



THE UNITED REPUBLIC OF TANZANIA

NATIONAL AUDIT OFFICE



PERFORMANCE AUDIT ON THE MANAGEMENT OF GOVERNMENT VEHICLES MAINTENANCE

**The Performance of the Ministry of Works and TEMESA in
Maintenance of Government Vehicles**

**A REPORT OF THE CONTROLLER AND AUDITOR GENERAL OF THE
UNITED REPUBLIC OF TANZANIA**

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To be a centre of excellence in public sector auditing

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To provide efficient audit services in order to enhance accountability and value for money in the collection and use of public resources

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PREFACE

The Public Audit Act No. 11 of 2008, Section 28 authorizes the Controller and Auditor General to carry out Performance Audit (Value for Money Audit) for the purposes of establishing the economy, efficiency and effectiveness of any expenditure or use of resources in the Ministries, Departments, Agencies, Local Government Authorities, Public Authorities and other Bodies which involves enquiring, examining, investigating and reporting, as deemed necessary under the circumstances.

I have the honour to submit to His Excellency the President of the United Republic of Tanzania, Dr. Jakaya Mrisho Kikwete and through him to Parliament the Performance Audit Report on Maintenance Management of Government owned Motor Vehicles. The report concerns the Performance of the Ministry of Works and Tanzania Electrical, Mechanical and Electronics Services Agency

(TEMESA) in the maintenance management of government owned motor vehicles.

The report contains conclusions and recommendations that directly concern the Ministry of Works and Tanzania Electrical, Mechanical and Electronics Services Agency (TEMESA). The said Ministries and Agency have been given the opportunity to scrutinise the factual content and comment on the draft report. I wish to acknowledge the very cordial and useful discussions we had with the auditees, Ministry of Works, Tanzania Electrical, Mechanical and Electronics Services Agency and Ministry of Agriculture, Food Security and Cooperatives.

My office intends to carry out a follow-up at an appropriate time regarding the actions taken by the auditees in relation to the recommendations in this report.

In completion of the audit, the office subjected the report to the critical review of the following experts namely: Prof. Geoffrey John of the University of Dar es Salaam and Mr. Hans T. Mwaipopo of the National Institute of Transport who came up with useful inputs in improving the output of this report.

This report has been prepared by James Pilly, Warento Nyambabe, Godfrey Ngowi, Darius Cosmas and Rebecca Mahenge under the supervision of Wendy Massoy. I would like to thank my staff for their useful inputs in the preparation of this report. I would also like to extend my appreciation to the auditees for their fruitful interaction with my office.



Ludovick S.L. Utouh

Controller and Auditor General

Dar es Salaam

January, 2012

ABBREVIATIONS

AFROSAI-E	Africa Organization Supreme Audit Institution of English Speaking Countries
CAG	Controller and Auditor General
CEO	Chief Executive Officer
BICO	Bureau of Industrial Cooperation
DGAM	Division of Government Assets Management
GPSA	Government Procurement Supply Agency
INTOSAI	International Organisation of Supreme Audit Institutions
LAGs	Local Authorities Government
LGAs	Local Government Authorities
MAB	Ministerial Advisory Board
MDAs	Ministries, Departments and Agency
MoAFS&C	Ministry of Agriculture Food Security and Cooperative
MoF	Ministry of Finance
MoW	Ministry of Works
MPs	Member of Parliament
MT	Motor Transport
NAOT	National Audit Office of Tanzania
NIT	National Institute of Transport
PO-PSM	President's Office - Public Service Management
PPA	Public Procurement Act
PPR	Public Procurement Regulations
PPR	Public Procurement Regulations
TEMESA	The Tanzania Electrical, Mechanical and Electronic Services Agency
UDSM	University of Dar es Salaam

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EXECUTIVE SUMMARY

Government owned vehicle management is an integral part of government fleet operations and must therefore, be effectively defined and implemented. Well functioning maintenance management systems play a significant role in ensuring efficient maintenance work. However, maintenance and repair of government owned motor vehicles utilize a great part of government expenditure. The management and use of Government owned motor vehicles are regulated by Government circulars issued by the President's Office¹ and the Public Procurement Regulations 2005. However, the responsibility of providing efficient and effective mechanical services to government Institutions rests with the Chief Executive Officer Tanzania Electrical, Mechanical and Electronics Services Agency (TEMESA). The Ministry of Works (MoW) has the overall responsibility for developing the policies and procedures contributing to improved management and enhanced performance of motor vehicle fleets operated by government.

The objective of this audit was to assess whether the Ministry of Works has developed a maintenance management system including policies and procedures as a guiding instrument for government owned motor vehicle maintenance; if maintenance and repair of government owned vehicles is done economically, efficiently and effectively with the view of keeping vehicles running well and reducing un planned repairs; and if TEMESA as a responsible Agency for maintenance and repair of government owned motor vehicles properly monitors and evaluates the performance of outsourced maintenance work to private garages; and if the Ministry of Works adequately monitors and evaluate the performance of TEMESA.

The focus was mainly on: (1) the systems in place for managing government owned motor vehicles maintenance; (2) Implementation of maintenance and repairs function of government owned vehicles; and (3) monitoring and evaluation of performance of outsourced maintenance function to private garages. The MoW and TEMESA, which are the government organs responsible for developing strategies, plans, policies and guidelines for repairs and maintenance of government owned motor vehicles, were the key players. Two user departments, the Ministry of Works and the Ministry of Agriculture, Food Security and Cooperatives, were selected with a view of testing the functioning of the laid down system. The testing was also conducted through reviewing of ten vehicle files selected randomly from each ministry². The audit covered motor vehicle maintenance conducted in the period of three years 2008/09-2010/11.

¹ Issued in 1998

² The Ministry of Works owns 42 motor vehicles while Ministry of Agriculture and Food Security and Cooperatives owned 70 motor vehicles in the Ministry's Headquarters.

Major findings and conclusions

Inadequate Maintenance Guiding Instruments

The MoW as the responsible ministry in the management of government owned motor vehicles has not put in place proper maintenance management system. In addition, there is no maintenance policy in place thus there is inadequate guidance on motor vehicle maintenance management. No specific quality standards and manuals have been developed for addressing maintenance of government-owned motor vehicles. Despite the importance of government vehicles maintenance, MoW has not developed adequate maintenance procedures to be implemented by the agency, user department and ministries.

Inadequate Management of Maintenance Activities

Maintenance of government owned motor vehicles is not efficiently managed. This is because not all government owned motor vehicles are inspected before maintenance. There is lack of feedback given to TEMESA on the quality of work done by private garages because post-service inspection is not conducted.

Inadequate Monitoring of Private Garages/Workshops Performance

Selection of private garages responsible for maintenance and repair of government owned motor vehicles has always been delayed. In a number of cases the selection has been done without involving TEMESA. Performance of private garages and workshops is not adequately monitored. TEMESA has no mechanism in place to monitor private garages' performance. TEMESA does not have monitoring plans in their annual plans. Lack of these in their annual plans implies the agency has withdrawn itself from its responsibility to manage maintenance of government owned motor vehicles.

MoW does not Sufficiently Monitor Performance of Maintenance Activities

The MoW has neither conducted a performance evaluation of TEMESA nor government institutions on how government owned motor vehicles are maintained. The Ministry does not maintain an up-to-date inventories of government vehicles as a tool for monitoring their performance.

There is inadequate coordination among various government institutions which are responsible for the management of government vehicles. Information regarding the state of affairs of the vehicles is managed in a fragmented way.

Recommendations

Based on the audit findings and conclusions, the following are recommendations for improving the situation:

Instruments for Guiding Maintenance Activities

Ministry of Works

The Ministry of Works should develop a maintenance policy and adequate guidance for government owned motor vehicles that can be used by TEMESA and authorized private garages.

TEMESA

TEMESA should develop maintenance guiding tool on government vehicles maintenance that should be provided to the user departments and TEMESA Workshops.

Implementation of Maintenance Activities

TEMESA should ensure that it appropriately implements effective maintenance activities. The Agency should consider:

- Developing a comprehensive maintenance register that will keep all maintenance records to measure efficiency of the Workshops
- Having effective plan governing outsourcing maintenance of motor vehicles to private garages after pre-inspection where the agency has no capability to maintain the vehicle
- Developing effective operational guidelines at workshops and private garage levels and the guidelines should be enforced.

- Establishing inventory management system on government motor vehicles that will serve as the base for planning and monitoring maintenance activities.

Monitoring of Performance of Garages/Workshops

- TEMESA should ensure that it appropriately monitors: Maintenance services of government motor vehicles provided by authorized private garages/workshops.
- Government institutions (in charge of motor vehicles) on how they maintain government owned motor vehicles.

