report on evaluation of compliance with the Yap State Government Vehicle Regulations, OAG will circulate a memorandum to all represented State agencies detailing the specific requirements of the vehicle regulations and State law and the legal consequences of non-compliance thereon.

Response to Finding #2:

OAG concurs with the recommendation to institute periodic reviews of vehicle logs and associated documentation.

OAG will recommend to the Governor that quarterly reviews of any and all vehicle records be performed. The decision to assign this ongoing responsibility to either the

1

**Office of the Public Auditor
State of Yap**

EVALUATION REPORT

GOVERNMENT VEHICLE REGULATION AND USE

Office of the Attorney General or the Office of Administrative Services should be determined by the Governor.

Response to Finding #3:

OAG concurs with the recommendations listed in this finding.

OAG will consult with the Office of Administrative Services (OAS) and the Governor regarding the issue of a random check of trip tickets submitted to the Division of Public Safety, and assigning this responsibility to the relevant department.

OAG will circulate a memorandum to all State agencies, within thirty (30) days from the date of the issuance of the final audit report, reinforcing the prohibition against the improper use government vehicles outside of business hours.

Response to Finding #4:

OAG generally concurs with the recommendations on designated parking, but cannot comment or respond to the recommendation for the expansion of the motor pool or adding additional designated parking areas for government vehicles, as the establishment or expansion of parking areas is a policy matter not within the mandate of OAG.

Response to Finding #5:

OAG concurs with the recommendations listed in this finding, as applicable to the Division of Public Safety and the Office of the Attorney General.

OAG will perform a review of existing Division of Public Safety policies and procedures in regards to the impound of government vehicles which have lapsed, including an analysis of the legality and practicality of establishing a "grace period" government vehicles with lapsed registrations.

Response to Finding #6:

While OAG generally concurs with the recommendations listed in this finding, the decision to update Government vehicle regulations is a policy matter for the Governor to assign to OAG. In the event that the Office of the Attorney General is assigned this task, OAG shall seek comment from all relevant agencies prior to drafting any proposed changes to the current regulations or State laws.

Response to Finding #7:

OAG generally concurs with the recommendations listed in this finding.

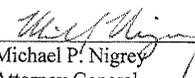
**EVALUATION REPORT
GOVERNMENT VEHICLE REGULATION AND USE**

Within thirty (30) days from the date of the issuance of the final audit report on evaluation of compliance with the Yap State Government Vehicle Regulations, OAG will circulate a memorandum to the Division of Public Safety, communicating the issues and deficiencies highlighted by this audit report.

Within the next fiscal year, the Office of the Attorney General, in collaboration with Division of Public Safety personnel, will perform a top-to-bottom evaluation of the vehicle regulation enforcement process at Public Safety, with the goal of identifying bottlenecks and the causes of lapsed enforcement. Following the identification of these causes, the Office of the Attorney General shall prepare a report with recommended changes to process or personnel responsibilities, for consideration and implementation by the Division of Public Safety.

Please let me know if you have any questions regarding the above. Thank you.

Sincerely,



Michael P. Nigrey
Attorney General
State of Yap, FSM

cc: File

**EVALUATION REPORT
GOVERNMENT VEHICLE REGULATION AND USE**



OFFICE OF THE DIRECTOR
Department of Youth & Civics Affairs
P.O. Box 430 | Yap, FM 96943
Tel: +691-350-2168 Fax: +691-350-3898 Email: dycadirector@yapstategov.org

August 31, 2011

Mr. Patrick J. Zachinni
Yap State Public Auditor's Office
Yap State Government
Colonia, Yap FM 96943

Mr. Zacchini,

The Department of Youth & Civic Affairs (DYCA) acknowledges the receipt of your draft audit report concerning vehicle regulation compliance, along with its findings and recommendations. The report cited seven findings, DYCA agrees with the assessment and practices recommended to resolve them.

With respect to the recommended actions suggested, the Director, Administrative Officer, Division Chiefs and other heads of office will undertake the task of working out plans to address the findings and implement the recommendations so as to improve current operations, encourage better practices and comply with the report.

It is our hope to implement these practices as soon as practical, and to hopefully see quantifiable improvements by next fiscal year.

On behalf of the Department of Youth & Civic Affairs, I wish to thank you, your staff and your office for the hard work and countless hours of dedication that brought this report to completion. We will diligent and endeavor to improve the areas cited in your report.

