



OFFICE OF THE PUBLIC AUDITOR

EXECUTIVE SUMMARY

Government of Guam Vehicle Fleet Inventory
Report No. 07-12, October 2007

The Office of the Public Auditor (OPA) initiated a performance audit of the government of Guam general purpose vehicle inventory to verify the accuracy of the inventory and to monitor compliance with Public Law (P.L.) 28-90, which requires that government vehicles be publicly identified. General purpose vehicles are typically sedans, sport utility vehicles, and light-heavy duty trucks that are used in the transportation of people and cargo. Specialty vehicles, such as fire trucks, school buses, motorcycles, heavy equipment, trailers, and ambulances were excluded from our review.

No Complete and Accurate Record of the Government's General Purpose Vehicle Inventory

5 G.C.A. § 57102 mandated the Department of Public Works (DPW) to maintain an inventory of all motor vehicles owned and operated by the government of Guam, its various departments and agencies, whether autonomous or semi-autonomous. Our audit found that DPW does not maintain a current, accurate, and complete general purpose vehicle inventory for the government of Guam.

Government of Guam Spends Millions Annually to Replace and Maintain Their Vehicle Fleet

From September 1988 through October 2006, \$18.4 million was reportedly spent to purchase or lease 1,060 government vehicles for 69 government agencies. Of vehicles owned or leased by line agencies, DOA reported that nearly \$1 million was spent on new purchases in fiscal year (FY) 2005-2006¹ alone; \$619,000 was spent in FY 2005 and \$333,000 in FY 2006. An additional \$5.8 million was spent on gasoline consumption from FY 2005 to FY 2006. Of the 69 agencies, 38 did not report information for 323 vehicles due to the unavailability of cost information. The government of Guam spends millions of dollars annually to replace and maintain their vehicle fleet, but has not adequately managed their vehicle inventory nor is able to provide information needed to improve the efficiency, effectiveness, and economy of the government's fleet operations.

Duplicate Records of Government Vehicles Maintained and Unreconciled

DPW, the Department of Revenue and Taxation (DRT), the Department of Administration (DOA), and the government's individual agencies all maintain vehicle records under separate directives. Each wastes resources by unnecessarily duplicating staff time to input vehicle records into separate, incompatible databases. DPW's inventory records do not match the vehicle records independently maintained by the other three agencies and the efforts to reconcile these records has discontinued because each entity has significant differences in their inventory count. See Table 1 for a comparison of totals.

Table 1. Comparative Vehicle Count – All Agencies

Government Agency / Department	Vehicles Reported
Department of Public Works	2,269
Department of Revenue & Taxation	3,109
As Reported by Agencies	1,383 ²
Department of Administration	1,242 ³

DPW, DRT, and DOA stated that no reconciliation efforts currently exist to have their respective inventories reconcile with one another. DRT reported the highest number vehicles, as DRT maintains historical records of all vehicles processed for license registration. However, no archive function exists

¹ FY 2005-2006 also includes all costs for October 2006 as this month is a part of the audit scope.

² There were 1,383 vehicles reported to OPA. However, four agencies did not report their vehicle inventories.

³ DOA's records maintain vehicles of line agencies only.

in DRT's current vehicle records system. We found surveyed vehicles⁴ as old as 1953 models still included in DRT's vehicle records. DOA keeps records of Executive Branch line agency vehicles data only. Autonomous agencies maintain their own records and are subject to independent audits.

DPW Utilizes Antiquated Software to Track the Government's Vehicle Inventory

DPW utilizes REFLEX software that is supported by an aged Microsoft Disk Operating System or MS DOS. As a result, the software cannot be electronically read and cannot interface with software used by DRT or DOA. DRT and DOA maintain separate records under their own AS400 systems, which do not interface as well.

Required Public Identification of Government Vehicles Not Implemented

P.L. 28-90 requires that all government vehicles, leased or owned, display an agency logo or name. Vehicles used for judges and/or justices of the court, security or law enforcement activities, and the Governor or Lieutenant Governor and the Speaker of the Legislature are exempt from these requirements. DPW is the designated agency responsible for carrying out P.L. 28-90. Of the 40 vehicles we physically inspected, 26 vehicles or 65% did not have any agency logo or name and the reasons offered for non-compliance were not supported by law.

Other Matters of Concern

During our audit, OPA received 89 hotline tips, from October 2006 through August 2007, that report vehicles with either no logo, have personal stickers, parked in residential or commercial areas outside the regular work hours, or used for personal errands. We did not quantify such possible abuse and misuse of government vehicles as this was beyond the scope of this audit.

Importance of An Effective Fleet Inventory Management System

An effective inventory management system is important in order to provide a framework and guide that managers can use to improve the accuracy and reliability of the government's inventory and related property data. Overarching all of these factors is management's commitment to an environment that promotes sound inventory control. The characteristics of management commitment include an advocacy to change, performance measures aligned with agency goals, and an investment in updated and reliable technology systems. See Appendices 4 and 5 for suggested best practices for a sound fleet inventory management.

Recommendations

We recommend DPW, DOA, and DRT establish a joint Memorandum of Understanding (MOU), signed by the Governor, to (1) create a common link among each agency's database so that electronic vehicle records can interface, are compatible, and are able to reconcile; and (2) enforce the policies and procedures for the receiving, registration, renewal, transfer, survey, and identification of government vehicles to ensure a current, accurate, and complete vehicle inventory for the government of Guam. Other recommendations include the procurement of a new fleet maintenance and tracking system for DPW, the enhancement of DRT's vehicle records database to include an appropriate archive system, and an annual reporting requirement wherein all agencies shall submit a report of all vehicles purchased, leased, authorized for 24-hour use, and disposed, along with all costs related to maintenance and gasoline consumption to the Governor and the Legislature.



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⁴ Surveyed vehicles are vehicles that are no longer roadworthy. Once a vehicle is surveyed, these vehicles are sent to DOA's General Service Agency (GSA) for repair or resale and are to be taken out of the vehicle inventory list.