TEMESA should also ensure that post-inspection is conducted on all the government owned motor vehicles that have been repaired by private garages.

Monitoring and Evaluation Conducted by the MoW

The Ministry of Works should ensure that periodically, it evaluates the performance of TEMESA on how it manages government vehicles maintenance.

This can be done by considering the following:

- Developing an up-to-date inventory of government vehicles. This may be in the form of an electronic records management system.
- Establishing a timely risk based plan for the evaluation of TEMESA on issues related to government vehicles maintenance.
- Evaluations that include TEMESA workshops and authorized private garages procedures on the test basis, the effectiveness of the vehicle maintenance programmes, assessment of staff level at TEMESA workshops , including, adequacy of the equipment and levels of competency of mechanics;
- Ensuring that the previous practices for non involvement of TEMESA in the entire process of selecting private garages should not be repeated

CHAPTER ONE

INTRODUCTION

1.1 Background

Government owned vehicle management is an integral part of government fleet operations and must therefore, be effectively defined and implemented. Well functioning maintenance management systems play a significant role in ensuring efficient maintenance work. The Government owned fleet comprises vehicles of various types including sedans, four wheel drives, trucks and motorcycles which represents a significant part of the government asset. According to the 50 years of independence Tanzania Mainland report issued by the Ministry of Works September 2011, the government has registered 65,252³ motor vehicles and motor cycles since 18th December 1970. The report, however, does not show which vehicles are currently still roadworthy, owned by the government and in use by the government. Good maintenance can prevent costly repairs and keep a vehicle running well. Maintenance of motor vehicles includes routine service, structural repairs, mechanical fault repairs and preventive maintenance.

However, maintenance and repair of government owned motor vehicles utilize a great part of government expenditure. Irrespective of the importance, maintenance of government owned motor vehicle is evidenced to experience extended problems including non-adherence to maintenance schedules leading to untimely, delayed and costly repairs. Similarly, TEMESA, the Agency responsible for the maintenance of government owned motor vehicles, has experienced pro-longed delays in getting payments from the MDAs for maintenance service rendered to them. Nevertheless, maintenance activities have been budgeted for in the MDAs' respective votes.

The management and use of Government owned motor vehicles are regulated by annual circulars issued by the President's Office - Public Service Management (PO-PSM). The responsibility of providing efficient and effective mechanical services to government Institutions rests with the Chief Executive Officer - Tanzania Electrical, Mechanical and Electronics Services Agency (TEMESA). MoW has the overall responsibility for developing the policies and procedures contributing to improved management and enhanced performance of motor vehicle fleets operated by government.

3 The Ministry has registered 38,261 motor vehicles and motor cycles from 1st November 1988.

A motor vehicle management policy is expected to cover vehicle routine service, repair and maintenance procedures applicable to all ministry vehicle fleets and the policy should be enforced.

Government owned vehicles are ever increasing in numbers, and these are owned by over 200⁴ government entities (LGAs and MDAs). Based on the fact that the governance system of government vehicles presents a great risk for inefficient management of a growing material asset, the Controller and Auditor General has decided to carry out a performance audit to examine how maintenance of government owned motor vehicles is managed.

1.2 Objective and Scope of the audit

1.2.1 *Audit Objectives*

The objectives of this audit were to assess whether:

- (i) The Ministry of Works has developed maintenance management system including policies and procedures as a guiding instrument for government owned motor vehicle maintenance;
- (ii) Maintenance and repair of government owned vehicles is done economically, efficiently and effectively with the view of keeping vehicles running well and reducing un-planned repairs;
- (iii) TEMESA, as the Agency for maintenance and repair of government owned motor vehicles properly monitors and evaluates the performance of outsourced maintenance work to private garages; and
- (iv) The Ministry of Works adequately monitors and evaluate the performance of TEMESA.

4 Ministries, Departments and Agencies (57); Regional Administrative Offices (21); and Local Government Authorities (134)

1.2.2 *Scope and Limitation of the Audit*

This audit focused mainly on: (1) the system in place for managing government owned motor vehicles maintenance; (2) Implementation of maintenance and repairs of government owned vehicles function; and (3) monitoring and evaluation of performance of outsourced maintenance function to private garages.

Focus was on the activities of the MoW and TEMESA, which are the government organs responsible for developing strategies, plans, policies and guidelines for repairs and maintenances of government owned motor vehicles. Two user departments, the Ministry of Works and the Ministry of Agriculture, Food Security and Cooperatives, were selected with a view of testing the functioning of the laid down system. The testing was also conducted through reviewing of ten vehicle files selected randomly from each ministry⁵ . The audit covered motor vehicle maintenance conducted in the period of three years 2008 / 09- 2010 / 11

ten vehicle files selected randomly from each ministry⁵. The audit covered motor vehicle maintenance conducted in the period of three years 2008/09-2010/11.

1.3 Audit Design

The audit work was designed by using the four audit questions as presented in sub-section 1.3.1. The questions were based on the system in place for managing maintenance of government owned motor vehicles; implementation of the maintenance and repairs activities; and monitoring and evaluation of the maintenance function carried out by the TEMESA workshops and outsourced to private garages.

⁵ The Ministry of Works owns 42 motor vehicles while Ministry of Agriculture and Food Security and Cooperatives owned 70 motor vehicles in the Ministry's Headquarters.

1.3.1 *Audit Questions*

The audit questions used in this audit were as follows⁶:

- Audit question 1: Do the Ministry of Works and Tanzania Electrical, Mechanical and Electronics Services Agency have appropriate strategies and laid down procedures for managing maintenance activities at strategic and operational levels?
- Audit question 2: Does Tanzania Electrical, Mechanical and Electronics Services Agency ensure that the procedures for maintenance of government - owned motor vehicles are adequately implemented?
- Audit question 3: Does Tanzania Electrical, Mechanical and Electronics Services Agency adequately monitor the performance of workshops/ garages (government and private)?
- Audit question 4: Does the Ministry of Works adequately monitor and evaluate the performance of Tanzania Electrical, Mechanical and Electronics Services Agency?

1.3.2 *Assessment Criteria*

As explained in section 1.3 above, the audit questions were based on the following three key parameters:

1. Mechanisms for managing maintenance activities at strategic and operational levels should be in place.
 - i. Guiding instruments for managing government owned motor vehicle maintenance such as policy and operational manuals were in place and under implementation.

⁶ For more details please refer Appendix One

- ii. System of updating the existing procedures for maintenance of government vehicles in order to meet the current needs and challenges was in place. Any changes were clearly communicated to users of government owned vehicles.

- 2. Maintenance of government - owned motor vehicles implementation
 - i. Inspections of vehicles to identify the problem before the maintenance was conducted by TEMESA;
 - ii. TEMESA had the responsibility of deciding and approving garages for repair and maintenance of government owned vehicles.
 - iii. TEMESA conducted post maintenance inspection of vehicles to check if the problem was fixed or not.
 - iv. TEMESA was inspecting user departments' conduct in implementation of maintenance activities.

- 3. Monitoring the performance of workshops / garages
 - i. Performance Monitoring Plan (PMP) and monitoring mechanisms were established by TEMESA on the performance of its workshops/garages and authorized private garages
 - ii. Clear procedures for approving private garages were developed. Maintenance of Government owned vehicles was conducted in private garages where the TEMESA workshop or garage is unable to carry out the repair or maintenance.
 - iii. Monitoring and evaluation of private garage performance were conducted periodically and reports were produced and used to rectify the weaknesses noted.
 - iv. Self assessment by TEMESA on its operations.

4. Monitoring and evaluation of the performance of TEMESA on maintenance of government owned vehicles by MoW
- i. Monitoring and evaluation of TEMESA performance on the maintenance of government owned motor vehicles were conducted and action to improve performance has been taken.

1.3.3 *Methods of Implementation*

Various methods of gathering data and information such as documentary review, interviews and physical observation have been used in the conduct of this audit.

The management of maintenance of government owned motor vehicles was studied through documentary reviews and interviews at ministerial level and the Agency responsible for maintenance of government owned motor vehicles. Also, the audit team visited two TEMESA workshops in Dar es salaam namely MT workshop and Vingunguti Workshop. The purpose of these visits was specifically to observe the working conditions of the workshops and also to gather information from the TEMESA technicians. Information/data collected were qualitatively analysed.

