

Issue/Concerns	Financial Exposure
Governance	
<p>the value to be recovered from either the DCS' driver or a third party if found to be negligent.</p> <p>3.2.104. Notwithstanding, to its credit, DCS maintained logbooks for its fleet vehicles. However, our review revealed incompleteness in the data captured. We found that specific location travelled to and the odometer readings, pre- and post-travel, were not consistently documented. DCS' accounting records indicated that between 2016/17 and 2017/18, the Department spent \$75.9 million and \$6.6 million, respectively, on fuel and repairs & service of its fleet vehicles. However, DCS did not maintain the required Operational Efficiency Record, which would capture each fleet vehicle's, speed-o-meter readings, petrol consumption, maintenance and repair costs and accident history. This raises concerns about DCS' ability to determine whether the vehicles were used for official duties as well as its ability to (i) properly monitor, evaluate and reconcile fuel, oil and lubricant usage; and (ii) assess vehicle efficiency.</p>	
<p>Salary overpayments</p>	
<p>3.2.105. We identified eight instances of salary overpayments totalling \$1.5 million due to the failure of personnel/supervisory officers to timely notify the Human Resource (HR) and Accounts unit of the employees' separation from DCS. From a sample of 28 officers who separated from DCS during 2016/17 and 2017/18, we found that nine officers (or 32 per cent) were paid beyond their separation dates as there was no appropriate mechanism in place to ensure their timely removal from the payroll. In addition, DCS was unable to justify payments totalling \$301,002 in allowances and incremental increases paid to the nine officers.</p>	<p>\$1.5 million</p>
<p>Weaknesses in bank reconciliation process</p>	
<p>3.2.106. The audit revealed that DCS did not have an appropriate reporting mechanism in place that will ensure Correctional Centres to timely notify head office of the lodgements made to its Deposit Account. Consequently, as at October 2020, DCS had unidentified lodgements totalling \$2.1 million that the Department was unable to classify and properly bring to account. We found that a lack of coordination between DCS' head office and its Correctional Centres along with the absence of intercompany reconciliation were the main reasons for DCS' inability to identify the source of funds.</p>	<p>\$2.1 million</p>
<p>3.2.107. Further, we found no evidence that DCS made any attempts to research the balances and therefore could not indicate whether the funds should be held to its inmates' credit or be treated as Miscellaneous Revenue and paid over to the Consolidated Fund. This lack of effort was evident in the year-on-year movement in the total unrecorded amount, which remained relatively constant over a 4-year period, reflecting a balance of \$2.11 million in October 2020, relative to \$2.06 million in March 2017. Also, DCS could not indicate precisely how far back the transactions were dated.</p>	