Best Regards,



Ruetpong Fongtyab
Director

Divisions & Offices

Civic Affairs Division | Media Division | Youth Services Division | Historic Preservation Office

**Office of the Public Auditor
State of Yap**

EVALUATION REPORT GOVERNMENT VEHICLE REGULATION AND USE



OFFICE OF THE DIRECTOR
Telephone: (691)350-2307

OFFICE OF ADMINISTRATIVE SERVICES
YAP STATE GOVERNMENT
P.O.Box 610
Colonia, Yap
Federated States of Micronesia
96943

CABLE ADDRESS: GOV YAP
FAX: (691)350-2107

Office Telephones
FINANCE/TREASURY 350-2142
SUPPLY 350-2142
PERSONNEL 350-2142
REVENUE 350-2142
ARCHIVES 350-3684

August 31, 2011

Office of the Yap State Public Auditor
Yap State Government
PO BOX 927
Colonia, Yap, FM 96943

Subject: **Evaluation Report on Yap Vehicle Regulation and Use**

To Whom It May Concern:

Here are OAS responses to the Findings and Recommendations listed in the Report:

Finding No. 1: Vehicle Logs

OAS concurs with the finding. The Acting Director will issue a memo to remind OAS staff of the need to ensure that vehicle logs are properly kept.

Response to Finding No. 2: Trip Tickets

OAS concurs with the finding. OAS did develop and still has in use a standard trip ticket form. Over time, the form had been electronically changed by departments. OAS can recommend to Governor that the same form be reviewed and if approved, redistributed to departments and agencies for use.

Response to Finding No. 3: Vehicle Records

OAS does not concur with part of the finding. OAS does keep logs for its two vehicles (an OPA staff was informed and came by the office to view the log).

The proposed recommendation will be brought to the Governor's attention for his review and consideration of other possible alternatives.

DIVISION: Finance & Treasury * Supply & Procurement * Personnel * Revenue & Taxation * Archives & Records Management

1

Office of the Public Auditor
State of Yap

**EVALUATION REPORT
GOVERNMENT VEHICLE REGULATION AND USE**

Response to Finding No. 4: Designed Parking

OAS generally concurs with this finding in relation to official designed parking areas; however, the proposed recommendations for centralization of responsibility, users' fees, and revolving fund will require further analysis and input from other government offices.

Response to Finding No 5: Vehicle Registration

OAS generally concurs with the finding.

Response to Finding No. 6: Vehicle Regulations

OAS generally concurs with the finding and the proposed recommendation. The regulations will be reviewed and recommendation made to Governor for updates and improvements, where needed.

Response to Finding No. 7: Enforcement of Vehicle Regulations

OAS generally concurs with the finding and would look to Governor's decision on the proposed recommendations based on input from the appropriate offices and agencies.

Please let me know if you have any questions regarding the above. Thank you.

Sincerely,


Jesse Torwan,
Acting Director

**EVALUATION REPORT
GOVERNMENT VEHICLE REGULATION AND USE**

PUBLIC AUDITOR'S EVALUATION OF MANAGEMENT RESPONSES

I. State Court of Yap

As noted in finding No. 1, the regulation does not require, but we recommend, using the full name of the operator. We are happy to hear this will be implemented by the State Court.

Notwithstanding the statement trip tickets were forwarded to Public Safety and “we cannot say why these are not on file,” it should be the agency’s obligation to ensure trip tickets are received by Public Safety. A good practice is to obtain some kind of acknowledgement, e.g., email read receipt. Government Vehicle Regulations stipulate it is the responsibility of each appropriate official “to ascertain compliance by all members, staff, and employees in his agency with these regulations.”

II. Office Of The Attorney General (OAG)

OAG is generally in agreement with the recommendations.¹ We applaud OAG’s resolve to perform a review of the vehicle regulation enforcement process to identify enforcement lapses and develop recommendations for corrective action.

¹A final draft of the report was prepared after receipt of the OAG response. Accordingly, the order of findings referred to in the OAG response as #2 and #3 is, for report purposes, reversed.

III. Department of Youth & Civics Affairs (DYCA)

We are pleased to see the department’s recognition of the connection and effect of compliance on current operations and welcome DYCA’s implementation of our recommendations.

IV. Office of Administrative Services (OAS)

In connection with its response to finding number 3, this report does not cite OAS for failure to maintain vehicle logs.