Various documents were reviewed in order to get a comprehensive, relevant and reliable picture of the activities concerning management of government owned vehicle maintenance. Documents reviewed were the Strategic Plan of the Ministry of Works:

- i. Ministry of Infrastructure Development Strategic Plan 2009/2010-2011 / 2012
- ii. Situational Analysis of TEMESA (Unapproved)
- iii. TEMESA Outstanding debts (Ministries, Department, Agencies and Local Government Authorities) as at 31st December,2010
- iv. Public Procurement Act 2004
- v. Public Procurement Regulations 2005
- vi. Ministry of Works Tender Files 2009/2010
- vii. TEMESA Performance Review Report for July,2010-June,2011
- viii. TEMESA Business Plan for Financial Year 2009/2010
- ix. TEMESA Executive Agency Establishment Act of 1997

A number of interviews were also conducted in the two visited ministries⁸ to confirm or explain information from the documents reviewed. Structured and open - ended Interviews were used by the audit team. Interviews were thus conducted in order to:

- i. confirm and corroborate information obtained from the documents reviewed;
- ii. give clues to relevant information in cases where information in the formal documents was lacking or missing; and
- iii. provide context and additional perspectives to the picture derived from the documents.

1.4 Data Validation

The performance audit was conducted in accordance with the International Organization of Supreme Audit Institution's (INTOSAI) performance auditing standards . The standards require the audit team to plan and perform the audit in order to obtain sufficient and appropriate evidence to provide a reasonable basis for findings and conclusions based on the audit objective(s). The audit team believes the evidence obtained provides a reasonable basis for the findings and conclusions based on the audit objective.

1.5 Structure of the Audit Report

The remaining part of the report covers the following:

- Chapter two gives an account of the audit area with the system set up, procedure for inspection, maintenance and repair of government vehicles, various actors and their respective roles.
- Chapter three presents the audit findings regarding maintenance guidelines, their implementation and monitoring activities by MoW and TEMESA.
- Chapter four provides conclusions and
- Chapter five gives recommendations to be considered in order to improve the situation.

⁸ Some of the equipments are Vices, Lathe machine, Milling machine, Crank shaft grinder, Injector pump test machine, Optical wheel alignment, Avometer, Booster cable, Torque wrench, Vernier calliper, Dial gauge, Panel beating tools, Power compressor, Outside monometer

CHAPTER TWO

MAINTENANCE OF GOVERNMENT VEHICLES - SYSTEM DESCRIPTION

2.1 Roles of Key Actors on Maintenance of Government Vehicles

This section describes the systems set up, various actors and their respective roles in the maintenance of government owned motor vehicles. Major actors are the Ministry of Work, TEMESA, private garages/workshops and user departments (Ministries, Departments and Agencies). Figure 2.1 below depicts over view of the system set up showing relationship between different actors.

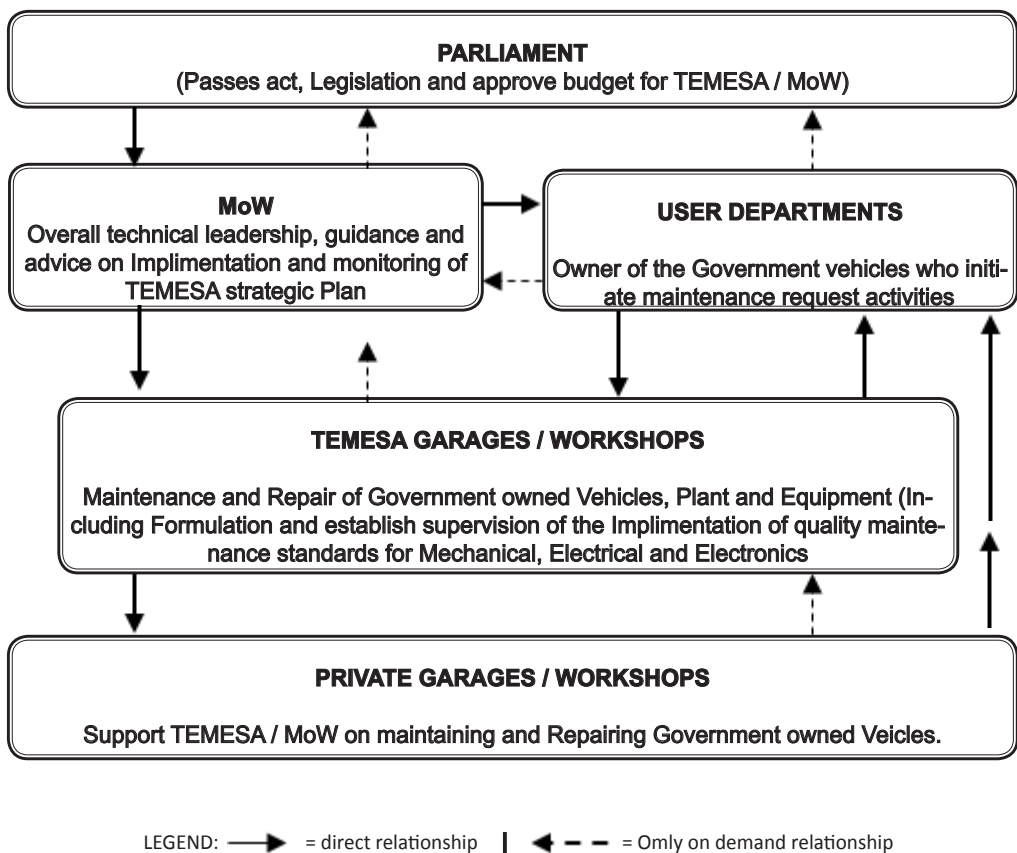


Figure 2.1: Systems Graph

2.2 Specific roles of Key Actors on Maintenance of Government Owned Motor Vehicles

2.2.1 Ministry of Works

According to Executive Agency Establishment Order, the Ministry of Works (MoW) is responsible for determining the policy framework and operational boundaries within which TEMESA operates. The Permanent Secretary of the MoW is the principal advisor to the Ministry on TEMESA activities that is maintenance management of government owned motor vehicles. On that basis the PS - MoW is responsible for the strategic management of TEMESA and for this purpose, give directions to the Chief Executive of TEMESA but with due regard to the need to uphold TEMESA's autonomy in the day-to-day management of its activities.

Furthermore, the Ministry is expected to ensure that necessary support is availed to TEMESA to enable it to deliver the required services to the government in an efficient and effective manner. According to the MoW strategic plan (2009/10-2011/12), the roles of the Ministry include:

- Monitoring and supervision of activities of regulatory authorities, boards and agencies under the Ministry.
- Improving systems for quality management, monitoring and evaluation in the area of maintenance of government-owned motor vehicles.

The MoW has the responsibility of selecting garages that are entrusted for conducting service or preventive maintenance of government owned motor vehicles. Similarly, according to the Public Procurement Regulations of 2005 the MoW is expected to:

- Through competitive tendering or pre-qualification, keep an up to-date list of private workshops or garages authorised to maintain and repair government-owned motor vehicles;
- Inspect records of maintenance, repairs and replacement in respect of each motor vehicle, piece of plant and equipment maintained by the transport officers of the user departments.

Similarly, according to best practice, the Ministry is required to maintain:

- i. Accurate records of vehicle acquisition, maintenance and disposal processes, including up to date registers.
- ii. Adequate information on the condition and operation of the government vehicle fleet maintenance to allow for the efficient and effective management of government motor vehicles.

This will enable the Ministry to efficiently monitor the performance of the Agency and also whether government institutions adhere to maintenance management systems in place.

2.2.2 Tanzania Electrical, Mechanical and Electronics Services Agency (TEMESA)

TEMESA is established under the MoW with the aim of providing efficient and effective electrical, mechanical and electronic services to government institutions. According to the Public Procurement Regulations of 2005, TEMESA is responsible for the repair and maintenance of government - owned motor vehicles, plants or equipment.

To fulfil its aims, roles and objectives efficiently and effectively, TEMESA is organized through four functional divisions¹⁴ Issues related to the maintenance of government vehicles fall under the Production and Maintenance Works Division which has the following duties and responsibilities:

- i) manage the functions of Production and Maintenance Works Division of the Agency by formulating short and long term work programmes and supervise the implementation of such programmes
- ii) formulate an effective Maintenance Management System
- iii) draw up an effective programme for the strengthening and modernization of the existing workshops in all Regions
- iv) formulate, establish and supervise the implementation of the quality maintenance standards for electrical, mechanical and electronics works.

The Chief Executive of TEMESA has the overall responsibilities of establishing proper management system and performing functions in accordance with the annual performance agreement concluded with the PS-MoW.

The planning, monitoring and control of maintenance activities of government-owned vehicles on the strategic and operational levels are expected to be available through documents. Essential documents that the MoW and TEMESA need to have in place and be up to date include among others:

- Maintenance policy and quality standards;
- Maintenance guidelines, manuals and procedures;
- Vehicles inventory;
- A list of approved private workshops/garages;
- Plans for monitoring of performance.

TEMESA owns garages and workshops. There are 21 workshops responsible for maintenance of government motor vehicles. TEMESA workshops undertake inspections of government vehicles to determine their roadworthiness and the state of repair, to identify the need for mechanical work and to authorise required repairs. These repairs can be undertaken either by TEMESA or by outsourced private garages. The agency undertakes a vehicle inspection to itemise specific maintenance work that may be required on a vehicle.

The reason of outsourcing this function is where the TEMESA workshops or garages are unable to carry out the repair or maintenance of the government owned motor vehicles due to non-availability of spare parts, technical know-how or other resource constraints or because the price offered by such workshops or garages are above the available market prices.

However, TEMESA is required to conduct inspection and supervision to ensure that the user departments are complying with the maintenance requirements of government owned vehicles. Also, the Agency is supposed to ensure that the whole system of maintenance is followed, from pre-inspections up to the post-inspection and sometimes to make surprise check and visit of the user department to verify adherence to maintenance procedures.

2.2.3 Private Garages

Private garages are used to provide maintenance and repair services to user departments where TEMESA is unable to repair the vehicles. According to the Public Procurement Regulation of 2005, when TEMESA is unable to carry out the

repair or maintenance of government vehicles due to non-availability of spare parts, technical know - how or other resource constraints or because the price offered by TEMESA is above the available market price, the user departments will obtain the same services:

- from one of the approved and authorised private garages or
- by competitive quotations from private garages offering the same services

2.2.4 User Departments (Government Institutions)

User departments refer to those government institutions using government owned motor vehicles. The Accounting Officer of each government institution is responsible for ensuring that the government vehicle fleet in his charge is maintained to an acceptable standard. Vehicles should be regularly checked by referring to the maintenance register. The level of vehicle maintenance (such as routine versus overhaul) and the maintenance periods should be strictly adhered to.

Basically, a user department will initiate the repair and maintenance of their vehicles. Drivers of government vehicles are generally responsible for advising their supervisors on the need for repair or when service is due. From there the Transport Officer will report to the administration department for approval to take the vehicle to TEMESA for inspection and possible repair. The roles of the user departments include:

- detecting indications of faults and report to TEMESA for inspection;
- keeping track of maintenance schedule (e.g. general service);
- paying for the services;
- maintaining a record of maintenance, repairs and replacement in respect of each motor vehicle;
- making the records available for inspection by the MoW/TEMESA;

2.2.5 Other Actors

Ministry of Finance

The major role of the Ministry of Finance is disbursement of funds to user departments, TEMESA and MoW.

Director of Government Asset Management Department under the Ministry of Finance has the following responsibility:

- Formulation of Policy and Guidelines relating to Government properties/assets.
- Inspection and Control of Government assets/property.
- Keeping an up-to-date inventory system.
- Disposal of government assets/properties

Government Procurement Service Agency (GPSA)

- In the financial year 2010/2011 GPSA procured (shortlisted) private garages for rendering services to the MDAs. Neither MoW nor TEMESA were involved in the selection process. However, MoW and TEMESA were still obliged to carry out their supervisory role on the maintenance of government vehicles.

President's Office - Public Service Management (PO - PSM)

- The PO-PSM is responsible for issuing government circulars on the management and use of government owned motor vehicles.

2.3 Maintenance of Government Vehicles

2.3.1 Maintenance Work Flow

TEMESA workshops, being the appropriate TEMESA workshops, are responsible for the repair and maintenance of government - owned motor vehicles. Services of the private garages can only be sought where TEMESA is unable to carry out the repair or maintenance works.

There are three types of pre-inspections depending on the needs of the user department. The first inspection is the normal inspection which is done to the vehicles which will be repaired and maintained at the TEMESA workshop. The second type of inspection is done to the vehicles which are going to be outsourced to private garage(s) for repair and maintenance under the supervision of TEMESA. After the repairs from the private garages, post-inspection needs to be done to ensure the service rendered meets the required standards. The last type of pre-inspection is cost estimates, where the user department only need to get cost estimates which will be used as the basis for comparison when they go through competitive tendering or pre-qualification process to get private garages to repair and maintain their vehicles.

The Maintenance Work Flow /Procedures is as follows:

1. Work request raised by the User Departments and sent to TEMESA requesting for:
 - i. Cost estimates only; or
 - ii. Pre- service inspection of outsourced works.
2. The vehicle is handed over to the Inspection Section (TEMESA) by the Transport Officer from User Department
3. Inspection work is carried out by the Inspector of TEMESA
4. Inspection report is:
 - i. sent to User Departments for authorisation of repair
 - ii. used within TEMESA or private garages where repairs are done
5. Repair is done by the respective workshop
6. Post-service inspection is conducted to both outsourced vehicles and the ones repaired at the TEMESA workshop.
7. Invoices/bills are raised and sent to the User Department
8. User department pays for the service.

The maintenance work flow is illustrated in Figure 2.2 below:

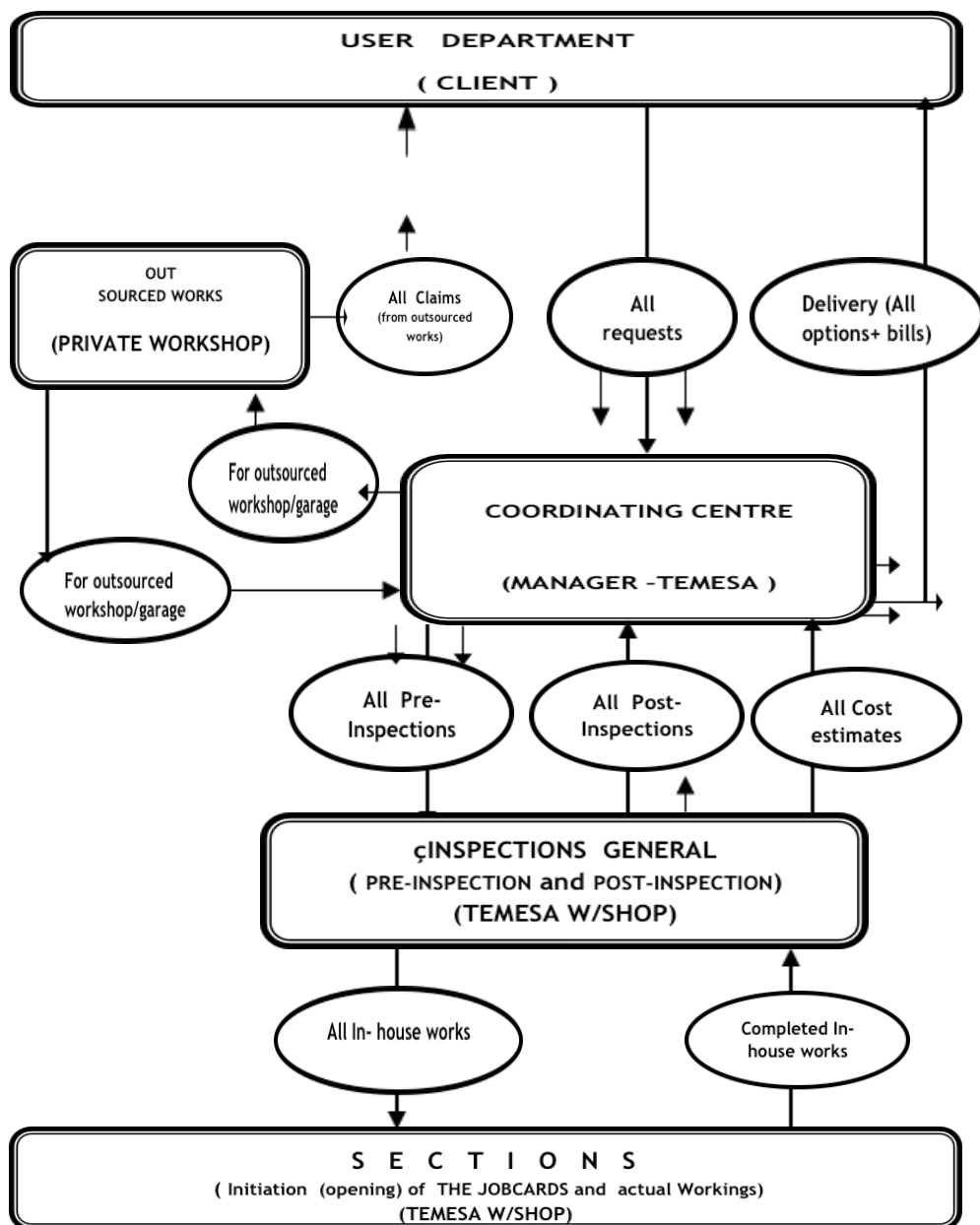


Figure 2.2: Work Flow Procedures

2.3.3 *Quality Control*

One of the key responsibilities of the Production and Maintenance Works Division in TEMESA is to formulate, establish and supervise the implementation of the quality maintenance standards for electrical, mechanical and electronics works⁷.

Quality Control aspects include:

- Developing maintenance guidelines;
- Selection of private garages that are authorised to maintain and repair government-owned motor vehicles;
- Pre-service inspection of vehicles that need to be repaired;
- Post-service inspection that have been repaired in the private garages and
- Supervision and performance monitoring of the conduct of authorised private garages.

7. The current Ministry of Works

CHAPTER THREE

AUDIT FINDINGS

In this chapter, findings on maintenance management of government owned motor vehicles are presented. The presentation addresses four items of importance for an efficient management of the maintenance services. These items are linked to the audit questions concerning:

- Developed policy framework and guidelines for maintenance management of government owned motor vehicles
- Implementation of Maintenance activities
- Monitoring of garages and workshop performance by TEMESA
- Monitoring and evaluation of TEMESA's performance by the MoW

3.1 Guiding Instruments for Maintenance Management

Existence of policy framework and guidelines for vehicle maintenance would provide users of government motor vehicles with clarifications on maintaining their motor vehicles in good working conditions at all times. As explained in Section 2.2.1 of this report, this is the responsibility of MoW. This section provides details regarding development and use of guiding instruments for maintenance of government owned motor vehicles.

3.1.1 *Policy on Motor Vehicle Maintenance Management*

Policies and procedures are the strategic links between the Ministry's Vision and its operations. Well written policies and procedures allow key players in maintenance of government owned motor vehicles to understand their roles and responsibilities within predefined limits.

The MoW is required to develop policies that will guide maintenance of government owned motor vehicles. However, no policy has been developed to guide government institutions in the maintenance of government owned motor vehicles. The documents that are being used to guide maintenance activities are Government Circular No. 1 of 1998 and Public Procurement Regulations (PPR) of 2005.

Similarly, the regulations do not provide clear guidance procedure. Lack of a maintenance policy and clear procedures implies that key players in the maintenance management of government owned motor vehicles are less informed on their key roles and responsibilities which are supposed to be undertaken when carrying out their duties.

3.1.2 *Guidance on Motor Vehicle Maintenance Management*

For the government garages and workshops to be able to execute their maintenance functions efficiently, guidelines and checklists for maintenance procedures are expected to be in place.

According to interviews with officials from TEMESA, guidelines such as maintenance manuals, procedures and quality standards do not exist. Inspections and maintenance are done based on the respective motor vehicles manufacturers' manuals and experience of the mechanics.

3.2 Implementation of Maintenance Activities

This section focuses on how maintenance activities is being implemented by both In charges of government owned motor vehicles and Agency responsible for repairing and maintaining government vehicles. This includes pre-maintenance inspection, maintenance and post-maintenance inspection conducted.

3.2.1 *Pre-inspection of Vehicles*

TEMESA is required to do pre-service inspections to all government owned vehicles brought to their workshops in order to identify the problems and estimate the costs of repairs. The time spent on pre-service inspections also needs to be recorded. In order to be able to plan for implementation of their roles properly, inventory of all government owned motor vehicles needs to be maintained. In a similar way, for an organization to maintain/repair its vehicles effectively and efficiently, it needs to have in place the prescribed maintenance time-frame for each vehicle.

However, interviews with senior officials of TEMESA revealed that the Agency conducts pre-inspections but had not developed the timeframes for the actual motor vehicle inspection within the Workshops. This resulted into Workshops carrying out pre-inspection at their own pace because they were not time bound.

In addition, the Agency had not developed the timeframe to benchmark maintenance activities conducted by the authorized private garages.

3.2.2 Maintenance and Repair Activities

The primary task of maintaining government vehicles rests with TEMESA. TEMESA can decide whether the services are to be undertaken by their workshops or authorized private garages as detailed under chapter two.

According to interviews with TEMESA officials, Workshop Managers within TEMESA are responsible for assigning motor vehicles to garages after pre-maintenance inspection has been conducted. It was also revealed that Workshop Managers have been able to assign vehicles to garages only when the motor vehicles had been sent to TEMESA for maintenance or repair. In some instances the motor vehicles are taken to TEMESA only for pre-maintenance inspection. Others are taken for inspection and estimation of repair costs. Vehicles that have been sent to TEMESA for inspection include new motor vehicles which were still under warranty conditions requiring them to be maintained by the car dealers such as Toyota (T) Ltd., D. T. Dobie etc.

Interviews have also revealed that in many cases user departments have been the ones deciding on where to send their vehicles for maintenance or not. For, instance, at MT Depot which is the biggest and best equipped among TEMESA workshop, 30% of the MDAs send their vehicles only for pre-service inspections and never for maintenance, repair and post-service inspections.

Site visits to the TEMESA workshops located in Dar es Salaam (i.e. MT Depot and Vingunguti Workshops) revealed that, the workshops had many equipment that were either outdated or not working. Major equipments for workshop activities are grounded and in poor condition⁸. For example in MT Depot Workshop, equipment had not been replaced since 1947 when the depot was constructed. This may result into making TEMESA workshops unable of performing maintenance of motor vehicles to their full capacity.

Based on the Agency's financial report ended for the year 31 December, 2010, the audit also noted an existence of a total debt of TSh 3.9 billion for maintenance rendered to MDAs accumulated since 2006 which had not been paid to TEMESA to date. Even MoW, the overseer of the Agency, owe TEMESA TSh 217 million. This is

⁸ Some of the equipments are Vices, Lathe machine, Milling machine, Crank shaft grinder, Injector pump test machine, Optical wheel alignment, Avometer, Booster cable, Torque wrench, Vernier calliper, Dial gauge, Panel beating tools, Power compressor, Outside monometer

an alarming figure and may have significantly affected the activities of the Agency (Refer Appendix 3).

Furthermore, interviews' with workshop managers revealed that, workshop managers did not maintain updated lists of authorized private garages where they can assign government vehicles for maintenance. Lack of an updated list of authorized private garages may lead to assigning vehicles to unauthorized garages which may result into compromised quality of the services to be provided.

3.2.3 Post-Service Inspection of Motor Vehicles

After maintenance and repair have been done in the private garages, the government vehicles have to pass through post-maintenance inspection by TEMESA workshops to check whether the maintenance conducted met the required quality as per pre-inspection report.

However, based on the 16 vehicle files reviewed it was noted that none of the vehicles that were repaired by the private garages had gone through post-maintenance inspection by TEMESA workshops. Post-service inspection has been conducted only for maintenance works that were conducted in TEMESA workshops.

Furthermore, based on the records at MT Depot Workshop in Dar es Salaam, 19 out of 64 MDAs sent their vehicles to TEMESA for only pre-service inspection but never came back for post-service inspection after maintenance at the private garages. The remaining 45 MDAs have a history of sending their vehicles to TEMESA (MT Depot) for maintenance. However, it was not possible to ascertain whether these MDAs have been sending all their vehicles to TEMESA since their respective actual number of vehicles were not known to TEMESA.

Despite the importance of post-service inspection in quality assurance of the maintenance activities, TEMESA did not conduct any follow up of user departments and private garages to check whether the maintenance rendered was based on the pre-inspection report.

This practise fuels the habit of the user departments using TEMESA workshops just for pre-inspections.

Ignoring post-service inspection makes it difficult to assess the quality of maintenance service rendered by private garages. It is also difficult for TEMESA to ascertain whether the vehicles were actually attended to by the authorized private garages.

3.2.4 Monitoring of User Departments

TEMESA is supposed to conduct inspection and supervision to ensure that the MDAs (user departments) are carrying out maintenance of government vehicles with due regard to efficiency, effectiveness and economy. The Agency is also supposed to make sure that all the necessary stages of maintenance are adequately attended. Necessary stages include determining maintenance requirements, carrying out appropriate interventions and checking whether the problems have been adequately solved.

According to interview undertaken with officials in the visited ministries, no inspection visits have been conducted by TEMESA to check whether government institutions efficiently maintain government owned motor vehicles. Interviewed TEMESA officials acknowledged that the Agency has not conducted inspection visits to the user departments to verify whether maintenance procedures are adhered to. According to TEMESA officials, it was not possible to conduct monitoring of the MDAs due to lack of financial and human resources.

Further enquiries revealed that the Agency did not have any documented guidelines, plans or procedure for monitoring the actions of the user departments.

TEMESA does not give priority to monitoring of the actions of government institutions because this is not documented in any of the operational documents of the agency. Despite its importance, the monitoring is not among the identified key issues mentioned in TEMESA Business Plan the for financial year 2010/2011.

3.3 Monitoring of Performance of Garages/Workshops

This section focuses on how TEMESA has been monitoring the performance of garages/workshops which have been involved in maintenance of government owned motor vehicles. This includes determining how private garages are selected, review of the monitoring plans in place and their implementation.

3.3.1 Selection of Private Garages/Workshops

Maintenance of government vehicles can be outsourced to private garages where the TEMESA workshops are unable to carry out the repair or maintenance due to non-availability of spare parts, technical know-how or other resource constraints or because the price offered by such workshop or garage is above the available market prices⁹.

However, through interviews with TEMESA officials and review of documents¹⁰ it was revealed that during the financial year of 2009/2010 the selection¹¹ of private garages was done by the Ministry of Works. The Ministry then directed TEMESA to monitor the performance of the selected garages. Surprisingly, the Ministry of Works did not always involve TEMESA in the entire process of selecting the private garages despite the fact that TEMESA are the experts in that area and were also expected to work with and monitor the operations of the garages.

Likewise in the financial year 2010/2011, the selection of the private garages to provide maintenance and repair services to government owned motor vehicles was done by the General Procurement and Supply Agency (GPSA) also without the involvement of TEMESA. The act of ignoring the involvement of TEMESA in the entire process of procuring the services of the private garages in two consecutive years 2009/10-2010/11 curtailed the supremacy of the agency taking into account that the agency is expected to play a supervisory role of monitoring those private garages.

It is acknowledged that during the cause of this audit, it was found out that, in the financial year 2011/2012, the task of selecting private garages was shifted to TEMESA. However, up to mid October 2011 the contracts between TEMESA and the newly shortlisted private garages were not ready for signing. This implies that MDAs that were sending government motor vehicles to private garages between 1st July and 14th October 2011 were breaking the law as there was no binding contract between TEMESA and the private garages to provide such services. This tendency of delayed shortlisting of garages has been persistent over the three years covered under this audit (2008/09 t- 2010/11).

9 INTOSAI's standards require sufficient and appropriate evidence obtained by planning and performing of the audit as a reasonable basis for findings, conclusions and recommendations

10 Tanzania Electrical, Mechanical and Electronics Services Agency (TEMESA) Executive Agency Establishment Order, 2005.

11 Ministry of Infrastructure Development Strategic Plan 2009 / 2010-2011 / 2012.

3.3.2 Plans for Monitoring Private Garages

Monitoring plan is a management tool which enables the management to ensure the periodic oversight as detailed in chapter two para 2.2.2 of this report.

Interviews with officials and documents were reviewed in the Agency, to ascertain the extent to which internal procedures and rules had been developed for operating and maintaining government vehicles as well as monitoring the performance of private garages. The audit found out that TEMESA did not have in place comprehensive plans for monitoring and evaluating the performance of the authorized private garages which were given the responsibility to maintain government vehicles.

The audit also found out that the Agency had not developed any operational guidelines of checklists that could be used to monitor the performance of the authorized private garages. Moreover, the Agency did not have in place vehicle records from user departments in which the Agency can know exactly the number of motor vehicles that the government has. These records are important because they form the basis for the preparation of the monitoring plans.

In addition, monitoring of authorized private garages seems not to be among the Agency priorities because it was not mentioned among key issues identified in the Agency's annual business plans for the three years under this audit.

According to interviews with officials from TEMESA and MoAFS&C, the Agency had neither conducted inspection visits nor communicated with the user departments with a view to follow-up the whereabouts regarding motor vehicles maintenance. Based on the interviews with Agency officials it was learnt that the management was not aware of their obligation to monitor the actions of user departments regarding maintenance of government vehicles.

3.3.3 Implementation of Monitoring Activities

Interviews with officials from TEMESA and MoAFS&C revealed that TEMESA did not perform monitoring regarding the activities of private garages despite their role in the repair and maintenance of government motor vehicles. This fact raises concerns over the quality of services that are rendered by the private garages entrusted with services.

However, according to the reviewed documents¹² it was noted that TEMESA were conducting performance review of their planned activities with a view to inform the Ministerial Advisory Board (MAB) on their annual performance. The MAB is expected to advise the Minister and the Permanent Secretary of the MoW based on these reports. Table 3.1 shows TEMESA's planned activities against actual achievements for the year 2010/2011.

Table 3.1: TEMESA planned activities against actual achievement for the year 2010/2011

S/N	Activities	Planned Jobs Per Year 2010/2011	Actual Achievement	Percentages of actual/planned activity
1	Vehicle routine service and Minor repair	10,140	4,909	49
2	Vehicle major repairs	600	575	96
3	Vehicles maintenance outsourced	0	1,898	-

Source: TEMESA Performance Review Report for 2010/2011

From Table 3.1 above it can be seen that monitoring of authorized private garages was neither planned for nor conducted. The agency conducted routine service and minor repairs on less than half of the planned number of motor vehicles. The agency did not plan to outsource motor vehicles maintenance but it actually outsourced repair of 1,898 vehicles. Outsourcing of maintenance activities was handled on adhoc basis since it was not planned for. It is also difficult to monitor activities that were not planned for.

3.3.4 Actions Taken by TEMESA

In order to improve the situation, TEMESA is to take corrective action based on what shortcomings were noted during the monitoring exercises. For the three consecutive years audited (2008/09 - 2010/11) the audit could not see any actions geared towards enhancing TEMESA's monitoring role on the activities of private garages that are involved in the maintenance of government motor vehicles.

¹² Government Circular No. 1 of 1988 on Actions to be taken to minimize government expenditures with Ref. No. SHC / C. 180 / 1 / 99 dated 10th March 1988

3.4 Monitoring and Evaluation Conducted by the MoW

Monitoring and evaluation are critical oversight and program management tools that could help in ensuring that strategic objectives and intermediate goals of MoW are met.

This section focuses on how MoW conducts monitoring and evaluation of motor vehicle maintenance activities in the country. It includes how the Ministry plans the monitoring and evaluation of TEMESA's performance, criteria used for evaluation, how it is conducted and actions taken on the evaluations conducted.

3.4.1 *Performance Monitoring of TEMESA*

The MoW has the responsibilities of monitoring performance of TEMESA as detailed in chapter two paragraph 2.2.1 of this report. However, results from document review and interviews with the MoW officials during the course of this audit revealed that the Ministry does not perform monitoring and evaluation of the activities of TEMESA. Also, the Ministry does not keep an up-to-date inventory of government motor vehicles.

The MoW maintains three registers in which newly acquired motor vehicles, motor cycles and plant are recorded. The three registers are based on the registration categories of ST, DFP and PT for government owned vehicles, vehicles in donor funded projects and police force vehicles respectively. The basic records¹³ of motor vehicles owned by other government entities such as LGAs (SM), public parastatals (SU), the military (JW) are not kept in the Ministry's registers which is a serious anomaly as all these vehicles are rightfully government owned motor vehicles.

It was noted that the MoW registers do not show the physical conditions of the registered vehicles since MoW does not enquire from the MDAs on such information. The only instance in which such enquiries are made is when a motor vehicle is about to be disposed and the Ministry is consulted with a view to give an estimated value (price) of such a vehicle.

Interviews were also held with officials in the Division of Government Assets Management (DGAM) in the MoF in an effort to get an inventory of government owned motor vehicles. It was noted that the division was in the initial stages of compiling the government assets register. However, according to the DGAM officials did not have enough information on government owned motor vehicles and they were relying on the MoW to get this information for inclusion in the government

13 Section 59 Maintenance and repair of government owned motor vehicles, plant and equipment.

assets register.

No stocktaking of vehicles was performed in any of the three years covered in this report 2008/09-2010/11. In this regard, the Ministry cannot give the exact number of government owned motor vehicles, their physical conditions or their roadworthiness. This state of revelation may also result into difficulties in developing appropriate plans for management of government owned vehicles.

Similarly, the Ministry of Works lacks a comprehensive plan for monitoring the performance of TEMESA on the issues of maintenance of government vehicles. The audit also found out that MoW, despite being the overseer¹⁴ of maintenance of government owned motor vehicles, the Ministry has neither developed the maintenance policy nor monitoring system which could have been the guide for monitoring the performance of TEMESA.

Equally, there was no documented statement in the Ministry's Strategic Plan detailing the overall objectives, strategies and priorities for monitoring TEMESA operations.

Lack of maintenance policy and monitoring plans may hamper the MoW from having reliable information for guiding and controlling maintenance of vehicles and making right decisions in attaining set goals.

3.4.2 *Performance Evaluation of TEMESA*

Interviews with the Ministry officials revealed that the Ministry did not conduct any evaluation on the performance of TEMESA in the three consecutive years under this audit.

However, the Ministry officials later claimed that the Ministry commissioned BICO to conduct evaluation on the performance of TEMESA in 2009. The said evaluation report was not available for verification. In this regard, the audit could not substantiate the existence of the report, key issues reported, recommendations and the extent to which the recommendations have been used by TEMESA and/or MoW to address the reported challenges.

In addition to some MDAs slackness in paying their debts to TEMESA (refer Section 3.2.2), others had abandoned their vehicles in TEMESA premises for a long time. A visit at MT Depot revealed that 12 motor vehicles have been left by the owners without giving a go ahead to TEMESA to proceed with the repairs (see Table 3.2). According to interviews with TEMESA officials, the prolonged delay in repairing the vehicles is

attributed to lack of funds by the government institutions that own the respective motor vehicles. The estimated costs of repairing the abandoned motor vehicles were not made available to the auditors. TEMESA on the other hand could not show that they have reminded the vehicle owners to play their part. Furthermore, the MoW has not taken any action regarding abandoned motor vehicles due to inadequate monitoring of government owned motor vehicles.

Table 3.2: Vehicles awaiting repairs at MT Depot Workshop

SN	Reg No	Make	Owner	Duration of Stay	Cost Estimate (Shs)
1	STJ 3842	Toyota Land Cruiser	Ministry of Labour	2.5 Years	10,726,000
2	DFP 1090	Toyota Land Cruiser	Ministry of Finance	2.5 Years	6,685,000
3	STK 4233	SUZUKI	Parliament Office	2.5 Years	10,072,500
4	STJ 1810	Mercedes Benz	Parliament Office	1	Not known
5	STJ 3556	Toyota Land Cruiser	Ministry of Industry	1.5	Not known
6	STJ 2555	Nissan	Ministry of Industry	1.5	7,033,000
7	STJ 2806	Toyota Hard Top	Ministry of Works	1	1,530,000
8	STJ 2986	Toyota Hard Top	Ministry of Works	1	1,586,500
9	STK 2926	Toyota Land Cruiser	Ministry of labour	Above 6 months	10,679,450
10	STK 1971	Canter	FRTC	Above 6 months	3,564,150
11	STH 5812	Isuzu	Lindi Municipality	Above 6 months	Not known
12	STJ 2316	Kia	Prison	Above 6 months	4,959,360

Source: MT Depot Workshop

Some of the abandoned motor vehicles that have been mentioned in table above are shown in photo 3.1 below:



Photo 3.1: Some of the abandoned motor vehicles at MT Depot Workshop

The government motor vehicles in this picture were found in the MT Depot compound at the time of audit. These are typical of many that are abandoned at TEMESA and private garages. Some are no longer serviceable and they had been left in the garage compounds to dilapidate.

Table 3.3: Vehicles awaiting repairs at Vingunguti Workshop

S/N	Reg No	Make	Owner	Duration of Stay	Cost Estimate (Shs)
1	STK767	Nissan	Science	3 months	1,353,710
2	STK2311	Toyota Land Cruiser	DAS-Kisarawe	5 months	8,554,562.50
3	STH 4757	ISUZU Truck	Tourism	8 months	10,012,950

Source: Vingunguti Workshop

Table 3.4: Vehicles awaiting repairs at Maximum Auto Garage

S/N	Reg No	Make	Owner	Duration of Stay	Cost Estimate (Shs)
1	STJ 9945	Toyota Land Cruiser	Mifugo	1 month	7,000,000
2	STJ 2415	Hyundai	Immigration	7 months	3,000,000
3	STH 8541	Mazda	Immigration	8 months	2,500,000
4	DFP 2594	Nissan Extrail	Sheria	6 months	5,000,000

Source: Maximum Auto Garage

CHAPTER FOUR

CONCLUSIONS

Our audit findings presented in the previous chapter give us reasons to draw the following conclusions.

General Conclusion

TEMESA and the MoW lack specific plans for monitoring and evaluating government owned motor vehicles maintenance activities. TEMESA under Ministry of Works had not performed the monitoring and evaluation function of authorized private garages and user department focusing on government owned vehicles maintenance activities. The MoW lacks government owned vehicle maintenance guidance to be used by the agency when providing motor vehicle maintenance services.

The audit found that MoW did not appropriately manage even basic functions such as maintaining a comprehensive up-to-date inventory of government vehicles and no government motor vehicles stocktaking was performed. Because of this, the ministry cannot tell the exact numbers of vehicles that the government owns. Hence it may be difficult for the ministry to develop accurate plans for managing maintenance of government vehicles.

Specific Conclusions

The following are specific conclusions:

4.1 Inadequate Maintenance Guiding Instruments

The MoW as the responsible Ministry in the management of government owned motor vehicles has not put in place proper maintenance management system. In addition, maintenance policy is not in place thus there is inadequate guidance on motor vehicle maintenance management. No specific quality standards and manuals have been developed for addressing maintenance of government-owned motor vehicles. Despite the importance of government vehicles maintenance, the MoW did not develop adequate maintenance procedures to be implemented by the agency, user department and ministries.

Vehicle maintenance guidelines would provide ministries with the basis for a consistent approach by ministries in maintaining their vehicles to a safe operating standard. The guidelines would also provide the ministry with relevant criteria for assessing/evaluating how government institutions manage government owned motor vehicles.

4.2 Inadequate Management of Maintenance Activities

Maintenance of government owned motor vehicles is not efficiently managed. This is because not all government owned motor vehicles are inspected by TEMESA before maintenance takes place. There is lack of feedback given to TEMESA through post-service inspection. This makes it difficult for TEMESA to ascertain the quality of maintenance work rendered by private garages. It is also difficult to ascertain whether the services were obtained from authorized private garages.

Similarly, decisions to assign maintenance work to workshops are not appropriately done. No follow up mechanism is in place to oversee efficiency of the selected workshops.

4.3 Inadequate Monitoring of Garages/Workshops Performance

Performance of private garages and workshops is not adequately monitored. No mechanism is in place to monitor private garages' performance. TEMESA does not have monitoring plans in their annual plans. Lack of these in their annual plans implies the agency has withdrawn itself from its responsibility to manage maintenance of government owned motor vehicles.

Similarly, no evaluation has been conducted by TEMESA on the approved garages and workshops on the services rendered to government institutions. There is no report has been requested by TEMESA from approved private garages/workshops on the maintenance conducted on government motor vehicles. Annual performance evaluation would assist the agency and even the ministry in charge of government owned motor vehicles in determining efficiency and capacities of the approved/authorised garages/workshops.

Poor supervision and monitoring of performance made it difficult for TEMESA to take corrective action on authorised private garages/workshops that do not perform efficiently.

4.4 MoW does not sufficiently Monitor Maintenance Performance

There is inadequate Performance Monitoring of TEMESA. The MoW has neither conducted an evaluation of TEMESA nor government institutions performance on how government owned motor vehicles maintained. The Ministry does not maintain up-to-date inventories of government vehicles as a tool for monitoring performance.

Similarly, the Ministry lacks plans for monitoring performance of TEMESA on the issue of maintenance of government vehicles. Yet it is not included in the Ministry Strategic Plan. This has resulted into less action taken by the ministry in assuring that government owned motor vehicles are maintained efficiently.

Likewise, lack of monitoring mechanisms and evaluation of TEMESA's performance by MoW hinders the Ministry from executing management of government owned motor vehicles efficiently and effectively. Equally, it led to less action taken to improve maintenance management.

There is inadequate of coordination among various government institutions which are responsible for management of government vehicles. Information regarding the state of affairs of the vehicles is managed in a fragmented way.

CHAPTER FIVE

RECOMMENDATIONS

The audit findings and conclusions point out weaknesses in the monitoring of management of government vehicles maintenance.

Similarly, weaknesses are surfacing on the guiding instruments that govern the operation of TEMESA and Private Garages on the issue of maintenance and also inadequate implementation of maintenance activities.

This chapter therefore contains recommendations to the Ministry of Works (MoW) and TEMESA regarding the weaknesses pointed out in the previous two chapters. The audit office believes that these recommendations need to be considered if the government vehicles maintenance services/provision in Tanzania are to be better managed ensuring that the Economy, Efficiency and Effectiveness are achieved in the use of public resources.

5.1 Instruments for Guiding Maintenance Activities

Ministry of Works

The Ministry of Works should develop maintenance policy and adequate guidance for government owned motor vehicles that can be used by TEMESA and authorized private garages.

This can be done by ensuring that Maintenance guidelines and policies are in place that comply with the existing law and promote effectiveness and efficient of government owned vehicles maintenance.

TEMESA

TEMESA should develop maintenance guiding tool on government vehicles maintenance that should be provided to the user departments and TEMESA Workshops.

This can be done by ensuring that:

- The Agency comes up with the maintenance manuals and procedures, for guiding the user departments, and authorized private garages on government owned vehicles maintenance and ensuring compliance with that guidance.
- Should develop operational guidelines for use by all authorized private garages and TEMESA workshops and that the guideline requirements are to be enforced.

5.2 Implementation of Maintenance Activities

TEMESA should ensure that it appropriately implement effective maintenance activities. The Agency should consider:

- Developing the comprehensive maintenance register that will keep all maintenance records to measure efficiency of the Workshops
- Having effective plan governing outsourcing maintenance of motor vehicles to private garages after pre-inspection where the agency has no capability to maintain the vehicle
- Developing effective operational guidelines at workshops and private garage level and the guidelines should be enforced.
- Establishing inventory management system on government motor vehicles that will serve as the base for planning and monitoring maintenance activities.

5.3 Monitoring of Performance of Garages/Workshops

TEMESA should ensure that it appropriately monitors the government motor vehicles maintenance provided by authorized private garages/workshops

This can be done by considering:

- Developing maintenance monitoring plans to be used by the Agency;
- Conducting evaluation of private garage and workshops in the maintenance of government vehicles as a means of assessing their capacities and efficiencies;

TEMESA should ensure that it properly monitors government institutions in the maintenance of government owned motor vehicles.

This can be done by considering:

- Maintaining of an updated data of government owned motor vehicles with their respective in charges
- Inspection visits are conducted in government institutions to check how government vehicles are maintained;

TEMESA should also ensure that post-inspection is conducted on all the government owned motor vehicles that have been repaired by private garages.

5.4 Monitoring and Evaluation Conducted by the MoW

The Ministry of Works should ensure that periodically, it evaluates the performance of TEMESA on how it manages government vehicles maintenance.

This can be done by considering the following:

- Establishing a timely risk based plan for the evaluation of TEMESA on issues related to government vehicles maintenance.
- Evaluations that include TEMESA workshops and authorized private garages procedures on the test basis, the effectiveness of the vehicle maintenance programmes , assessment of staff level at TEMESA workshops , including,

adequacy of the equipment and levels of competency of mechanics;

- Assessment of whether corrective measures have been taken against the underperforming garages/workshops on government vehicles maintenance issues
- Evaluation of the extent of communication of the results of evaluations to the agency.
- Developing an up-to-date inventory of government vehicles. This may be in the form of an electronic records management system.
- Maintaining a motor vehicle maintenance policy that is distributed to all user Departments and users of government vehicles to foster consistency in the way government vehicles are maintained and repaired.
- Initiating strategies for intervention of TEMESA's outstanding debts of TShs 3.9 billion to rescue the agency for smooth operation
- Ensuring that the previous practices for non involvement of TEMESA in the entire process of selecting private garages should not be repeated
- Ensuring that government vehicles do not overstay at the garages/workshops.

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Appendices

Appendix 1

Audit Questions and Sub Questions

This report provides the result from applying the following four audit questions:

1. Do the MOW and TEMESA have appropriate strategies and laid down procedures for managing maintenance activities at strategic and operational levels?

Sub Questions

- 1.1 Does the MOW and TEMESA have developed essential documents for guiding maintenance activities at the strategic and operational level?
- 1.2 Does the MOW and TEMESA have regular system of updating the essential documents?
2. Does TEMESA ensure that the procedures for maintenance of government - owned motor vehicles are adequately implemented?

Sub Questions

- 2.1 Is the diagnostic inspection conducted?
- 2.2 Does TEMESA appropriately assign maintenance activities to garages (government or private)?
- 2.3 Are vehicles inspected after repair?
- 2.4 Does TEMESA adequately monitor the actions of user departments regarding maintenance of vehicles?

3. Does TEMESA adequately monitor the performance of workshops/ garages (government and private)?

Sub Questions

- 3.1 Does TEMESA have monitoring plans?
- 3.2 Does TEMESA (or MoW) approve the private garages selected?
- 3.3 Does TEMESA follow up on the conduct of the approved private garages (controls)
- 3.4 Does TEMESA take actions to address issues observed during the monitoring?

4. Does the MoW adequately monitor and evaluate the performance of TEMESA?

Sub Questions

- 4.1 Does the MoW monitor the performance of TEMESA?
- 4.2 Does the MoW evaluate the performance of TEMESA?
- 4.3 Does the MoW take actions based on the M&E conducted in order to improve performance of TEMESA?

Organization of the TEMESA

TEMESA is organized through four functional divisions namely:

- Production and Maintenance Works Division;
- Technical Advice and Consultancy Division;
- Business Support Service Division; and
- Equipment Hire and Ferry Services Division.

Issues related to the maintenance of government vehicles fall under the Production and Maintenance Works Division which has the following duties and responsibilities:

- v) manage the functions of Production and Maintenance Works Division of the Agency by formulating short and long term work programmes and supervise the implementation of such programmes
- vi) formulate an effective Maintenance Management System
- vii) draw up an effective programme for the strengthening and modernization of the existing workshops in all Regions
- viii) formulate, establish and supervise the implementation of the quality maintenance standards for electrical, mechanical and electronics works.
- ix) Undertake any other functions as may be directed by the Chief Executive from time to time

Policies and Procedures are the strategic link between the ministry's Vision and its day-to-day operations. Well written policies & procedures allow key players in maintenance of government owned motor vehicles to understand their roles and responsibilities within predefined limits. Basically, policies & procedures allow management to guide operations without constant management intervention.

Table A3: Debts that MDAs owe TEMESA up to 31st December 2010

S/N	Particulars	Amount (TZS)	75% materials from supplier	25% labour charge
1	KILIMANJARO	146,841,952.60	110,131,464.45	36,710,488.15
2	MOROGORO	62,803,726.00	47,102,794.5	15,700,931.5
3	DODOMA	154,322,716.00	115,742,037	38,580,679
4	MBEYA	400,913,728.72	300,685,299	100,228,432
5	MANYARA	114,482,305.97	85,861,729.5	28,620,575.50
6	SINGIDA	42,446,368.61	31,834,776.50	10,611,592.60
7	MT. WORKSHOPS	715,231,709.00	536,423,781.80	178,807,927.20
8	GTA	30,175,500	22,631,625	7,543,875
9	PWANI	196,898,174.50	147,673,630.9	49,224,543.13
10	RUKWA	79,018,583.80	59,363,937.90	19,754,645.95
11	KAGERA	164,246,536.55	123,184,902.41	41,061,634.14
12	MARA	60,297,760	45,223,320	15,074,440
13	LINDI	14,071,447	10,553,585.25	3,517,861.75
14	MWANZA	93,068,332.75	69,801,249.60	23,267,083.18
15	MTWARA	64,589,905.00	48,442,428.75	16,147,476.25
16	CORPORATION SOLE	473,258,710.50	354,944,032.87	118,314,677.60
17	SHINYANGA	93,896,441.44	70,422,331.08	23,474,110.36
18	ARUSHA	92,985,516.11	69,739,137.08	23,246,378.90
19	KIGOMA	76,197,519.65	57,148,139.74	19,049,379.30
20	DAR-ES-SALAAM	499,793,967	374,845,475.25	124,948,491.70
21	RUVUMA	38,158,862.09	28,619,146.57	9,539,715
22	TABORA	84,202,662	63,151,996.50	21,050,665.50
23	TANGA	159,963,977	119,972,982.75	39,990,994.25
	TOTAL	3,857,866,402.29	2,893,499,804.4	964,466,597.96

Source: TEMESA Report Madeni ya TEMESA tunayodai Wizara, Idara na Taasisi Za Serikali hadi 31, December, 2011

Table A4: Some Extracts from the 16 Vehicle Files Reviewed

S/N	Registration No	Owner of motor vehicle	Pre-inspection by TEMESA	Post inspection by TEMESA	Maintained at TEMESA Workshop or private garage
1	STK 8001	MoW	TEMESA		TEMESA
2	STJ 616	MoW	TEMESA		TEMESA
3	STK 2275	MoW	TEMESA		TEMESA
4	STJ 9322	MoW			
5	STJ 9323	MoW	NO	NO	MAXIMUM AUTO GARAGE
6	STJ 2986	MoW	TEMESA	NO	BIHONYI AUTO WORKS
7	STJ2985	MoW	NO		SEMVUA ENTERPRISES
8	DFP 4350	MoW	No	No	FM Spare Parts and Garages
9	STK 402	MoW	NO	NO	KIDABA AUTO WORKS & TIGER MOTORS
10	STK 8410	MoW	TEMESA		TEMESA
11	STK 2947	MoAFS&C	NO	NO	TOYOTA
12	STK2179	MoAFS&C	NO	NO	THE LIFE LAND AND NDUVINI
13	STK 8142	MoAFS&C	NO	NO	TOYOTA (T) LTD
14	STK 782	MoAFS&C	NO	NO	TOYOTA (T) LTD
15	STK 8269	MoAFS&C	NO	NO	TOYOTA (T) LTD
16	STK 3758	MoAFS&C	NO	NO	D.T. DOBIE

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